



Appendix 4E

Preliminary final report
Period ended 30 June 2024

EUROZ HARTLEYS GROUP LIMITED

ABN 53 000 364 465

Results for announcement to the market

Extracts from this report for announcement to the market

	30 June 24	30 June 23	Change \$	\$AUD Change %
Revenue from ordinary continuing activities	\$89,216,506	\$95,935,458	(\$6,718,952)	(7.00%)
Profit / (loss) from ordinary activities after tax attributable to members	\$5,468,062	\$9,338,637	(\$3,870,575)	(41.45%)
Net Profit / (loss) for the period attributable to members	\$5,468,062	\$9,338,637	(\$3,870,575)	(41.45%)
Net Tangible Assets per share*	\$0.4931	\$0.4918		0.26%
Dividends and Distributions	Amount per security		Franked amount per security	
Interim Dividend	1.75 cents		1.75 cents	
Record date for determining entitlements to the interim dividend			5 February 2024	
Last date for election to participate in Dividend Reinvestment Plan			N/A	
Dividend payable date			16 February 2024	
The Company's dividend reinvestment plan was <i>not</i> applicable to the interim dividend.				
Final Dividend	3.0 cents		3.0 cents	
Record date for determining entitlements to the final dividend			20 August 2024	
Last date for election to participate in Dividend Reinvestment Plan			N/A	
Dividend payable date			30 August 2024	
The Company's dividend reinvestment plan is <i>not</i> applicable to the final dividend.				
<i>*Includes Right of Use (RoU) assets and liabilities.</i>				

Results commentary for announcement to the market

Euroz Hartleys Group Limited ("Euroz Hartleys") (ASX:EZL) reports an audited result of \$5.5 million net profit after tax attributable to members for the financial year ended 30 June 2024.

After a slow first 8 months dominated by particularly quiet Equity Capital Market (ECM) activity we are pleased with this overall solid net profit after tax for the financial year.

The Directors have previously announced a second half dividend of 3 cents per share ("cps") fully franked. When combined with the interim dividend of 1.75 cps this brings the full year dividend to 4.75 cps fully franked.



Euroz Hartleys is Western Australia's leading private wealth, institutional, corporate finance and funds management business.

We have demonstrated the strong operational leverage of our underlying business during this brief improvement in ECM activity in an overall year that continued to be affected by changing expectations around global growth and inflation.

We are particularly pleased that both Wholesale and Private Wealth brokerage revenues were up strongly on the previous year due to a stronger focus on our trading capabilities. Total brokerage revenues were up 17.2% on the previous year.

A brief but strong capital raising window towards the end of the financial year saw total ECM raisings of ~\$1.4 billion, down from \$1.9 billion in the previous period but in line with continued overall low ECM activity. Our total ECM revenues were down 12.6% compared to the previous year.

Our advisory revenues are a cyclical and smaller component of our revenues and can vary significantly from year to year. Advisory revenues were down 79.5% after a particularly good previous year and we remain optimistic that these revenues from our significant corporate client base will rebound.

We remain focused on increasing our recurring revenues and report a modest increase in Funds Under Management (**FUM**) to \$3.89 billion up from \$3.47 billion. Our team has spent considerable time and effort in developing new strategies to drive FUM growth and consolidate the products in our wealth offering. We have high expectations that the coming year will deliver stronger underlying organic FUM growth.

Euroz Hartleys will continue to embrace all types of both transactional and recurring revenues which give us strength to withstand market downturns and make the most of busier markets when they inevitably return.

We congratulate all staff for their efforts this year in bringing all of our high performing teams together at our new premium office location at QV1. This move to unite all our staff in one office has been important to help coordinate our future growth.

Euroz Hartleys Executive Chairman, Andrew McKenzie commented:

"We are very happy with the performance of our business during the back end of the financial year despite a mostly overall lukewarm market. We strongly believe that our team-based culture is the driving force to our recently improving market share in many parts of our business."

"Our business has undertaken a very significant re-build during the downturn of the last 2-3 years. Our constant focus on investing into our team, youth, succession and our culture will help to ensure growth and resilience in all aspects of Euroz Hartleys going forward."

"We are optimistic that our financial outlook and market position has now improved and that our business remains strongly leveraged to a continued solid overall outlook for commodity prices, a positive Western Australian economy and a growing need for meaningful and holistic financial advice."



Our balance sheet of \$92.3 million of cash and investments at financial year end continues to strongly support our activities, differentiates us from many of our competitors and provides confidence to our significant adviser network and their extensive client base.

The best measure of a strong business is the payment of dividends and we are proud that we have now returned \$345.2 million in fully franked dividends and \$40 million of capital to shareholders across our 24-year history."

For further information please contact:

Andrew McKenzie

Executive Chairman

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This announcement is authorised for release by the Board of Euroz Hartleys Group Limited.

Reporting period

The financial information contained in this report is for the period ended 30 June 2024. This document should be read in conjunction with the Financial Report and any public announcements made in the period by Euroz Hartleys Group Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

Euroz Hartleys Group Limited

ABN 53 000 364 465

Financial Report

For the year ended 30 June 2024

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EUROZ HARTLEYS GROUP LIMITED**CORPORATE DIRECTORY**

Directors	Andrew McKenzie <i>Executive Chairman</i>
	Richard Simpson <i>Executive Director</i>
	Ian Parker <i>Executive Director</i>
	Robin Romero <i>Independent Non -Executive Director</i>
	Fiona Kalaf <i>Independent Non -Executive Director</i>
Company Secretary	Anthony Hewett
Registered Office and Principal Place of Business	Level 37, QV1 250 St Georges Terrace PERTH WA 6000
	Telephone: +61 8 9488 1400
	Facsimile: +61 8 9488 1477
	Email: info@eurozhartleys.com
Share Registry	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace PERTH WA 6000
	Telephone: 1300 787 575
Auditors	KPMG 235 St Georges Terrace PERTH WA 6000
	Telephone: +61 8 9263 7171
Bankers	Westpac Banking Corporation Level 3, Brookfield Place Tower 2 123 St Georges Terrace PERTH WA 6000
	Bankwest 306 Murray Street PERTH WA 6000
Securities Exchange Listings	Euroz Hartleys Group Limited shares are listed on the Australian Securities Exchange (ASX: EZL)
Website Address	www.eurozhartleys.com
Corporate Governance Statement	www.eurozhartleys.com/corporate-governance/

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Directors present their report on the consolidated group consisting of Euroz Hartleys Group Limited (Euroz Hartleys Group) and the entities it controlled (Group) at the end of, or during the year ended 30 June 2024.

The following persons were Directors of Euroz Hartleys Group at any time during or since the end of the financial year and up to the date of this report:

EXECUTIVE CHAIRMAN

Andrew McKenzie

INDEPENDENT NON-EXECUTIVE DIRECTORS

Robin Romero

Fiona Kalaf

EXECUTIVE DIRECTORS

Richard Simpson

Ian Parker

Jay Hughes (*retired 8 August 2023*)

Chief Operating Officer / Chief Financial Officer

Anthony Brittain is the Chief Operating Officer and Chief Financial Officer. Mr Brittain is an Executive Director of Euroz Hartleys Limited (Euroz Hartleys). He is a member of the Euroz Hartleys Group Limited Audit and Risk Committee as well as a member of Euroz Hartleys Limited Underwriting Committee and Compliance Committee. Mr Brittain holds a Bachelor of Commerce degree from the University of Western Australia (UWA) and is a member of the Chartered Accountants Australia and New Zealand (CA ANZ). He also holds a Graduate Diploma in Applied Finance and Investment from Financial Services Institute of Australasia (FINSIA), is a Graduate Member (GAICD) of the Australian Institute of Company Directors (AICD) and a Master Practitioner (MSIAA) of the Stockbrokers and Investment Advisers Association of Australia (SIAA) as well as a Member of SIAA Profession Committee and the Professional Conduct Tribunal. He is also a panel member of the Markets Disciplinary Tribunal (MDP) of the Australian Securities and Investment Committee (ASIC) and a member of the Australian Securities Exchange (ASX) Business Committee.

Company Secretary

Anthony Hewett is the Group's Company Secretary, an Executive Director of the Euroz Hartleys Foundation and a member of the Euroz Hartleys Limited Compliance Committee. Mr Hewett commenced his career in financial services in 2000 with Hartley Poynton Limited and JDV Limited. In 2003 he joined DJ Carmichaels before joining Euroz Securities Limited in 2004. During his career he has held a variety of positions in operations, and risk and compliance. Mr Hewett is a Chartered Secretary and Chartered Governance Professional and holds a Master of Business Law from Curtin University and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia. Mr Hewett is a Fellow of the Chartered Governance Institute (FCG), a Fellow of the Governance Institute of Australia (FGIA), a Master Practitioner (MSIAA) of SIAA and a member of AICD. Mr Hewett is also a board member and honorary treasurer of Holyoake.

Principal activities

During the year the principal activities of the Group consisted of:

- (a) Stockbroking & Corporate Finance;
- (b) Funds Management;
- (c) Wealth Management; and
- (d) Investing.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Review of results

The consolidated group reports a net profit attributable to members of \$5,468,000 for the financial year ended 30 June 2024 (2023: \$9,338,000). This result represents basic earnings per share of 3.5 cents (2023: 5.51 cents).

Brokerage revenues were up 17.2% for the period due to a stronger focus on our trading capabilities and solid block trading activity. Our trading revenues are a leading indicator for the underlying health of our business and your Directors are pleased to see this improvement. Funds Under Management (FUM) revenue for the year increased by 7.5% from the previous year. Euroz Hartleys FUM as at 30 June 2024 was \$3,892,068,000 (2023: \$3,467,531,000).

Equity Capital Market (ECM) raisings of \$1,413,935,000 versus \$1,978,825,000 last financial year led to ECM revenue being down approximately 12.6% but in line with overall lower market ECM activity. Corporate advisory revenues were down approximately 79.5% after a particularly good previous year.

Underlying cash profitability enabled your Directors to declare and pay a final fully franked dividend of 3.0 cents per share (cps) which combined with the interim dividend of 1.75 cps brought the full year dividend to 4.75 cps (2023: 6 cps).

Review of operations

	2024 \$	2023 \$
Revenues		
Brokerage	29,420,860	25,111,267
Underwriting and placement fees	33,825,636	38,693,105
Performance and management fees	243,433	307,431
Wealth management fees	19,558,317	18,197,903
Corporate advisory	2,270,000	11,066,059
Interest received	3,445,145	2,320,121
Other revenue	453,115	239,572
Total revenue	89,216,506	95,935,458
Net profit after tax	5,468,062	9,338,637

Operating and financial review

The purpose of this review is to set out information that shareholders may require to assess Euroz Hartleys Group's operations, financial position, business strategies and prospects for future financial years. This information complements and supports the report presented herein.

Disclosure of operations – Profit

Net profit after tax attributable to members was \$5,468,000 compared to \$9,338,000 in the 2023 financial year.

We are pleased with the performance of our business during the back end of the financial year despite an overall subdued ECM market.

Disclosure of operations – Sales

Revenue has decreased by 7.0% to \$89,216,000 from previous year amount of \$95,935,000.

(a) Stockbroking and Corporate Finance

Transactional brokerage revenues were up by 17.2% for the period to \$29,421,000 (2023: \$25,111,000), reflecting strong block trading activity.

Underwriting and placement fees revenue decreased by 12.6% to \$33,826,000 from \$38,693,000.

Euroz Hartleys was Lead or Joint Lead Manager to 58 (2023: 64) ECM transactions this year raising \$1,413,935,000 (2023: \$1,978,825,000). This was a solid achievement given lower ECM market activity over the period.

Our Corporate Advisory revenues were down 79.5% to \$2,270,000 (2023: \$11,066,000) after a particularly good previous year.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Disclosure of operations – Sales (continued)

(b) Wealth Management

Wealth Management revenue increased by 7.5% to \$19,558,000 from \$18,198,000. We are pleased with the quality and stability of our wealth management service offering at a time of significant change in the wealth management landscape. We report a modest increase in FUM to \$3,892,068,000 (2023: \$3,467,531,000). A recent system and platform review will further improve the wealth management offering for our extensive client base and enable stronger organic growth in FUM going forward. Euroz Hartleys is well positioned for continued growth given our established team of private wealth advisers.

(c) Funds Management – Performance and Management fees

Revenue from Funds Management decreased by 20.8% to \$243,000 from \$307,000 in the prior year. Funds management revenue is derived from the management of Westoz Resources Fund Limited mandate managed by Westoz Funds Management Pty Ltd (WFM).

(d) Investment Income

Investment income was \$70,000 (2023: Nil).

Disclosure of operations

The Group is principally involved in the following activities:

- (a) Stockbroking and Corporate Finance;
- (b) Funds Management;
- (c) Wealth Management; and
- (d) Investing.

Our operations are conducted in Perth, Western Australia (WA) and details of our operations are outlined below:

(a) Stockbroking and Corporate Finance

The Euroz Hartleys stockbroking operation comprises four main divisions as follows:

i. Equities Research

- Highly rated research from market leading research team of nine analysts
- Our views are highly regarded by Australian and international institutional investors
- Access to the latest online news and financial information
- Based on fundamental analysis, strict financial modelling and regular company contact:
 - Goal: Identify and maximise equity investment opportunities for our clients
 - Approach: Intimate knowledge of the companies we cover
 - Coverage: Broad cross section of mostly WA based industrial and resource companies
- Research Products:
 - Company Reports: Detailed analysis on companies as opportunities emerge
 - Morning Note: Overnight market updates
 - Weekly Informer: Compilation of all company reports throughout the preceding week
 - Quarterly and / or Semi-annual Review: Summary coverage on companies

ii. Institutional Sales

- One of the largest institutional small to mid-cap dealing desks in the Australian market with a sales team of eight staff
- Extensive client base of Australian and international institutional investors with strong relationships with small company fund managers
- Distribution network strength - long standing relationships with major institutional investors in the small to mid-cap market
- WA's geographic isolation makes it difficult for institutional investors to maintain close contact with companies based here - investors can rely on our on the ground information
- Institutional dealing team highly focused on providing the following services:
 - Quality advice and idea generation
 - Efficient execution
 - Regular company contact
 - Site visits
 - Roadshows

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Disclosure of operations (continued)

iii. Private Wealth

- Team of 61 highly experienced and qualified private wealth advisers providing a broad investment offering for clients of Euroz Hartleys. Our wealth management service provides strategic investment advice, superannuation advice, investment management and portfolio administration service
- Significant capacity to support new issues and construct quality retail share registers
- Substantial high net worth client base (s.708 compliant investors)
- Exposure to high net worth clients via in-house conferences and one-on-one presentations
- Extensive research support - high quality research on WA based resource and industrial companies enable our advisers to provide quality investment and trading advice
- Specialised broking allows:
 - Close interaction between research analysts and private wealth advisers
 - Timely communication of ideas with clients
- Sophisticated investors are able to participate in many of our capital raisings

iv. Corporate Finance

- The corporate finance team of 14 staff focuses on developing strong, long term relationships with our clients.
- Clients are provided with specialised Corporate Advisory services in:
 - Equity Capital Raisings and Underwriting
 - Mergers and Acquisitions
 - Strategic Planning and Reviews
 - Privatisation and Reconstructions
- Established track record in raising equity capital via:
 - Initial Public Offerings (IPO)
 - Placements
 - Rights Issues

(b) Funds Management

In October 2022, WFM was appointed to be the responsible manager for Westoz Resources Fund Limited (WRFL). WRFL is an unlisted investment fund whose purpose is to generate positive returns from a portfolio of stocks with a focus on the resources sector in Western Australia. Euroz Hartleys Group owns approximately 7.1% (2023: 7.7%) of the issued share capital of the fund which now manages approximately \$24,297,000 as at 30 June 2024 (2023: \$27,099,000).

(c) Wealth Management

We remain focused on increasing our proportion of recurring revenues and can report a modest increase in FUM to \$3,892,068,000 (2023: \$3,467,531,000).

(d) Investing

The business has some listed and unlisted investments.

Disclosure of business strategies and prospects - Growth

Our aim is to build real diversification of transactional and recurring revenues across our business.

The Directors believe that Euroz Hartleys Group has all the foundations for our strategy of building a more consistent base of underlying recurring revenues through our growing wealth management businesses whilst still retaining the transaction-based upside of our traditional stockbroking business. The business remains strongly leveraged to a continued solid outlook for commodity prices, a positive Western Australian economy and a growing need for meaningful and holistic financial advice.

We remain focused on increasing our proportion of recurring revenues and can report a modest increase in FUM to \$3,892,068,000 from \$3,467,531,000 in the previous financial year. Our team has spent considerable time and effort in developing new strategies to drive FUM growth and consolidate our wealth offering. We have high expectations that the coming year will deliver stronger organic FUM growth.

Our constant focus on investing in our team, youth, succession and our culture will help to ensure growth and resilience in all aspects of our business going forward. In addition, the successful move to one location at QV1 has given our business and our people a significant boost, fostering a positive team environment for our valuable staff and laying a strong foundation for the success of our entire business.

EUROZ HARTLEYS GROUP LIMITED**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024****Disclosure of business strategies and prospects - Material Business Risks****Overview**

In line with the ASX Corporate Governance Principles and Recommendations (4th Edition), Euroz Hartleys Group is committed to ensuring robust corporate governance. We view risk as the impact of uncertainty, both positive and negative, on our objectives. We manage risk to the greatest extent feasible to create and sustain value for our shareholders and other stakeholders.

Uncertainty and risk are inherent when conducting operations within financial markets. As an active participant in the Australian capital markets, Euroz Hartleys Group is exposed to risks that could result in financial losses. We foster a risk aware culture with consideration of risk supporting our formulation of strategy and informing business decision-making.

The Group has identified its principal risks as market risk, credit risk, operational risk, cyber security risk and other risks. Accordingly, risk management and control of the balance between risk and return are critical elements in maintaining the Group's financial stability and profitability. Therefore, an effective risk management framework is integral to our success.

Details of risks identified:

Risk Category	Risk Summary	Management of Risk / Exposure
Market Risk	A change in market prices and / or any of the underlying market forces may result in loss. The macroeconomic uncertainty of changing business models.	Policies and procedures are in place to measure, monitor and control risks where possible. We take a proactive approach to understanding macroeconomic, climate and geopolitical factors that may have an impact on our business. Changes in market conditions influence the volume and timing of transactions across the business and the value of various equity, credit and market risk positions held by the Group at balance sheet date.
Credit Risk	Where a third party is unable to fulfil its financial obligations.	We have defined and set credit standards, policies and procedures to enable ongoing financial review with respect to existing and potential new clients. High risk transactions and strategies are carefully monitored and supervised.
Operational Risk	Risk of failure to achieve strategic objectives and / or respond to changes in our competitive landscape with competitive products.	Policies and procedures are in place to identify, measure, monitor and control risks where possible. We maintain a comprehensive Business Continuity Plan and Disaster Recovery processes to address identified operational risks. We constantly assess our client investment offerings including with respect to technology changes and innovation. We conduct strategy sessions with Senior Executives on a biannual basis which include consideration of operational risk factors.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

Risk Category	Risk Summary	Management of Risk / Exposure
<i>Cybersecurity risk</i>	The risk of loss or other damage resulting from our failure to prevent and / or appropriately respond to our technology, physical security or cybersecurity being compromised.	<p>Review of third-party providers and platform vulnerabilities to assess risk and potential loss or other damage.</p> <p>Data security and access is monitored internally on an ongoing basis.</p> <p>Data management and control procedures are documented and in place.</p> <p>Implementation of multi factor authentication for remote access and client systems access where available.</p> <p>Annual penetration testing of our network to identify vulnerabilities.</p> <p>Alignment to the Australian Cyber Security Centre Essential Eight Framework.</p> <p>Privacy policy in place to ensure all obligations are considered and complied with. This policy is also available on our website.</p> <p>Cyber Incident Response Plan in place to support and direct necessary actions should this event occur.</p> <p>Disaster Recovery and Business Continuity plans are in place for the business as a whole. This is tested on an ongoing basis.</p> <p>Ongoing staff training on all areas of cyber risk (phishing, malware etc).</p> <p>Senior management and Board engagement as part of ongoing Board reporting.</p>
Other Risks <i>Regulatory and legal risk</i>	The risk of legal or regulatory sanctions or loss, resulting from failure to comply with laws, regulations, licensing or contractual requirements.	<p>We have access to external legal counsel if required.</p> <p>We have active engagement with all regulators including ASIC and ASX.</p> <p>We provide feedback on consultation papers where appropriate.</p> <p>We have active engagement in various committees through our premier industry association SIAA.</p> <p>Regular attendance at seminars and participation in working groups within our industry.</p> <p>We take active steps to comply with all Austrac guidance and conform with Australian Privacy Principals.</p> <p>We monitor the regulators for proposed and approved changes which require implementation within our business.</p>

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Risk Category	Risk Summary	Management of Risk / Exposure
<i>Reputational Risk</i>	Expectation over our ESG commitment, or compromise of our reputation due to perceived inaction.	Ongoing policy development to identify and implement environmental, social and governance issues appropriate to our industry. Careful attention is paid to enhancing our “social licence” to operate and appropriate policies on climate and carbon emissions.
	Risk of Modern Slavery exposure in our supply chain and business operations.	Ongoing development of Modern Slavery considerations within our business, including consideration of our third-party providers.
	The risk of damage to our brand due to inappropriate conduct and culture.	Code of Ethical Conduct for employees. Whistleblowing Policy. Graduate and Emerging Leaders Program. Monitoring culture via employee surveys. Annual obligation to attest to personal Good Fame and Character along with acknowledgement of compliance policy updates as required.
	Fraud.	We have internal policies and procedures to ensure awareness as our first line of defence.
	Non-compliance with laws and regulations.	Internal team who regularly review applicable laws and regulations and proactively ensure ongoing compliance with obligations.
<i>Pandemic Risk</i>	Large scale breakouts of infectious diseases that can greatly increase morbidity and mortality over wide geographical areas and cause significant social and economic disruption.	A comprehensive management plan has been developed, including the use of flexible / virtual working arrangements which supports the availability of skilled staff in the event something of this nature occurs. We have considered third party arrangements, change management and business continuity. Our systems are designed to support data security and management, technology vulnerabilities, remote access and load testing.
<i>Significant geopolitical and economic risk</i>	The effects of geopolitics on the global economy are difficult to predict. We remain alert to supply chain disruptions, geopolitical instability, volatile markets and inflation negatively impacting household budgets.	With the ongoing wars in Eastern Europe and Middle East this is having a substantial economic impact given their influences on global oil, commodity and agricultural markets. Consideration is given to impact on revenue, operating margins, compensation ratios and expense levels which may negatively impact market volumes, asset prices, volatility or liquidity.
<i>Financial Risk and Financial Crime Management</i>	Performance is closely linked to local and global economic performance. Awareness of regulatory requirements for managing financial risk and financial crime risks within our industry.	Ongoing monitoring and supervision to ensure client protection regarding financial criminal activities globally. Policies have been developed to assist to identify country and individual sanctions, anti-money laundering and counter terrorism financing, anti-bribery and corruption and anti-tax evasion facilitation. Ongoing compliance with regulatory changes in this area.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Financial position

Net assets of the Group have decreased to \$114,239,000 at 30 June 2024 from \$115,038,000 at 30 June 2023. The Group's financial performance has enabled it to continue to pay dividends to shareholders during the year while maintaining a healthy working capital ratio. The Group's working capital, being current assets less current liabilities is \$67,450,000 at 30 June 2024 (2023: \$69,457,000).

During the past 24 years the Group has invested in expanding each of its businesses to secure their long-term success. In particular it has increased its strategic investments via the acquisitions of Entrust in 2015 and Hartleys Limited in 2020 to develop a market leading platform for our future wealth management ambitions.

The Group remains in an extremely sound financial position with a balance of cash (excluding restricted cash in client trust account), financial assets at fair value and investments at fair value as at 30 June 2024 of \$92,329,000 (2023: \$94,515,000). The Group has a Net Tangible Assets (NTA) of 49¢ per share and no debt. This position continues to support our activities, differentiates us from many of our competitors and provides confidence to our significant adviser network and their large client base.

Euroz Hartleys Group has a proud history of consistent profits and dividends having paid a total of \$345,169,000 in fully franked dividends over the past 24 years.

The Directors believe that the Group is in a strong and stable financial position to expand and grow its current operations.

	2024	2023
Earnings per share	Cents	Cents
Basic earnings per share	3.50	5.51
Diluted earnings per share	3.33	5.25

Dividends – Euroz Hartleys Group

Dividends paid or provided for during the financial year were as follows:

	2024	2023
	\$	\$
Special dividend 20.27 cents per fully paid ordinary share paid on 7 October 2022 (i)	-	39,992,116
Interim ordinary dividend of 1.75 cents (2023: 2.5 cents) per fully paid ordinary share was paid on 16 February 2024	2,884,395	4,101,042
Provision for final ordinary dividend for 30 June 2024 of 3.0 cents (2023: 3.5 cents) per fully paid ordinary share to be paid on 30 August 2024	<u>4,944,678</u>	<u>5,753,047</u>
	<u>7,829,073</u>	<u>49,846,205</u>

- (i) Special dividends to equity holders comprise \$39,992,116 fully franked special dividend of \$0.2027 per share paid to shareholders in October 2022 as part of the Group's strategic cash and capital management.

Of the total dividends paid during the year, \$11,636 (2023: \$35,210) was paid to the Euroz Share Trust and is undistributed. Therefore, it has been eliminated on consolidation.

State of affairs

In the opinion of the Directors, there has been no significant changes in the state of affairs of the Group.

Share options

There were no options on issue at 30 June 2024 (2023: Nil).

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Environmental, Social and Governance

Understanding the increasing relevance of sustainability to our shareholders, stakeholders and communities, the Group has continued to develop its Environmental, Social and Governance (ESG) program.

i. Environmental

Euroz Hartleys monitors the impact of our business on the environment as well as contribution to climate change. We have measures in place which seek to minimise our environmental footprint, focussing on minimisation of energy emissions and waste. Emissions can be categorised into three scopes:

Scope 1: This scope covers emissions from sources that a business owns or controls directly. This scope generally affects the mining and oil and gas industry and is not applicable to Euroz Hartleys Group as the business does not directly generate carbon emissions from its day to day operations.

Scope 2: This scope encompasses emissions that a company causes indirectly resulting from the energy it purchases, for example electricity used to power office buildings.

Scope 3: This scope encompasses emissions that are not produced by the business itself, and are not the result of activities from assets owned or controlled by the business, but by those that it is indirectly responsible for up and down its value chain for example business travel, personnel travel to work or waste disposal.

In preparation for the mandatory reporting requirements which will be applicable for the Group for the reporting period ending 30 June 2027, we are taking steps to measure our carbon footprint and to develop further strategies to reduce our overall environmental impact.

Some initiatives that the business has implemented are:

- We are currently tracking our carbon footprint in relation to Scope 2 with a view to formulating a suitable future carbon emission offset and reduction strategy
- We participate in proactive waste management with a recycling system in place for all paper / cardboards
- Where possible we use electronic signatures in corporate and client documentation (except those that require a wet signature under law)
- Our new office premises at QV1 have a 6 star NABERS energy rating and indoor environment and 4 star NABERS water rating
- We participate in the Containers for Change program

ii. Social

Euroz Hartleys takes seriously its social responsibilities to our stakeholders and its role within the communities in which we operate.

Community Partnerships

Euroz Hartleys has a track record of partnering with and sponsoring leading events that engage communities and provide meaningful ways for our team members to participate. In the current financial year, we were the proud sponsors of Dowerin Machinery Field Days, Claremont Football Club and the Euroz Hartleys Port to Pub.

A particular highlight from the Euroz Hartleys Port to Pub endurance swimming event saw more than 1,500 people swim from North Fremantle to Rottnest in idyllic conditions. Euroz Hartleys entered five teams in the swim, with 30 team members making the epic crossing. Euroz Hartleys also participates in other volunteering initiatives such as the Home for Dinner Volunteering program whereby staff prepared homemade dinners for the families staying at Ronald McDonald House.

People and Culture

Our people are at the heart of our business. With a team of 185 employees, we have considered effective employee development, retention, and well-being programs aligned to our business goals. We are pleased to report our comparatively high retention and engagement rates, which we believe are the result of our leadership and ongoing dedicated people-focused programmes.

Professional Development

We are committed to nurturing our employees' career paths through tailored career coaching, flexible working arrangements, and formal learning opportunities. Some of the initiatives during the year have been to engage specialists like Dean Mannix for sales growth workshops and Nathaniel Bibby for LinkedIn Fundamentals.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Environmental, Social and Governance (continued)

ii. Social (continued)

Graduate and Internship Programs

Our comprehensive Graduate and Internship Programs offer aspiring professionals a pathway to enter the finance industry. By partnering with educational institutions such as the Financial Association of WA (FAWA) and the Student Managed Investment Fund at UWA, we have created graduate pathway links and promoted our industry to emerging talent. These initiatives foster a pipeline of future professionals and inspire students about finance careers.

Wellness at work

We have increased awareness of employee mental health through our Employee Assistance Program (EAP), fostering transparency and encouraging employees to seek support for mental health challenges. Additionally, we provide annual flu vaccinations to promote overall health and well-being.

Diversity Equity and Inclusion

We understand that having a mix of diverse backgrounds, perspectives and ideas is an essential part of our strong culture and that building a truly diverse and inclusive workplace is an ongoing process.

Endorsed by senior leaders we have established a volunteer-led Diversity Equity and Inclusion (DEI) Council creating a calendar of events which promote a culture of celebration and education on various DEI initiatives. We have revised our parental leave policy to be gender-neutral, extending leave for primary carers to 20 weeks and secondary carers to 6 weeks, with superannuation included for both paid and unpaid periods. Additionally, we introduced 5 days of paid miscarriage leave.

The results of the Workplace Gender Equality Agency (WGEA) report in February 2024 demonstrate that, while we are already committed to pay equity (that is, equal pay for comparable roles regardless of gender), like the rest of our industry, our challenge is to increase the representation of women in commission / bonus driven paying roles. We understand that this is the only way to reduce our gender pay gap in a material and meaningful way, and that it is going to take time and sustained effort. We remain committed to seeking out meaningful initiatives to reduce our gender pay gap.

Some of the steps we have taken during the year towards increasing the representation of women in these roles are:

- Increased staff consultation and engagement
- Generous parental leave
- Tailored initiatives for career development
- Support and opportunities to grow the female talent pipeline at all levels

We are proud to have been recognised as Employer of the year at the “Women in Wealth Awards” in May 2024. These awards recognise and reward women who have shown commitment to the financial services industry through leadership, innovation and advocacy in the fields they are passionate about. We are so proud that three members of our team received highly commended awards in their respective categories.

Euroz Hartleys Foundation

Our Euroz Hartleys Foundation (Foundation) continues to contribute to communities and charities in meaningful ways to support their long-term sustainability.

The Foundation was established in 2006 in a Private Ancillary Fund through which we make distributions to worthy charities and contribute to the broader community. The Foundation allows us to support our consistent commitment to making a positive impact in the Western Australian community.

Since 2006, our Foundation has contributed more than \$4,009,000 to the Western Australian charitable sector. For this financial year \$300,000 was raised as part of our annual Commission for a Cause on 14 June 2024 with three equal donations of \$100,000 to WA charities, being Perth Children's Hospital Foundation, Breast Cancer Care WA and Ocean Heroes. The Commission for a Cause program has raised over \$1,871,000 in the six years since its inception.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Environmental, Social and Governance (continued)

iii. Governance

As a diversified financial services company which has a consistent track record of strong shareholder returns, Euroz Hartleys is committed to maintaining a best practice governance regime. Our business is built on a foundation of effective governance, ethical practices and accountability and is led by an experienced Board and management team.

Board Governance

The Euroz Hartleys Group Board comprises five directors, two of whom are independent non-executive directors.

The Board has oversight over internal and external compliance and through its robust governance processes ensures systemic and active risk management is embedded in our day to day business.

Modern Slavery

Euroz Hartleys is aware of the potential risks of modern slavery in its supply chain and undertakes an annual review of these risks. In line with the requirements of the Modern Slavery Act, Euroz Hartleys outlines the business risks and the actions taken in the relevant year's reporting.

Client Privacy and Cybersecurity

The safeguarding of privacy and security of client information is paramount to our business. Euroz Hartleys actions this on an ongoing basis as detailed in the effective risk management framework section.

Events after reporting date

The Directors are not aware of any matter or circumstance subsequent to 30 June 2024 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in future financial years.

Likely developments

The Directors are confident that its strong statement of financial position and established business platforms will support the Group in a market that is currently lacking in direction and confidence.

We remain focused on increasing our proportion of recurring revenues. Our team will continue to spend considerable time and effort in developing new strategies to drive FUM growth and consolidate our wealth offering. We are confident our investment in improving our adviser platforms, support and capabilities will enable the largest team of Private Wealth advisers in WA to continue to grow FUM. The successful move to one location at QV1 has contributed to a positive team environment for our staff, laying a strong foundation for the future success of our entire business.

Further information on likely developments in the future operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Information on Directors			Particulars of Directors' interests in shares of Euroz Hartleys Group Limited
Director	Experience	Special responsibilities and qualifications	Ordinary shares*
A McKenzie <i>Executive Chairman</i>	Mr McKenzie has worked in the stockbroking industry since 1991.	Executive Chairman of Euroz Hartleys Group Limited and Euroz Hartleys Limited Member of Euroz Hartleys Limited Executive Remuneration Committee and Euroz Hartleys Limited Underwriting Committee Holds a Bachelor of Economics Degree from UWA, a Graduate Diploma in Applied Finance and Investment from FINSIA and is a Master Practitioner (MSIAA) of SIAA	12,797,209
R Simpson <i>Director</i>	Mr Simpson has worked in the stockbroking industry since 1990.	Executive Director of Euroz Hartleys Group Limited Chairman of Euroz Hartleys Group Limited Audit and Risk Committee Member of Euroz Hartleys Group Limited Remuneration Committee, Euroz Hartleys Limited Underwriting Committee and Euroz Hartleys Limited Research Committee Holds a Bachelor of Applied Science (Hons) from Curtin University and a Masters in Business Administration (MBA) from UWA	2,254,066
I Parker <i>Director</i>	Mr Parker has worked in the financial service industry since 1981.	Executive Director of Euroz Hartleys Group Limited Member of Euroz Hartleys Group Limited Remuneration Committee, Euroz Hartleys Limited Underwriting Committee and Euroz Hartleys Limited Research Committee Holds a Bachelor of Arts (Economics) from Murdoch University and is a Master Practitioner (MSIAA) of SIAA	1,723,261
R Romero <i>Independent Non-Executive Director</i>	Ms Romero has over 28 years' experience in law and accounting.	Independent Non-Executive Director of Euroz Hartleys Group Limited Chair of Euroz Hartleys Group Limited Remuneration Committee Member of Euroz Hartleys Group Limited Audit and Risk Committee Holds a Bachelor of Laws from UWA and a Bachelor of Commerce from UWA, is a graduate and member of the AICD, a Chartered Accountant (CA ANZ) and holds a practising certificate from the Legal Practice Board of Western Australia	73,713
F Kalaf <i>Independent Non-Executive Director</i>	Ms Kalaf has over 27 years' experience in strategy, marketing and management.	Independent Non-Executive Director of Euroz Hartleys Group Limited Member of Euroz Hartleys Group Limited Audit and Risk Committee Holds a Bachelor of Arts from UWA, a Bachelor of Architecture from UWA, a Master of Business Administration (Advanced) from Curtin University and is a graduate of the AICD	26,311

*Balance as at the date of signing the report and total shares includes shares allocated under the Performance Rights Plan.

EUROZ HARTLEYS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024**

Meetings of Directors

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2024 and the numbers of meetings attended by each Director were:

Director	Directors Meetings		Committee Meetings			
			Audit		Remuneration	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Andrew McKenzie	8	8	-	-	-	-
Richard Simpson	8	8	4	4	2	2
Ian Parker	8	6	-	-	2	2
Robin Romero	8	8	4	4	2	2
Fiona Kalaf	8	8	4	3	-	-
Jay Hughes *	1	1	-	-	-	-

* Retired as a Director of Euroz Hartleys Group Limited on 8 August 2023.

EUROZ HARTLEYS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024**

Remuneration Report (audited)

The Directors present the Remuneration Report for the Group for the year ended 30 June 2024. The Remuneration Report outlines the remuneration arrangements for Key Management Personnel (KMP) of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, KMP of the Group are defined as those persons having authority for the strategic management and direction of the Group, including any Director of Euroz Hartleys Group Limited, the Parent Company.

The KMP during the year are set out below:

Name	Position	Term as KMP
Executive Directors		
Andrew McKenzie	Executive Chairman	Full financial year
Richard Simpson	Executive Director	Full financial year
Ian Parker	Executive Director	Full financial year
Jay Hughes	Executive Director	Retired 8 August 2023
Non-Executive Directors		
Robin Romero	Independent Non-Executive Director	Full financial year
Fiona Kalaf	Independent Non-Executive Director	Full financial year
Other Executive KMP		
Tim Bunney	Managing Director, Euroz Hartleys Limited	Full financial year
Anthony Brittain	Chief Operating Officer / Chief Financial Officer, Euroz Hartleys Limited	Full financial year
Ben Crossing	Head of Corporate Finance, Euroz Hartleys Limited	Full financial year
Gavin Allen	Head of Research, Euroz Hartleys Limited	Full financial year
Marc Lincoln	Head of Private Wealth, Euroz Hartleys Limited	Full financial year
Amanda Boyce	Head of Advice, Euroz Hartleys Limited	Full financial year

Remuneration Committee and Governance

The Euroz Hartleys Group Limited Remuneration Committee (Committee) operates under the delegated authority of the Euroz Hartleys Group Limited Board. The Committee has ultimate oversight of the Group's remuneration strategy which is based on the following broad principles:

- Competitive remuneration – to attract, motivate and retain highly talented employees that share the Group's values;
- Performance-based – to ensure there is a link between individual and organisational performance;
- Fair and equitable – all staff are remunerated fairly and equitably, without regard to gender, sexual identity, age, religion or ethnicity;
- Alignment to security holder value – variable remuneration structures for eligible employees with the opportunity for equity-based payments.

With these principles in mind, the Committee works together with the Executive to apply the remuneration framework set out below.

In applying the framework, the Committee seeks to strike a balance between having a transparent, aligned and structured framework, whilst retaining overall discretion and flexibility to deliver fair outcomes.

The process to determine remuneration is undertaken in multiple stages with responsibility for outcomes divided across two independent committees. The Euroz Hartleys Limited Executive Remuneration Committee (EHL ERC) in consultation with key senior executives of Euroz Hartleys Limited are responsible for the development of remuneration recommendations for the employees of Euroz Hartleys Limited, which represent the majority of the Group's employees. These recommendations encompass both base and variable remuneration and are calculated in accordance with the agreed models and processes adopted by the Group. The EHL ERC formulates its recommendations in respect of remuneration which are presented for the consideration of the Committee. No members of the EHL ERC are members of the Committee.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (audited) (continued)

The Committee considers the recommendations of the EHL ERC but is not bound to accept them. The Committee holds the authority to undertake any separate investigations or discussions they deem necessary or appropriate to determine the appropriateness of the recommendations. The Committee may (and does) make any adjustments they deem necessary to ensure that the principles and outcomes of the remuneration strategy are maintained.

There are three Directors on Committee, all of whom were in office for the entire period:

- Ms Robin Romero (Chair) (Independent Non-Executive Director);
- Mr Ian Parker (Executive Director); and
- Mr Richard Simpson (Executive Director).

Mr Jay Hughes was a member of the Committee until he retired as an Executive Director on 8 August 2023.

Ms Romero is not eligible to receive any variable remuneration. Mr Parker, in his role as an adviser in the Private Wealth division receives commission attributable to his own fees / brokerage, but is not otherwise entitled to any type of variable remuneration linked to the profitability of the business. Mr Simpson may be entitled to variable remuneration, but any such entitlement is calculated in accordance with a pre-determined attribution model which is overseen and determined by the EHL ERC and over which Mr Simpson has no input or influence. In the event that Mr Simpson becomes entitled to any variable remuneration then he must abstain from and withdraw himself from any deliberations, recommendations or decisions in respect of that variable remuneration.

Remuneration framework

The Board recognises that our people are paramount in achieving the Group's long-term objectives and are a key driver of competitive advantage. We also understand that nurturing a high-performance culture and aligning the interests of KMP's and other employees with shareholders is a critical strategy in creating shareholder value.

Remuneration of our people consists of:

- Fixed Remuneration - base salary plus superannuation; and
- Variable Remuneration - performance-based remuneration including short-term, long term and sales-based incentives or commissions

Fixed Remuneration

Fixed Remuneration consists of an annual base salary plus superannuation. Salary reviews are done biannually, however, there is no guarantee that an employee's salary will increase as part of this review. There are no guaranteed base salary increases incorporated in any employee contracts. Remuneration levels are reviewed with regard to:

- The scope and complexity of the role, including role deliverables, this will be looked at comparatively to other roles of a similar scope and complexity to prevent bias;
- The importance of the role to the successful execution of strategy;
- The individual's skill and level of experience;
- Market pay levels for comparable businesses and competitors; and
- Advice from external consultants or other market sources.

Variable remuneration

Variable remuneration may consist of one or more of the following:

- Commission;
- Short term Incentives (cash and /or equity-based) made up of:
 - Profit Share Pool Bonuses; or
 - Discretionary Bonuses;
- Long term Incentives.

Each of the above is explained in more detail below. At the end of this section is an explanation of how any "equity-based payment" portion of a particular type of variable remuneration operates.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (audited) (continued)

Remuneration framework (continued)

Variable remuneration (continued)

Commission

Employees in the Private Wealth division of the business may receive commission in addition to fixed remuneration. The commission, which typically reflects brokerage, corporate income and / or portfolio administration reward, is calculated on a sliding scale which effectively rewards higher performance with increased commission rates. Eligible employees in the Private Wealth division who receive a commission may also be invited to receive "equity-based payments" by participating in the Group's "Performance Rights Plan" (refer below) based on certain performance hurdles set out in their respective employment contracts.

Short Term Incentives (STI)

Short term incentives (STI) are offered to eligible employees in the Wholesale and Operations departments of the business. Wholesale department employees may participate in the "profit share pool" whereas Operations employees may be eligible to receive a discretionary bonus.

The "profit share pool" is made up of an amount of up to 45% of the pre-tax profits of EHL (calculated in accordance with Australian Accounting Standards) for the 12 months ended 31 May 2024. The EHL ERC develops and makes recommendations to the Committee as to how this pool is allocated amongst eligible employees, based on the following criteria and after consultation and input from senior management:

- Generation of returns for shareholders
- Ability to perform individual tasks within the relevant department
- Ability to add value and innovate beyond the standard job specification
- Development of new and existing client relationships
- Ability to interact with other relevant departments and work collaboratively as part of a larger team approach
- Relevant industry salary benchmarking
- General requirements to attract and retain staff

The Committee (who are not the members of the EHL ERC) will then consider and, if agreed, ratify the recommendations of the EHL ERC. The Committee is authorised to make any amendments it sees fit to the recommended distribution of the profit share pool.

Once determined, an employee's profit share pool entitlement may be received all in cash, or as a combination of cash (75%) and equity (25%) (see "Equity-Based Payments" below).

Discretionary bonus

Certain employees who do not participate in the profit share pool may be eligible for a discretionary bonus based on the individual's performance, their contribution to the business over the relevant period and having regard to the overall profitability of the Group.

The EHL ERC develops and makes recommendations to the Committee as to any discretionary bonus for eligible employees in consultation and input from senior management:

The Committee (who are not the members of the EHL ERC) will then consider and, if agreed, ratify the recommendations of the EHL ERC. The Committee is authorised to make any amendments it sees fit to the recommended payment of discretionary bonuses.

Once determined, an employee's discretionary bonus entitlement may be received all in cash, or as a combination of cash (75%) and equity (25%) (see "Equity-Based Payments" below).

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (audited) (continued)

Remuneration framework (continued)

Variable remuneration (continued)

Long term Incentives (LTI)

In 2023 financial year, Euroz Hartleys Group Limited introduced a Long-Term Incentive Plan (LTIP) within the Performance Rights Plan (PRP). The LTIP underpins Euroz Hartleys' employment strategy of rewarding specific strategic performance and attracting and retaining key senior executive talent. Specifically, the Plan aims to recognise long-term performance and successful completion of key strategic goals aligning with the successful addition of long-term shareholder value.

During the 2024 financial year the LTIP initiative was extended to a group of certain eligible senior executives of Euroz Hartleys Limited who have been identified as being instrumental to the execution of the Group's strategic plan and seeks to enhance senior management's strategic responsibilities and outcomes ensuring alignment with shareholders (see "Equity Based Payments" below).

The outcome of the LTIP is calculated based on a formulaic methodology with allowance for limited discretion in respect of certain elements of each individuals KPIs.

Equity-Based Payments

For those eligible employees that opt in, the equity component of the different variable remuneration mechanisms set out above is received via the PRP. The PRP was established in 2014 as an incentive to enhance the reward, retention and motivation of eligible employees by seeking to enhance employee alignment with shareholders.

Shares allotted under the PRP are purchased on market utilising the funds that would otherwise have been distributed to the particular employee as variable remuneration. As stated, employees who do not opt in to the PRP have their entire variable remuneration component paid in cash.

PRP – Commission and STI

Where variable remuneration is made up of Commission or STI's, eligible employees who opt in are awarded a "Performance Right" during the course of the financial year. The Performance Right represents a right to be allotted a number of ordinary shares in Euroz Hartleys Group Limited in lieu of 25% of the applicable variable remuneration component of that employee.

This right then automatically vests at the end of the financial year if the employee has met the vesting requirements being that they remain an "Eligible Employee" at the "Right Vesting Date".

An Eligible Employee for these purposes means a full time or part-time employee of any member of the Group or a Director of any member of the Group who holds a salaried employment or office with a member of the Group. If there is a change in the employing entity of a Participant from one member of the Group to another member of the Group, the Participant will be considered, for the purposes of the plan, to have continued to be an Eligible Employee at all relevant times.

Shares are held in trust in the name of the individual employees and in terms of the "Share Vesting Date", the Shares will only "vest" to the eligible employee after 3 years subsequent service following the initial year of service. Shares are subsequently held in escrow for a further 11 years and one day following the initial 3-year eligibility period. Shares are subject to clawback provisions during both the initial 3-year eligibility period and subsequent escrow period. No amount is payable upon "vesting" of shares issued under the PRP following the completion of the initial 3-year eligibility period. Shares allotted under the PRP are subject to income tax at the participants individual income tax rate at the time of ceasing of escrow from the PRP.

PRP – LTIP

For select eligible senior executive employees, a nominal LTIP right is issued to each of the participants for nil consideration and nil value at the commencement of the period. The LTIP right represents the potential right for a participant to be allotted a number of ordinary shares in Euroz Hartleys Group Limited should both a number of Group performance hurdles and individual financial and non-financial strategic KPIs be met or exceeded. These strategic KPIs enhance senior management's responsibilities and outcomes ensuring alignment with shareholders and the addition of long-term shareholder value.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (audited) (continued)

Remuneration framework (continued)

Equity-Based Payments (continued)

PRP – LTIP (continued)

The LTIP provides a maximum (capped) dollar value opportunity for each individual participant which is then scaled down in a two-step process; firstly, based on the stipulated Group performance hurdles the outcome of which is then subsequently scaled again based on the individual's performance measured against a combination of both the individual's financial KPIs and non-financial KPIs. The methodology and scaling do not allow for a positive movement on the application of assessed multipliers. In this regard any and all scaling results in a downward movement in the potential opportunity for each individual. The LTIP is weighted 70% / 30% to financial KPIs to drive long-term strategic shareholder value and growth.

The LTIP provides a minimum profit hurdle along with other material hurdles, which if not met reduces the value of the LTIP for that individual or the entire cohort of participants (dependent on the specific hurdle) to nil for the entire period. The profit hurdle is a specific measure of the Group's financial performance compared to the previous 5-year period on a rolling basis.

Once the final value of the LTIP opportunity has been calculated, it is satisfied by way of the delivery of shares to the participants. Any shares that are allotted in satisfaction of the LTIP are purchased on market and are subject to a 3-year continuous service condition, clawback provisions and continuing escrow periods.

During the year LTI rights were issued to seven (7) Executives under the PRP (2023: two (2) Executives).

Due to the minimum profit hurdle not being achieved for the period, the Committee determined that the LTIP opportunity of all participants in the LTIP would be varied to nil and no shares were allotted. The rights for the financial year 2024 LTIP have expired with a value of nil.

The LTIP is not applicable to Non-executive Directors.

Directors fees

Non-Executive Directors (NEDs) are paid a fixed base fee and superannuation. To preserve independence and impartiality, NEDs are not entitled to any performance-based remuneration.

Executive Directors are not paid any directors' fees.

In considering the Group's performance and benefits for shareholder wealth, the Remuneration Committee have regarded the following in respect of the current financial year and the previous three financial years (since the merger of Euroz and Hartleys in October 2020):

	2024	2023	2022	2021
	\$	\$	\$	\$
Profit attributable to owners of Euroz Hartleys Group	5,468,062	9,338,637	40,723,715	52,540,905
Dividends paid or declared	7,817,447	49,810,995	21,652,751	31,326,913
Share price at year end	0.85	1.09	1.57	1.51
Return of capital to owners of Euroz Hartleys Group	4.8%	8.1%	21.1%	30.7%

There is no guarantee of base pay increases fixed in any Senior Executive or Directors' contracts.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (audited) (continued)

Details of remuneration

Details of the nature and amount of each element of the emoluments paid or payable of each KMP of the Group are set out in the following tables.

2024	Short-term				Post-Employment	Share-Based Payment			
	Base salary	Director's fees	Profit Share / bonus / Commission	Other benefits	Superannuation	Performance Rights Plan	Long Term Incentive Plan	Total	Performance related
	\$	\$	\$	\$	\$	\$	\$	\$	
Andrew McKenzie	253,500	-	834,000	26,246	27,399	192,697	70,167	1,404,009	78%
Richard Simpson	126,750	-	91,500	1,725	22,321	54,184	-	296,480	49%
Ian Parker	80,000	-	917,367	11,003	27,399	20,558	-	1,056,327	89%
Robin Romero	-	75,000	-	-	8,250	-	-	83,250	0%
Fiona Kalaf	-	75,000	-	-	8,250	-	-	83,250	0%
Timothy Bunney	253,000	-	956,250	9,104	27,399	192,302	70,041	1,508,096	81%
Anthony Brittain	253,500	-	328,000	21,457	27,399	55,863	-	686,219	56%
Ben Crossing	235,000	-	848,750	6,464	27,012	154,152	-	1,271,378	79%
Gavin Allen	229,000	-	624,500	14,655	26,847	69,644	-	964,646	72%
Marc Lincoln	230,000	-	84,500	9,699	26,874	12,991	-	364,064	27%
Amanda Boyce	350,000	-	157,500	14,088	27,399	16,875	-	565,862	31%
Jay Hughes *	21,125	-	-	2,597	2,324	11,547	-	37,593	31%
Total	2,031,875	150,000	4,842,367	117,038	258,873	780,813	140,208	8,321,174	

* Retired as a Director of Euroz Hartleys Group Limited on 8 August 2023

Executive Directors did not receive any Directors fees.

2023	Short-term				Post-Employment	Share-Based Payment			
	Base salary	Director's fees	Profit Share / bonus / Commission	Other benefits	Superannuation	Performance Rights Plan	Long Term Incentive Plan	Total	Performance related
	\$	\$	\$	\$	\$	\$	\$	\$	
Andrew McKenzie	253,500	-	529,500	26,083	25,292	222,943	69,698	1,127,016	73%
Richard Simpson	126,750	-	83,250	2,613	17,880	69,562	-	300,055	51%
Ian Parker	70,000	-	753,082	11,663	25,292	20,558	-	880,595	88%
Robin Romero	-	75,000	-	-	7,875	-	-	82,875	0%
Fiona Kalaf	-	75,000	-	-	7,879	-	-	82,879	0%
Timothy Bunney	253,000	-	618,750	6,265	25,292	202,901	69,573	1,175,781	76%
Anthony Brittain	253,500	-	198,500	20,764	25,292	95,588	-	593,644	50%
Jay Hughes *	253,500	-	84,000	24,948	25,292	185,818	-	573,558	47%
Robert Black **	232,375	-	18,750	16,193	23,044	176,202	-	466,564	42%
Total	1,442,625	150,000	2,285,832	108,529	183,138	973,572	139,271	5,282,967	

* Retired as a Director of Euroz Hartleys Group Limited on 8 August 2023

** Retired as a Director of Euroz Hartleys Group Limited on 31 May 2023 and employee of Euroz Hartleys Limited on 30 June 2023

Executive Directors did not receive any Directors fees.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (audited) (continued)

Service agreements

Remuneration and other terms of employment for the Key Management Personnel are formalised in service agreements. Non-Executive Directors are paid a fixed base fee and superannuation for their role on the Board. Executive Directors agreements provide for performance-related cash bonuses and other benefits. Other major provisions of the agreements relating to remuneration are set out below.

Andrew McKenzie, *Executive Chairman*

- Term of contract - ongoing employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$253,500 (2023 - \$253,500) plus profit share and long-term incentive
- Payment on termination of employment by the employer, other than for gross misconduct - three months' salary

Richard Simpson, *Executive Director*

- Term of contract – ongoing part time employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$253,500 (2023 - \$253,500) plus profit share
- Payment on termination of employment by the employer, other than for gross misconduct - six months' salary

Ian Parker, *Executive Director*

- Term of contract - ongoing employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$80,000 (2023 - \$70,000) plus commission
- Payment on termination of employment by the employer, other than for gross misconduct - six months' salary

Robin Romero, *Non-Executive Director*

- Term of contract - ongoing consulting contract
- Directors fee, exclusive of superannuation for the year ended 30 June 2024 of \$75,000 (2023 - \$75,000)

Fiona Kalaf, *Non-Executive Director*

- Term of contract - ongoing consulting contract
- Directors fee, exclusive of superannuation for the year ended 30 June 2024 of \$75,000 (2023 - \$75,000)

Timothy Bunney, *Managing Director Euroz Hartleys Limited*

- Term of contract - ongoing employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$253,000 (2023 - \$253,000) plus profit share and long-term incentive
- Payment on termination of employment by the employer, other than for gross misconduct - three months' salary

Anthony Brittain, *Executive Director Euroz Hartleys Limited - Chief Operating and Financial Officer*

- Term of contract - ongoing employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$253,500 (2023 - \$253,500) plus discretionary bonus and long-term incentive
- Payment on termination of employment by the employer, other than for gross misconduct - three months' salary

Ben Crossing, *Executive Director Euroz Hartleys Limited - Head of Corporate Finance*

- Term of contract - ongoing employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$235,000 (2023 - \$235,000) plus profit share and long-term incentive
- Payment on termination of employment by the employer, other than for gross misconduct - six months' salary

Gavin Allen, *Executive Director Euroz Hartleys Limited - Head of Research*

- Term of contract - ongoing employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$229,000 (2023 - \$229,000) plus profit share and long-term incentive
- Payment on termination of employment by the employer, other than for gross misconduct - three months' salary

Marc Lincoln, *Executive Director Euroz Hartleys Limited - Head of Private Wealth*

- Term of contract - ongoing employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$230,000 (2023 - \$230,000) plus discretionary bonus and long-term incentive
- Payment on termination of employment by the employer, other than for gross misconduct - three months' salary

Amanda Boyce, *Executive Director Euroz Hartleys Limited - Head of Advice*

- Term of contract - ongoing employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$350,000 (2023 - \$350,000) plus discretionary bonus and long-term incentive
- Payment on termination of employment by the employer, other than for gross misconduct - three months' salary

Jay Hughes, *Executive Director, retired on 8 August 2023*

- Term of contract - ongoing employment contract
- Base salary, exclusive of superannuation for the year ended 30 June 2024 of \$253,500 (2023 - \$253,500) plus profit share
- Payment on termination of employment by the employer, other than for gross misconduct - three months' salary

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (audited) (continued)

Shareholdings of Key Management Personnel

The movement during the reporting year in the number of shares in Euroz Hartleys Group Limited held, directly, indirectly or beneficially, by each member of KMP, including related parties, is as follows:

2024	Balance at 1 July 2023	Received via PRP (i)	Received via LTIP (a)	Bought & (sold) (b)	Net change (c)	Balance at 30 June 2024	Vested 1 July 2023	Vested Balance as at 30 June 2024 (f)
Ordinary shares								
A McKenzie	11,520,406	227,544	-	1,049,259	-	12,797,209	-	134,931
R Simpson	2,133,108	20,958	N/A	100,000	-	2,254,066	-	-
I Parker	1,723,261	-	N/A	-	-	1,723,261	-	-
R Romero	73,713	-	N/A	-	-	73,713	-	-
F Kalaf	26,311	-	N/A	-	-	26,311	-	-
T Bunney	1,019,558	255,988	-	51,138	-	1,326,684	-	44,699
A Brittain	763,702	-	-	-	-	763,702	-	61,345
B Crossing	-	163,173	-	151,076	1,248,874	1,563,123	-	-
G Allen (d)	-	-	-	70,630	1,111,927	1,182,557	-	-
M Lincoln (d)	-	-	-	-	30,767	30,767	-	-
A Boyce (d)	-	44,910	-	-	25,531	70,441	-	-
J Hughes (e)	11,552,820	-	-	-	(11,552,820)	-	-	-
	28,812,879	712,573	-	1,422,103	(9,135,721)	21,811,834	-	240,975

(a) Shares allotted under Long Term Incentive (LTI) Plan. No shares were allotted under the LTIP in the financial year 2024. N/A represents that KMP was not entitled to participate in the LTIP

(b) Inclusive of shares allocated in Dividend Reinvestment Plan (DRP)

(c) Net change reflects commencement or cessation as a KMP

(d) KMP since 1 July 2023

(e) Retired as a Director of Euroz Hartleys Group Limited on 8 August 2023

(f) Included in Balance at 30 June 2024

- (i) These shares are held by the Euroz Share Trust and are currently vesting in accordance with the Euroz Hartleys Group PRP. The shares were granted on 28 June 2024, fair value on grant date was based on the profit share / bonus awarded and number of shares was determined by dividing the profit share / bonus awarded by Euroz Hartleys Group Limited 30-day Volume Weighted Average Price (VWAP) to 31 May 2024 being \$0.835.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (audited) (continued)

Shareholdings of Key Management Personnel (continued)

2023	Balance at 1 July 2022	Received via PRP (i)	Received via LTI (ii) (a)	Cancelled (b)	Bought & (sold) (c)	Balance at 30 June 2023	Vested 1 July 2022 (d)	Vested Balance as at 30 June 2023 (e)
Ordinary shares								
A McKenzie	13,390,097	150,212	237,270	(2,257,173)	-	11,520,406	74,855	134,931
R Simpson	2,537,181	23,617	-	(427,690)	-	2,133,108	-	-
I Parker	1,988,473	69,984	-	(335,196)	-	1,723,261	-	-
R Romero	22,575	-	-	(8,862)	60,000	73,713	-	-
F Kalaf	-	-	-	(5,334)	31,645	26,311	-	-
T Bunney	730,283	175,531	236,844	(123,100)	-	1,019,558	22,549	44,699
A Brittain	918,535	-	-	(154,833)	-	763,702	22,549	61,345
J Hughes (f)	13,866,467	23,829	-	(2,337,476)	-	11,552,820	74,855	134,931
R Black (g)	5,262,362	24,680	-	(887,077)	124,715	4,524,680	66,010	115,948
	38,715,973	467,853	474,114	(6,536,741)	216,360	33,337,559	260,818	491,854

(a) Shares allotted under Long Term Incentive (LTI) Plan. Shares utilised to fulfil LTI were purchased on market

(b) Cumulative shares cancelled in accordance with the equal capital reduction approved by shareholders on 17 November 2022

(c) Inclusive of shares allocated in Dividend Reinvestment Plan (DRP)

(d) Vested amount on 1 July 2022 shown pre-Equal Capital Reduction and Euroz Hartleys Group Limited Share price on the date was \$1.57

(e) Included in Balance at 30 June 2023 and vested balance post Equal Capital Reduction

(f) Retired as a Director of Euroz Hartleys Group Limited on 8 August 2023

(g) Retired as a Director of Euroz Hartleys Group Limited on 31 May 2023 and employee of Euroz Hartleys Limited on 30 June 2023

- (i) These shares are held by the Euroz Share Trust and are currently vesting in accordance with the Euroz Hartleys Group PRP. The shares were granted on 30 June 2023, fair value on grant date was based on the profit share / bonus awarded and number of shares was determined by dividing the profit share / bonus awarded by Euroz Hartleys Group Limited 30-day Volume Weighted Average Price (VWAP) to 31 May 2023 being \$1.175.
- (ii) These shares are held in escrow and are currently vesting in accordance with the Euroz Hartleys Group PRP. The shares were granted on 30 June 2023, fair value on grant date was based on the LTI amount awarded and number of shares was determined by dividing the LTI amount awarded by Euroz Hartleys Group Limited 30-day Volume Weighted Average Price (VWAP) to 31 May 2023 being \$1.175.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (audited) (continued)

Performance Rights held by Key Management Personnel

The movement during the reporting period in performance rights in Euroz Hartleys Group Limited held, directly, indirectly or beneficially, by each KMP, including related parties, is as follows:

2024	Date granted	Granted as remuneration	Vested and exercised or lapsed
Performance Rights			
A McKenzie	8 December 2023	1	(1)
R Simpson	8 December 2023	1	(1)
T Bunney	8 December 2023	1	(1)
A Brittain	8 December 2023	1	(1)
B Crossing	8 December 2023	1	(1)
G Allen	8 December 2023	1	(1)
M Lincoln	8 December 2023	1	(1)
A Boyce	8 December 2023	1	(1)
A McKenzie – LTI	6 December 2023	1	(1)
T Bunney – LTI	6 December 2023	1	(1)
A Brittain – LTI	6 December 2023	1	(1)
B Crossing – LTI	6 December 2023	1	(1)
G Allen – LTI	6 December 2023	1	(1)
M Lincoln - LTI	6 December 2023	1	(1)
A Boyce – LTI	6 December 2023	1	(1)
		15	(15)

2023	Date granted	Granted as remuneration	Vested and exercised
Performance Rights			
A McKenzie	7 June 2023	1	(1)
R Simpson	7 June 2023	1	(1)
I Parker	7 June 2023	1	(1)
T Bunney	7 June 2023	1	(1)
A McKenzie - LTI	13 June 2023	1	(1)
T Bunney - LTI	13 June 2023	1	(1)
J Hughes - Retired 8 August 2023	7 June 2023	1	(1)
R Black - Retired 31 May 2023	7 June 2023	1	(1)
		8	(8)

These performance rights were issued in accordance with the PRP. In financial year 2024, rights were granted in December 2023 and vested or lapsed on 28 June 2024.

Share-based compensation

A performance right was issued to KMPs as part of their annual bonus / profit share plan. Where the KMP participates in the profit share pool or receives a discretionary bonus then the fair value of the shares allotted under the PRP of each right is calculated as 25% of each member's profit share or discretionary bonus entitlement. Where the KMP is a Private Wealth Adviser then the fair value of the shares allotted under the PRP is calculated as a portion of their total monthly brokerage, corporate income and / or portfolio administration commission. Shares issued under the PRP have a 3-year service vesting condition. Total fair value of shares resulting from the exercise of the performance rights issued to KMPs in the year amounts to \$595,000 (2023: \$1,106,816).

In accordance with the terms of the PRP, where a Director, Executive or employee meets the vesting requirements being that they are an Eligible Employee at the vesting date, then the Performance Rights will be automatically exercised and participants will be allotted the requisite number of Shares. Performance Rights that do not vest will lapse.

Loans to Key Management Personnel

No loans were made to Directors of Euroz Hartleys Group Limited and the KMPs of the Group, including their personally-related entities during the year.

Remuneration Report – end

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

Indemnification and Insurance of Directors and Officers

Euroz Hartleys Group Limited has a Deed of Indemnity for all the Directors and Officers of the Group against all losses or liabilities incurred by each Director and Officer in their capacities as Directors and Officers of the Group. The Group agreed to indemnify and keep indemnified the Directors and Officers against all liabilities by the Directors and Officers as a Director and Officer of the Group to the extent permitted under the Corporations Act 2001.

During the financial year, Euroz Hartleys Limited paid a premium on behalf of the Group to insure the Directors and Officers of the Group. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as Directors and Officers of the Group.

Indemnification of Auditors

The Group has not indemnified the auditor and has not paid an insurance premium to insure the auditor.

Proceedings on behalf of the Group

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to such proceedings during the year.

Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial /Directors' Reports) Instrument 2016/191 and in accordance with that Instrument, amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2024 has been received and forms part of the Directors' report.

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



Andrew McKenzie
Executive Chairman



Richard Simpson
Executive Director

Date: 21 August 2024



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

To the Directors of Euroz Hartleys Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Euroz Hartleys Group Limited for the financial year ended 30 June 2024 there have been:

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

A stylized, handwritten-style blue logo of the letters 'KPMG'.

KPMG

A handwritten signature in blue ink, appearing to read 'Trevor Hart'.

Trevor Hart
Partner
Perth
21 August 2024

For personal use only

EUROZ HARTLEYS GROUP LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Rendering of services		85,771,361	93,615,337
Finance income		<u>3,445,145</u>	<u>2,320,121</u>
Total revenue	3, 4	89,216,506	95,935,458
(Loss) / gain on investments		(4,726,765)	346,055
Employee benefits expense		(57,020,211)	(64,359,362)
Depreciation and amortisation expenses	5	(2,695,025)	(2,552,380)
Regulatory expenses		(1,173,561)	(881,227)
Legal, professional and consultancy expenses		(721,665)	(1,202,312)
Conference and seminar expenses		(1,332,172)	(1,243,768)
Stockbroking expenses		(6,315,184)	(4,955,844)
Lease arrangement impairment expenses	5	(1,475,773)	(1,489,556)
Liability write-off	5	1,557,618	-
Other expenses		<u>(6,170,158)</u>	<u>(5,805,765)</u>
Profit before income tax expense		9,143,610	13,791,299
Income tax expense	6	<u>(3,675,548)</u>	<u>(4,452,662)</u>
Profit after income tax expense for the year		<u>5,468,062</u>	<u>9,338,637</u>
Other comprehensive income			
Other comprehensive income net of tax		-	-
Total comprehensive income for the year attributable to owners of Euroz Hartleys Group Limited		<u>5,468,062</u>	<u>9,338,637</u>
Basic earnings per share (cents)	28	3.50	5.51
Diluted earnings per share (cents)	28	3.33	5.25

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

EUROZ HARTLEYS GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	7	92,944,437	88,155,855
Trade and other receivables	8	24,419,704	25,136,908
Financial assets at fair value through profit and loss	9	11,051,838	16,130,200
Other current assets	10	2,497,524	4,207,730
Current tax receivable	16	-	1,675,992
Total current assets		<u>130,913,503</u>	<u>135,306,685</u>
NON-CURRENT ASSETS			
Financial assets at amortised cost	11	2,438,352	686,296
Investments at fair value through profit and loss	12	1,727,987	2,084,000
Plant and equipment	13	461,441	1,384,911
Deferred tax assets	6	5,846,571	5,512,310
Intangible assets	14	38,148,788	38,755,745
Right of use asset	18	13,264,149	1,842,069
Total non-current assets		<u>61,887,288</u>	<u>50,265,331</u>
TOTAL ASSETS		<u>192,800,791</u>	<u>185,572,016</u>
CURRENT LIABILITIES			
Trade and other payables	15	52,225,159	55,475,560
Current tax payable	16	734,453	-
Provisions	17	9,675,487	9,016,263
Lease liability	18	828,899	1,358,111
Total current liabilities		<u>63,463,998</u>	<u>65,849,934</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	6	1,706,824	2,267,797
Provisions	17	272,261	221,819
Lease liability	18	13,118,748	2,194,393
Total non-current liabilities		<u>15,097,833</u>	<u>4,684,009</u>
TOTAL LIABILITIES		<u>78,561,831</u>	<u>70,533,943</u>
NET ASSETS		<u>114,238,960</u>	<u>115,038,073</u>
EQUITY			
Issued capital	19 (a)	98,595,762	98,562,525
Share-based payment reserve	19 (g)	10,912,388	9,395,353
Retained earnings		<u>4,730,810</u>	<u>7,080,195</u>
TOTAL EQUITY		<u>114,238,960</u>	<u>115,038,073</u>

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

EUROZ HARTLEYS GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Issued Capital \$	Share-Based Payment Reserve \$	Retained Earnings \$	Total \$
Balance at 1 July 2022	136,740,320	8,917,497	47,552,553	193,210,370
Profit for the period	-	-	9,338,637	9,338,637
Total comprehensive income for the period	-	-	9,338,637	9,338,637
<i>Transactions with owners, recorded directly in equity</i>				
Shares issued during the period	369,286	-	-	369,286
Return of capital (i)	(39,998,187)	-	-	(39,998,187)
Vested shares under employee share plan	3,639,833	(3,639,833)	-	-
Treasury shares	(2,188,727)	-	-	(2,188,727)
Share-based payments	-	4,117,689	-	4,117,689
Dividends to equity holders (ii)	-	-	(49,810,995)	(49,810,995)
Total contributions by and distributions to owners	(38,177,795)	477,856	(49,810,995)	(87,510,934)
Balance at 30 June 2023	98,562,525	9,395,353	7,080,195	115,038,073
Balance at 1 July 2023	98,562,525	9,395,353	7,080,195	115,038,073
Profit for the period	-	-	5,468,062	5,468,062
Total comprehensive income for the period	-	-	5,468,062	5,468,062
<i>Transactions with owners, recorded directly in equity</i>				
Shares issued during the period	467,836	-	-	467,836
Vested shares under employee share plan	1,629,451	(1,629,451)	-	-
Treasury shares	(2,064,050)	-	-	(2,064,050)
Share-based payments	-	3,146,486	-	3,146,486
Dividends to equity holders (ii)	-	-	(7,817,447)	(7,817,447)
Total contributions by and distributions to owners	33,237	1,517,035	(7,817,447)	(6,267,175)
Balance at 30 June 2024	98,595,762	10,912,388	4,730,810	114,238,960

- (i) Return of capital relates to the \$39,998,000 equal capital reduction and share cancellation paid in December 2022 as part of the Group's strategic cash and capital management initiative. This resulted in the simultaneous cancellation of 16.85% of the issued capital.
- (ii) Dividends to equity holders in 2024 include \$2,873,000 fully franked December 2023 half year dividend of \$0.0175 per share paid in February 2024 and \$4,944,000 fully franked final dividend of \$0.03 per share payable to shareholders on 30 August 2024.

Dividends to equity holders in 2023 include \$39,992,000 fully franked special dividend of \$0.2027 per share paid to shareholders in October 2022 as part of the Group's strategic cash and capital management initiative, \$4,065,000 fully franked December 2022 half year dividend of \$0.025 per share paid in February 2023 and \$5,753,000 fully franked final dividend of \$0.035 per share paid to shareholders in September 2023.

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

EUROZ HARTLEYS GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of goods and services tax)		91,012,061	88,599,464
Payments to suppliers and employees (inclusive of goods and services tax)		(78,657,311)	(74,404,717)
		<u>12,354,750</u>	<u>14,194,747</u>
Interest received		3,445,146	2,316,999
Proceeds from sale of trading shares		7,273,240	6,428,387
Income tax refund		2,144,548	-
Income tax paid		(4,304,884)	(17,100,305)
Payments for trading shares		<u>(1,910,387)</u>	<u>(2,245,226)</u>
Net cash flows from operating activities	27	<u>19,002,413</u>	<u>3,594,602</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment into investment fund		-	(2,000,000)
Return of FinClear Services Pty Ltd security deposit		-	350,000
Maturity of term deposit		660,128	-
Payment of term deposit		(2,388,352)	-
Payments for plant and equipment (net of reimbursement)		<u>(181,281)</u>	<u>(327,434)</u>
Net cash flows used in investing activities		<u>(1,909,505)</u>	<u>(1,977,434)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Return of capital (i)		-	(39,998,186)
Dividends paid (ii)		(8,157,979)	(60,458,913)
Payments for treasury shares		(2,064,050)	(2,188,727)
Repayment of principal lease liabilities		(2,027,295)	(1,306,290)
Interest paid on lease liabilities		<u>(55,002)</u>	<u>(176,722)</u>
Net cash flows used in financing activities		<u>(12,304,326)</u>	<u>(104,128,838)</u>
Net increase / (decrease) in cash and cash equivalents		4,788,582	(102,511,670)
Cash and cash equivalents at 1 July		<u>88,155,855</u>	<u>190,667,525</u>
Cash and cash equivalents at 30 June	7	<u>92,944,437</u>	<u>88,155,855</u>

- (i) Return of capital relates to the \$39,998,000 equal capital reduction and share cancellation paid in December 2022 as part of the Group's strategic cash and capital management initiative. This resulted in the simultaneous cancellation of 16.85% of the issued capital.
- (ii) Dividends paid in 2024 financial year include \$5,285,000 fully franked June 2023 final dividend of \$0.035 per share paid to shareholders in September 2023 and \$2,872,000 fully franked December 2023 half year dividend of \$0.0175 per share paid to shareholders in February 2024.

Dividends paid in 2023 financial year include \$16,770,000 fully franked June 2022 final dividend of \$0.085 per share paid to shareholders in August 2022, \$39,992,000 fully franked special dividend of \$0.2027 per share paid to shareholders in October 2022 as part of the Group's strategic cash and capital management initiative and \$3,731,000 fully franked December 2022 half year dividend of \$0.025 per share paid to shareholders in February 2023.

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

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EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial report is a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements as issued by the Australian Accounting Standards Board and the Corporations Act 2001 as appropriate for “for-profit” oriented entities.

This financial report has been authorised by the Directors to be issued on 21 August 2024.

Euroz Hartleys Group Limited is a listed public company, trading on the Australian Securities Exchange and Cboe Australia, limited by shares, incorporated and domiciled in Australia.

The financial report of Euroz Hartleys Group Limited and its controlled entities (the Group), complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Separate financial information of the Parent Company has been included in Note 29 as permitted by amendments to the Corporations Act 2001.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Presentation and functional currency

The consolidated financial statements are presented in Australian Dollars, which is the Group’s functional currency. All amounts have been rounded to the nearest dollar, unless otherwise indicated.

Accounting policies

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Euroz Hartleys Group Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all controlled entities for the year then ended. Euroz Hartleys Group Limited and its controlled entities together are referred to in this financial report as the Group.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

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

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. All controlled entities have a 30 June financial year end.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

(b) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for Australia, 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 are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

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

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

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

Euroz Hartleys Group Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. The Group formed an income tax consolidated group to apply from 1 July 2003. The tax consolidated group has entered a tax sharing agreement whereby each Company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(c) Business combinations

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

(c) **Business combinations (continued)**

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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 12 months from the date of the acquisition or when the acquirer receives all the information possible to determine fair value.

(d) **Revenue recognition**

Revenue from contracts with customers

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

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability. The Group recognises revenue when it transfers control over a service to a customer. The nature and timing of satisfaction of performance obligations for each of the Group's main revenue streams is set out below.

Brokerage revenue

Brokerage revenue from share trading is considered to be derived from a single obligation being the completion of a share trading transaction. Accordingly, at the completion of the transaction the revenue is recognised.

Underwriting, placement fees and corporate retainers

Corporate retainers relate to the service fee for work performed such as corporate advisory services. This service is considered a distinct performance obligation and accordingly revenue is recognised as the service is completed in accordance with the engagement mandate.

Placement fees are fees charged on raising capital for clients. This is determined to be the single performance obligation and revenue is recognised as the service is completed in accordance with the engagement mandate.

Underwriting fees are derived upon the satisfactory completion of the engagement criteria which may be the execution of a capital raising or the sale of a pre-determined number of shares for a client. The performance obligation is determined to be the completion of the capital raise or sale of the shares and revenue is recognised when the service is completed in accordance with the engagement mandate.

The payment terms in relation to this source of revenue is up to 7 days.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

(d) Revenue recognition (continued)

Performance and management fees

Performance fee income is derived from investment management agreements based on the performance of an underlying fund over a contracted period of time. If the fund performance exceeds a specified threshold the performance fee payable is determined and recorded as revenue at the conclusion of the performance period. The performance obligation is determined to be singular being to achieve a certain performance target over a specified period.

Management fee income is derived from investment management agreements whereby a monthly management fee is payable based on the fund value. The performance obligation is the monthly management of the fund and revenue is recorded monthly following the completion of the month.

The payment terms in relation to this source of revenue is up to 20 days.

Wealth management fees

Wealth management fee income is derived from agreements with clients individually whereby a monthly management fee is payable based on the portfolio value or alternatively a fixed fee arrangement. The performance obligation is the monthly management of the investment portfolio and revenue is recorded monthly following the completion of the month.

Proceeds from the sale of investments

Gross proceeds and cost of disposal on sale of investments are disclosed as gain / loss on investments along with unrealised gains / losses in investments held at year end.

Interest

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

Other revenue

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

(e) Receivables

Trade receivables are recognised as current receivables as they are generally settled within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. For the Group it arises from receivables from subsidiaries, as well as from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and has established a credit and trading policy which sets certain trading limits and guidelines. These limits are reviewed and adjusted by management when and, if required, depending on circumstances prevailing at that time.

EUROZ HARTLEYS GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

- (f) Plant and equipment**
 Each class of plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Depreciation
 The depreciable amount of all plant and equipment is depreciated on a straight-line basis over their useful lives to the residual values commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of plant and equipment	Depreciation Rate
Leasehold improvements	2 - 25%
Plant and equipment	25 – 33%

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.
 Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss.

- (g) Leasehold improvements**
 The cost of improvements to or on leasehold properties are amortised over the unexpired period of the lease or the estimated useful life of the improvement to the Group, whichever is the shorter.

- (h) Leases**
 Short term lease payments are charged to the statement of profit or loss in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

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

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

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

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

(h) Leases (continued)

Lease liabilities

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

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

(i) Trade and other payables

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

(j) Dividends

Provision is made for the amount of any dividend declared and authorised by the Directors on or before the end of the financial year, but not distributed at reporting date.

(k) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(l) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(m) Employee benefits

(i) *Wages, salaries and annual leave*

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised 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.

(ii) *Employee benefits payable later than one year*

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. There have been no changes to the method used to calculate this liability.

(iii) *Superannuation*

Contributions are made by the Group to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iv) *Employee benefit on costs*

Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

(m) Employee benefits (continued)

(v) *Performance rights*

The Performance Right represents a right to be allotted a number of ordinary shares in Euroz Hartleys Group Limited to reflect 25% of the profit share or the discretionary bonus or for Private Wealth Advisers who are paid a commission, a portion of their total monthly brokerage, corporate income and / or portfolio administration commission that would have been paid to an Eligible Employee who opts in.

An Eligible Employee means a full time or part-time employee of any member of the Group or a Director of any member of the Group who holds a salaried employment or office with a member of the Group. If there is a change in the employing entity of a Participant from one member of the Group to another member of the Group, the Participant will be considered, for the purposes of this plan, to have continued to be an Eligible Employee at all relevant times.

Each performance right is subject to a service based vesting condition. Performance Rights are issued for nil consideration and Performance Rights that do not vest lapse with a nil value.

In accordance with the terms of the PRP, where an Eligible Employee meets the vesting requirements being that they are an Eligible Employee at the vesting date, then the Performance Rights will be automatically exercised and participants will be allotted the requisite number of Shares. Shares utilised to fulfil the awards made under the PRP are purchased on market utilising funds accrued from the profit share pool, discretionary bonuses or brokerage, corporate income and / or portfolio administration commission.

The fair value of shares allotted under the PRP is estimated at grant date based on 25% of profit share or discretionary bonus or for Private Wealth Advisers who are paid a commission, a portion of their total monthly brokerage, corporate income and portfolio administration commission that will be paid at year end to eligible employees.

For financial year 2024, where an employee had met the relevant criteria and had opted in to the PRP, the relevant Performance Rights were granted in December 2023 and vested on 28 June 2024 with the requisite number of shares being allotted on 28 June 2024.

Once the performance right converts to plan shares these are subject to a further 3-year service condition. following the initial year of service and are escrowed for a further period of 11 years and one day. No amount is payable upon vesting of shares issued under the PRP. Shares allotted under the PRP are subject to income tax at the participants individual income tax rate at the time of ceasing of escrow from the PRP.

The Board may, at their discretion accelerate the vesting period. Unvested shares are subject to bad leaver clawback provisions during the 3-year period and bad leaver provisions for the entirety of the escrow period.

(vi) *Profit-sharing*

The Group recognises a liability and an expense for profit-sharing based on a formula that calculates the profit attributable to the Company's employees after certain adjustments.

(vii) *Termination benefits*

The Group recognises a liability and an expense when the Group demonstrates a commitment to either terminate the employee before the normal retirement date or provide termination benefits as a result of an offer made to the employee prior to retirement date.

(n) Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

(o) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the Company, 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 year.

(ii) Diluted earnings per share

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

(p) Fair value measurement

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

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

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

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

(q) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded shares or share options, and trading and available-for-sale securities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current closing price; the appropriate quoted market price for financial liabilities is the current closing price.

The fair value of financial instruments that are not traded in an active market (for example, unlisted options) is determined using valuation techniques. The Group uses the Black-Scholes option pricing model to value unlisted options, taking into consideration the terms on which the options were granted. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

(r) 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 Tax 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.

(s) 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. Any difference between the carrying amount and the consideration, if reissued, is recognised in share-based payments reserve.

(t) Investments and Financial Assets

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

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

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at Fair Value Through Profit or Loss (FVTPL). Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets to collect contractual cashflows; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Expected Credit Losses (ECL) on financial assets at amortised costs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

Impairment of financial assets

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

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

(t) Investments and Financial Assets (continued)

Impairment of financial assets (continued)

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

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(u) Current / non-current classification

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

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

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

(v) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(w) Intangible asset

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

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

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EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Accounting policies (continued)

(x) Impairment of non-financial assets

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

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

(y) Equity accounted investments

Associates are those entities which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. These equity accounted investments are initially recognised at cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss of equity accounted investees until the date on which significant influence ceases. Dividends received from associates are recognised as a reduction to the equity accounted investments.

At each reporting date, the Group reviews the carrying amounts of its equity accounted investments to determine whether there is an indication of impairment. If any indication exists, then the asset's recoverable amount is estimated, being the higher of value in use and fair value less costs of disposal. The Group measures fair value of its equity accounted investments using a quoted price in an active market for that investment, when one is available.

An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount and is recognised in profit or loss.

Any impairment loss recognised is reversed only to the extent that the asset's carrying amount does not exceed its carrying amount that would have been determined if no impairment loss had been recognised.

(z) New standards and interpretations

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current year.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The AASB has issued the following new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has not early adopted any of these standards.

AASB No.	New standards or amendments	Application date
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2024
AASB 2020-6	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2024
AASB 2015-10	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128	1 January 2025
AASB 2017-5	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025
AASB 2021-7(a-c)	Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2025
AASB 18	Presentation and Disclosure in Financial Statements	1 January 2027

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements incorporated in the financial statements are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates and judgments

(i) *Classification of other financial assets*

The Group classifies investments in listed and unlisted securities at fair value through profit and loss. These securities are accounted for at fair value. Any increments or decrements in their value at year end are charged or credited to the statement of profit or loss.

(ii) *Impairment of non-financial assets*

At each reporting date, the Group compares the carrying values and the recoverable amount of non-financial assets to determine whether there is any indication of impairment. If impairment indicators exist, any excess of the investment entity's carrying value over the recoverable amount is expensed to the statement of profit or loss. 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.

(iii) *Goodwill*

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

For the purpose of impairment testing, the goodwill on acquisition of Blackswan Equities Limited and on the acquisition of Entrust have been allocated to the Private Wealth cash generating units (CGUs). Goodwill on the acquisition of Hartleys Limited has been allocated to the Private Wealth and Wholesale CGU respectively at \$3,139,199 and \$4,368,420.

(iv) *Intangible assets*

Upon acquisition of Entrust, Euroz Hartleys Group acquired \$1,736,240 in other intangible assets consisting 3 separate client portfolios. The useful life of these intangibles is assessed as 10 years and the carrying value as at 30 June 2024 was \$173,624. The client portfolios were allocated to the Private Wealth CGU.

On acquisition of Hartleys Limited, the Group recognised an intangible for Hartleys Limited brand name of \$19,500,000 with an indefinite useful life and customer relationship asset of \$3,900,000 with a useful life of 9 years. The values of these intangibles were measured by an external professional valuer. Amortisation expense of the customer relationship of \$433,333 was recognized during the year. The intangible assets associated with the Hartleys Limited's brand name was allocated to the Private Wealth and Wholesale CGU respectively at \$8,153,635 and \$11,346,365.

Impairment assessment of cash generating units containing goodwill and intangibles results

For impairment testing, goodwill and intangibles were allocated to the Group's CGUs as follows:

	Goodwill		Intangibles	
	2024	2023	2024	2023
	\$	\$	\$	\$
Private Wealth	11,581,744	11,581,744	10,727,259	11,334,216
Wholesale	4,368,420	4,368,420	11,471,364	11,346,365
	<u>15,950,164</u>	<u>15,950,164</u>	<u>22,198,623</u>	<u>22,805,581</u>

EUROZ HARTLEYS GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Key estimates and judgments (continued)

(iv) *Intangible assets (continued)*

Impairment assessment of cash generating units containing goodwill and intangibles results (continued)

The recoverable amount of both CGUs was based on their value in use, estimated using discounted cashflows.

The assumptions used in the estimation of the recoverable amount are set out in the table below. The values assigned to the key assumptions represent management’s assessment of future cashflows and economic outlook and have been based on historical data from both external and internal sources.

	2024	2023
	%	%
Discount rate	10	11.0
Terminal value growth rate	1.0	1.0
Average growth rate in next 5 years	0.0	0.0

The cash flow projections were based on historical averages. Projected cash flows for each CGU included specific estimates for a 5-year period and a terminal value thereafter, discounted using an appropriate discount rate.

The following analysis is for the Private Wealth CGU which had a lower headroom than the Wholesale CGU:

Sensitivity analysis

	Percentage required for carrying amount to equal recoverable amount	
	2024	2023
	%	%
Discount rate	14.41	20.35

The impairment assessment is not overly sensitive to the terminal value growth rate. The Private Wealth CGU is able to withstand a reduction in forecast net cashflows of up to 11.67% before carrying amount exceeds its recoverable amount.

The Board have assessed that there is no indication that goodwill or intangible assets are impaired.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 3: SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Executive team (the chief operating decision makers) in assessing performance and in allocating resources.

Euroz Hartleys Group Limited business segments have been determined to be:

Private Wealth

Private Wealth refers to private wealth advisers who work with high net wealth individuals, companies, SMSF and other clients. Private wealth advisers provide a broad investment offering of stockbroking and corporate services for clients. The wealth management team provides strategic investment advice, superannuation advice, investment management and portfolio administration services.

Wholesale

Wholesale refers to the Institutional Dealing, Research and Corporate Finance team who work with companies and other institutional clients. The Institutional Dealing team provides quality advice, idea generation, site visits, and roadshow corporate access highly focused on resources, mining services and small to mid- cap Western Australia (WA) industrials. Working with the Institutional team is the Research team which has extensive coverage of ASX listed industrials, resources and energy companies and provides these insights for our institutional clients. The Corporate Finance team specialises in Equity Capital Markets (ECM), Mergers and Acquisitions (M&A) and strategic Corporate Advisory.

Funds Management

Westoz Funds Management Pty Ltd (WFM), a wholly owned subsidiary of Euroz Hartleys Group has an Australian Financial Services Licence (AFSL). In October 2022, WFM was appointed to be the responsible manager for Westoz Resources Fund Limited (WRFL). WRFL is an unlisted investment fund whose purpose is to generate positive returns from a portfolio of stocks with a focus on the resources sector in Western Australia. The investment mandate is being managed by WFM. The funds management revenue is derived from the management of this mandate.

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

Entity-wide disclosures

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

Basis of accounting for purpose of reporting by operating segments

The accounting policies used by the Group in reporting segments internally are consistent with those adopted in the financial statements of the Group, unless otherwise stated.

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EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 3: SEGMENT INFORMATION (CONTINUED)

Segment performance

	Private Wealth \$	Wholesale \$	Funds Management \$	Other \$	Total \$
2024					
Brokerage	21,877,313	7,543,547	-	-	29,420,860
Underwriting and placement fees	6,805,794	27,019,842	-	-	33,825,636
Performance and management fees	-	-	243,433	-	243,433
Wealth management fees	19,551,356	6,961	-	-	19,558,317
Corporate advisory	9,000	2,261,000	-	-	2,270,000
Interest received	1,669,053	1,669,053	107,039	-	3,445,145
Other revenue	37,825	75,141	-	340,149	453,115
Total segment revenue	49,950,341	38,575,544	350,472	340,149	89,216,506
Segment income tax expense	430,358	2,871,420	71,639	302,131	3,675,548
Segment net operating profit/(loss) after tax	73,912	4,749,598	(55,258)	699,810	5,468,062
	Private Wealth \$	Wholesale \$	Funds Management \$	Other \$	Total \$
2023					
Brokerage	19,995,900	5,115,367	-	-	25,111,267
Underwriting and placement fees	10,229,130	28,463,975	-	-	38,693,105
Performance and management fees	-	-	307,431	-	307,431
Wealth management fees	18,180,185	17,718	-	-	18,197,903
Corporate advisory	-	11,066,059	-	-	11,066,059
Interest received	1,121,487	1,121,487	74,025	3,122	2,320,121
Other revenue	46,004	175,634	-	17,934	239,572
Total segment revenue	49,572,706	45,960,240	381,456	21,056	95,935,458
Segment income tax expense	946,224	3,748,972	(19,969)	(222,565)	4,452,662
Segment net operating profit/(loss) after tax	1,718,753	7,385,363	(35,699)	270,220	9,338,637

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EUROZ HARTLEYS GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 4: REVENUE

	2024	2023
	\$	\$
Revenue	89,216,506	95,935,458
	89,216,506	95,935,458

The disaggregation of revenue is as follows:

	2024	2023
	\$	\$
Brokerage	29,420,860	25,111,267
Underwriting and placement fees	33,825,636	38,693,105
Performance and management fees	243,433	307,431
Wealth management fees	19,558,317	18,197,903
Corporate advisory fees	2,270,000	11,066,059
Interest received	3,445,145	2,320,121
Other revenue	453,115	239,572
	89,216,506	95,935,458

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 5: PROFIT BEFORE INCOME TAX EXPENSE

	2024 \$	2023 \$
Profit before income tax is determined after accounting for the following specific expenses:		
Plant and equipment – depreciation	201,390	197,162
Leasehold improvements – amortisation	804,474	526,228
Right of use asset – amortisation	1,082,204	1,222,033
Intangible asset – amortisation	<u>606,957</u>	<u>606,957</u>
	<u>2,695,025</u>	<u>2,552,380</u>
<i>Finance costs</i>		
Interest and finance charges paid / payable on lease liabilities	55,002	176,722
<i>Employee costs</i>		
Superannuation expense	3,341,031	3,026,550
Share-based payments: - Performance Rights Plan	3,006,278	3,978,418
- Long term Incentive	140,208	139,271
<i>Lease arrangement</i>		
Right of use assets impairment expense (i)	1,475,773	1,174,911
Right of use liabilities write off (i)	(1,557,618)	-
Leasehold improvements impairment expense (i)	<u>-</u>	<u>314,645</u>
	<u>(81,845)</u>	<u>1,489,556</u>

- (i) Euroz Hartleys Group Limited signed a lease agreement in May 2023 for office space at QV1 located at 250 St Georges Terrace, Perth. The lease is for part of Level 37 and the whole of Level 38 of QV1 for a period of 10 years commencing on 1 July 2024 with two options to renew for 5 years commencing 1 July 2034 and 1 July 2039. The lease for 2,505 square metres is on normal commercial terms with a market rate incentive.

An assessment of the contract determined that it qualifies as a lease, as it grants the right to control the use of a specific asset for a defined period in exchange for compensation. As a result, the recognition of the right of use asset and lease liability occurred in December 2023 when the office became available for use.

Following the move to QV1, the Group surrendered the leases for the premises at Level 18 Alluvion, 58 Mounts Bay Road, Perth WA and Level 6 Westralia, 141 St Georges Terrace, Perth WA on 31 December 2023 and 31 January 2024 respectively. Accordingly, the respective right-of-use assets were fully written off and the lease liabilities were also wound down to the extent of the agreed surrender fee which has since been paid. Details of the movement of the right of use assets and liabilities are on note 18.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 6: INCOME TAX

	2024 \$	2023 \$
Profit before income tax expense	9,143,610	13,791,299
Income tax using Group's tax rate of 30% (2023: 30%)	2,743,083	4,137,390
Add tax effect of:		
Deferred tax not recognised on capital losses	764,165	-
Other non-allowable items	198,300	315,272
	<u>3,705,548</u>	<u>4,452,662</u>
Less tax effect of:		
Franked dividends received	(30,000)	-
Income tax expense	<u>3,675,548</u>	<u>4,452,662</u>

	2024 \$	2023 \$
The components of tax expense / (benefit) comprise:		
Current tax	4,318,555	6,549,907
Deferred tax	(643,007)	(2,097,245)
Income tax expense	<u>3,675,548</u>	<u>4,452,662</u>

Numerical reconciliation between the applicable tax rate and effective tax rate:

	2024 %	2023 %
Applicable tax rate	30	30
Tax effect of non-deductible expenses	3.3	2.3
Tax effect of temporary differences not recognised	7.2	-
Tax effect of franking credit offsets	(0.3)	-
Effective tax rate	<u>40.2</u>	<u>32.3</u>

Deferred tax asset is attributable to the following:

	2024 \$	2023 \$
Investments at fair value	1,144,157	-
Employee benefits	2,984,325	2,768,559
Accruals	<u>1,718,089</u>	<u>2,743,751</u>
	<u>5,846,571</u>	<u>5,512,310</u>

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits can be generated.

Deferred tax liability is attributable to the following:

	2024 \$	2023 \$
Investments at fair value	-	359,482
Performance rights plan	<u>1,706,824</u>	<u>1,908,315</u>
	<u>1,706,824</u>	<u>2,267,797</u>

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 6: INCOME TAX (CONTINUED)

Tax consolidation legislation

Euroz Hartleys Group Limited and its wholly-owned Australian subsidiaries implemented the tax consolidation legislation as of 1 July 2003.

The entities have also entered into a tax sharing and funding agreement. Under the terms of this agreement, the wholly-owned entities reimburse Euroz Hartleys Group Limited for any current income tax payable by Euroz Hartleys Group Limited arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and have therefore been recognised as a current tax-related receivable by Euroz Hartleys Group Limited. In the opinion of the Directors, the tax sharing agreement is also a valid agreement under the tax consolidation legislation and limits the joint and several liability of the wholly-owned entities in the case of a default by Euroz Hartleys Group Limited.

NOTE 7: CASH AND CASH EQUIVALENTS

	2024 \$	2023 \$
Cash at bank and on hand	77,853,136	74,119,850
Restricted cash:		
Cash margin account	1,696,454	2,180,899
Client trust account	13,394,847	11,855,106
Total restricted cash	<u>15,091,301</u>	<u>14,036,005</u>
Total cash and cash equivalents	<u>92,944,437</u>	<u>88,155,855</u>

The cash margin account is held by the Australian Securities Exchange (ASX) as a margin requirement to cover possible market participant default and is adjusted each day to reflect the Group's current obligation to the clearing house at ASX. Client trust bank balances are client funds and not available for general use by the Group.

NOTE 8: TRADE AND OTHER RECEIVABLES

	2024 \$	2023 \$
Trade receivables	2,896,482	3,355,027
Broker receivable (i)	21,502,169	21,720,082
Other receivable	<u>21,053</u>	<u>61,799</u>
	<u>24,419,704</u>	<u>25,136,908</u>

Receivables are measured at amortised cost and their carrying amount approximates fair value.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group has established a credit and trading policy which sets certain trading limits and guidelines. These limits are reviewed and adjusted by management when and, if required, depending on circumstances prevailing at that time.

(i) Broker receivables relates to outstanding client accounts and amounts owed to the Group by ASX Clearing. These are settled with the broker payable as disclosed in Note 15.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 9: OTHER FINANCIAL ASSETS AT FAIR VALUE

	2024 \$	2023 \$
Fair value of listed securities	2,450,262	5,728,629
Fair value of unlisted securities	<u>8,601,576</u>	<u>10,401,571</u>
Total	<u>11,051,838</u>	<u>16,130,200</u>

These securities are held at fair value through profit or loss. The fair values of listed securities are based on the closing price of each investment at year end. The fair values of unlisted securities are measured using the Black-Scholes model at year end. The Black-Scholes model inputs are based on the risk-free Australian Bond rate and security share price at the point of revenue recognition.

The model's volatility % is calculated on the historical share price volatility, with the lookback period defined by the number of days until the unlisted security expires.

NOTE 10: OTHER CURRENT ASSETS

	2024 \$	2023 \$
Prepayments	2,294,917	2,469,727
Accrued income	<u>202,607</u>	<u>1,738,003</u>
Total	<u>2,497,524</u>	<u>4,207,730</u>

NOTE 11: FINANCIAL ASSETS AT AMORTISED COST

	2024 \$	2023 \$
Security deposit (i)	50,000	50,000
Financial guarantee – term deposit	<u>2,388,352</u>	<u>636,296</u>
	<u>2,438,352</u>	<u>686,296</u>

(i) Security deposit is held by FinClear Services Pty Ltd who is the clearing and trading participant on behalf of Euroz Hartleys Limited for international trades.

NOTE 12: INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2024 \$	2023 \$
Opening fair value – 1 July	2,084,000	-
Additions	70,000	2,000,000
Fair value (decrements) / increments	<u>(426,013)</u>	<u>84,000</u>
Closing fair value 30 June	<u>1,727,987</u>	<u>2,084,000</u>

Investments at fair value through profit and loss relates to Euroz Hartleys Group Limited's 7.1% (2023: 7.7%) investment in Westoz Resources Fund Limited (WRFL). WRFL is an unlisted investment fund whose purpose is to generate positive returns and returning dividends to investors through the trading of stocks generally associated with the resources sector in Western Australia. The responsible manager of the fund is Westoz Funds Management Pty Ltd a wholly owned subsidiary of Euroz Hartleys Group Limited.

WRFL is measured at fair value through profit or loss accounting in accordance with the Group accounting policies as disclosed in the annual report. The fair value of the investment was based on the net tangible asset of WRFL as at 30 June 2024.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 13: PLANT AND EQUIPMENT

	2024 \$	2023 \$
Leasehold improvements		
At cost	-	2,288,948
Less: Accumulated amortisation	-	(925,483)
Impairment expense	-	(314,645)
	<u>-</u>	<u>1,048,820</u>
Office equipment		
At cost	1,121,682	1,014,997
Less: Accumulated depreciation	(736,859)	(763,798)
	<u>384,823</u>	<u>251,199</u>
Furniture, fixtures and fittings		
At cost	106,845	135,393
Less: Accumulated depreciation	(30,227)	(50,501)
	<u>76,618</u>	<u>84,892</u>
	<u>461,441</u>	<u>1,384,911</u>

Reconciliations

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements \$	Plant and equipment \$	Total \$
2024			
Carrying amount at 1 July 2023	1,048,820	336,091	1,384,911
Additions	-	362,445	362,445
Write-off	(63,182)	(35,705)	(98,887)
Depreciation / amortisation expense (note 5)	(804,474)	(201,390)	(1,005,864)
Reimbursement	(181,164)	-	(181,164)
	<u>-</u>	<u>461,441</u>	<u>461,441</u>
Carrying amount at 30 June 2024	-	461,441	461,441
2023			
Carrying amount at 1 July 2022	1,710,579	386,983	2,097,562
Additions	181,164	146,270	327,434
Write-off	(2,050)	-	(2,050)
Depreciation / amortisation expense (note 5)	(526,228)	(197,162)	(723,390)
Impairment expense	(314,645)	-	(314,645)
	<u>1,048,820</u>	<u>336,091</u>	<u>1,384,911</u>
Carrying amount at 30 June 2023	1,048,820	336,091	1,384,911

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 14: INTANGIBLE ASSETS

	2024 \$	2023 \$
Goodwill (a)	15,950,164	15,950,164
Other intangible assets (b)	22,198,624	22,805,581
	<u>38,148,788</u>	<u>38,755,745</u>

(a) Allocation of goodwill:

	2024 \$	2023 \$
Goodwill on acquisition of Blackswan	2,803,345	2,803,345
Goodwill on acquisition of Entrust	5,639,200	5,639,200
Goodwill on acquisition of Hartleys	7,507,619	7,507,619
	<u>15,950,164</u>	<u>15,950,164</u>

Goodwill balances are deemed to have an indefinite useful life and accordingly an impairment test was performed during the year. Based on the assessment, no impairment was identified. Note 2 (iii) and Note 2 (iv) contains additional information on this assessment.

	2024 \$	2023 \$
(b) Other intangible assets:		
Client portfolios (i)	173,623	347,247
Hartleys Brand (ii)	19,500,000	19,500,000
Customer relationships - Hartleys (ii)	2,275,001	2,708,334
ASX Licence	250,000	250,000
	<u>22,198,624</u>	<u>22,805,581</u>

	Client portfolios \$	Customer relationship - Hartleys \$	Total \$
2024			
Balance as at 1 July 2023	347,247	2,708,334	3,055,581
Amortisation expense	(173,624)	(433,333)	(606,957)
Balance as at 30 June 2024	<u>173,623</u>	<u>2,275,001</u>	<u>2,448,624</u>
2023			
Balance as at 1 July 2022	520,871	3,141,667	3,662,538
Amortisation expense	(173,624)	(433,333)	(606,957)
Balance as at 30 June 2023	<u>347,247</u>	<u>2,708,334</u>	<u>3,055,581</u>

- (i) The useful life of the intangibles was assessed as 10 years and amortised accordingly.
- (ii) On acquisition of Hartleys Limited, the Group recognised an intangible for the Hartleys brand name of \$19,500,000 with an indefinite useful life and customer relationship asset of \$3,900,000 with a useful life of 9 years. An impairment assessment was performed during the year. Refer to Note 2 (iv).

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 15: TRADE AND OTHER PAYABLES

	2024 \$	2023 \$
Trade and other payables	3,045,654	1,812,293
Broker payable (i)	34,258,993	32,328,853
Dividend payable	4,944,678	5,753,047
Accruals	9,975,834	15,581,367
	<u>52,225,159</u>	<u>55,475,560</u>

Payables are measured at amortised cost and their carrying amount approximates fair value.

Dividend payable represents the dividend declared by the Board before the reporting date and to be paid out to shareholders subsequent to year end.

- (i) Broker payable relates to outstanding client accounts and amounts owed by the Group to ASX Clearing. These are settled with the broker receivable as disclosed in Note 8.

Movement in dividend payable is set out below:

	2024 \$	2023 \$
Opening balance	5,753,047	16,770,251
Amount provided during the year	7,829,082	49,846,206
Amounts paid out	<u>(8,637,451)</u>	<u>(60,863,410)</u>
Balance as at 30 June	<u>4,944,678</u>	<u>5,753,047</u>

Of the total dividends paid during the year, \$467,836 was through the dividend reinvestment plan and \$11,636 (2023: \$35,210) was paid to the Euroz Share Trust and is undistributed, therefore, it has been eliminated on consolidation.

NOTE 16: CURRENT TAX RECEIVABLE / (PAYABLE)

	2024 \$	2023 \$
Opening balance	1,675,992	(8,834,084)
Amount provided during the year	(4,318,555)	(6,549,907)
Prior year adjustments	(252,226)	(40,322)
Amounts received	(2,144,548)	-
Amounts paid out	<u>4,304,884</u>	<u>17,100,305</u>
Balance as at 30 June	<u>(734,453)</u>	<u>1,675,992</u>

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EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 17: PROVISIONS

	2024 \$	2023 \$
Employee benefits (annual leave)	3,311,733	3,372,810
Employee benefits (long service leave)	<u>6,636,015</u>	<u>5,865,272</u>
Total current and non-current	<u>9,947,748</u>	<u>9,238,082</u>
Disclosed as current	9,675,487	9,016,263
Disclosed as non-current liabilities	272,261	221,819
Movements in employee benefits, are set out below:		
	2024 \$	2023 \$
<i>Annual leave:</i>		
Carrying amount at 1 July	3,372,810	3,636,514
Additional provisions recognised	1,875,878	1,896,513
Leave taken and paid out	<u>(1,936,955)</u>	<u>(2,160,217)</u>
Carrying amount at 30 June	<u>3,311,733</u>	<u>3,372,810</u>
<i>Long service leave:</i>		
Carrying amount at 1 July	5,865,272	4,293,291
Additional provisions recognised	1,646,352	1,800,329
Leave taken and paid out	<u>(875,609)</u>	<u>(228,348)</u>
Carrying amount at 30 June	<u>6,636,015</u>	<u>5,865,272</u>

NOTE 18: RIGHT OF USE ASSET AND LEASE LIABILITY

	2024 \$	2023 \$
Leased premises	15,434,425	7,716,294
Accumulated amortisation	(719,107)	(4,739,150)
Impairment expense	<u>(1,475,773)</u>	<u>(1,174,911)</u>
	<u>13,239,545</u>	<u>1,802,233</u>
Office equipment	126,461	105,056
Accumulated amortisation	<u>(101,857)</u>	<u>(65,220)</u>
	<u>24,604</u>	<u>39,836</u>
Right of use asset	<u>13,264,149</u>	<u>1,842,069</u>
Lease liability – current	<u>828,899</u>	<u>1,358,111</u>
Lease liability – non-current	<u>13,118,748</u>	<u>2,194,393</u>
Reconciliation of right of use asset:		
Balance as at 1 July	1,842,069	4,244,049
Additions	13,980,057	-
Amortisation expense	(1,082,204)	(1,222,033)
Impairment expense	(1,475,773)	(1,174,911)
Disposal	<u>-</u>	<u>(5,036)</u>
Balance as at 30 June	<u>13,264,149</u>	<u>1,842,069</u>

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 18: RIGHT OF USE ASSET AND LEASE LIABILITY (CONTINUED)

Euroz Hartleys Group Limited signed a lease agreement in May 2023 for office space at QV1 located at 250 St Georges Terrace, Perth. The lease is for part of Level 37 and the whole of Level 38 of QV1 for a period of 10 years commencing on 1 July 2024 with two options to renew for 5 years commencing 1 July 2034 and 1 July 2039. The lease has a rent-free period from January 2024. The lease for 2,505 square metres is on normal commercial terms with a market rate incentive.

An assessment of the contract determined that it qualifies as a lease, as it grants the right to control the use of a specific asset for a defined period in exchange for compensation. As a result, the recognition of the right of use asset and lease liability occurred in December 2023 when the office became available for use.

Following the move to QV1, the Group surrendered the leases for the premises at Level 18 Alluvion, 58 Mounts Bay Road, Perth WA and Level 6 Westralia, 141 St Georges Terrace, Perth WA on 31 December 2023 and 31 January 2024 respectively. Accordingly, the respective right-of-use assets were fully written off and the lease liabilities were also wound down to the extent of the agreed surrender fee which has since been paid. Details of the movement of the right of use assets and liabilities are below:

Reconciliation of lease liability:

	2024	2023
	\$	\$
Balance as at 1 July	3,552,504	4,907,275
Additions	13,980,056	-
Written off	(1,557,618)	-
Disposals	-	(5,036)
Interest expense	55,002	176,722
Interest paid	(55,002)	(176,722)
Lease payments	(2,027,295)	(1,349,735)
Balance as at 30 June	<u>13,947,647</u>	<u>3,552,504</u>

The following table sets out a maturity analysis of lease liabilities showing the discounted lease payments to be paid after the reporting date.

	2024	2023
	\$	\$
Less than one year	828,899	1,358,091
One to two years	882,544	1,379,300
Two to three years	1,021,096	535,289
Three to four years	1,172,108	279,824
Four to five years	1,335,280	-
More than 5 years	8,707,720	-
	<u>13,947,647</u>	<u>3,552,504</u>

The above right of use asset and lease liability relates to:

- The lease on the premises at QV1 is for part Level 37 and the whole of level 38, 250 St Georges Terrace, Perth WA for a period of 10 years commencing on 1 July 2024 with two options to renew for 5 years commencing 1 July 2034 and 1 July 2039.
- The lease on the premises at Level 18 Alluvion, 58 Mounts Bay Road, Perth WA was for a period of 15 years commencing 2 July 2010 and expiring on 1 July 2025. This lease was terminated on 31 December 2023.
- The lease on the premises at Level 6 Westralia, 141 St Georges Terrace, Perth WA was for a period of 8 years commencing 1 January 2019 and expiring on 31 December 2026. This lease was terminated on 31 January 2024.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 19: CONTRIBUTED EQUITY

	2024	2023	2024	2023
	Shares	Shares	\$	\$
(a) Share capital				
Ordinary shares				
Issued and paid up capital - consisting of ordinary shares (net of treasury shares)	<u>154,302,581</u>	<u>155,112,688</u>	<u>98,595,762</u>	<u>98,562,525</u>
(b) Movements in ordinary share capital net of treasury shares			2024	2023
			Shares	Shares
Balance at the beginning of the reporting period			155,112,688	187,106,282
Issue of new shares			449,843	332,690
Acquisition of treasury shares			(2,527,370)	(1,940,000)
Share cancellation net of treasury shares (i)			-	(31,773,026)
Vested shares under Performance Rights Plan			<u>1,267,420</u>	<u>1,386,742</u>
Balance at the end of the reporting period			<u>154,302,581</u>	<u>155,112,688</u>
(c) Movements in ordinary share capital			2024	2023
			\$	\$
Balance at the beginning of the reporting period			98,562,525	136,740,320
Shares issued during the period			467,836	369,286
Return of capital (i)			-	(39,998,187)
Treasury shares			(2,064,050)	(2,188,727)
Vested shares under Performance Rights Plan			<u>1,629,451</u>	<u>3,639,833</u>
Balance at the end of the reporting period			<u>98,595,762</u>	<u>98,562,525</u>
(i) Return of capital / share cancellation relates to the \$39,998,000 equal capital reduction and share cancellation paid in December 2022 as part of the Group's strategic cash and capital management initiative. Total shares cancelled of 33,257,006 included 1,483,980 treasury shares.				
(d) Treasury shares	2024	2023	2024	2023
	Shares	Shares	\$	\$
Balance at the beginning of the reporting period	(9,260,069)	(10,190,791)	12,724,184	13,916,281
Acquisition of Treasury shares	(2,527,370)	(1,940,000)	2,064,050	2,188,727
Treasury share cancellation (i)	-	1,483,980	-	(1,784,587)
Vested shares under Performance Rights Plan	<u>1,267,420</u>	<u>1,386,742</u>	<u>(981,977)</u>	<u>(1,596,237)</u>
Balance of Treasury shares at the end of the reporting period	<u>(10,520,019)</u>	<u>(9,260,069)</u>	<u>13,806,257</u>	<u>12,724,184</u>

Treasury shares were acquired by the Employee Share Trust at various times during the year for grant to Executives and employees as part of the Performance Right Plan.

(i) Share cancellation relates to treasury shares that were cancelled as part of the \$39,998,000 equal capital reduction and share cancellation in December 2022 as part of the Group's strategic cash and capital management initiative.

(e) **Ordinary shares**

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

Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 19: CONTRIBUTED EQUITY (CONTINUED)

(f) **Options**

There were no options on issue at 30 June 2024 (30 June 2023: Nil).

(g) **Share-based payments reserve**

The reserve records items recognised as expenses on valuation of share-based payments. The movement in the current period totalling \$3,146,486 (2023: \$4,117,689) relates to the vesting expense related to the fair value of shares issued under all share-based payments plans in the prior year and the current year.

	2024 \$	2023 \$
Balance on share-based payment reserve at 1 July	9,395,353	8,917,497
Recognised during the year	3,146,486	4,117,689
Vested shares under Performance Rights Plan	<u>(1,629,451)</u>	<u>(3,639,833)</u>
Balance on share-based payments reserve at 30 June	<u>10,912,388</u>	<u>9,395,353</u>

(h) **Capital management**

The Directors primary objective is to maintain a capital structure that ensures the lowest cost of capital available to the Group. At reporting date, the Group has significant cash reserves and no external borrowings. As the holder of various Australian Financial Services Licences and as a market participant of the Australian Securities Exchange the Group is exposed to externally imposed capital requirements, which have been complied with throughout the year.

NOTE 20: DIVIDENDS

	2024 \$	2023 \$
Relating to ordinary shares		
Special dividend 20.27 cents per fully paid ordinary share paid on 7 October 2022	-	39,992,116
Interim dividend for the half year ended 31 December 2023 of 1.75 cents (2022 – 2.5 cents) per fully paid ordinary share paid on 16 February 2024 fully franked based on tax paid @ 30%	2,872,769	4,065,832
Final dividend declared and provided for at 30 June 2024 of 3.0 cents (2023 – 3.5 cents) per fully paid ordinary share to be paid on 30 August 2024 fully franked based on tax paid @ 30%	<u>4,944,678</u>	<u>5,753,047</u>
Total dividends provided for or paid	<u>7,817,447</u>	<u>49,810,995</u>

Special dividend to equity holders comprised \$39,992,000 fully franked special dividend of \$0.2027 per share paid to shareholders in October 2022 as part of the Group's strategic cash and capital management initiative.

Of the total dividends paid during the year \$11,636 (2023: \$35,210) was paid to the Euroz Share Trust and is undistributed. Therefore, it has been eliminated on consolidation.

Franked dividends

The franked portions of the dividends recommended after 30 June 2024 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 June 2024.

	2024 \$	2023 \$
Franking credits available for subsequent financial years based on a tax rate of 30% (2023: 30%)	<u>15,505,213</u>	<u>17,097,912</u>

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 20: DIVIDENDS (CONTINUED)

The dividends are fully-franked and therefore, there are no income tax consequences for the owners of Euroz Hartleys Group Limited.

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- (a) franking credits that will arise from the payment of the current tax liability;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- (d) franking credits that may be prevented from being distributed in subsequent financial years.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of controlled entities were paid as dividends.

NOTE 21: FINANCIAL INSTRUMENTS

(a) Financial risk management

The Group's financial instruments consist of deposits with banks, trade receivables and payables, short term investments and long-term investments. Derivative financial instruments are not used by the Group. Senior Executives meet regularly to analyse and monitor the financial risk associated with the financial instruments used by the Group.

(b) Financial risk exposure and management

(i) Interest rate risk

The Group has no borrowings and therefore is not exposed to interest rate risk associated with debt. The Group has significant cash reserves and the interest income earned from these cash reserves will be affected by movements in the interest rate. A sensitivity analysis has been provided in the Note 21(b)(vii) to illustrate the effect of interest rate movements on interest income earned.

(ii) Liquidity risk

The Group manages liquidity risk using forward cash flow projections, maintaining cash reserves and having no borrowings or debt.

	2024	2023
	\$	\$
Current lease liability	828,899	1,358,111
Non-current lease liability	13,118,748	2,194,393
Total lease liability (Note 18)	13,947,647	3,552,504

Interest on lease liabilities is expected to be paid as follows:

	2024	2023
	\$	\$
Less than one year	929,546	126,268
One to two years	871,268	71,435
Two to three years	806,517	29,040
Three to four years	731,889	4,172
Four to five years	646,508	-
More than 5 years	1,519,570	-
	5,505,298	230,915

Trade and other payables are expected to be paid as follows:

	2024	2023
	\$	\$
Less than 1 month	47,280,481	49,722,513
1 to 3 months	4,944,678	5,753,047
	52,225,159	55,475,560

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk exposure and management (continued)

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. For the Group it arises from receivables from subsidiaries, as well as from customers.

Senior management monitors its exposure to customers on a regular basis to ensure recovery and repayment of outstanding amounts. Cash deposits are only made with Australian based banks.

The maximum exposure to credit risk, excluding the value of any collateral or security, at reporting date is the carrying amount of the financial assets disclosed in the statement of financial position. There is no collateral or security held for those assets at 30 June 2024.

The carrying amount of the Group's cash and cash equivalents, receivables and deposits represents the maximum credit exposure.

The Group's maximum exposure to credit risk at the reporting date was:

	Note	Carrying Amount	
		2024	2023
		\$	\$
Cash and cash equivalents	7	92,944,437	88,155,855
Trade and other receivables	8	24,419,704	25,136,908
Financial assets at amortised cost	11	2,438,352	686,296
		<u>119,802,493</u>	<u>113,979,059</u>

The Group's receivables are considered recoverable.

(iv) Financial instruments composition

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-Interest Bearing	
	2024	2023	2024	2023	2024	2023
	%	%	\$	\$	\$	\$
FINANCIAL ASSETS						
Cash and cash equivalents	3.52	2.38	92,944,437	88,155,855	-	-
Trade and other receivables			-	-	24,419,704	25,136,908
Financial assets held for trading			-	-	11,051,838	16,130,200
Financial assets	5.12	1.64	<u>2,388,352</u>	<u>636,296</u>	<u>50,000</u>	<u>50,000</u>
			<u>95,332,789</u>	<u>88,792,151</u>	<u>35,521,542</u>	<u>41,317,108</u>
FINANCIAL LIABILITIES						
Trade and other payables			-	-	52,225,159	55,475,560
Lease liability (current and non-current)	0.63	4.25	<u>13,947,647</u>	<u>3,552,504</u>	<u>-</u>	<u>-</u>
			<u>13,947,647</u>	<u>3,552,504</u>	<u>52,225,159</u>	<u>55,475,560</u>

(v) Fair value hierarchy

The following table details the Group's fair value of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Techniques, such as estimated discounted cash flows and Black-Scholes model are used to determine fair value for the financial instruments.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

		Carrying amount			Fair value			
		Designated at FVTPL (ii)	Financial assets / liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
	Note	\$	\$	\$	\$	\$	\$	\$
2024								
Current financial assets								
Cash and cash equivalents (i)	7	-	92,944,437	92,944,437	-	-	-	-
Trade and other receivables (i)	8	-	24,419,704	24,419,704	-	-	-	-
Other financial assets	9	11,051,838	-	11,051,838	2,450,262	8,493,175	108,401	11,051,838
Non - Current financial assets								
Financial assets (i)	11	-	2,438,352	2,438,352	-	-	-	-
Investments at fair value	12	1,727,987	-	1,727,987	-	1,727,987	-	1,727,987
Current financial liabilities								
Trade and other payables (i)	15	-	(52,225,159)	(52,225,159)	-	-	-	-
		12,779,825	67,577,334	80,357,159	2,450,262	10,221,162	108,401	12,779,825

(i) Balances are measured at amortised cost. The carrying amount is a reasonable approximation of fair value

(ii) Fair value through profit or loss (FVTPL)

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

2023	Note	Carrying amount			Fair value			
		Designated at FVTPL (ii)	Financial assets / liabilities at amortised cost	Total	Level 1	Level 2	Level 3	Total
		\$	\$	\$	\$	\$	\$	\$
Current financial assets								
Cash and cash equivalents (i)	7	-	88,155,855	88,155,855	-	-	-	-
Trade and other receivables (i)	8	-	25,136,908	25,136,908	-	-	-	-
Other financial assets	9	16,130,200	-	16,130,200	5,728,629	10,048,436	353,135	16,130,200
Non - Current financial assets								
Financial assets (i)	11	-	686,296	686,296	-	-	-	-
Investments at fair value	12	2,084,000	-	2,084,000	-	2,084,000	-	2,084,000
Current financial liabilities								
Trade and other payables (i)	15	-	(55,475,560)	(55,475,560)	-	-	-	-
		18,214,200	58,503,499	76,717,699	5,728,629	12,132,436	353,135	18,214,200

(i) Balances are measured at amortised cost. The carrying amount is a reasonable approximation of fair value

(ii) Fair value through profit or loss (FVTPL)

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 21: FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk exposure and management (continued)

(vi) Market risk

Market risk is the risk that changes in market prices will affect the fair value the Group's financial instruments. The Group is subject to market risk as it invests in financial instruments which are not risk free and are traded in active markets where prices of securities fluctuate.

(vii) Sensitivity analysis

Assuming all variables remain constant and the interest rate fluctuated by 1% at year-end the effect on the Group's equity and profit after tax as follows:

Cash and cash equivalents and Interest-bearing financial assets

	2024 \$	2023 \$
Increase by 1%	667,330	621,545
Decrease by 1%	(667,330)	(621,545)

Assuming all variables remain constant and the equity market fluctuated by 5% at year-end the effect on the Group's equity and profit after tax is as follows:

Financial assets at fair value through profit and loss

	2024 \$	2023 \$
Increase by 5%	386,814	564,557
Decrease by 5%	(386,814)	(564,557)

(c) Bank Guarantees

	2024 \$	2023 \$
Secured guarantees in respect of leases of a controlled group entity:		
Westpac Banking Corporation	3,185,168	796,816
Bankwest	-	636,295
	<u>3,185,168</u>	<u>1,433,111</u>

NOTE 22: REMUNERATION OF AUDITORS

	2024 \$	2023 \$
Audit and assurance services		
Audit and review of financial reports for the Group	346,100	318,750
Regulatory assurance services	45,150	43,000
Controls assurance services	-	10,750
	<u>391,250</u>	<u>372,500</u>
Total paid to KPMG		

Regulatory assurance services

Regulatory assurance services are those that are required under legislation and are performed by the auditor including Form FS 71 as an AFSL licensee.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 23: CONTINGENT LIABILITIES

Potential for regulatory exposures

The Group operates in the highly regulated Australian financial services market. It is common for the Group to engage with its regulators in relation to regulatory investigations, surveillance and reviews, reportable situations, formal and informal enquiries and regulatory supervisory activities. The Group has received various notices and requests for information from its regulators as part of both industry wide and Group specific reviews. The nature of these interactions can be wide ranging. The outcomes and total costs associated with such activity, if any, are inherently difficult to estimate and as a result any possible exposures remain uncertain. At this time, the Group considers the likelihood of material financial exposures arising from this activity to be uncertain (2023: Nil).

Potential for customer exposures

From time to time the Group will receive claims for compensation from customers. These will usually relate to a complaint that has been made to the Australian Financial Complaints Authority. The outcomes and total costs associated with such activity, if any, are inherently difficult to estimate and, as a result, any possible exposures remain uncertain. At this time, the Group considers the likelihood of material financial exposures arising from this activity to be remote in circumstances where the Group has appropriate professional indemnity insurance arrangements in place regarding this activity (2023: Nil).

NOTE 24: COMMITMENTS FOR EXPENDITURE

	2024	2023
	\$	\$
Clearing and settlement services		
Within one year	319,725	767,340
Later than one year but not later than five years	-	319,725
Later than five years	-	-
Office equipment (i)		
Within one year	-	288,628
Later than one year but not later than five years	-	-
Later than five years	-	-
	<u>319,725</u>	<u>1,375,693</u>
Commitments not recognised in the financial statements		
	<u>319,725</u>	<u>1,375,693</u>

- (i) Capital commitments related to information technology infrastructure for QV1.

Euroz Hartleys Group Limited signed a lease agreement in May 2023 for office space at QV1 Perth located at 250 St Georges Terrace, Perth. The lease is for part Level 37 and the whole Level 38 of QV1 for a period of 10 years commencing on 1 July 2024 with two options to renew for 5 years commencing 1 July 2034 and 1 July 2039. The lease for 2,505 square metres is on normal commercial terms with a market rate incentive.

The lease on the premises at Level 18 Alluvion, 58 Mounts Bay Road, Perth WA was for a period of 15 years commencing 2 July 2010 and was due to expire on 1 July 2025. This lease was terminated on 31 December 2023.

The lease on the premises at Level 6 Westralia, 141 St Georges Terrace, Perth WA was for a period of 8 years commencing 1 January 2019 and was due expire on 31 December 2026. This lease was terminated on 31 January 2024.

These lease commitments have been included as part of lease liabilities. Refer to Note 18.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 25: RELATED PARTIES

(a) Key Management Personnel compensation

	2024 \$	2023 \$
Short-term employee benefits	7,141,280	3,986,986
Post-employment benefits	258,873	183,138
Share-based payments – Performance Rights Plan	780,813	973,572
Share-based payments – Long Term Incentive	140,208	139,271
Total compensation	<u>8,321,174</u>	<u>5,282,967</u>

(b) Individual Key Management Personnel (KMP) compensation disclosure

Information regarding individual KMP compensation and some equity instruments disclosures as required by Corporations Regulation is provided in the remuneration report section of the Directors' Report.

Apart from the details disclosed in this note, no KMP has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving KMP interest existing at year end.

(c) Parent entity

The ultimate parent entity within the Group is Euroz Hartleys Group Limited.

(d) Share-based payments

Share-based payments were issued to Eligible Employees in line with terms and conditions as described in the remuneration report "Equity based payments" section and note 1(m)(v).

At 30 June 2024, the Group had the following outstanding share-based payment arrangements (post-capital reduction in December 2022):

Grant date / KMP entitled	Number of shares	Fair value on grant date*	Vesting conditions**
Shares granted to KMP:			
30 June 2021***	428,018	\$1.595	3-year service condition
30 June 2022	275,668	\$1.689	3-year service condition
30 June 2023	893,458	\$1.175	3-year service condition
30 June 2024	<u>712,573</u>	\$0.835	3-year service condition
Total	<u>2,309,717</u>		

* Fair value on grant date represents the grant price being the 30-day VWAP in accordance with the PRP

** After the 3-year service condition has been met the plan shares are escrowed for a further period according to the plan as described in the remuneration report "Equity based payments" section and note 1(m)(v)

*** Held in escrow

Forfeited and vested shares during the year are detailed below:

	2024 Number of shares	Weighted average exercise price	2023 Number of shares	Weighted average exercise price
Forfeited during the year	-	nil	-	nil
Vested during the year	611,130	nil	-	nil

EUROZ HARTLEYS GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 25: RELATED PARTIES (CONTINUED)

(e) Group transactions

Wholly-owned group

The wholly-owned group consists of Euroz Hartleys Group Limited and its wholly-owned controlled entities as detailed in the Consolidated Entity Disclosure Statement.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no related party transactions during the year (2023: nil).

Ownership interests in related parties

Interests held in controlled entities are set out in Consolidated Entity Disclosure Statement.

Other transactions with Directors and specified Executives

During the year ended 30 June 2024 the Directors and KMP transacted share business through Euroz Hartleys Limited on normal terms and conditions.

Aggregate amounts of the above transactions with Directors and KMP of the Group:

	2024	2023
	\$	\$
Amounts recognised as revenue		
Brokerage earned on Key Management Personnel accounts	<u>38,826</u>	<u>45,511</u>

NOTE 26: EVENTS SUBSEQUENT TO REPORTING DATE

The Directors are not aware of any matter or circumstance subsequent to 30 June 2024 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in future financial years.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 27: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2024 \$	2023 \$
Profit for the year	5,468,062	9,338,637
Adjustments for:		
Depreciation and amortisation	2,695,025	2,552,380
Impairment expense and (liability write-off)	(81,845)	1,489,556
Share-based payments	3,146,486	4,117,689
Loss / (gain) on investments	426,013	(84,000)
Write-off / loss on disposal of plant and equipment	98,887	2,050
Interest paid on lease liabilities	55,002	176,722
Interest on security deposit	(23,832)	(10,361)
Reinvested distributions received from investing activity investments	(70,000)	-
Changes in assets and liabilities:		
Decrease / (increase) in trade and other receivables	717,204	(7,065,694)
Decrease / (increase) in other financial assets at fair value through profit or loss	5,078,362	(813,136)
Decrease / (increase) in other current assets	1,710,206	(1,725,616)
Decrease / (increase) in current tax receivables	1,675,992	(1,675,992)
Increase in deferred tax assets	(334,261)	(1,274,262)
(Decrease) / increase in trade and other payables (excluding dividends)	(2,442,034)	6,955,740
Increase / (decrease) in current tax liabilities	734,453	(8,834,084)
Decrease in deferred tax liabilities	(560,973)	(863,304)
Increase in provisions	709,666	1,308,277
Net cash from operating activities	<u>19,002,413</u>	<u>3,594,602</u>

EUROZ HARTLEYS GROUP LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 28: EARNINGS PER SHARE

	2024	2023
	Cents	Cents
Earnings per share attributable to the owners of Euroz Hartleys Group Limited		
Basic earnings per share (cents)	3.50	5.51
Diluted earnings per share (cents)	3.33	5.25
	2024	2023
	Number	Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<u>156,084,214</u>	<u>169,367,175</u>
Weighted average number of ordinary shares and potential ordinary shares (including treasury shares) used as the denominator in calculating diluted earnings per share	<u>164,372,757</u>	<u>177,866,437</u>

The profit after tax figure used to calculate the earnings per share for both the basic and diluted calculations was the same as the profit after tax figure from Consolidated Statement of Profit or Loss and Other Comprehensive Income.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 29: PARENT ENTITY DISCLOSURES

	2024	2023
	\$	\$
<i>Financial position</i>		
Assets		
Current assets	28,042,452	28,563,579
Non-current assets	107,198,886	91,598,117
Total assets	135,241,338	120,161,696
Liabilities		
Current liabilities	6,877,415	6,046,902
Non-current liabilities	14,779,280	2,011,970
Total liabilities	21,656,695	8,058,872
Equity		
Issued capital	98,454,657	98,577,622
Retained earnings	4,322,629	4,211,973
Reserves		
Share-based payment reserve	10,807,357	9,313,229
Total equity	113,584,643	112,102,824
<i>Financial performance</i>		
Profit for the year	7,939,739	8,973,537
Total comprehensive income	7,939,739	8,973,537

Contingent liabilities

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

Significant accounting policies

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

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 30: INVESTMENTS IN CONTROLLED ENTITIES

Name of entity	Entity Type	Country of incorporation and tax residence	Class of shares	Equity holding 2024 %	Equity holding 2023 %
Euroz Hartleys Limited	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
Westoz Funds Management Pty Ltd	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
Zenix Nominees Pty Ltd (i)	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
Zero Nominees Pty Ltd (i)	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
Invesco Nominee Pty Ltd (i)	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
Saltbush Nominee Pty Ltd (i)	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
Euroz Employee Share Trust	Trust	Australia	Ordinary	-	-
Detail Nominees Pty Ltd (i) *	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
Entrust Wealth Management Pty Ltd *	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
Westoz Investment Company Pty Ltd *	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
Ozgrowth Pty Ltd *	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100	100
WIM Small Cap Limited **	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	-	100
Euroz Hartleys Securities Pty Ltd **	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	-	100
Prodigy Investment Partners Pty Ltd **	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	-	100
Poynton Pty Ltd (i) **	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	-	100
Poynton Investments Pty Ltd (i) **	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	-	100
Poynton Corporate Pty Ltd (i) **	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	-	100
Poynton Nominees Pty Ltd (i) **	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	-	100

The ultimate parent entity in the Group is Euroz Hartleys Group Limited.

(i) Owned by Euroz Hartleys Limited

* Dormant company

** Entity was dormant and deregistered during the year

A brief description of each entity is as follows:

- Euroz Hartleys Group Limited – Group holding entity listed on the Australian Securities Exchange. Euroz Hartleys Group Limited manages cash and investments.
- Euroz Hartleys Limited – Financial services entity providing stockbroking services with a focus on Western Australian companies. This is the merged entity containing the businesses of Euroz Hartleys, Euroz Hartleys Securities Limited and Entrust Wealth Management Pty Ltd from 26 April 2021.
- Westoz Funds Management Pty Ltd – Provides management services for investment funds.
- Zenix Nominees Pty Ltd - Company holding shares and options for Euroz Hartleys Limited.
- Zero Nominees Pty Ltd – Custodian Company holding shares on behalf of clients of Euroz Hartleys Limited.
- Invesco Nominee Pty Ltd – This entity is an Entrepot Nominee Company used for CHESS settlement and clearing purposes only.
- Saltbush Nominees Pty Ltd – Custodian Company holding shares on behalf of clients of Euroz Hartleys Limited and to facilitate the settlement of share placement and underwriting transactions.
- Euroz Employee Share Trust – Vehicle established to acquire treasury shares on-market for distribution to eligible employees in connection with the Performance Rights Plan.

EUROZ HARTLEYS GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2024

NOTE 30: INVESTMENTS IN CONTROLLED ENTITIES (CONTINUED)

A brief description of each entity is as follows: (continued)

- (i) Detail Nominees – Dormant Company that was previously used to for settlement obligation in relation to shares for the Group.
- (j) Entrust Wealth Management Pty Ltd – Wealth management business providing advice in relation to wealth management and strategic financial planning support for the entire Euroz Group. This business is inactive effective 26 April 2021 following the restructure of the Group.
- (k) Westoz Investment Company Pty Ltd – Dormant Company that has not yet undertaken any business activities.
- (l) Ozgrowth Pty Ltd – Dormant Company that has not yet undertaken any business activities.

NOTE 31: COMPANY DETAILS

The registered office and principal place of business address of the Company is:

Euroz Hartleys Group Limited
Level 37, QV1
250 St Georges Terrace
PERTH WA 6000

EUROZ HARTLEYS GROUP LIMITED

CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2024

Name of entity	Entity Type	Country of incorporation and tax residence	Class of shares	Equity holding %
Euroz Hartleys Limited	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100
Westoz Funds Management Pty Ltd	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100
Zenix Nominees Pty Ltd (i)	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100
Zero Nominees Pty Ltd (i)	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100
Invesco Nominee Pty Ltd (i)	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100
Saltbush Nominee Pty Ltd (i)	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100
Euroz Employee Share Trust	Trust	Australia	Ordinary	-
Detail Nominees Pty Ltd (i) *	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100
Entrust Wealth Management Pty Ltd *	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100
Westoz Investment Company Pty Ltd *	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100
Ozgrowth Pty Ltd *	Australian Proprietary Company, Limited by Shares	Australia	Ordinary	100

The ultimate parent entity in the Group is Euroz Hartleys Group Limited.

(i) Owned by Euroz Hartleys Limited

* Dormant company

Key assumptions and judgements - Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the Group has applied the current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

EUROZ HARTLEYS GROUP LIMITED

DIRECTORS' DECLARATION FOR THE YEAR ENDED 30 JUNE 2024

The Directors declare that:

1. The financial statements, notes and additional disclosures included in the Directors' Report and designated as audited, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and Corporations Regulations 2001;
 - (b) give a true and fair view of the Company's and consolidated group's financial position as at 30 June 2024 and of their performance for the year ended on that date;
 - (c) the consolidated entity disclosure statement as at 30 June 2024 is true and correct; and
 - (d) the financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.
2. The Executive Chairman and Chief Financial and Operating Officer have declared in accordance with section 295A of the Corporations Act 2001 that:
 - (a) the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
3. In the Directors' opinion there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



Andrew McKenzie
Executive Chairman



Richard Simpson
Executive Director

Date: 21 August 2024



Independent Auditor's Report

To the shareholders of Euroz Hartleys Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of Euroz Hartleys Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

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

The **Financial Report** comprises:

- Consolidated Statement of financial position as at 30 June 2024;
- 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 on that date;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Note 1 to 31 comprising material accounting policies and other explanatory information; and
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 *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 fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

The Key Audit Matter we identified is valuation of goodwill and indefinite life intangible assets.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Goodwill and Indefinite Life Intangible Assets (\$38.1m)

Refer to Note 2 and 14 to the group financial report

The key audit matter	How the matter was addressed in our audit
<p>A key audit matter for us was the Group's annual impairment testing of indefinite life intangible assets and goodwill.</p> <p>The Group has prepared value in use cash flow models for its Private Wealth and Wholesale business cash generating units (CGU), where portions of goodwill and indefinite life intangible assets (collectively referred to as "Intangibles") have been allocated.</p> <p>We focused on the significant forward-looking assumptions the Group applied in their value in use models, including:</p> <ul style="list-style-type: none"> • Forecast cash flows – which were based on historical averages • Forecast growth rates and terminal value • Discount rates - these are complicated in nature and vary according to the conditions and environment the specific CGU is subject to from time to time. <p>The models and the forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny by us, in particular to address the objectivity of sources used for assumptions, and their consistent application.</p> <p>We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.</p>	<p>Working with our valuation specialists, our procedures included the following:</p> <ul style="list-style-type: none"> • We considered the appropriateness of the value in use models applied by the Group to perform the annual test for impairment against the requirements of the accounting standards. • We assessed the integrity of the value in use models used, including the accuracy of the underlying formulas. • We compared forecast cash flows contained in the value in use models to Board approved forecasts. • We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models. • We challenged the Group's forecast cashflows, growth rate assumptions and terminal value multiples considering competitive market conditions and the continuing volatility in the global investment market. • We used our knowledge of the Group's past and recent performance, business and customers, and our industry experience. • Working with our valuation specialists, we independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and its CGUs and the industry it operates in. • We considered the sensitivity of the models by varying key assumptions, such as forecast cash flows, growth rates and discount rates, within a reasonably possible range. We did this to identify those CGUs at higher risk of impairment and to focus our further procedures. • We assessed the disclosures in the Financial Report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Euroz Hartleys Group Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report and Remuneration Report.

The Executive Chairman's Report, Euroz Hartleys Group Limited Directors' profiles, Euroz Hartleys Limited Directors & Officers' profiles, Euroz Hartleys Group Structure, Corporate Transactions,



Managing Director's Report and Euroz Hartleys Foundation Report are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or 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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group and Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group and Company, and that is free from material misstatement, whether due to fraud or error.
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf – This description forms part of our Auditor's Report.



Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Euroz Hartleys Group Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' 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 responsibilities

We have audited the Remuneration Report included in pages 17 to 26 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Trevor Hart
Partner
Perth
21 August 2024