COG Financial Services Limited and its controlled entities

ABN 58 100 854 788

Appendix 4E & Preliminary Final Report

Results for announcement to the market

Year ended 30 June 2024

Comparisons are to the year ended 30 June 2023

	30 June 2024 $'000	30 June 2023 $'000	Increase / (decrease)	% movement
Revenue from continuing operations	498,977	366,009	132,968	36.3%
Net profit from continuing operations	24,170	17,960	6,210	34.6%
Net profit from continuing operations after tax, attributable to members	12,851	8,055	4,796	59.5%

	30 June 2024 Cents	30 June 2023 Cents
Earnings per share, attributable to members	6.67	4.26
	30 June 2024 $'000	**30 June 2023 $'000**
Net assets	**203,633**	**214,470**
Less: Intangible assets	(177,108)	(184,086)
Non-controlling interests	(51,948)	(50,554)
Right-of-use lease assets	(7,535)	(5,432)
Net tangible assets (NTA)	**(32,958)**	**(25,602)**
NTA per share (cents) [1]	**(16.91)**	**(13.43)**

Commentary and explanations of the results

The financial report of the Company for the financial year ended 30 June 2024 presents the consolidated financial performance for the Group. Additional Appendix 4E disclosure requirements, commentary, and explanation of the results for the financial year are contained in the Directors' Report and the accompanying Financial Report dated 28 August 2024.

Dividends

The Board has declared a final dividend of $8,642k (4.4 cents per fully paid ordinary share). This dividend will be paid on 2 October 2024 out of the Company's profit reserve at 30 June 2024 to all shareholders registered on the record date of 3 September 2024 and will be 100% franked. The ex-dividend date for entitlement will be 2 September 2024.

The dividend will be paid out of profits appropriated to the Company's profit reserve (and not offset against accumulated losses).

Notes

(1) The decrease in NTA per share (cents) reflects the Group's acquisition of controlling interests during the year ended 30 June 2024 as disclosed in Note E1 of the enclosed 30 June 2024 Annual Financial Report.

(2) All the documents comprise the information required by listing rule 4.3A. The information should be read in conjunction with the audited 30 June 2024 Annual Financial Report and all ASX announcements made by the Company during the year.

Dividends (continued)

The Company established a Dividend Reinvestment Plan (DRP) for its shareholders on 5 February 2020. The DRP will apply to the final dividend for the year ended 30 June 2024 and will remain in place until further notice. Participation in the DRP is optional and available to eligible shareholders of fully paid ordinary shares in the Company with a registered address in Australia or New Zealand as at the record date of 3 September 2024. Shareholders who successfully participate in the DRP for the final FY24 dividend will be issued shares at a share price determined in accordance with the DRP Rules based on the average daily volume weighted average price ("VWAP") during the period of 10 days commencing on 5 September 2024. The Board has determined that a discount of 2.5% on the Market Price will apply to new shares issued under the DRP.

	30 June 2024 $'000	30 June 2023 $'000
Dividends paid or provided during the year/period		
Final 2024 fully franked ordinary dividend of 4.4 cents (2023: 4.7 cents) per fully paid ordinary share franked at the tax rate of 30% (2023: 30%)	8,642	8,961
Interim 2024 fully franked ordinary dividend of 4.0 cents (2023: 3.7 cents) per fully paid ordinary share franked at the tax rate of 30% (2023: 30%)	7,703	7,009

Dividends (distributions)	Amount per security [1]	Franked amount per security	Record date	Payment date
Final dividend 30 June 2020 (FY20)	1.52 cents	100%	24 September 2020	23 October 2020
Interim dividend 31 December 2020 (FY21)	1.22 cents	100%	26 March 2021	26 April 2021
Final dividend 30 June 2021 (FY21)	6.0 cents	100%	23 September 2021	22 October 2021
Interim dividend 31 December 2021 (FY22)	3.5 cents	100%	25 March 2022	28 April 2022
Final dividend 30 June 2022 (FY22)	4.8 cents	100%	22 September 2022	21 October 2022
Interim dividend 31 December 2022 (FY23)	3.7 cents	100%	16 March 2023	18 April 2023
Final dividend 30 June 2023 (FY23)	4.7 cents	100%	21 September 2023	20 October 2023
Interim dividend 31 December 2023 (FY24)	4.0 cents	100%	12 March 2024	12 April 2024
Final dividend 30 June 2024 (FY24)	4.4 cents	100%	3 September 2024	2 October 2024

[1] Adjusted to reflect the consolidation of the Company's share capital effective 1 July 2021.

Changes in control and significant influence

The notes to the financial statements outline entities over whom the Group has gained control (see Note E1) or significant influence (see Note E2) during the financial year ended 30 June 2024.

Patrick Tuttle
28 August 2024

COG Financial Services Limited and its controlled entities

ABN 58 100 854 788

Annual Financial Report

For the year ended 30 June 2024

Contents

Chairman's Letter

I am delighted to present COG Financial Services Limited's (COG or the Company) Annual Report for the financial year ended 30 June 2024. This is my sixth annual report as Independent Chair of the Board. The following commentary aims to provide you with context on the Group's performance and an update on our future strategic priorities.

During 2024, COG has continued to successfully implement its corporate strategy of:

- building Australia's leading Finance Broking & Aggregation services provider in the small-to-medium enterprise sector (SME);
- delivering profitable and low risk growth in its Asset Management & Lending business; and
- expanding its lending into risk-priced asset finance for distribution through its finance broking network.

The evolution of these strategies is evident in our 2024 financial performance, with underlying net profit after tax and before amortisation of intangibles arising from business combinations (NPATA) attributable to COG shareholders increasing by 2% on the prior year to $24.2m and 12% on the prior year after allowing for the diminished contribution of COG's TL Commercial lease business (in run-off). This is a very pleasing result against the backdrop of tightening economic conditions generally and supply chain challenges across the year.

Highlights for FY24 include:

- increase in Net Asset Finance (NAF) settled by 15% to $8.9b, representing an estimated 21% market share[1] of broker originated NAF for commercial equipment finance;
- increase in underlying NPATA (after non-controlling interests) by 2% to $24.2m (FY23: $23.7m) (increase of 12% on pcp, after allowing for the diminished contribution of COG's TL Commercial lease business in run-off);
- declaration of a fully-franked final dividend of 4.4 cents per share (cps), which equates to an annualised total dividend yield of 7.5% (10.7% dividend yield grossed up for franking benefit);
- acquisition of a 100% interest in the car and lifestyle asset aggregation groups National Finance Choice ("NFC") and United Financial Services ("UFS") by COG Aggregation on 31 July 2023 (NFC and UFS are long-established aggregation groups, representing 182 broker firms nationwide and writing approximately $1 billion in volume per annum);
- acquisition of a 20% equity interest in Centrepoint Alliance Limited (ASX: CAF), a boutique provider of lending services supporting mortgage brokers and financial advisers on 30 November 2023 (by gaining exposure to CAF, COG is further applying its expertise in the identification, due diligence, integration, and management of interests in financial services distribution businesses, in this case wealth management services);
- acquisition of a 100% controlling interest in the salary packaging business known as Community Salary Packaging (CSP) by Paywise (a wholly-owned subsidiary of Fleet Network) on 11 July 2024;
- acquisition of the mortgage finance broker business as a going concern known as CCHL by DLV (Qld) Pty Limited (a 50% owned subsidiary of QPF) on 31 July 2024;
- acquisition of additional interests in controlled entities of the Group, namely QPF (+1.5% during the financial year and +5% effective 1 July 2024), beCarwise Victoria (+20% acquired by beCarwise, a wholly owned subsidiary of Fleet Network), Heritage Group (+7.5% acquired by Linx, a 60% owned subsidiary of COG) and Westlawn Insurance Brokers (+20% acquired by Westlawn Finance Limited, a 75% owned subsidiary of COG);
- an increase in funds under management by 19% on the prior year to $936.3m;
- while continuing to focus on cost management, synergies and running an efficient operating model we have actively looked to invest into core infrastructure and functional enhancement within the information technology areas across the business to enhance our security settings and the delivery of services across COG's finance broker network; and
- continuing to be decisive in response to the risks and challenges posed by the current economic landscape, with a core focus on employee well-being, cashflow and liquidity, cost management and customer support.

COG has rapidly built its presence through an acquisition driven strategy. Since December 2015, COG has acquired aggregation platforms, finance brokers, leasing businesses and other related lending and asset management businesses for a combined consideration of approximately $292.8m funded by a mix of new COG shares issued ($93.4m), cash ($165.5m) and debt ($33.9m).

[1] Derived from information contained in the Commercial & Asset Finance Brokers Association of Australia (CAFBA) Aggregator Benchmark Report 2020 and the Australian Finance Industry Association (AFIA) Annual Review FY20 and updated for actual FY24 CAPEX growth in Australia as per the Australian Bureau of Statistics (ABS).

COG continues to focus on expanding its asset finance distribution network nationally. This business is diversified by geography, asset and borrower type, with further acquisitions providing additional benefits in the form of scale, diversity and reach. In acquiring businesses, COG has adopted a 'skin in the game' business model, whereby founders/vendors retain an equity investment in their businesses, and COG provides management input, expertise, and support to address challenges and help them grow. This diversified model provides a hedge against any unexpected or adverse impacts from the performance of individual businesses.

COG currently has an estimated market share of 21% of annual net commercial asset finance originated by finance brokers, making it Australia's largest aggregator of finance broker originated asset finance. In FY24, COG settled an aggregated $8.9b of NAF, up 15% from $7.7b in FY23. The asset finance broker market remains fragmented, and COG is focused on achieving a 30% market share through further targeted acquisitions and organic growth.

COG's novated lease business made an outstanding contribution to the Group's results. In April 2023, COG acquired the novated lease business known as Paywise with a view to expand its exposure to the novated lease business, which has and will continue to have momentum due to the tax incentives offered on the novated leasing of electric vehicles. The recent acquisition of Community Salary Packaging in July 2024 will provide further support for ongoing growth in this space.

COG reaffirms its strategy to deliver profitable lending growth commensurate with the Group's risk appetite, by leveraging its market-dominant distribution network, and capital efficient funding arrangements.

Review of operations - Group performance

The following table provides shareholders with a summary of COG's underlying and statutory results for the year ended 30 June 2024:

In $m

Period ended 30 June	Underlying [1]			Statutory		
	2024	2023 [4]	Change %	2024	2023 [4]	Change %
Revenue [2]	**495.6**	**364.5**	**36%**	**499.0**	**366.0**	**36%**
Finance Broking & Aggregation	281.1	226.1	24%	281.5	226.2	24%
Novated Leasing	146.9	81.1	81%	148.1	81.4	82%
Asset Management & Lending	67.6	55.6	22%	69.0	56.4	22%
All Other / Intersegment	-	1.7	-100%	0.4	2.0	-80%
EBITDA	**57.8**	**52.8**	**9%**	**52.9**	**42.7**	**24%**
EBITDA after non-controlling interests (NCI)	**37.1**	**33.9**	**9%**	**32.5**	**23.9**	**36%**
Finance Broking & Aggregation	18.7	21.1	-11%	18.5	21.1	-12%
Novated Leasing	13.1	5.9	122%	13.0	5.7	127%
Asset Management & Lending	9.2	14.2	-35%	9.5	14.2	-33%
All Other / Intersegment	(3.9)	(7.3)	-47%	(8.5)	(17.1)	-51%
Profit after tax attributable to NCI	**11.2**	**10.1**	**11%**	**11.3**	**9.9**	**14%**
Profit after tax and NCI	**17.5**	**18.3**	**-4%**	**12.9**	**8.1**	**59%**
NPATA [3] after NCI	**24.2**	**23.7**	**2%**	**19.6**	**13.5**	**45%**

(1) On an underlying basis attributable to shareholders. Excludes profit on sale of assets (FY24 $0.1m, FY23 $0.3m after tax), impairment charge (FY24 $4.2m after tax, FY23 $9.4m after tax), redundancy and restructuring costs (FY24 $nil, FY23 $0.5m after tax), transaction costs (FY24 $0.2m, FY23 $0.1m after tax), COG's proportionate share of Centrepoint Alliance's and Earlypay's (i) redundancy and restructuring costs (FY24 $0.1m after tax, FY23 $0.1m after tax), (ii) transaction costs (FY24 $0.1m, FY23 $nil), (iii) impairment charge incurred by Earlypay (FY24 $nil, FY23 $0.4m after tax), and (iv) amortisation of acquired intangibles incurred by CAF (FY24 $0.2m, FY23 $nil).

(2) Underlying revenue excludes interest income (FY24 $3.4m, FY23 $1.5m). Share of results from associates previously reported as part of 'Revenue' have now been reported separately. Prior comparative information has been adjusted to conform with current period presentation.

(3) Excludes amortisation of acquired intangibles (FY24: $6.7m after tax attributable to members, FY23: $5.4m after tax attributable to members) in relation to intangibles recognised as part of business combinations.

(4) For FY24 the segment results include revisions to how interest expense is allocated between Segments. Prior period comparative information conforms with current period presentation.

The underlying results for the year ended 30 June 2024 reflect:

- Revenue of $495.6m, an increase of 36% on the prior year;
- Earnings before interest, taxes, depreciation and amortisation (EBITDA) from core operations, and before minority interests, of $57.8m, an increase of 9% on the prior year;
- Profit after tax, attributable to members of the Group, of $17.5m, a decrease of 4% on the prior year;
- Net profit after tax and before amortisation of intangibles arising from business combinations (NPATA), attributable to members of the Group, was $24.2m, an increase of 2% on prior year (and an increase of 12% on the prior year after allowing for the diminished contribution of COG's TL Commercial lease business in run-off); and
- Earnings per share adjusted for the amortisation of acquired intangibles (EPSA)[1] of 12.56 cps, flat on the prior year.

Depreciation and amortisation of $17.8m is a non-cash item and increased by 22% on the prior year. This is primarily due to an increase in amortisation of acquired intangibles to $13.4m for the period, as compared to $10.9m in the prior year. Intangible assets recognised on the acquisition of businesses are amortised over their estimated useful life.

The Group's net asset position as at the end of the period was $203.6m (FY23: $214.5m).

Review of operations - Segment performance
COG's business consists of four operating segments, with each segment's results from core operations, shown in the table above.

Finance Broking & Aggregation (FB&A)
The Finance Broking & Aggregation segment continued to grow with the net amount financed through COG's aggregation businesses totalling $8.9b in 2024, an increase of 15% on the prior year. The higher NAF is attributable to new 2024 acquisitions, and strong performances overall from businesses in this segment.

Revenues increased by 24% to $281.1m. Revenues for the period are inclusive of the contribution from the NFC and UFS acquisitions of $29.5m ($nil in the pcp). EBITDA contribution attributable to COG shareholders decreased by 11% to $18.7m in 2024 due to (i) reduced margin from volume-based incentives received from financiers in response to higher lending rates and (ii) investments in people and ongoing in technology infrastructure. EBITDA attributable to COG shareholders for the period is inclusive of the contribution from the NFC and UFS acquisitions of $1.4m ($nil in the pcp).

COG has established a nationwide distribution network, through its independent aggregation platform members and equity owned brokers and is a key and trusted advisor to the Australian SME sector. COG estimates it now accounts for approximately 21% of annual industry NAF settled by finance brokers for commercial equipment finance and holds a leading position as Australia's largest finance broker aggregation platform.

COG continues to pursue organic growth, as well as acquiring strategic stakes in complementary businesses that include finance broking and aggregation, insurance broking, and novated leasing (novated leasing now reported under a separate segment, previously reported in Finance Broking & Aggregation).

Effective 1 July 2023, COG acquired an additional 1.47% equity interest in QPF Holdings Pty Ltd ("QPF"), taking COG's controlling interest in QPF from 57.27% to 58.74%. Effective 1 July 2024, COG acquired an additional 5% equity interest in QPF, taking COG's controlling interest in QPF from 58.74% to 63.74%.

Effective 31 July 2023, the Group acquired a 100% equity interest in United Financial Services Pty Ltd, United Financial Services Network Pty Ltd, United Financial Services (Qld) Pty Ltd (together 'UFS') and National Finance Choice Pty Ltd ('NFC') via its subsidiary COG Aggregation Pty Ltd. NFC and UFS are long-established aggregation groups, operating primarily in the car and lifestyle asset market and representing 182 broker firms nationwide, writing approximately $1 billion in volume per annum.

Effective 1 April 2024, Linx Group Holdings (Linx, a 60% owned subsidiary of COG) acquired an additional 12.5% interest in Heritage, subsequently selling a 5% interest in Heritage to a key employee of Heritage. Linx's ownership in Heritage increased from 63.33% to 70.83%.

[1] Calculated based on the Weighted Average Number of Outstanding Shares (WANOS)

On 31 July 2024, DLV (Qld) Pty Limited (a 50% owned subsidiary of QPF) acquired the mortgage finance broker business known as CCHL.

The Group continues to focus on improving systems and processes available to all businesses within this segment, leveraging the skills and expertise of management to enhance performance across the segment. COG Connect has been designed to interface directly with our finance partners and will continue to support management of the sales process. COG Connect continues to be upgraded to further enhance the client experience and deliver process efficiencies.

Novated Leasing (NL)

The Novated Leasing segment delivered revenues for the year ended 30 June 2024 of $146.9m, up 81% on pcp. Revenues for the period are inclusive of the contribution from the Paywise acquisition of $25.8m ($5.6m in the pcp). The segment's EBITDA contribution attributable to COG shareholders increased by 122% to $13.1m in 2024. EBITDA attributable to COG shareholders for the period is inclusive of the contribution from the Paywise acquisition of $4.1m ($0.9m in the pcp).

The Novated Leasing segment continues to benefit from the FBT incentive for electric vehicles which has further accelerated volume growth. Furthermore, since acquisition in April 2023, Paywise continues to show strong growth and the synergy opportunities expected at the time of acquisition are being achieved.

In addition to the above, effective 15 October 2023, an internal reorganisation occurred in relation to Beinformed Group Pty Ltd (Be Car Wise), a wholly owned subsidiary of Fleet Network Pty Limited (an entity that was a 78.10% owned subsidiary of Platform) whereby Be Car Wise acquired an additional 20% equity interest in Beinformed Group (VIC) Pty Ltd (Be Car Wise Victoria), taking Be Car Wise's controlling interest in Be Car Wise Victoria from 80% to 100%. As a result, Fleet Network issued 11,357 ordinary shares to the previous Be Car Wise Victoria minority shareholders. Platform now owns 74.59% of Fleet Network.

On 11 July 2024, Paywise Pty Ltd (Paywise) (a wholly-owned subsidiary of Fleet Network) acquired a 100% controlling interest in the salary packaging business known as Community Salary Packaging (CSP).

Asset Management & Lending (AM&L)

The Asset Management and Lending segment delivered revenues for the year ended 30 June 2024 of $67.6m, up 22% on the prior year. Revenues for the year are inclusive of organic growth contribution from Equity-One Mortgage Fund Limited (Equity-One) of $5.3m. The segment's EBITDA contribution attributable to COG shareholders decreased by 35% to $9.2m in 2024 largely as a result of a diminished contribution from the TL Commercial Finance Pty Limited (TLC) lease business in run-off, compressed lending margins on the Chattel Mortgage product offered by Westlawn (due to interest rate rises which have impacted the cost of funding) and continued investments in people and technology infrastructure which is linked to an increase in business activity.

Westlawn has continued utilising its branch network for product distribution to accelerate Equity-One growth. Assets under management & Lending of $936.3m are up 19% on this time last year, inclusive of the continued growth of Equity-One. Equity-One is an asset management business based in Melbourne and operates a peer to peer, contributory mortgage scheme.

New loans and leases written in FY24 totalled $152.0m, an increase of 37% on the prior year, notwithstanding the impact of some supply chain constraints and interest rate rises had on equipment finance during the year.

TLC is currently in run-off with total active lease and loan receivables of $2.2m as at 30 June 2024 representing the present value of active lease and loan instalments and related unguaranteed residual values expected to be received over the next one to two years. The run-off book continues to perform.

The Expected Credit Loss (ECL) provision for the Group decreased to 1.4% at 30 June 2024 from 1.6% at 30 June 2023, largely due to the continued volume increase of the loan portfolio, which has a lower delinquency profile than the lease product, thus diluting the Group's total loss rate. From a product perspective, the ECL for finance leases decreased from 6.5% to 5.6% while the ECL rate for loans increased from 0.9% to 1.1%.

COG continues to focus on the next steps in its strategy, being the expansion of its asset management and lending activities into risk – priced asset finance for distribution through its finance broking network. COG has set a medium-term target of funding up to 20% of intermediated financing completed by its broking network from COG non-prime lending products.

Other

Earlypay Limited
COG's Other segment includes the Group's share of Earlypay Limited (ASX: EPY) profit of $1.1m (before tax) for the year ended 30 June 2024 ($1.5m loss before tax in the pcp).

Impairment indicators were identified as a result of the recent drop in EPY's market valuation since the release of EPY's half year results and therefore, impairment testing was conducted at 30 June 2024. This exercise resulted in an impairment loss of $4.3m.

COG owned 21.40% of the voting shares in EPY as at 30 June 2024.

Centrepoint Alliance Limited
In November 2023 COG acquired 39,556,590 ordinary shares in Centrepoint Alliance Limited (ASX: CAF), at a cost of $13.1m. CAF is an ASX-listed company and is a leading provider of advice and business services to financial advice firms throughout Australia.

COG's Other segment includes the Group's share of CAF profit of $1.1m (before tax) for the year ended 30 June 2024 ($nil in the pcp).

COG owned 19.89% of the voting shares in CAF as at 30 June 2024.

Dividend
The Company's dividend policy permits a payout ratio of up to 70% of NPATA to members.

Since the end of the financial year the Board declared a final dividend of $8.6m (4.4 cps). This dividend will be paid on 2 October 2024 out of the Company's profit reserve as at 30 June 2024 to all shareholders registered on the record date of 3 September 2024 and will be fully franked. The ex-dividend date for entitlement will be 2 September 2024. The dividend will be paid out of profits appropriated to the Company's profit reserve (and not offset against accumulated losses).

Total dividends of 8.4 cps were declared by the Company in relation to FY24, unchanged from the prior year (FY23: 8.4 cps). A dividend payout ratio of 67.7% of NPATA to members was applied in FY24 (FY23: 67.3%).

The Company established a Dividend Reinvestment Plan (DRP) for its shareholders on 5 February 2020. The DRP will apply to the final dividend for the year ended 30 June 2024 and will remain in place until further notice. The Board has determined that a discount of 2.5% on the Market Price will apply to new shares issued under the DRP.

Strategic Objectives
COG is building a leading position in the Australian SME asset finance industry.

Our strategic objectives are to:

1. ***Continue to build on our leading position in the asset finance broking market***
   COG will continue to grow market share and revenue generated from broker originated business equipment finance and insurance broking, through expansion of independent aggregation platform members and in equity owned brokers. With an estimated market share of 21% of annual broker originated NAF for commercial equipment finance, we are targeting, over time, a 30% market share.

   - Continued investment in, and acquisition of, well managed Asset Finance Brokers
     - COG, along with key management from the Finance Broking and Aggregation businesses, continue to seek complementary acquisitions where price and available synergies are appropriate
     - COG is targeting a minimum 50% interest with vendors retaining equity in their businesses
     - consideration being a mix of cash and COG equity, or drawdown from our acquisition finance facility
   - Organic growth of COG owned brokers

- Expand membership revenue and deliver enhanced services in member broker aggregation businesses
- Acquisition and development of complementary businesses including insurance broking and novated leasing

2. *Grow the novated leasing business*
- Continued investment in, and acquisition of, well managed Novated Leasing business
- Organic growth of COG owned novated leasing companies
- Successful integration of acquired businesses, achieving targeted synergies

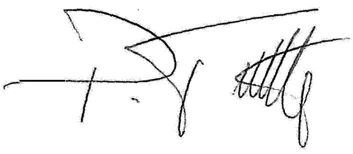
3. *Expand in-house Lending products and operational capability*
- Organic growth of the lending portfolio, with focus on the risk priced equipment finance business
- Continue to enhance our integrated IT lending system to support increased portfolio size
- Expand product offering to include auto loans, utilising risk-based product pricing commensurate with funding costs
- Leverage the Group's captive broker distribution network (equity owned brokers and independent aggregation services network partners)

4. *Introduce and grow new sources of diversified, low cost funding*
- Continue to establish and grow capital-light sources of funding which minimise the Group's direct credit exposure, including managed investment schemes which deliver annuity-style management fee income
- This will further diversify the Group's earnings between broker, fee and commission income, coupled with management fee and net interest margin income from its asset management and lending activities.
- Leverage our strategic 20% interest acquired in Centrepoint Alliance Limited (ASX: CAF).
- De-risk the Group's balance sheet and reduce direct economic exposure to expected credit losses (ECL) from future asset management and lending activities

The Board remains confident that COG's core Finance Broking & Aggregation and Novated Leasing businesses, coupled with an increasing contribution from its capital efficient Asset Management & Lending activities, will continue to deliver solid financial returns to our shareholders despite the Australian economy facing a period of further economic uncertainty in FY25 and beyond.

Finally, on behalf of the Board, I would like to thank our staff, partners, funders, customers, and shareholders for your continued support. It is genuinely appreciated and never taken for granted. I would also like to record my thanks to our Board of Directors and our Management team, led by our CEO, Andrew Bennett, for their tremendous passion, commitment and hard work in FY24. We remain highly focused on continuing the successful execution of the Group's strategy, managing growth, and delivering enhanced value to all key stakeholders in the year ahead.

Yours sincerely,



Patrick Tuttle
Chairman
28 August 2024

Directors' Report

The Directors of COG Financial Services Limited (COG or the Company) and its controlled entities (the Group), present their report together with the financial statements of the Group, for the financial year ended 30 June 2024.

Director details
The following persons were Directors of the Company during or since the end of the financial year:
Patrick Tuttle - Chairman
Steve White - Non-executive Director
Peter Rollason - Non-executive Director
Cameron McCullagh - Executive Director
Mark Crain - Executive Director

Directors' biographies
Patrick Tuttle
BEc (Accounting and Finance), CA

- Non-executive Chairman (Independent) from 31 January 2019
- Non-executive Director (Independent) from 3 October 2018 to 30 January 2019
- Member of Audit and Risk Committee from 31 January 2019
- Chairman of Audit and Risk Committee from 16 November 2018 to 30 January 2019
- Chairman of Nomination and Remuneration Committee from 31 January 2019
- Member of Nomination and Remuneration Committee from 16 November 2018 to 30 January 2019
- Director since 3 October 2018

Patrick has more than 35 years' experience in the financial services sector, having initially qualified as a Chartered Accountant with Price Waterhouse. Prior to joining Pepper Group Limited in 2001 as finance director, he was a divisional finance director for a range of operating businesses within Macquarie Group Limited (ASX: MQG), including the Banking & Property, Corporate Finance, and Project & Structured Finance Groups.

As finance director for Pepper Group, Patrick was responsible for all aspects of the non-bank lender's financial, treasury, wholesale funding and securitisation activities. In 2008 he became CEO of Pepper's Australian mortgage lending and asset finance business, before being appointed as Co-Group CEO of the group's global consumer lending and asset management activities in 2012, spanning eight countries (including the UK, Ireland, Spain, South Korea, and China) with assets under management in excess of $50 billion and over 2,000 employees.

Patrick is a former Deputy Chairman of the Australian Securitisation Forum, Inc. and was recognised as a Lifetime Member (Fellow) of the ASF in 2014 in recognition of services to the Australian securitisation industry. He was also awarded Australian Financial Services Executive of the Year (2014) by CEO Magazine.

- Other current Directorships: Beforepay Group Limited (ASX: B4P) (Non-Executive Director)
- Previous Directorships (listed companies in the last 3 years): Douugh Limited, Openpay Group Limited (ASX: OPY)
- Interests in COG shares: 265,005 shares

Steve White
M.Mngt, GAICD

- Non-executive Director (Independent)
- Member of Audit and Risk Committee
- Chairman of Audit and Risk Committee to 15 November 2018
- Member of Nomination and Remuneration Committee
- Director since 2010

Steve White

Steve has had over 30 years of experience in Investment Banking, including roles with Barclays Capital Singapore, Rothschild and HSBC Japan in their treasury divisions. For 10 years he held a position as a Principal of a boutique risk advisory firm which concentrated on assisting C-suite executives with the management of significant financial market risks. This experience is combined with significant Corporate Governance experience including as a Responsible Manager for a Wholesale Australian Financial Services Licence for 10 years. Steve continues to be engaged in providing advice and assistance to businesses across a number of industries. Steve is a Graduate Member of the Australian Institute of Company Directors and has a Master of Management from MGSM.

- Other current Directorships: Earlypay Limited (ASX: EPY)
- Previous Directorships: None
- Interests in COG shares: 369,875 shares

Cameron McCullagh
FCA, B. Bus

- Executive Director
- Managing Director to 30 January 2019
- Director since 2015

Cameron has over 40 years' experience in the finance sector, having trained as a Chartered Accountant at KPMG. Cameron was a partner at Moore Stephens Sydney and founded and grew White Outsourcing to an entity with back-office administration of over $30 billion. Cameron was CEO of Employers Mutual until 2010, having grown it from $30 million of annual premium under management to over $1 billion. As COO, Cameron took operational responsibility for the successful listing on the ASX of the insurance broking accumulator Steadfast Group. Cameron is Chairman of AS White Global Pty Limited, which has over 1,800 employees in Asia providing offshore teams to Australian businesses.

- Other current Directorships: Hospitality Industry Insurance Limited (APRA licensed insurer)
- Previous Directorships: None
- Interest in COG shares: 42,551,293 shares

Peter Rollason
B.Sc (Hons), ACA, MAICD

- Non-executive Director (Independent) from 17 September 2020
- Member of Audit and Risk Committee from 17 September 2020
- Chairman of Audit and Risk Committee from 17 September 2020
- Member of Nomination and Remuneration Committee from 17 September 2020
- Director since September 2020

Peter qualified as a Chartered Accountant in the UK and has 35 years' experience in senior leadership roles in global banking and non-bank financial institutions. More recently, Peter was with Liberty Financial, one of Australia's largest non-bank financial institutions where he was a member of the senior management team and board director responsible for strategy, business development and marketing in addition to heading the New Zealand operations which included loan origination, the Mike Pero branded broking network, and a successful debenture funding program. Prior to joining Liberty Financial, Peter was a partner at Deloitte where he advised on buy and sell-side M&A transactions, capital raising and securitisation facilities to a range of banks and non-banks. Peter was also a member of the Deloitte Top 40 Leadership group representing the Financial Services Industry (FSI) sector.

Peter Rollason
Peter is a former member of the Australian Securitisation Forum (ASF) national committee and was appointed a Fellow of the ASF as recognition for his services to the non-bank financial institutions sector.

- Other current Directorships: Sydney Stock Exchange (Chairman), Centrepoint Alliance Limited (ASX: CAF)
- Previous Directorships (listed companies in the last 3 years): None
- Interests in COG shares: nil

Mark Crain
B. International Bus, Diploma Finance & Mortgage Broking Management
- Executive Director
- Director since 2019

Mark has over 20 years' experience in banking and finance, with the last 15 years specialising in commercial asset finance. After completing his International Business degree, Mark held roles at NAB and Mercedes-Benz Finance. In 2008, Mark joined QPF (now a 63.74% owned finance broking business of COG) and has since developed a strong client base and established a number of broker partnership models with national vendors and financiers. Mark has been heavily involved in various acquisitions since QPF joined COG in 2016 and is an Executive director.

- Other Directorships: None
- Previous Directorships: None
- Interests in COG shares: 1,318,573 shares

Company Secretary
David Franks - BEc, CA, FFin, FGIA, JP
David is a Principal of the Automic Group. He is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 30 years' experience in finance, governance and accounting, David has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare. He is currently the Company Secretary for the following ASX Listed entities: COG Financial Services Limited, Cogstate Limited, Dubber Corporation Limited, Evergreen Lithium Limited, IRIS Metals Limited, IXUP Limited, JCurve Solutions Limited, Noxopharm Limited, Nyrada Inc, Omega Oil and Gas Limited, Tryptamine Therapeutics Limited and White Energy Company Limited. David was also a Non-Executive Director of JCurve Solutions Limited from 2014 to 2021.

Principal activities
The Company is an Australian Securities Exchange (ASX) listed company whose principal activities are in the equipment finance, novated leasing, asset management and lending sectors. The investment objective of the Company is to grow earnings per share by investing in complementary entities and growing existing businesses that specialise in equipment financing and broking, aggregation, insurance broking, and novated leasing.

Review of operations and financial results
The financial report for the year ended 30 June 2024 presents the consolidated financial performance for the Group.

Profit after tax, attributable to members of the Group for the year ended 30 June 2024 was a profit of $12.9m (2023: profit of $8.1m). Earnings per share, attributable to members from continuing operations was 6.67 cents per share (cps) for the year (2023: 4.26cps).

The Group's net asset position as at the end of the financial year was $203.6m (2023: $214.5m).

Likely developments
The Company intends to continue acquiring equipment finance broking entities and novated leasing entities where there is a strategic, cultural, and commercial fit, and is committed to a broker/novated lease accumulation strategy.

In assessing future business acquisitions, strict acquisition criteria will be applied, including the requirement that an acquisition is earnings per share accretive for the Group within an appropriate time frame.

COG continues to work closely with the existing Management team of each acquired business and allows each entity to operate in a manner consistent with their ownership structure.

The medium-term goal for the Asset Management & Lending segment is to increase value by selectively originating leases and loans of primarily mid-prime credit quality and with a focus on growing the core chattel mortgage portfolio. Volumes of new originations are expected to gradually increase through the offering of COG branded lending products via its owned broking distribution network.

The Directors are focused on the development of additional sources of funding and sales resources, and alliances with vendors. With the growth of Westlawn Finance Limited's Managed Investment Scheme and Equity-One Mortgage Fund Limited, it is expected that the amount of assets under management will increase, enabling COG's future asset management and lending activities to progress in a capital efficient manner.

Dividends
The Company's dividend policy permits a payout ratio of up to 70% of NPATA to members.

For the period ended 31 December 2023, the Board declared a fully franked interim dividend of 4.0 cps (2022: 3.7 cps). The aggregate amount of the interim dividend of $7.7m was paid on 12 April 2024 out of the Company's profits reserve at 31 December 2023. The Company's DRP applied to the interim dividend. COG issued 1,383,646 fully paid shares on 12 April 2024 under COG's DRP in respect of the FY24 interim dividend.

Since the end of the financial year the Board has declared a final dividend of $8.6m (4.4 cps). This dividend will be paid on 2 October 2024 out of profits appropriated to the Company's profit reserve (and not offset against accumulated losses) at 30 June 2024 to all shareholders registered on the record date of 3 September 2024 and will be 100% franked. The ex-dividend date for entitlement will be 2 September 2024.

The Company established a Dividend Reinvestment Plan (DRP) for its shareholders on 5 February 2020. The DRP will apply to the final dividend for the year ended 30 June 2024 and will remain in place until further notice. The Board has determined that a discount of 2.5% on the Market Price will apply to new shares issued under the DRP.

Events subsequent to reporting date
Effective 1 July 2024, COG acquired an additional 5% equity interest in QPF Holdings Pty Ltd ("QPF") for a total consideration of $3.7m, taking COG's controlling interest in QPF from 58.74% to 63.74%. Half of the purchase consideration was settled in cash (and funded via drawdown from the COG corporate debt facility). The remaining 50% was settled via allotment and issuance of 1,555,719 fully paid ordinary COG shares on 25 July 2024, as approved by the shareholders on the Extraordinary General Meeting held on 22 July 2024.

On 11 July 2024, Paywise Pty Ltd (Paywise) (a wholly-owned subsidiary of Fleet Network) acquired a 100% controlling interest in the salary packaging business known as Community Salary Packaging (CSP) for a total consideration of $2.1m ($1.9m settled in cash and $0.2m deferred).

Apart from the matters described above and the final dividend declared on 28 August 2024, no other matter or circumstance has arisen since 30 June 2024 that would materially affect the Group's reported results or would require disclosure in this report.

Directors' meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

	Board Meetings[1]		Audit and Risk Committee		Nomination and Remuneration Committee	
Director	**A**	**B**	**A**	**B**	**A**	**B**
Patrick Tuttle	10	10	3	3	1	1
Steve White	10	10	3	3	1	1
Cameron McCullagh	10	10	N/A	N/A	N/A	N/A
Peter Rollason	10	10	3	3	1	1
Mark Crain	10	10	N/A	N/A	N/A	N/A

[1] No Board sub-committee meetings were held during the year.

Where:
- Column A is the number of meetings the Director was entitled to attend.
- Column B is the number of meetings the Director attended.

Remuneration report - audited

The Directors of COG present the Remuneration Report for Non-executive Directors, Executive Directors, and other senior executives, collectively referred to as the Key Management Personnel (KMP), prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001.*

The Remuneration Report is set out under the following main headings:

a. Principles of compensation
b. Remuneration structure
c. Company performance and shareholder wealth
d. KMP remuneration
e. KMP share and option transactions
f. Service agreements
g. Other KMP transactions

a. Principles of compensation

COG's policy for determining the nature and amount of remuneration of KMP is as follows:
- the maximum total remuneration of the Directors of COG (other than Executive Directors) has been set at $400,000 per annum to be divided among them in such proportions as they determine, and
- other KMP are remunerated based on market competitive rates which are benchmarked from time-to-time.

The principles of COG's executive incentive programs are:
- to align rewards to business outcomes that deliver value to shareholders, and
- to ensure remuneration is competitive in the relevant employment marketplace to support the attraction, motivation, and retention of executive talent.

The remuneration of executives is linked to the performance of COG through short and long-term incentive programs designed to increase shareholder wealth based on earnings growth and increases in share price. Non-executive directors are remunerated through fixed fees only.

Executive Remuneration

Appropriate fixed remuneration and variable short and long-term remuneration have been determined based on market competitive rates and benchmarking.

Remuneration report - audited

b. Remuneration structure

Short term incentives

The Short-term Incentive (STI) Scheme is designed to link management outcomes to the financial results of the Group, which in turn drive shareholder returns.

The STI Scheme for Andrew Bennett (CEO) and Richard Balzer (CFO) are based on financial and non-financial KPIs associated with business and personal performance. For all STIs there was no minimum incentive, any STI that does not vest is forfeited, and the payment of a STI is dependent upon employment with the Group on the payment date.

The STI for the CEO and CFO were based on an annual assessment of performance, with the maximum STI payable for 2024 being $287,500 and $85,000, respectively.

Long term incentives

Performance rights:

The Group has issued performance rights to Andrew Bennett who commenced as a member of key management personnel in 2018. These performance rights, which were issued as part of Andrew Bennett's remuneration package, entitle him to receive shares in COG under certain vesting conditions, as set out below:

Service period	Tranche	Grant date	Vesting Date	Granted	Vested	Rolled over	Expired/ Forfeited / Cancelled	Balance at 30 June 2024
FY21 LTIP	Tranche 1	11 August 2022	30 June 2021	102,814	102,814	-	-	-
	Tranche 2	11 August 2022	30 June 2022	102,814	102,814	-	-	-
	Tranche 3	11 August 2022	30 June 2023	102,814	102,814	-	-	-
Total				**308,442**	**308,442**	**-**	**-**	**-**
FY22 LTIP	Tranche 1	11 September 2023	30 June 2022	58,642	58,642	-	-	-
	Tranche 2	11 September 2023	30 June 2023	58,642	23,457	(35,185)	-	-
	Tranche 3	11 September 2023	30 June 2024	58,642	-	35,185	-	93,827
Total				**175,926**	**82,099**	**-**	**-**	**93,827**
FY23 LTIP	Tranche 1	11 September 2023	30 June 2023	50,105	20,042	(30,063)	-	-
	Tranche 2	11 September 2023	30 June 2024	50,105	-	30,063	-	80,168
	Tranche 3	11 September 2023	30 June 2025	50,106	-	-	-	50,106
Total				**150,316**	**20,042**	**-**	**-**	**130,274**
Total				**634,684**	**410,583**	**-**	**-**	**224,101**

These performance rights were issued under the Long-term Incentive Plan ("LTI Plan") approved at the EGM held on 30 June 2021. The LTI Plan allows for the issue of performance rights, options, or shares in the Company (Incentive Securities), or a combination of those Incentive Securities. The Board may determine from time to time to issue Incentive Securities under the LTI Plan with the purpose of attract, motivate, and retain eligible participants and to provide them with an incentive to deliver growth and value to all Shareholders.

Under the LTI Plan, Andrew Bennett is entitled to receive performance rights with a grant date value of up to $237,500 per annum (and representing up to 50% of his fixed annual remuneration) that will be subject to vesting conditions set by the Board. The performance rights granted each year will vest over 3 years.

In respect of the vesting conditions:

- for each issued Tranche, 40% will vest on being employed on the respective Tranche's Vesting Date and 60% will vest on being employed and achieving normalised earnings per share (EPS) Compound Annual Growth Rate (CAGR) on the respective Tranche's Vesting Date;
- these will be assessed no later than 15 September of the subject year end;

Remuneration report – audited

- where vesting conditions of Tranche 1 or Tranche 2 are not met, the performance rights roll forward to the next Tranche; and
- CAGR requirements are:

	CAGR	Range	Vesting %
Threshold	0.0%	< Threshold	0.0%
Target 1	2.5%	> Threshold & < Target 1	25.0%
Target 2	7.5%	> Target 1 & < Target 2 = > Target 2	Straight Line Pro rata from 25.0% to 100.0% 100%

Tranche 3 in respect of FY21 allocation have been assessed by the Board as meeting the vesting requirements as Andrew Bennett was employed at vesting date and the Company achieved a normalised EPS CAGR for the three years period ended 30 June 2023 of 40%. Therefore, 102,814 shares were issued to Andrew Bennett on 18 September 2023 in lieu of FY21 Tranche 3.

Tranche 1 in respect of FY22 allocation have been assessed by the Board as meeting the vesting requirements as Andrew Bennett was employed at vesting date and the Company achieved a normalised EPS CAGR for the financial year ended 30 June 2022 of 16%. Therefore, 58,642 shares were issued to Andrew Bennett on 18 September 2023 in lieu of FY22 Tranche 1.

In respect of Tranche 2 for FY22 allocation, Andrew Bennett met the employment but not the CAGR vesting requirements, having been employed at the vesting date and the Company achieving a normalised EPS CAGR for the two year period to 30 June 2023 of 0%. Therefore, 40% of the 58,642 performance rights, being 23,457 performance rights, have vested and converted into shares on 18 September 2023. The remaining 35,185 performance rights roll over into Tranche 3 performance rights so that there are 93,827 Tranche 3 performance rights outstanding, being 23,457 vesting on being employed at 30 June 2024 and 70,370 vesting on being employed and achievement of normalised EPS CAGR on 30 June 2024 (to be assessed no later than 15 September 2024).

In respect of Tranche 1 for FY23 allocation, Andrew Bennett met the employment but not the CAGR vesting requirements, having been employed at the vesting date and the Company achieving a normalised EPS CAGR for the year ended 30 June 2023 of -14%. Therefore, 40% of the 50,105 performance rights, being 20,042 performance rights, have vested and converted into shares on 18 September 2023. The remaining 30,063 performance rights roll over into Tranche 2 performance rights so that there are 80,168 Tranche 2 performance rights outstanding, being 20,042 vesting on being employed at 30 June 2024 and 60,126 vesting on being employed and achievement of normalised EPS CAGR on 30 June 2024 (to be assessed no later than 15 September 2024).

No other KMP or employee were eligible to participate in the LTI Plan in 2023 and before. No options have been granted over unissued shares during or since the end of the financial year.

Loan-backed employee share scheme (ESS)
On 21 December 2023, the LTI Plan was amended to accommodate the issue of shares to participants using advances made by the Company. On 5 February 2024, the Company issued 1,145,000 fully paid ordinary shares totalling $1,601k in respect of the new loan-backed employee share scheme (ESS) for FY24.

Under the ESS, employees are entitled to subscribe for new ordinary COG shares facilitated through a limited recourse loan, made by the Company. The shares are subject to vesting conditions set by the Board. The shares granted will vest over 3 years and vesting conditions are similar to those applicable to the performance rights, as described above.

The share-based payment expense in relation to the above is recognised with reference to the fair value of the benefit at each grant date (determined using an option valuation model) and the respective service/vesting periods.

Remuneration report – audited

Participants in the ESS for FY24 comprised certain employees, including Key Management Personnel (''KPMs) Andrew Bennett (CEO) and Richard Balzer (CFO).

Non-executive Director remuneration

The current base remuneration for Non-executive Directors was last reviewed with effect from 16 November 2018. The maximum total remuneration of the Directors of COG (other than executive Directors) has been set at $400,000 per annum to be divided among them in such proportions as they determine. Non-executive Directors received no additional benefits other than base remuneration and superannuation.

The annual remuneration structure of Non-executive Directors, who are not direct employees of the Company, are as follows:

	1 July 2023 to 30 June 2024 [1] $
Base fees	
Chairman	150,000
Other directors	75,000
Additional fees	
Audit & Risk Committee and Remuneration Committee - Chairman	10,000

(1) Annualised

All other roles as chairman of a committee or member of a committee carry no additional fees. All amounts are inclusive of superannuation.

Target remuneration structure

The table below represents the target remuneration mix for KMP as at 30 June 2024.

	Fixed remuneration %	Variable remuneration short-term %	Variable remuneration long-term %
Executive Directors			
Cameron McCullagh - Executive Director	100%	nil	nil
Mark Crain - Executive Director	87%	13%	nil
Non-executive Directors			
Patrick Tuttle - Chairman	100%	nil	nil
Peter Rollason - Director	100%	nil	nil
Steve White - Director	100%	nil	nil
Senior executives			
Andrew Bennett - Chief Executive Officer	54%	27%	19%
Richard Balzer - Group Chief Financial Officer	72%	17%	11%

Remuneration report - audited

c. Company performance and shareholder wealth

The following table compares COG's performance and KMP remuneration in respect of the current financial year and previous four financial years:

	2024 [1]	2023 [1]	2022 [1]	2021 [1,2]	2020[1,2]
Net profit/(loss) after tax ($'000)	12,851	8,055	19,685	(26,378)	(10,046)
Interim dividends declared (cps) [2]	4.0	3.7	3.5	1.22	-
Final dividends declared (cps) [2]	4.4	4.7	4.8	6.0	1.52
Share price at 30 June ($) [2]	1.13	1.38	1.58	1.35	0.56
EPS (cps) [2]	6.67	4.26	10.92	(16.26)	(6.83)
Total KMP Remuneration ($'000)	2,329	2,508	2,382	2,122	1,536

(1) COG's financial performance in 2024, 2023 and 2022 includes several non-cash and non-recurring items, as disclosed in the *Review of operations and financial results* section of the Directors Report, and the adoption of AASB 16 *Leases* by the Group in 2020. The 2024 results are therefore not directly comparable to prior years.

(2) On a post share consolidation basis.

Remuneration report - audited

d. Key Management Personnel remuneration

The remuneration of KMP of COG during the year is set out in the following table:

		Fixed remuneration [1] $	STI cash bonus $	Short-term non-cash benefits $	Post-employment benefits [1] $	Termination $	Other long-term benefits [2] $	Share-based payments (equity) [4] $	Total $	Performance based remuneration %
Executive Directors										
Cameron McCullagh	2024	68,182	-	-	7,500	-	845	-	76,527	0.0%
	2023	68,182	-	-	7,159	-	839	-	76,180	0.0%
Mark Crain	2024	269,047	33,333	-	30,250	-	3,359	-	335,989	9.9%
	2023	287,093	179,877	-	59,547	-	3,753	-	530,270	33.9%
Non-executive Directors [3]										
Patrick Tuttle	2024	142,400	-	-	17,600	-	-	-	160,000	0.0%
	2023	144,796	-	-	15,204	-	-	-	160,000	0.0%
Steve White	2024	68,182	-	-	7,500	-	-	-	75,682	0.0%
	2023	68,182	-	-	7,159	-	-	-	75,341	0.0%
Peter Rollason	2024	77,273	-	-	8,500	-	-	-	85,773	0.0%
	2023	77,273	-	-	8,114	-	-	-	85,387	0.0%
Senior executives										
Andrew Bennett [4]	2024	537,466	287,500	1,213	27,399	-	37,475	205,710	1,096,763	45.0%
	2023	444,037	200,000	1,031	25,292	-	10,262	362,641	1,043,263	53.9%
Richard Balzer [5]	2024	324,094	85,000	1,213	27,399	-	9,852	50,304	497,862	27.2%
	2023	198,136	75,000	668	16,861	-	-	-	290,665	25.8%
Former KMP										
John McRae [6]	2023	161,847	-	-	10,538	75,000	-	-	247,385	0.0%
Total	**2024**	**1,486,644**	**405,833**	**2,426**	**126,148**	**-**	**51,531**	**256,014**	**2,328,596**	**28.4%**
Total	**2023**	**1,449,546**	**454,877**	**1,699**	**149,874**	**75,000**	**14,854**	**362,641**	**2,508,491**	**32.6%**

(1) Post-employment benefits are wholly comprised of superannuation.
(2) Other long-term benefits are wholly comprised of long service leave.
(3) Total remuneration paid to COG Non-executive Directors in FY2024 amounts to $321,455 and is within the cap of $400,000 per annum.
(4) Share-based payments in FY2024 reflects the expense recognised during the financial year. Share-based payments in FY2023 reflects the grant of FY2021 long-term incentive and an estimate for the grant of FY2022 and FY2023 long-term incentives, calculated on a pro-rata basis with reference to the respective service (vesting) periods.
(5) Richard Balzer commenced as a KMP on 7 November 2022.
(6) John McRae ceased as a KMP on 6 November 2022.

Remuneration report - audited

e. Key Management Personnel share and option transactions

The movement during the year in the number of ordinary shares held, directly or indirectly, by each of the KMP, including their related parties, is as follows:

Number of shares	1 July 2022	On market purchase [1]	On market sale	Granted as compensation	30 June 2023	On market purchase [1]	On market sale	Granted as compensation [2]	30 June 2024
Executive Directors									
Cameron McCullagh	**37,592,800**	3,008,857	-	-	**40,601,657**	1,949,636	-	-	**42,551,293**
Mark Crain	**1,315,635**	-	(515,635)	-	**800,000**	-	-	-	**800,000**
Non-executive Directors									
Patrick Tuttle	**265,005**	-	-	-	**265,005**	-	-	-	**265,005**
Steve White	**369,875**	-	-	-	**369,875**	-	-	-	**369,875**
Peter Rollason	**-**	-	-	-	**-**	-	-	-	**-**
Senior Management									
Andrew Bennett	**74,982**	33,076	-	205,628	**313,686**	25,403	-	669,955	**1,009,044**
Richard Balzer	**-**	-	-	-	**-**	-	-	120,000	**120,000**
	39,618,297	**3,041,933**	**(515,635)**	**205,628**	**42,350,223**	**1,975,039**	**-**	**789,955**	**45,115,217**

(1) Includes shares issued under the Dividend Reinvestment Plan.
(2) Includes 465,000 shares issued to Andrew Bennett and 120,000 shares issued to Richard Balzer in relation to the Loan-backed employee share scheme for FY24.

Details of performance rights and shares issued to Andrew Bennett and Richard Balzer under their employment contracts are shown above in the *Long term incentives* section of this report.

No options have been granted over unissued shares during or since the end of the financial year and there are no outstanding options as at 30 June 2024.

There were 204,955 shares issued during the financial year on the exercise of performance rights granted as remuneration to Andrew Bennett (2023: 205,628).

Remuneration report - audited

f. Service agreements

Terms of employment for the Executive Directors and senior executives are formalised in service agreements. The major provisions of the agreements for continuing KMP relating to agreement terms and fixed remuneration are set out below:

Name	Fixed Remuneration per annum [1]	Term of agreement	Notice period [2]	Termination payment [3]
Cameron McCullagh	$76,527	No set term	12 weeks	12 weeks
Mark Crain	$222,000	No set term	2 months	2 months
Andrew Bennett [5]	$575,000	No set term	3 months	3 months [4]
Richard Balzer	$339,399	No set term	3 months	3 months [4]

(1) Fixed Remuneration includes statutory superannuation contributions
(2) Notice periods are consistent for both COG personnel and the KMP
(3) Termination payment in lieu of notice period is calculated as a proportion of the KMP's fixed remuneration. Summary termination with no payment is enforceable for gross misconduct or gross negligence
(4) In the event of redundancy due to a take-over or merger of COG, a severance package of 12 months base salary including notice period and any redundancy entitlements will apply
(5) Effective 1 July 2023, Andrew Bennett's fixed annual remuneration has been increased to $575,000, inclusive of superannuation contributions.

For Non-executive Directors, terms of service are in accordance with Rule 6.7 of COG's constitution. The constitution requires one third of the Directors or, if their number is not a multiple of 3, then, subject to the Listing Rules, the number nearest to one third (rounded up to the nearest whole number), to retire from office and if eligible seek re-election at each annual general meeting.

f. Other Key Management Personnel transactions

Indemnification for vendor program losses
During the 2019 and 2018 financial years TL Commercial Finance undertook a number of transactions with an equipment finance vendor program partner. During the 2019 financial year the vendor partner entered into voluntary liquidation. While the Group considered the underlying lease arrangements with lessees introduced as part of the program were enforceable the Group took the action to settle these lessee obligations for a lower value than its contractual rights. Cameron McCullagh, one of the Group's Executive Directors, chose to indemnify the Group for the majority of this loss. As part of this indemnification Cameron McCullagh paid an amount of $1,023,160 to the Group to offset the net cash loss incurred by the Group. During the 2024 financial year, a total amount of $82,277 was repaid to Cameron McCullagh, reflecting $17,677 recovered during the financial year and $64,600 recovered during the 2023 financial year.

End of audited remuneration report.

Environmental legislation
The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia.

Risk Management
The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk and liquidity risk.

Cash is held with bank and financial institution counterparties, which are rated A- to AA-, based on Standard and Poor's long-term credit ratings and as such credit risk is low.

The Group's exposure to credit risk relating to finance lease receivables arises from the potential failure by a lessee to meet their contractual obligations and is primarily due to individual characteristics of each lessee. Management considers the factors that may influence the credit risk of its customer base, including the default risk associated with the lessee's industry, location, and movements in macroeconomic factors when conducting its activities. The Group's lease arrangements include retention of title clauses, so that in the event of non-payment the Group has a secured claim.

The Group's exposure to credit risk relating to loans arises from the potential failure by a customer to meet their contractual obligations and is primarily due to individual characteristics of each customer. Management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the customer's industry, location, and movements in macroeconomic factors.

Options, performance rights and loan-backed employee share scheme (ESS)
Details of performance rights issued to Andrew Bennett under his employment contract and loan-backed ESS issued to certain employees, including Key Management Personnel ('KMPs') Andrew Bennett (CEO) and Richard Balzer (CFO) are shown above in the *Long term incentives* section of this report. No options or performance rights have been granted over unissued shares during or since the end of the financial year.

Indemnities given and insurance premiums paid for auditors and officers
COG has executed a deed of indemnity for each of the Directors and officers which indemnify them to the extent permitted by Sections 199A, 199B and 199C of the *Corporations Act 2001*.

During the year, COG paid a premium to insure officers of COG including all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of COG, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to COG.

Details of the amount of the premium paid in respect of the insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

COG does not indemnify or pay premiums on behalf of its auditors.

COG has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditors of COG against a liability incurred by an officer or auditor.

Non-audit services
No non-audit services were provided by COG's auditor, BDO Audit Pty Limited, during the year.

A copy of the auditor's independence declaration as required under S307C of the *Corporations Act 2001* is included on page 25 of this financial report and forms part of this Directors' Report.

Proceedings on behalf of COG
No person has applied for leave of the Court under S237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of COG, or to intervene in any proceedings to which COG is a party for the purpose of taking responsibility on behalf of COG for all or part of those proceedings.

Rounding of amounts
In accordance with *ASIC Corporations (Rounding in Financial/Director Reports) Instrument 2016/191*, the amounts in the Directors' Report have been rounded to the nearest thousand Australian dollars, unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors on 28 August 2024.

Patrick Tuttle
Chairman

Cameron McCullagh
Executive Director

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Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF COG FINANCIAL SERVICES LIMITED

As lead auditor of COG Financial Services Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of COG Financial Services Limited and the entities it controlled during the year.

Tim Aman

Tim Aman
Director
BDO Audit Pty Ltd

Sydney

28 August 2024

Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, COG Financial Services Limited (COG) has adopted the fourth edition of the Corporate Governance Principles and Recommendations, which was released by the ASX Corporate Governance Council on 27 February 2019 and became effective for financial years beginning on or after 1 January 2020.

COG’s Corporate Governance Statement for the financial year ended 30 June 2024 is dated 28 August 2024 and was approved by the Board on that date. The Corporate Governance Statement is available on COG’s website at https://www.cogfs.com.au.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
Revenue from continuing operations	A2	498,977	366,009
Cost of sales		(131,021)	(86,172)
Commissions paid		(180,956)	(132,790)
Employee benefits expense	A3	(79,094)	(60,813)
Administration expenses		(29,098)	(21,029)
Occupancy expenses		(2,301)	(1,751)
Finance costs	A4.1	(2,469)	(1,521)
Funding costs (Asset Management & Lending)	A4.2	(15,395)	(6,962)
Depreciation and amortisation		(17,800)	(14,577)
Acquisition-related expenses		(477)	(396)
Impairment	E2	(4,253)	(9,377)
Profit on disposal of assets		361	389
Other expenses		(2,227)	(1,047)
Share of results from associates	E2	1,844	(1,910)
Profit before income tax		**36,091**	**28,053**
Income tax expense	A5.1	(11,921)	(10,093)
Profit after tax for the year		**24,170**	**17,960**
Other comprehensive income:			
Items that may be reclassified subsequently to the statement of profit or loss:			
Gain on the revaluation of equity instruments at FVOCI, net of tax		(1,246)	23
Total comprehensive income for the year		**22,924**	**17,983**
Profit after tax attributable to:			
Members of COG Financial Services Limited		12,851	8,055
Non-controlling interests		11,319	9,905
Total profit after tax for the year		**24,170**	**17,960**
Total comprehensive income attributable to:			
Members of COG Financial Services Limited		11,605	8,073
Non-controlling interests		11,319	9,910
Total comprehensive income for the year		**22,924**	**17,983**
Basic earnings per share from continuing operations, attributable to members (cents)	A6	**6.67**	**4.26**
Diluted earnings per share from continuing operations, attributable to members (cents)	A6	**6.67**	**4.26**

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	2024 $'000	2023 $'000
Assets			
Current			
Cash and cash equivalents	A7	125,680	101,796
Trade and other receivables	C1	23,753	22,390
Contract assets	C3	2,969	2,941
Financial assets - lease receivables	D1	5,515	10,324
Financial assets - loans	D2	78,293	64,929
Other financial assets	C4	3,738	2,508
Inventories		176	530
Total current assets		**240,124**	**205,418**
Non-current			
Contract assets	C3	8,578	8,292
Financial assets - lease receivables	D1	9,679	15,951
Financial assets - loans	D2	180,954	133,007
Other financial assets	C4	29,163	17,556
Financial assets at fair value through other comprehensive income	E6	203	203
Equity accounted associates	E2	22,723	13,919
Property, plant and equipment		11,051	9,132
Intangible assets	B1	177,108	184,086
Right-of-use lease assets	B3	7,535	5,432
Total non-current assets		**446,994**	**387,578**
Total assets		**687,118**	**592,996**
Liabilities			
Current			
Trade and other payables	C2	39,857	34,932
Customer salary packaging liability		26,317	21,024
Interest bearing liabilities	D3	221,907	204,063
Current tax liabilities		4,066	2,363
Provisions		8,822	8,775
Lease liabilities	D5	4,268	1,774
Other liabilities		101	80
Total current liabilities		**305,338**	**273,011**
Non-current			
Trade and other payables	C2	15,780	12,229
Interest bearing liabilities	D3	146,872	73,564
Deferred tax liabilities	A5.2	10,150	13,777
Lease liabilities	D5	3,701	4,324
Provisions		1,644	1,621
Total non-current liabilities		**178,147**	**105,515**
Total liabilities		**483,485**	**378,526**
Net assets		**203,633**	**214,470**
Equity			
Share capital	E3	285,001	279,470
Accumulated losses		(117,793)	(117,793)
Reserves	E3.3	(15,523)	2,239
Non-controlling interests		51,948	50,554
Total equity		**203,633**	**214,470**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Notes	Share capital $'000	Accumulated losses $'000	Reserves $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2023		**279,470**	**(117,793)**	**2,239**	**50,554**	**214,470**
Net profit for the year, after tax		-	-	12,851	11,319	**24,170**
Changes in equity securities fair value, after tax	E2	-	-	(1,246)	-	**(1,246)**
Total comprehensive income for the year		-	-	11,605	11,319	**22,924**
Transactions with owners:						
Share based payment expense, net of cancelled/exercised		-	-	(1,362)	-	**(1,362)**
Financial liability to acquire further interest in subsidiaries		-	-	(3,444)	-	**(3,444)**
Non-controlling interests acquired		-	-	(9,246)	(1,636)	**(10,882)**
Disposal of part interest in subsidiary		-	-	1,395	3,076	**4,471**
Dividends		-	-	(16,710)	(11,365)	**(28,075)**
Issue of share capital		5,690	-	-	-	**5,690**
Costs of raising capital, net of tax		(159)	-	-	-	**(159)**
Balance at 30 June 2024	E3	**285,001**	**(117,793)**	**(15,523)**	**51,948**	**203,633**
Balance at 1 July 2022		**275,512**	**(117,793)**	**13,227**	**36,669**	**207,615**
Net profit for the year, after tax		-	-	8,055	9,905	**17,960**
Changes in equity securities fair value, after tax		-	-	18	5	**23**
Total comprehensive income for the year		**-**	**-**	**8,073**	**9,910**	**17,983**
Transactions with owners:						
Share based payment expense, net of cancelled/exercised		-	-	27	-	**27**
Financial liability to acquire further interest in subsidiaries		-	-	(11,809)	-	**(11,809)**
Disposal of part interest in subsidiary		-	-	1,394	565	**1,959**
Non-controlling interests acquired		-	-	(280)	(151)	**(431)**
Non-controlling interest recognised through business combinations		-	-	-	3,056	**3,056**
Non-controlling interest acquisition contribution		-	-	7,642	9,047	**16,689**
Dividends		-	-	(16,035)	(8,542)	**(24,577)**
Issue of share capital		4,066	-	-	-	**4,066**
Costs of raising capital, net of tax		(108)	-	-	-	**(108)**
Balance at 30 June 2023	E3	**279,470**	**(117,793)**	**2,239**	**50,554**	**214,470**

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

Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		548,372	386,675
Payments to suppliers and employees		(473,790)	(332,639)
Dividends received		66	574
Finance costs paid		(14,116)	(7,017)
Income taxes paid		(14,173)	(15,807)
Net cash inflow from operating activities	A7	**46,359**	**31,786**
Cash flows from investing activities			
Net cash (outflow) on acquisitions, net of cash acquired		(4,758)	(15,021)
Net cash (outflow) on investment in associates		(13,054)	-
Payments for deferred consideration		(129)	(349)
Payments for equipment - finance leases		(5,014)	(8,386)
Repayments of equipment – finance leases		18,734	28,917
Loans advanced		(146,982)	(102,411)
Repayments of loans		85,672	73,442
Payments for property, plant and equipment		(5,099)	(2,098)
Proceeds from sale of property, plant and equipment		1,272	224
Payments for intangible assets		(581)	(1,141)
Payments for investments		(29,326)	(15,821)
Proceeds from sale of investments		12,102	6,307
Other loan repayments received		-	116
Net cash (outflow) from investing activities		**(87,163)**	**(36,221)**
Cash flows from financing activities			
Proceeds from issue of shares		3,806	4,066
Costs of raising capital		-	(108)
Proceeds from interest bearing liabilities		160,883	97,285
Repayments of interest bearing liabilities		(69,730)	(60,956)
Repayment of lease liabilities		(2,196)	(2,275)
Dividends paid		(16,710)	(16,035)
Dividends paid by subsidiaries to non-controlling interests		(11,365)	(8,542)
Non-controlling interest acquisition contribution		-	16,689
Net cash inflow from financing activities		**64,688**	**30,124**
Net increase in cash and cash equivalents		23,884	25,689
Cash and cash equivalents, beginning of the financial year		101,796	76,107
Cash and cash equivalents, end of the financial year	A7	**125,680**	**101,796**

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

Notes to the Financial Statements

COG Financial Services Limited (COG or the Company) and its controlled entities (the Group) is an Australian Securities Exchange (ASX) listed Company whose principal activities are focused on the equipment finance sector. The investment objective of the Company is to grow earnings per share by investing in complementary entities and growing existing businesses that specialise in equipment financing and broking, aggregation, insurance broking, and novated leasing.

COG is the ultimate parent company of the Group and is a for-profit listed company limited by shares, incorporated and domiciled in Australia.

The financial statements have been approved and authorised for issue by the Board of Directors on 28 August 2024.

The financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB),
- include the assets and liabilities of all subsidiaries of the Company as at 30 June 2024 and the results of the subsidiaries for the year then ended. Inter-entity transactions with, or between subsidiaries are eliminated in full on consolidation,
- have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and liabilities at fair value, and
- are measured and presented in Australian dollars which is the Company's functional and presentation currency with all values rounded to the nearest thousand dollars unless otherwise stated, in accordance with ASIC Legislative Instrument 2016/191.

The Company's principal place of business is Level 1, 72 Archer Street, Chatswood, NSW 2067.

The registered office is Level 5, 126 Phillip Street, Sydney, NSW, 2000.

Key judgements and estimates
Key judgements, accounting estimates and assumptions, including any significant changes to those applied in the preparation of the 2024 Annual Financial Report, are shown in the relevant notes. The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

In the process of applying the Group's accounting policies, Management have also made judgements and applied estimates concerning future events.

Judgements and estimates that are material to the financial report are found in the following notes:

- A2 Revenue
- A5 Taxation
- B2 Impairment of intangible assets
- C1 Trade and other receivables
- C3 Contract assets
- D1 Financial assets - lease receivables
- D2 Financial assets - loans
- E1 Business combinations

Reclassification of prior year balances

Certain prior year amounts in the following notes to the financial statements have been reclassified to conform to the current year presentations.

- A1 Operating segments
- A5 Taxation
- E2 Equity accounted associates
- E5.2 Interests in other entities
- D3 Interest bearing liabilities
- F4 Auditor's remuneration

Going concern

The financial statements have been prepared on a going concern basis.

The Directors regularly monitor the Company's cash position and, on an on-going basis, consider a number of options to ensure that adequate funding continues to be available for the Company to meet all of its commitments.

As at 30 June 2024, the Group's current assets of $240,124k are $65,214k lower than current liabilities of $305,338k due to COG's subsidiary Westlawn Finance Limited (Westlawn), which funds a substantial part of its operations through the issue of short-term unsecured notes. Whilst the carrying value of those notes has been presented in the balance sheet in accordance with their maturity profile, historically there has been a consistently high reinvestment rate by investors, who choose not to withdraw their funds at the maturity of the note term, and roll their funds into a new unsecured note. On this basis, the mismatch between current assets and current liabilities is not indicative of any going concern or liquidity issue.

The Directors are satisfied the current level of cash reserves, availability of operational cash flow, and quantum of financing, which can be secured through the means noted above, will be sufficient to meet the ongoing operational commitments of the Company for more than 12 months from the date of this report.

A - Financial Performance

A1 OPERATING SEGMENTS

The Group has four operating segments based upon the products and services offered by business units within each segment. The Group presents the financial information below to the Directors each month or quarter. The Group's reportable segments are as follows:

- *Finance Broking & Aggregation* activities comprise business units focused on the aggregation of broker volumes to maximise profitability through scale, and finance broking focused on a range of finance products and asset types;
- *Novated Leasing* activities comprise the provision of novated leasing and salary packaging services to government and private sector customers;
- *Asset Management & Lending* activities are focused on the management of investment funds and providing financing arrangements to commercial customers for essential business assets; and
- *All Other / Intersegment* activities, which include: (i) equity investment of 21.40% and 19.89% in the associates Earlypay Limited and Centrepoint Alliance Limited, respectively, and (ii) corporate office function provided by the ultimate parent entity.

30 June 2024	**Finance Broking & Aggregation $'000**	**Novated Leasing [1] $'000**	**Asset Management & Lending [2] $'000**	**All Other / Intersegment $'000**	**Total $'000**
Revenue [3]	281,094	146,873	67,614	(22)	495,559
Underlying EBITDA from core operations [4]	**29,216**	**17,360**	**15,069**	**(3,860)**	**57,785**
Profit on disposal of assets	-	-	361	-	361
Acquisition related expenses	(182)	(196)	-	(359)	(737)
Impairment	-	-	-	(4,253)	(4,253)
Redundancy and restructuring costs	(57)	-	-	(157)	(214)
Statutory EBITDA from core operations	**28,977**	**17,164**	**15,430**	**(8,629)**	**52,942**
Interest income					3,418
Depreciation and amortisation					(17,800)
Finance costs					(2,469)
Profit before tax					**36,091**
Income tax expense					(11,921)
Profit after tax					**24,170**
Non-controlling interests					(11,319)
Profit after tax, attributable to members					**12,851**

30 June 2023	**Finance Broking & Aggregation $'000**	**Novated Leasing [1] $'000**	**Asset Management & Lending [2] $'000**	**All Other / Intersegment $'000**	**Total $'000**
Revenue [3]	226,135	81,107	55,614	1,687	364,543
Underlying EBITDA from core operations [4]	**33,269**	**7,318**	**19,462**	**(7,274)**	**52,775**
Profit on disposal of assets	-	-	-	389	389
Acquisition related expenses	(58)	(210)	-	(128)	(396)
Impairment	-	-	-	(9,806)	(9,806)
Redundancy and restructuring costs	-	-	-	(277)	(277)
Statutory EBITDA from core operations	**33,211**	**7,108**	**19,462**	**(17,096)**	**42,685**
Interest income					1,466
Depreciation and amortisation					(14,577)
Finance costs					(1,521)
Profit before tax					**28,053**
Income tax expense					(10,093)
Profit after tax					**17,960**
Non-controlling interests					(9,905)
Profit after tax, attributable to members					**8,055**

(1) Effective 1 July 2023, the Novated Leasing business (previously reported as part of the Finance Broking & Aggregation segment) is reported as a separate business segment. It is inclusive of the recently acquired novated leasing business Paywise as well as Fleet Network and Be Car Wise. Prior comparative information has been reclassified to conform with current period presentation.

(2) Asset Management & Lending (formerly 'Funds Management and Lending') includes Westlawn Finance Limited.

(3) Revenue excludes interest income (FY24: $3,418k, FY23: $1,466k). Share of results from associates previously reported as part of 'Revenue' has now been reported separately. Prior comparative information has been adjusted to conform with current period presentation.

(4) Excludes non-recurring items.

A2 REVENUE

Key judgement - Trail commission income

The Group receives trail commission from lenders as a percentage of the principal outstanding for several of its financing arrangements, subject to the continuation of the financing between the customer and the financier. The value of this contract asset is determined based on a discounted cashflow model which includes the following key inputs:

- assumptions around the volume of the financing transactions with the financier in the current and future periods,
- the weighted average implicit rate of the underlying financing arrangements,
- principal outstanding balance, and
- the average life expectancy of a loan prior to repayment/refinancing.

These factors are complex and the determination of key assumptions requires a high degree of judgement. Any change in the value of the trail commission contract asset is recognised in the *Commission, trail, fee, and volume bonus income* revenue line.

	2024 $'000	2023 $'000
Commission, trail, fee, and volume bonus income	305,701	236,584
Sale of goods	133,019	88,663
Finance lease income	4,614	7,913
Finance income - loans	23,123	17,710
Interest income	3,418	1,466
Dividend income	5	192
Other operating revenue	29,097	13,481
	498,977	**366,009**

Accounting policy

Revenue is recognised at a point in time when the Group satisfies all its obligations under the arrangements.

Commission, fee, and volume bonus income

Commission, fee, and volume bonus income is recognised when all the required documentation has been received by the financier and the Group's obligations under the financing arrangement have been completed. The Group recognises revenue at a point in time and adjusts it for any risk of clawback based on the historical rate of clawbacks for similar transactions. The Group recognises revenue at a point in time and adjusts it for any risk of clawback based on the historical rate of clawbacks for similar transactions (see Note C1).

Trail commission income

Trail income is recognised when all the required documentation has been received by the financier and the Group's obligations under the financing arrangement have been completed. The Group estimates trail income on a portfolio basis using the expected value method as all its financing arrangements have similar characteristics at the reporting date. The expected value is determined using the model outlined in the key judgments section above with changes in the resultant contract asset recognised in *the Commission, trail, fee, and volume bonus income* revenue line.

Sale of goods

Sale of goods is recognised at the point of sale, which is where the customer has taken delivery of the goods and has the capacity to pay for them in a timely manner. Revenues disclosed are stated net of returns, discounts, allowances, and amounts collected on behalf of third parties. Sale of goods revenue is recognised in relation to car sales and salary packaging operations in the Finance Broking and Aggregation segment.

Finance lease income & Finance income - loans

Finance lease income and Finance income - loans are recognised by applying the interest rate within the lease/loan arrangement to the future lease/loan repayments (and the estimated value of any unguaranteed end of term earnings or secondary income, for leases). Initial direct costs incurred in the origination of leases/loans are included as part of the receivables in the Consolidated Statement of Financial Position.

A3 EMPLOYEE BENEFITS EXPENSE

	Note	2024 $'000	2023 $'000
Salaries and wages expense		64,145	48,997
Superannuation expense		7,006	5,160
Equity-settled share-based payments expense	A3.1	491	767
Payroll tax		4,088	3,112
Other employee benefits expense		3,364	2,777
		79,094	**60,813**

A3.1 SHARE BASED PAYMENTS

Performance rights

The Group has issued performance rights to Andrew Bennett who commenced as a member of key management personnel in 2018. These performance rights, which were issued as part of Andrew Bennett's remuneration package, entitle him to receive shares in COG under certain vesting conditions, as set out below:

Service period	Tranche	Grant date	Vesting date	Granted	Vested	Rolled over	Expired/ Forfeited / Cancelled	Balance at 30 June 2024
FY21 LTIP	Tranche 1	11 August 2022	30 June 2021	102,814	102,814	-	-	-
	Tranche 2	11 August 2022	30 June 2022	102,814	102,814	-	-	-
	Tranche 3	11 August 2022	30 June 2023	102,814	102,814	-	-	-
Total				**308,442**	**308,442**	**-**	**-**	**-**
FY22 LTIP	Tranche 1	11 September 2023	30 June 2022	58,642	58,642	-	-	-
	Tranche 2	11 September 2023	30 June 2023	58,642	23,457	(35,185)	-	-
	Tranche 3	11 September 2023	30 June 2024	58,642	-	35,185	-	93,827
Total				**175,926**	**82,099**	**-**	**-**	**93,827**
FY23 LTIP	Tranche 1	11 September 2023	30 June 2023	50,105	20,042	(30,063)	-	-
	Tranche 2	11 September 2023	30 June 2024	50,105	-	30,063	-	80,168
	Tranche 3	11 September 2023	30 June 2025	50,106	-	-	-	50,106
Total				**150,316**	**20,042**	**-**	**-**	**130,274**
Total				**634,684**	**410,583**	**-**	**-**	**224,101**

These performance rights were issued under the Long-term Incentive Plan ("LTI Plan") approved at the EGM held on 30 June 2021. The LTI Plan allows for the issue of performance rights, options, or shares in the Company (Incentive Securities), or a combination of those Incentive Securities. The Board may determine from time to time to issue Incentive Securities under the LTI Plan with the purpose of attract, motivate, and retain eligible participants and to provide them with an incentive to deliver growth and value to all Shareholders.

Under the LTI Plan, Andrew Bennett is entitled to receive performance rights with a grant date value of up to $237,500 per annum (and representing up to 50% of his fixed annual remuneration) that will be subject to vesting conditions set by the Board. The performance rights granted each year will vest over 3 years.

In respect of the vesting conditions:

- for each issued Tranche, 40% will vest on being employed on the respective Tranche's Vesting Date and 60% will vest on being employed and achieving normalised earnings per share (EPS) Compound Annual Growth Rate (CAGR) on the respective Tranche's Vesting Date;
- these will be assessed no later than 15 September of the subject year end;
- where vesting conditions of Tranche 1 or Tranche 2 are not met, the performance rights roll forward to the next Tranche; and

A3.1 SHARE BASED PAYMENTS

- CAGR requirements are:

	CAGR	Range	Vesting %
Threshold	0.0%	< Threshold	0.0%
Target 1	2.5%	> Threshold & < Target 1	25.0%
Target 2	7.5%	> Target 1 & < Target 2 = > Target 2	Straight Line Pro rata from 25.0% to 100.0% 100%

The share-based payment expense in relation to the above is recognised with reference to the fair value of the performance rights at each grant date and the respective service/vesting periods.

No other KMP or employee were eligible to participate in the LTI Plan in 2023 and before. No options have been granted over unissued shares during or since the end of the financial year.

Loan-backed employee share scheme (ESS)

On 21 December 2023, the LTI Plan was amended to accommodate the issue of shares to participants using advances made by the Company. On 5 February 2024, the Company issued 1,145,000 fully paid ordinary shares totalling $1,601k in respect of the new loan-backed employee share scheme (ESS) for FY24.

Under the ESS, employees are entitled to subscribe for new ordinary COG shares facilitated through a limited recourse loan, made by the Company. The shares are subject to vesting conditions set by the Board. The shares granted will vest over 3 years and vesting conditions are similar to those applicable to the performance rights, as described above.

The share-based payment expense in relation to the above is recognised with reference to the fair value of the benefit at each grant date (determined using an option valuation model) and the respective service/vesting periods.

Participants in the ESS for FY24 comprised certain employees, including Key Management Personnel ('KMPs') Andrew Bennett (CEO) and Richard Balzer (CFO).

Accounting policy

Employee expenses are recognised in the profit and loss when the employee delivers the related service.

Equity-settled share-based payment

The cost of equity-settled transactions is measured at fair value on the date where all parties agree to the terms of the arrangement. Fair value is determined with reference to the share price at grant date (for performance rights) or using an option pricing model (for the ESS scheme) based on the factors outlined above. The share-based payment is recognised in profit or loss with a corresponding increase in equity over the term of the arrangement with the expense allocated over the term of the arrangement, based on the best available estimate of the remuneration expected to be incurred. No adjustment is made to any expense recognised in the prior year if the actual and estimated amount of share-based payments vary.

Employee benefit liabilities

Employee benefits are included in current provisions at their face value if the Group expects to settle it within the next twelve months. Employee benefits payable later than one year are included in non-current provisions and have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered. The present value is determined using market yields on high quality corporate bonds with terms to maturity that match the expected timing of cash flows.

A4 FINANCE & FUNDING COSTS

A4.1 FINANCE COSTS

	2024 $'000	2023 $'000
Interest on corporate facility	1,534	589
Other finance costs	935	932
	2,469	**1,521**

The Group's finance costs include:

- *Interest expense on corporate facility*; interest expense is paid quarterly based on the principal outstanding and a market based floating rate plus margin.
- *Other finance costs*; this includes interest expense on unsecured loans and minor other financing activities throughout the Group.

A4.2 FUNDING COSTS (ASSET MANAGEMENT & LENDING)

	2024 $'000	2023 $'000
Interest on finance lease and loans portfolios	15,395	6,962
	15,395	**6,962**

The Group's funding costs include:

- *Interest expense on finance lease and loan portfolios*; interest expense is calculated based on the funding rate provided by the Group's financiers. The funding rate is dependent on the finance lease or loan cashflows being funded and the specific requirements of each funder.

A5 TAXATION

Key judgement - recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences and operating tax losses only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. As at 30 June 2024 the Group had a deferred tax asset of $181k recognised in relation to historical tax losses (2023: $223k). Management continues to consider it probable that future taxable profits would be available against which the above tax losses can be recovered and, therefore, the related deferred tax asset can be realised.

In addition, as at 30 June 2024 the Group had $1,933k of gross unrecognised tax losses ($580k tax effected), (2023: $3,613k of gross unrecognised tax losses ($1,084k tax effected)). Management will continue to monitor expected future taxable profits of the Group to determine the extent that these tax losses should be recognised as deferred tax assets in future periods.

A5.1 INCOME TAX EXPENSE

The prima facie tax on profit before income tax is reconciled to income tax expense as follows:

	2024 $'000	2023 $'000
Accounting profit before income tax	36,091	28,053
Prima facie tax payable on profit before income tax at 30% (2023: 30%)	10,827	8,416
Add/(deduct):		
Impairment expense	1,276	2,814
Franking credits applied	(10,622)	(8,943)
Non-deductible expenses	410	271
Other assessable income	10,725	8,783
(Over) provision from prior years	(96)	(184)
Allowable deduction for capital raising costs recognised in equity	(95)	(95)
Utilisation of tax losses not previously brought to account	(504)	(969)
	11,921	**10,093**

A5.2 DEFERRED TAX LIABILITIES

Deferred tax assets and (liabilities) are comprised of the following:

	2024 $'000	2023 $'000
Property, plant, and equipment	(924)	(1,026)
Lease receivables	(2,360)	(3,701)
Loans	350	388
Contract assets	(4,675)	(5,027)
Intangible assets	(11,427)	(13,733)
Employee benefits	3,288	3,017
Tax losses	5	223
Other items	5,593	6,082
	(10,150)	**(13,777)**

Tax consolidated group

COG and its wholly owned Australian resident subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity within that tax consolidated group is COG. Consequently, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are offset in the consolidated financial statements. In addition, certain controlled entities and their wholly owned subsidiaries have formed income tax consolidated groups under the tax consolidation regime. These entities are also taxed as a single entity and the deferred tax assets and liabilities of these tax consolidated groups are offset in the consolidated financial statements.

Accounting policy

Income tax expense comprises current and deferred income tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity. Calculation of tax is based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Current tax

Current tax liabilities are taxation obligations to the Australian Taxation Office that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements (accounting profit).

A - Financial Performance (continued)

A5 TAXATION

Accounting policy (continued)

Deferred tax

Deferred tax assets and liabilities are recognised where there is a difference in timing between the accounting recognition of the asset or liability and the tax timing of the same asset or liability. This method is used for all differences between tax and accounting basis except for:

- initial recognition of goodwill, or
- if the transaction has no impact on accounting or taxable profit.

In addition, a deferred tax liability is not recognised if the reversal of the difference is under the control of the Group, it relates to investments in subsidiaries or associates and the Group does not intend to take any action to trigger a change in ownership of the subsidiary or associate in the foreseeable future.

Deferred tax assets are recognised up to the value that it is probable that there will be sufficient taxable profits in future years to offset the asset reversals; this is based on forecasts of individual subsidiaries in the Group and their future taxable profits and the timing of the reversal of the temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax liabilities are always provided for in full. Deferred tax assets and liabilities are offset only when the Group has the legal ability and intent to settle these amounts on a net basis with the same taxation authority.

A6 EARNINGS PER SHARE

Both the basic and diluted earnings per share have been calculated using the profit attributable to members of the Company as the numerator.

	2024	**2023**
Profit after income tax, attributable to members ($'000)	12,851	8,055
Basic earnings per share (cents)	**6.67**	**4.26**
Diluted earnings per share (cents)	**6.67**	**4.26**
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share ('000)	192,598	189,206
Closing number of ordinary shares on issue at the end of the year ('000)	194,859	190,662

Except for the performance rights issued to Andrew Bennett, there are no other outstanding securities that if they were able to be exercised by the holders as at 30 June 2024 would reduce earnings per share to other shareholders (potentially dilutive) in nature for the Company.

A7 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2024 $'000	2023 $'000
Profit from ordinary activities after income tax	**12,851**	**8,055**
Adjustments for non-cash items included in profit or loss:		
Depreciation and amortisation	17,800	14,577
Impairment	4,253	9,377
Share based payment	491	767
Profit on sale of property, plant and equipment	(361)	(382)
Share of equity accounted results	(1,844)	1,910
Profit after tax attributable to non-controlling interests	11,319	9,905
Finance lease income - unguaranteed secondary income	(2,515)	(4,508)
Changes in assets and liabilities:		
Movement in trade and other receivables	130	(2,589)
Movement in contract assets	(314)	(455)
Movement in other financial assets	(622)	1,873
Movement in inventories	353	(241)
Movement in trade and other payables	2,735	(968)
Movement in current and deferred tax liabilities	4,158	(5,714)
Movement in other liabilities	(2,075)	382
Movement in provisions	-	(203)
Net cash inflow from operating activities	**46,359**	**31,786**

Cash and cash equivalents

This is comprised of cash at bank and on hand. Included in cash at bank and on hand are amounts of $34,938k (2023: $26,574k) which are funds held by the Group on behalf of its novated leasing customers, and insurance broking trust accounts (representing the unpaid insurance premiums due to insurers and refunds due to customers) and are not available for general use.

Financial exposures - Credit risk

Cash is held with bank and financial institution counterparties, which are rated A- to AA-, based on Standard and Poor's long-term credit ratings and as such credit risk is low.

B - Intangibles and Lease Assets

B1 INTANGIBLE ASSETS

Reconciliation of carrying amount

Carrying amount	Goodwill $'000	Software $'000	Customer relationships $'000	Supplier agreements $'000	Other $'000	Total $'000
Balance at 1 July 2022	102,598	1,568	36,542	5,317	2,126	148,151
Acquisition through business combinations	30,277	4,441	8,418	-	3,105	46,241
Additions	-	1,211	-	-	-	1,211
Disposals	-	(70)	-	-	-	(70)
Transfers	-	-	(198)	198	-	-
Impairment	-	-	-	-	-	-
Amortisation	-	(932)	(8,648)	(1,642)	(225)	(11,447)
Balance at 30 June 2023	**132,875**	**6,218**	**36,114**	**3,873**	**5,006**	**184,086**
Balance at 1 July 2023	132,875	6,218	36,114	3,873	5,006	184,086
Acquisition through business combinations	2,561	-	239	-	3,814	6,614
Additions	-	331	250	-	-	581
Amortisation	-	(1,716)	(9,910)	(1,643)	(904)	(14,173)
Balance at 30 June 2024	**135,436**	**4,833**	**26,693**	**2,230**	**7,916**	**177,108**

Accounting policy

Goodwill
Goodwill arising on the acquisition of subsidiaries has an infinite useful life and is measured at cost less accumulated impairment losses.

Other intangible assets
Other intangible assets, including software, customer relationships, supplier agreements and other intellectual property that are acquired or developed by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Other intangible assets are tested 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Amortisation
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

- Software 2 - 6 years
- Customer relationships 3 - 10 years
- Supplier agreements 3 - 10 years
- Other intellectual property 2 - 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

B2 IMPAIRMENT OF INTANGIBLE ASSETS

Key judgement - Impairment

Goodwill is not amortised but assessed for impairment at least once a year (and when there is evidence of impairment). The Group uses two methods for assessing the recoverable amount of the business units to which the goodwill is attached:

- Fair Value Less Costs to Sell (FVLCTS): the amount which the business could be sold for (less sale related expenses), or
- Value in Use (VIU): the value of future cashflows which the Group could generate from continuing to run the business discounted to current value to reflect the time value of money and risks surrounding the assumptions used to model future performance.

The recoverable amount determined as the more favourable of the two methods outlined above is then compared to the carrying amount of assets to determine if there is any impairment.

Impairment testing is complex and involves the following key judgements:

- impairment is tested at a cash generating unit (CGU) level, which is the lowest level at which the Group generates discrete and separate cash inflows and outflows. The Group considers this to be at the segment level, as such impairment is tested at the level outlined in the operating segment (Note A1).
- the calculation of FVLCTS and VIU models is complex and involves a significant number of judgements regarding future performance, discount rates to be applied to future performance assumptions and the price which an external party would pay to purchase businesses similar to those operated by the Group.

The disclosures below outline the key assumptions and the outcome of impairment testing completed.

Goodwill is allocated to the following CGUs at 30 June 2024:

	2024 $'000	2023 $'000
Cash Generating Unit		
Finance Broking & Aggregation	90,750	88,189
Novated Leasing	24,663	24,663
Asset Management (formerly Funds Management and Lending)	20,023	20,023
	135,436	**132,875**

Finance Broking and Aggregation CGU

The recoverable amount of goodwill for the Finance Broking & Aggregation CGU is based on a FVLCTS model. The model includes the following key assumptions:

- EBITDA for the business unit is broadly consistent with the actual EBITDA for the year ended 30 June 2024.
- EBITDA multiples ranging from 8.6x to 9.2x for arms-length transactions of businesses of similar size and nature to the CGU within recent financial periods (based on information provided by external experts).

Novated Leasing CGU

The value of goodwill for the Novated CGU relates to goodwill recognised on the acquisition of Fleet Network in 2017 and goodwill recognised in relation to the acquisitions of Howjack Holdings Pty Limited ('Howjack') and Australian Car Packaging ('ACP') in 2023 by the Group's indirect subsidiary Fleet Network.

The recoverable amount of goodwill for the Novated CGU is based on a FVLCTS model. The model includes the following key assumptions:

- EBITDA for the business unit is broadly consistent with the actual EBITDA for the year ended 30 June 2024.
- EBITDA multiples ranging from 7.9x to 8.7x for arms-length transactions of businesses of similar size and nature to the CGU within recent financial periods.

Asset Management CGU (formerly Funds management and Lending)

The value of goodwill for the Asset Management CGU relates to goodwill recognised in relation to the acquisition of Equity-One Mortgage Find Limited (Equity-One) by the Group's subsidiary Westlawn Finance Limited, effective 1 March 2022.

B2 IMPAIRMENT OF INTANGIBLE ASSETS

The recoverable amount of goodwill for the Asset Management CGU is based on a FVLCTS model. The model includes the following key assumptions:

- EBITDA for the business unit is broadly consistent with the actual EBITDA for the year ended 30 June 2024.
- EBITDA multiples ranging from 11.0x to 12.0x for arms-length transactions of businesses of similar size and nature to the CGU within recent financial periods (based on information provided by external experts).

The resulting FVLCTS model is consistent with a level 3 instrument in the fair value hierarchy. No reasonably possible changes would unfavourably impact the model to the extent that the related goodwill would be impaired.

B3 RIGHT-OF-USE LEASE ASSETS

	2024 $'000	2023 $'000
Right-of-use lease assets - at cost	13,787	10,473
Less: Accumulated depreciation	(6,252)	(5,041)
Net carrying amount	**7,535**	**5,432**

Reconciliation of carrying amount

Carrying amount	**Office premises $'000**	**Motor Vehicles $'000**	**Total $'000**
Balance at 1 July 2022	5,690	85	5,775
Additions	1,653	4	1,657
Disposals	(219)	-	(219)
Depreciation	(1,748)	(33)	(1,781)
Balance at 30 June 2023	**5,376**	**56**	**5,432**
Balance at 1 July 2023	5,376	56	5,432
Additions	5,381	-	5,381
Disposals	(1,401)	-	(1,401)
Depreciation	(1,864)	(13)	(1,877)
Balance at 30 June 2024	**7,492**	**43**	**7,535**

Accounting policy

Right-of-use lease assets (Group as lessee)

At lease commencement date, the Group recognises a right-of-use (ROU) lease asset and a lease liability in the Consolidated Statement of Financial Position. ROU lease asset is initially measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the ROU lease assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU lease asset or the end of the lease term. The Group also assesses the ROU lease asset for impairment when such indicators exist.

The lease term represents the non-cancellable period of the lease but also includes periods covered by an option to extend (if the Group is reasonably certain to exercise that option) and shall only be revised if there is a change in circumstances. Lease terms range from 1 to 5 years.

Non-lease components of property leases

The Group has elected to recognise payments for non-lease components (such as property outgoings and taxes) separately from the lease liability. A small portion of the Group's leased property portfolio has non-lease components embedded within their respective contract. The expense related to the non-lease component is recognised as an occupancy expense in the Consolidated Statement of Comprehensive Income.

C - Working Capital

C1 TRADE AND OTHER RECEIVABLES

Key judgement - Terminated lease receivables

Terminated lease receivables represent lease arrangements where the Group has executed its rights under the lease contract to seek full repayment of all outstanding contractual amounts as at the termination date. Prior to termination these leases are treated as finance lease receivables (see Note D1) and are discounted to present value based on the expected timing of lease payments over the lease term. On termination the full value of all future repayments is recognised as due and payable at termination date ('grossed up'), with the uplift recognised in finance lease income.

A provision is then raised to the extent that each individual terminated lease is not considered recoverable. The assessment of recoverable amount is based on each individual arrangement including the counterparty, security held against the lessee and any related parties, and the asset being financed. This estimate involves significant judgement by Management on the arrangement's recoverability and is reassessed as the conditions relating to the terminated lease arrangement progress.

The above accounting treatment for the terminated lease receivable asset results in:

- an increase in finance lease income in the period in which the termination occurs,
- an increase in the related allowance for terminated leases through doubtful debts expense, and
- terminated leases being recognised in the Statement of Financial position at net recoverable value.

	2024 $'000	2023 $'000
Current		
Terminated lease receivable	8,069	10,313
Less: Allowance for doubtful debts	(6,989)	(8,085)
	1,080	2,228
Trade receivables	6,325	4,242
Less: Allowance for doubtful debts	(70)	(22)
	6,255	4,220
Accrued income and other debtors	15,714	15,952
Other receivables	1,177	415
Provision for clawbacks	(473)	(425)
	23,753	**22,390**

Financial exposures - Credit risk

Management believes that the amounts that are past due by more than 30 days are collectable, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit scores if they are available. The ageing of the Group's trade receivables that were not impaired was as follows:

	2024 $'000	2023 $'000
Trade receivables		
Neither past due nor impaired	3,868	2,014
Past due 1 - 30 days	916	914
Past due 31 - 90 days	1,038	654
Past due 91 - 120 days	217	76
Past due 121+ days	286	584
Total	**6,325**	**4,242**

C1 TRADE AND OTHER RECEIVABLES

Financial exposures - Credit risk
The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	Trade receivables $'000	Terminated lease receivable $'000	Provision for clawbacks $'000
Balance at 1 July 2022	**18**	**9,390**	**331**
Terminated and provided for during the year less write-offs	4	(1,305)	94
Balance at 30 June 2023	**22**	**8,085**	**425**
Terminated and provided for during the year less write-offs	48	(1,096)	48
Balance at 30 June 2024	**70**	**6,989**	**473**

Accounting policy
Trade and other receivables
See Accounting policy in Note D4.

Provision for clawbacks
The provision for clawbacks is in relation to arrangements recognised under AASB 15 *Revenue from Contracts with Customers*. This reflects the risk that amounts previously recognised as revenue in relation to brokerage arrangements in the Finance Broking & Aggregation segment could be recovered by the financier should the underlying finance arrangement underperform against agreed thresholds. The provision recognised reflects the volume weighted historical clawback amounts calculated on an individual entity level within the Group.

C2 TRADE AND OTHER PAYABLES

	2024 $'000	2023 $'000
Current		
Trade payables	13,190	11,436
Deferred consideration	-	183
Salaries and bonuses	2,436	2,398
GST and other taxes	4,253	3,460
Other payables and accruals	19,978	17,455
	39,857	**34,932**
Non-current		
Trade payables	527	420
Financial liability to acquire further interests in subsidiaries [1]	15,253	11,809
	15,780	**12,229**

(1) Reflects the fair value of contractual obligation to acquire further interests in subsidiaries, recognised in accordance with paragraph 23 of AASB 132 *Financial Instruments: Presentation*.

Financial exposures - Liquidity risk
Details of the liquidity risks associated with the Group's trade and other payables are outlined in Note D3.

Accounting policy
See Accounting policy in Note D4.

C - Working Capital (continued)

C3 CONTRACT ASSETS

Key judgement - Contract asset (trail commissions)
See key judgment in A2.

	2024 $	2023 $
Current		
Trail receivable	2,969	2,941
	2,969	**2,941**
Non-current		
Trail receivable	8,578	8,292
	8,578	**8,292**

Accounting policy
See Accounting policy in Note A2.

C4 OTHER FINANCIAL ASSETS

	2024 $'000	2023 $'000
Investments - at amortised cost [1]	24,028	13,864
Others	8,873	6,200
	32,901	**20,064**
Current	3,738	2,508
Non-current	29,163	17,556
	32,901	**20,064**

[1] Investment in unlisted notes

Reconciliation of carrying amount

	2024 $'000	2023 $'000
Balance at 1 July	20,064	9,065
Additions	23,698	15,390
Disposals	(10,861)	(4,348)
Write-off	-	(43)
Balance at 30 June	**32,901**	**20,064**

Accounting policy
See Accounting policy in Note D4.

D - Financial Instruments

D1 FINANCIAL ASSETS - LEASE RECEIVABLES

Key judgment - Secondary income

The Group's lease arrangements include conditions whereby at the end of the initial contract term the lessee can:

- continue to pay the Group for a right to use the asset,
- return the asset to the Group in good working order,
- purchase the asset for the higher of a contractually specified amount or the fair value of the asset as determined at the end of the contract term, or
- acquire the asset for an agreed purchase amount (but only in cases where the lessee has met all contractual requirements).

Amounts received under the above arrangements are referred to as 'secondary income'.

An estimate of the secondary income amount is calculated at the commencement of each lease with the value being recognised through profit and loss as part of finance lease income and on the Consolidated Statement of Financial Position as a finance lease receivable until the date on which any secondary income is received and/or the Group's rights to this secondary income are extinguished.

The Group estimates the expected secondary income based on the above contract requirements for each lease and prior experience with similar contracts. The level of secondary income return is estimated to be between 5% and 25% of the original equipment cost paid to the supplier.

Key judgement - Expected credit loss provision

The Group applies the simplified approach to its financial assets - lease receivables as permitted under AASB 9 *Financial instruments*, where a lifetime Expected Credit Loss (ECL) provision is recognised for the whole lease receivable portfolio. The intent of the ECL provision is to capture the risk of non-collectability of a financial asset from the date it is first originated. ECL provisions are required even if there is no evidence of that individual financial asset being impaired, as it is a forward-looking provision designed to capture the risk of future losses and represents a probability-weighted estimate of credit losses. Finance lease receivables, where defaults have already occurred, are outlined in Note C1, and include terminated leases and leases with payments in arrears.

The provision for ECL for finance lease receivables is based on assumptions relating to the risk of default and expected loss rates and reflects the expected losses over the entire life of the finance lease receivable. Management exercises judgement in making these assumptions and selecting model inputs for lease assets by taking historical static loss pool data and modifying it for lease duration, any changes in credit risk assessed at the commencement of each lease, and macro-economic factors which may impact future collectability. Credit losses are measured as the present value of all cash shortfalls (being the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Calculation of the ECL provision is based on the expected losses over the entire life of the finance lease receivable. It involves significant estimates and judgements in relation to:

- key lease characteristics such as credit criteria on which the deal is initially assessed, lease term, asset type, industry type, lessee location and default security held,
- loss and prepayment curves for the lease portfolio,
- the extent to which historical loss rates are representative of expected future loss rates,
- the impact of macro-economic factors on the creditworthiness of the finance lease receivables; and
- the increased credit risk resulting from the economic downturn originated since the COVID-19 pandemic on the active lease portfolio.

Key inputs to the ECL provision calculation for 30 June 2024 that reflect some level of variation on the criteria adopted in the previous year include:

- changes in macro-economic factors including the unemployment rate, consumer, and small business sentiment,
- industry specific regulatory considerations,
- changes in lease book composition that was subject to the recognition of an ECL provision, and
- changes in lease credit criteria at deal inception.

As at 30 June 2024 the ECL provision represents 5.6% (2023: 6.5%) of gross finance lease receivables.

D - Financial Instruments (continued)

D1 FINANCIAL ASSETS - LEASE RECEIVABLES

Finance lease receivables are comprised as follows:

	2024 $'000	2023 $'000
Current	5,515	10,324
Non-current	9,679	15,951
	15,194	**26,275**
Gross investment in finance lease receivables:		
Less than one year	6,213	11,006
Between one and five years	10,903	17,005
Unguaranteed secondary income	619	3,940
Gross investment	**17,735**	**31,951**
Unearned finance income	(1,634)	(3,851)
Net investment in finance leases	**16,101**	**28,100**
Less: expected credit loss provision	(907)	(1,825)
	15,194	**26,275**
The present value of minimum lease payment is as follows:		
Less than one year	5,465	9,961
Between one and five years	9,591	15,389
	15,056	**25,350**

Allowance for expected credit losses

The following table provides additional information on the ageing of impaired leases (including non-accrual leases) together with the respective allowance for ECL:

	Carrying amount 2024 $'000	Carrying amount 2023 $'000	Allowance for ECL 2024 $'000	Allowance for ECL 2023 $'000
Impaired leases (including non-accrual leases)				
Not in arrears (but impaired)	-	9	-	(9)
More than 30 days in arrears	266	395	(14)	(48)
More than 60 days in arrears	89	159	(19)	(17)
More than 90 days in arrears	257	694	(100)	(448)
	612	**1,257**	**(133)**	**(522)**

D1 FINANCIAL ASSETS - LEASE RECEIVABLES

An analysis of the lease portfolio by security type and geographic location of the borrower is set out below:

Lease portfolio by security type	2024 $'000	2023 $'000
Plant, equipment & chattels	14,612	24,734
Registered second mortgages	582	1,510
Unsecured	-	31
Total	**15,194**	**26,275**

Lease portfolio by geographic region	2024 $'000	2023 $'000
NSW	1,950	7,033
Queensland	10,681	13,818
Victoria	2,224	4,075
Western Australia	193	609
South Australia	67	508
Northern Territory	47	51
ACT	21	55
Tasmania	11	126
Total	**15,194**	**26,275**

Financial exposures - Credit risk

The Group's exposure to credit risk relating to finance lease receivables arises from the potential failure by a lessee to meet their contractual obligations and is primarily due to individual characteristics of each lessee. Management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the lessee's industry, location, and movements in macroeconomic factors.

The Group's lease arrangements include retention of title clauses, so that in the event of non-payment the Group has a secured claim. The Group has the following maximum exposure to credit risk associated with its operations in the Funds Management and Lending segment:

- the full balance of finance lease assets disclosed above,
- trade receivable amounts for lease payments in arrears as disclosed in Note C1, and
- terminated lease receivables amounts as disclosed in Note C1.

To address the credit risks exposures noted above the Group recognises the following provisions for non-recoverability:

- the ECL provision as outlined above for leases that are currently trading as expected,
- a specific provision based on arrears ageing for lease payments in arrears included in Note C1, and
- a specific provision based on lease-by-lease assessment of non-recoverability for terminated lease receivable amounts included in Note C1.

Accounting policy

The Group's contractual arrangements within the Lending segment are classified as finance leases for accounting purposes. Under a finance lease, substantially all the risks and rewards incidental to the ownership of the leased asset are transferred by the Group to the lessee. The Group recognises at the beginning of the lease term as an asset an amount equal to the present value of the contractual lease payments plus any expected secondary income; these amounts are discounted at the interest rate under the terms of the lease arrangement. Any over or under in recovery of this secondary income is recognised directly in the profit or loss.

D2 FINANCIAL ASSETS – LOANS

Key judgement - Expected loss provision
The Group applies the General approach under AASB 9 for its financial assets - loans portfolio, which follows the three stages based on the change in credit risk since initial recognition:

- **Stage 1: 12 months ECL - No significant increase in default risk**
For financial assets - loans, where there has been no significant increase in default risk since origination a provision equivalent to 12 months ECL is recognised. These include contracts which are not in arrears or in arrears up to 59 days and not in hardship at reporting date.
- **Stage 2: Lifetime ECL - Significant increase in default risk**
For financial assets - loans, where there has been a significant increase in default risk since origination but where the asset is still performing a provision equivalent to lifetime ECL is recognised. These include contracts which are in arrears exceeding 60 days or in hardship at reporting date.
- **Stage 3: Lifetime ECL - Defaulted**
For financial assets - loans, that are non-performing a provision equivalent to lifetime ECL is recognised. Indicators include a default or breach on interest or principal payments, eg. where a borrower is experiencing significant financial difficulties or observable economic conditions that correlate to default. These include contracts which have been terminated and/or in arrears exceeding 180 days at reporting date (for those contracts, provision is individually assessed).

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose.

This includes quantitative and qualitative information and also, where appropriate, forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL.

Credit quality of financial assets
The Group has an internally developed credit rating scale derived from historical default data to assess the potential default risk in lending. The Group has pre-defined counterparty probabilities of default across consumer and business loans and advances.

Inputs, assumptions, and techniques used for estimating impairment
In assessing the impairment of financial assets under the expected credit loss model, the Group defines default in accordance with its Lending Policy and Procedures Manual, which includes defaulted assets and impaired assets as described below. Default generally occurs when a loan obligation is 30 days or more past due, or when it is considered unlikely that the credit obligation to the Group will be paid in full without recourse to actions, such as realisation of security.

Assessment of significant increase in credit risk
When determining whether the risk of default has increased significantly since initial recognition, the Group considers both quantitative and qualitative information and analysis based on the Group's historical experience and expert credit risk assessment, including forward-looking information. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD).

As at 30 June 2024 the ECL provision represents 1.1% (2023: 0.9%) of gross finance loans receivable.

D - Financial Instruments (continued)

D2 FINANCIAL ASSETS - LOANS

The chattel mortgage is an equipment financing loan, secured by a mortgage over the asset being financed.

Finance loans receivable are as follows:

	2024 $'000	2023 $'000
Current	78,293	64,929
Non-current	180,954	133,007
Total	**259,247**	**197,936**
Loans	262,152	199,767
Less: expected credit loss provision	(2,905)	(1,831)
Total	**259,247**	**197,936**

Allowance for expected credit losses
The following table provides additional information on the ageing of impaired loans (including non-accrual loans) together with the respective allowance for ECL:

	Carrying amount 2024 $'000	Carrying amount 2023 $'000	Allowance for ECL 2024 $'000	Allowance for ECL 2023 $'000
Impaired loans (including non-accrual loans)				
Not in arrears (but impaired)	135	-	(71)	-
More than 30 days in arrears	632	798	(33)	(97)
More than 60 days in arrears	301	241	(16)	(57)
More than 90 days in arrears	1,370	457	(644)	(293)
	2,438	**1,496**	**(764)**	**(447)**

Movements in allowance for expected credit losses on loans are as follows:

	Stage 1 12-mth ECL Collective provision $'000	Stage 2 Lifetime ECL Collective provision $'000	Stage 3 Lifetime ECL Specific provision $'000	Total $'000
Balance at 1 July 2022	**590**	**(29)**	**908**	**1,469**
New and increased provisions (net of releases)	771	50	(459)	362
Balance at 30 June 2023	**1,361**	**21**	**449**	**1,831**
New and increased provisions (net of releases)	436	36	602	1,074
Balance at 30 June 2024	**1,797**	**57**	**1,051**	**2,905**

Loan funds are lent to a wide variety of business and consumer customers through a network of offices in northern New South Wales.

The Group takes security for loans in accordance with its Lending Policy & Procedures Manual. The Group lends to a large number of customers in varying industries thereby reducing its exposure to the credit risk associated with particular customers and industries.

D2 FINANCIAL ASSETS - LOANS

An analysis of the loan portfolio by security type and geographic location of the borrower is set out below:

Loan portfolio by security type	**2024 $'000**	**2023 $'000**
Plant, equipment & chattels	231,918	160,343
Registered first mortgages - non development loans	13,622	17,444
Registered first mortgages - development loans	10,562	14,284
Insurance policies (premium funding)	-	248
Security interests over shares and assets	642	585
Registered second mortgages	1,578	2,899
Unsecured	925	260
Other	-	1,873
Total	**259,247**	**197,936**

Loan portfolio by geographic region	**2024 $'000**	**2023 $'000**
NSW	104,231	92,731
Queensland	61,284	53,566
Victoria	60,046	30,088
Western Australia	16,113	10,602
South Australia	12,373	7,285
Northern Territory	2,329	821
Tasmania	1,950	1,693
ACT	921	1,150
Total	**259,247**	**197,936**

The Group has implemented a structured framework of systems and controls to monitor and manage credit risk comprising:

- a documented set of credit risk management principles that are adhered to by all staff involved in the lending process;
- a process for approving risk based on tiered delegated lending approvals, with the largest exposures assessed and approved by the relevant subsidiary company Board; and
- a financial capacity approval assessment for retail lending in the form of personal loans.

Financial exposures - Credit risk

The Group's exposure to credit risk relating to loans arises from the potential failure by a customer to meet their contractual obligations and is primarily due to individual characteristics of each customer. Management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the customer's industry, location, and movements in macroeconomic factors.

Accounting policy

See Accounting policy in Note D4.

D - Financial Instruments (continued)

D3 INTEREST BEARING LIABILITIES

	2024 $'000	2023 $'000
Current		
Corporate facility - CommBank [1]	6,084	5,213
Funding liabilities - Loans	30,869	7,183
Secured notes	162	172
Unsecured notes - variable [2]	16,825	24,216
Unsecured notes - fixed [2]	165,924	165,270
Other interest bearing liabilities	2,043	2,009
	221,907	**204,063**
Non-current		
Corporate facility - CommBank [1]	17,856	17,067
Funding liabilities – Loans	94,169	22,516
Unsecured notes - fixed [2]	26,024	27,297
Other interest bearing liabilities	8,823	6,684
	146,872	**73,564**

(1) The Group has a bank facility with Commonwealth Bank of Australia (CommBank), which includes the following key terms:
- Limit: $31m (utilised amount as at 30 June 2024 is $23.9m),
- Term: 5 years
- Revolving with draw-downs amortising across the Term,
- Other covenants: Standard for a facility of this kind including a first ranking general security interest over the assets and undertaking of COG.

(2) Unsecured notes are issued subject to the conditions of the Westlawn Trust Deed. Unsecured notes issued to wholesale investors are not governed by the Trust Deed.

Financial exposures - Liquidity risk

The following are the remaining contractual maturities for the Group's financial liabilities and their related principal and interest cashflows:

	Carrying amount $'000	Contractual cash flows $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 5 years $'000	More than 5 years $'000
30 June 2024						
Trade and other payables	55,637	(55,637)	(39,857)	(15,780)	-	-
Corporate facility	23,940	(25,987)	(7,187)	(7,186)	(11,614)	-
Unsecured notes - variable	16,825	(16,825)	(16,825)	-	-	-
Unsecured notes - fixed	191,948	(199,016)	(172,991)	(26,025)	-	-
Funding liabilities - Loans	125,038	(125,038)	(30,869)	(34,894)	(59,275)	-
Other	11,028	(12,228)	(2,425)	(2,152)	(5,590)	(2,061)
	424,416	**(434,731)**	**(270,154)**	**(86,037)**	**(76,479)**	**(2,061)**
30 June 2023						
Trade and other payables	47,161	(47,161)	(34,932)	(12,229)	-	-
Corporate facility	22,280	(25,464)	(5,485)	(6,599)	(13,380)	-
Unsecured notes - variable	24,216	(24,216)	(24,216)	-	-	-
Unsecured notes – fixed	192,567	(201,354)	(174,057)	(27,297)	-	-
Funding liabilities – Loans	29,699	(29,699)	(7,183)	(8,288)	(14,228)	-
Other	8,865	(10,164)	(2,687)	(589)	(5,225)	(1,663)
	324,788	**(338,058)**	**(248,560)**	**(55,002)**	**(32,833)**	**(1,663)**

D - Financial Instruments (continued)

D3 INTEREST BEARING LIABILITIES

Variability of cashflows
The actual payment amounts differ from the above reported amounts due to:

- changes in market interest rates that impact variable rate loans and contingent consideration, and
- changes in expected performance of activities in relation to contingent consideration payments.

Covenants
The Group has a corporate facility that contains a loan covenant; a future breach of covenant may require the Group to repay the facility earlier than indicated in the above table. Under the agreement, the covenant is monitored on a regular basis by management to ensure compliance with the agreement. All covenants have been complied with as at 30 June 2024.

Fair value
The fair values of financial liabilities are consistent with their balances as disclosed above.

Accounting policy
See Accounting policy in Note D4.

D4 FINANCIAL INSTRUMENTS

Accounting policy

Recognition and Measurement
A financial instrument is initially recognised at fair value and adjusted (when applicable) for transaction costs and fees that are an integral part of the effective interest rate. In most cases, the best evidence of a financial instrument's fair value at initial recognition is its transaction price.

Subsequently, a financial instrument is measured based on the business model in which a financial asset is managed and its contractual cash flow characteristics, in accordance with requirements of AASB 9 *Financial Instruments*. Financial liabilities are generally measured at amortised cost, unless it is held for trading or designated at fair value through profit and loss (FVTPL).

The Group measures its financial instruments as follows:

Financial instrument	**AASB 9 measuring method**
Cash and cash equivalents	Amortised cost
Trade and other receivables	Amortised cost
Contract assets	Accounted for under AASB 15 *Revenue from Contract with Customers* as a contract asset
Financial assets – lease receivables	Accounted for under AASB 16 *Leases*
Financial assets - loans	Amortised cost
Financial assets at FVTOCI	FVOCI [1]
Other financial assets	Amortised cost
Trade and other payables	
- Financial liability to acquire interests in subsidiaries [2]	FVOCI
- Other payables	Amortised cost
Customer salary packaging liability	Amortised cost
Interest bearing liabilities	Amortised cost

[1] Fair value through Other Comprehensive Income
[2] Recognised in accordance with paragraph 23 of AASB 132 *Financial Instruments: Presentation*

D4 FINANCIAL INSTRUMENTS

Accounting Policy (continued)

Derecognition

The Group derecognises a financial asset or lease asset where the Group is acting as a lessor when one of the following criteria has been met:

- the asset has been modified to the extent that it does not meet modification criteria and as such needs to be derecognised and recognised as a new financial asset,
- the rights to the cashflows associated with the asset have expired, or
- the Group has transferred its rights to receive the cashflows from the asset and has transferred substantially all risks and rewards.

Financial liabilities are derecognised when the liability is extinguished, which can include:

- the liability has been modified to the extent that it does not meet modification criteria and as such needs to be derecognised and recognised as a new financial liability,
- repurchase of existing financial liability, or
- the cashflows associated with the liability have been repaid or expired.

Any gain or loss on derecognition (being the difference between the carrying value and the consideration received, if any) is recognised in profit or loss.

Impairment

Impairment requirements use an ECL model under which credit losses are recognised earlier than incurred. The impairment model applies to financial assets measured at amortised cost, contract assets and lease assets where the Group acts as lessor.

ECLs are a probability-weighted estimate of credit losses with the key exposure being in relation to lease assets and loans. ECLs for lease assets and loans are determined on a modified static loss pool basis, taking historical static loss pool data and modifying it for lease/loan duration, changes in credit criteria the leases/loan were assessed at the commencement of each lease/loan and macro-economic factors that may impact future collectability. Credit losses are measured as the present value of all cash shortfalls i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.

Loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date, and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group applies the Simplified approach under AASB 9 for its financial assets - lease receivables, which follows the lifetime ECLs result from all possible default events over the expected life of a financial instrument.

The Group applies the General approach under AASB 9 for its financial assets - loans portfolio, which follows the three stages based on the change in credit risk since initial recognition (Stage 1: 12-month ECLs, Stages 2 & 3: lifetime ECLs). Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Group considers amortised cost financial assets with the counterparty being 'investment grade' to have low credit risk when its credit risk rating is equivalent to be BBB or higher per Standard & Poor's.

D5 LEASE LIABILITIES

	2024 $'000	2023 $'000
Lease liabilities	**7,969**	**6,098**
Maturity analysis		
Current	4,268	1,774
Non-current	3,701	4,324
	7,969	**6,098**

Reconciliation of lease liabilities at the beginning and end of financial year are set out below:

	$'000
Balance at 1 July 2022	6,377
Additions	1,980
Disposals	(377)
Interest on lease liabilities	393
Repayment of lease liabilities	(2,275)
Balance at 30 June 2023	**6,098**
Balance at 1 July 2023	6,098
Additions	5,189
Disposals	(1,471)
Interest on lease liabilities	349
Repayment of lease liabilities	(2,196)
Balance at 30 June 2024	**7,969**

Accounting policy

Lease liabilities (Group as lessee)

At lease commencement date, the Group recognises a right-of-use (ROU) lease asset and a lease liability in the Consolidated Statement of Financial Position. Lease liabilities are initially measured at the present value of the future lease payments, discounted using the Group's incremental borrowing rate. Lease payments mainly comprise fixed lease payments less incentives receivable, variable lease payments based upon an index or rate, any amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

After initial measurement, the lease liability will be reduced for payments made and increased for interest expense. It is remeasured to reflect any reassessment or modification, or if there are changes in the fixed lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU lease asset, or to the profit or loss to the extent that the carrying amount has been reduced to zero. Interest on the lease liability and variable lease payments not included in the measurement of the lease liability are recognised in profit or loss.

The Group has elected to apply the practical expedient not to recognise ROU lease assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term with an aggregate expense of $2,301k (2023: $1,751k) being recognised during the year.

The Group does not face any significant liquidity risk with regards to its lease liabilities.

Non-lease components of property leases

See Accounting policy in Note B3.

E - Group Structure

E1 BUSINESS COMBINATIONS

Key judgement - fair value of assets acquired

When the Group obtains control over a new acquisition (acquiree) it is required to determine the value of assets and liabilities it has acquired. This value is based upon assessment of the fair value of the rights and obligations transferred to the Group and involves estimates and judgements in relation to the:

- date control was obtained over the acquiree by the Group (acquisition date),
- the acquisition price paid, including any non-cash or deferred consideration,
- assets and liabilities already recognised by the acquiree,
- amounts recognised by the acquiree and whether they are representative of the fair value of the assets and liabilities, and
- fair value of assets and liabilities not previously recognised including internally generated intangible assets.

These factors are complex and the determination of key assumptions requires a high degree of judgement. In the case of large or complex business combinations, external specialists are used to assist in determining the fair value of assets and liabilities resulting from the business combination.

If new information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date, identified adjustments to the fair value, then the amounts recognised as at the acquisition date are retrospectively revised.

During the year ended 30 June 2024 the Group executed the following acquisitions:

- effective 31 July 2023, the Group acquired an 100% equity interest in United Financial Services Pty Ltd, United Financial Services Network Pty Ltd, United Financial Services (Qld) Pty Ltd (together 'UFS') and National Finance Choice Pty Ltd ('NFC') from McMillan Shakespeare via its subsidiary COG Aggregation Pty Ltd for a total consideration of $4,742k. NFC and UFS are long-established aggregation groups, operating primarily in the car and lifestyle asset market and representing 182 broker firms nationwide, writing approximately $1 billion in volume per annum.
- effective 1 January 2024, Club Transport Finance Pty Limited (Chevron) a 67% owned subsidiary of QPF Holdings Pty Limited acquired 51% of The Bay Broker Pty Limited (which has now been rebranded to "Chevron Money") for a total consideration of $75k.

In addition to the above, on 11 July 2024, Paywise Pty Ltd (Paywise) (a wholly-owned subsidiary of Fleet Network) acquired a 100% controlling interest in the salary packaging business known as Community Salary Packaging (CSP) for a total consideration of $2,094k ($1,894k settled in cash and $200k deferred).

The values identified for the material acquisition as at the respective acquisition date are as follows:

	NFC / UFS [1] $'000	CSP [2] $'000
Purchase consideration		
Cash consideration	4,742	1,894
Deferred consideration	-	200
Less: Cash and cash equivalents acquired	(59)	(240)
	4,683	**1,854**
Fair value of net assets (liabilities) acquired		
Property, plant and equipment	5	-
Intangible assets	4,053	853
Trade and other receivables	1,493	70
Trade and other payables	(2,491)	(5)
Customer salary packaging liability	-	(108)
Deferred tax liabilities	(863)	(256)
	2,197	**554**
To be recognised as goodwill	**2,486**	**1,300**

[1] Recognised as at 31 July 2023.
[2] Recognised as at 11 July 2024 on a provisional basis.

E1 BUSINESS COMBINATIONS

NFC and UFS contributed revenues of $29,503k and net profit after tax of $79k to the Group for the financial year. Had NFC and UFS been held for the entire financial year it would have contributed revenue and net profit after tax of $32,166k and $136k respectively.

Acquisition values

For the acquisition outlined above:

- goodwill associated with the acquisition primarily relates to synergies due to scale and operational efficiencies through the sharing of operational expertise throughout the Group and is not expected to be tax deductible, and
- non-controlling interests (where applicable) are measured at their proportion of ownership of the fair value of net assets at acquisition date, when applicable.

Transactions between owners

During the year ended 30 June 2024, the Group acquired (or disposed of) additional interests from minority shareholders in the following entities, which were already controlled by the Group:

- Effective 1 July 2023, COG acquired an additional 1.47% equity interest in QPF Holdings Pty Ltd ("QPF") for a cash consideration of $916k, taking COG's controlling interest in QPF from 57.27% to 58.74%.
- Effective 15 October 2023, Beinformed Group Pty Ltd (Be Car Wise), a wholly owned subsidiary of Fleet Network Pty Limited (an entity that was a 78.10% owned subsidiary of Platform) acquired an additional 20% equity interest in Beinformed Group (VIC) Pty Ltd (Be Car Wise Victoria) for a notional consideration of $3,693k, taking Be Car Wise's controlling interest in Be Car Wise Victoria from 80% to 100%. As a result, Fleet Network issued 11,357 ordinary shares to the previous Be Car Wise Victoria minority shareholders for a deemed subscription price of $3,693k. Platform now owns 74.59% of Fleet Network.
- Effective 1 April 2024, Linx Group Holdings through its 100% controlled subsidiaries Linx Heritage Corporate and Linx Heritage Finance acquired 15 shares in Heritage Corporate Partnership and 15 shares in Heritage Finance Partnership from minority shareholders, for total consideration of $1,296k. Effective 1 June 2024, Linx agreed to sell 6 shares of each Heritage Corporate Partnership and Heritage Finance Partnership for a total discounted consideration of $214k to a key employee of Heritage. The differential between fair value (price per share agreed in the original transaction from 1 April 2024) and the discounted value offered to the key employee of $305k was recognised as an employee benefit expense for the financial year. As a consequence of these transactions, Linx's ownership in Heritage Corporate Partnership and Heritage Finance Partnership increased from 63.33% to 70.83%.
- Effective 31 May 2024, Westlawn Finance Limited acquired 25,882 ordinary shares in Westlawn Insurance Brokers Pty Ltd from a minority shareholder for a total consideration of $3,361k. As a consequence of this transaction, Westlawn Finance Limited's ownership in Westlawn Insurance Brokers Pty Ltd increased from 70.0% to 90.0%.
- Effective 31 May 2024, Westlawn Insurance Brokers Pty Ltd disposed of 125 ordinary shares in WIB Corporate Pty Ltd to a minority shareholder for a total consideration of $591k. As a consequence of this transaction, Westlawn Insurance Brokers Pty Ltd's ownership in WIB Corporate Pty Ltd decreased from 62.5% to nil.

As the Group already controls the entities above, the additional acquisitions have been treated as a transaction between owners and consequently do not generate any additional goodwill or other acquisition adjustments.

Accounting policy

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the acquisition is measured at fair value, as are the identifiable net assets acquired. The excess of the consideration transferred over the fair value of identifiable net assets acquired and non-controlling interests is recorded as goodwill. Acquisition-related expenses are expensed as incurred, except if they are related to the issue of equity securities, in which case they are recognised in equity.

E1 BUSINESS COMBINATIONS

Accounting policy (continued)

Subsidiaries

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it 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 over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Non-controlling interests

Non-controlling interests (NCI) are measured at their proportionate share of the acquired subsidiaries' identifiable net assets at the date of acquisition. The term 'NCI' is used to describe that portion not owned by the parent entity, the NCI share of the consolidated profit and net assets is disclosed separately in the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Financial Position and the Consolidated Statement of Changes in Equity.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is deducted from equity.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full.

E2 EQUITY ACCOUNTED ASSOCIATES

The table below provides financial information for the Group's interest in its equity accounted associates:

Year ended 30 June	2024 $'000	2023 $'000
Earlypay	788	(2,092)
Centrepoint Alliance	995	-
Other equity accounted associates	61	182
Group's share of total comprehensive income	**1,844**	**(1,910)**

As at 30 June	2024 $'000	2023 $'000
Earlypay Limited	9,685	13,150
Centrepoint Alliance Limited	12,269	-
Other equity accounted associates	769	769
Carrying amount of interests in associates	**22,723**	**13,919**

Earlypay Limited

EPY is an ASX-listed company and is a provider of secured finance to small and medium-sized enterprises (SME) in the form of invoice and equipment finance. Through its receivables finance facility, it provides an advance payment of up to 80% of a client's invoice to help their businesses overcome the cash pressure of delivering goods or services in advance of payment from their customers (often 30 to 60 days). This is a flexible line of credit that is utilised in line with sales volume. It will also consider an additional advance to a client (above the usual 80%), for an additional fee and when there is adequate security from the client to cover the position. Other services include trade finance to assist client finance purchases, as well as equipment finance to assist SMEs with capital expenditure on items required to operate their businesses.

E2 EQUITY ACCOUNTED ASSOCIATES

COG's investment in EPY represents a 21.40% interest in that company as at 30 June 2024. The carrying amount of equity-accounted investment in EPY has changed as follows in the year ended 30 June 2024:

	30 June 2024 $'000	30 June 2023 $'000
Balance at the beginning of the year	**13,150**	**24,784**
Additional investment in EPY [1]	-	851
Share of results from associates	788	(2,092)
Dividend received	-	(1,016)
Impairment	(4,253)	(9,377)
Balance at the end of the year	**9,685**	**13,150**

(1) During the financial year ended 30 June 2024, the Company acquired an additional $nil shares in EPY through the Dividend Reinvestment Plan ('DRP') (2023: 1,923,406 shares).

Centrepoint Alliance Limited

CAF is an ASX-listed company and is a leading provider of advice and business services to financial advice firms throughout Australia.

COG's investment in CAF represents a 19.89% interest in that company as at 30 June 2024. The carrying amount of equity-accounted investment in EPY has changed as follows in the year ended 30 June 2024:

	30 June 2024 $'000	30 June 2023 $'000
Balance at the beginning of the year	**-**	**-**
Investment in CAF (classified as financial instrument at FVOCI)	13,054	-
Changes in fair value through OCI	(1,780)	-
Balance on the date significant influence is determined	**11,274**	**-**
Share of results from associates	995	-
Balance at the end of the year	**12,269**	**-**

In November 2023 COG acquired 39,556,590 ordinary shares in Centrepoint Alliance Limited (CAF), at a cost of $13,054k. The Group made an irrevocable election on initial recognition and designated the investment in CAF at fair value through other comprehensive income (FVOCI).

On 12 December 2023, Peter Rollason, a non-executive director of COG, was appointed a non-executive director of CAF. COG's representation on the CAF Board, in combination with COG's voting rights in CAF, resulted in COG gaining significant influence in CAF, and has therefore adopted the equity method of accounting for its investment in CAF effective from 12 December 2023.

The carrying amount of the investment presented as FVOCI at the time of appointment of COG non-executive director to CAF was $11,274k, and included fair value adjustment net loss of $1,246k (post tax) recognised in the Equity securities at FVOCI reserve.

E - Group Structure (continued)

E2 EQUITY ACCOUNTED ASSOCIATES

The table below provides summarised financial information for Earlypay and Centrepoint Alliance, material associates of the Group.

Earlypay Limited

	2024 $'000	Restated[1] 2023 $'000
Current assets	216,125	252,394
Non-current assets	97,915	107,367
Current liabilities	(162,047)	(144,014)
Non-current liabilities	(79,381)	(142,930)
Net assets (100%)	72,612	72,817
Revenue	54,556	60,558
Profit / (loss) from continuing operations (100%)	3,527	(11,110)
Other comprehensive income / (loss) (100%)	-	-
Total comprehensive income / (loss) (100%)	3,527	(11,110)
Total comprehensive income 21.40% (2023: 20.14%)	755	(2,238)
Adjustment on finalisation of associate's results	33	146
Group's share of total comprehensive income / (loss)	**788**	**(2,092)**

[1] Balances restated as per EPY FY 2024 Annual Report, as disclosed by EPY on the ASX on 27 August 2024.

Centrepoint Alliance Limited

	2024 $'000	2023 $'000
Current assets	21,685	23,368
Non-current assets	37,326	24,745
Current liabilities	(18,676)	(13,784)
Non-current liabilities	(6,999)	(3,158)
Net assets (100%)	33,336	31,171
Revenue	288,562	273,847
Profit from continuing operations (100%)	5,605	6,614
Other comprehensive income/(loss) (100%)	-	-
Total comprehensive income (100%)	5,605	6,614
Total comprehensive income 19.89% (2023: nil)	1,115	-
Adjustment on finalisation of associate's results	(120)	-
Group's share of total comprehensive income	**995**	**-**

E2 EQUITY ACCOUNTED ASSOCIATES

Impairment
An impairment loss of $4,253k was recognised during the financial year in relation to COG's investment in EPY. The recoverable amount for the investment in EPY was determined based on a 'Fair value less cost to sell' model with reference to information publicly available.

Other equity accounted associates
The Group also has equity interests in the individually immaterial associates, Riverwise Pty Limited and Simply Finance Group of 33% and 25%, respectively.

Related party transactions with associates
The Group had the following related party transactions with its equity accounted associates:

Amounts owing by / (to) associates	**2024 $'000**	**2023 $'000**
Receivables at 30 June	-	-
Payables at 30 June	-	-
Transactions with associates		
Dividend income	-	1,233
Payments for goods and administrative services	-	(406)
Interest income on intercompany loan	-	-

Accounting policy

Interests in equity-accounted associates
Associates are those entities in which the Group has significant influence, but not control or joint control. Interests in associates are accounted for using the equity method and are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profit or loss of associates in the Group's profit or loss.

E3 SHARE CAPITAL AND RESERVES

E3.1 ORDINARY SHARES

	2024 $'000	**2023 $'000**	**2024 No. of shares '000**	**2023 No. of shares '000**
Shares issued and fully paid				
Balance at the beginning of the financial year	279,470	275,512	190,662	187,911
Shares issued under DRP [1]	3,805	3,728	2,847	2,545
Shares issued under LTI Plan [2]	1,885	338	1,350	206
Costs of raising capital, net of tax	(159)	(108)	-	-
Balance at the end of the financial year	**285,001**	**279,470**	**194,859**	**190,662**

(1) On 12 April 2024 the Company issued 1,383,646 fully paid ordinary shares totalling $1,921k as part of the COG's Dividend Reinvestment Plan (DRP). On 20 October 2023 the Company issued 1,463,193 fully paid ordinary shares totalling $1,885k as part of the COG's Dividend Reinvestment Plan (DRP). On 18 April 2023 the Company issued 1,205,196 fully paid ordinary shares totalling $1,660k as part of the COG's Dividend Reinvestment Plan (DRP). On 21 October 2022 the Company issued 1,340,099 fully paid ordinary shares totalling $2,068k as part of the COG's Dividend Reinvestment Plan (DRP).

(2) On 5 February 2024, the Company issued 1,145,000 fully paid ordinary shares totalling $1,601k in lieu of the new loan-backed share scheme as part of the Group's Long-term Incentive (LTI) Plan for employees for FY24. On 18 September 2023 the Company issued 204,955 fully paid ordinary shares totalling to $284k as part of the Group's FY21, FY22 and FY23 Long-term incentive (LTI) plan for the CEO. On 3 March 2023 the Company issued 102,814 fully paid ordinary shares totalling to $150k as part of the Group's FY21 Long-term incentive (LTI) plan for the CEO and on 11 August 2022 the Company issued 102,814 fully paid ordinary shares totalling to $188k as part of the Group's FY21 Long-term incentive (LTI) plan for the CEO (refer Note A3.1).

E3.1 ORDINARY SHARES

Ordinary shares participate in the dividends and the proceeds on winding up of the Company in proportion to the number of shares held and are entitled to one vote per share at general meetings of the Company. In the event of winding up of the Company, ordinary shareholders rank after unsecured creditors. As at 30 June 2024:

- all shares issued are fully paid,
- the Company does not have a maximum value of shares authorised,
- Company shares do not have a par value,
- there are no treasury shares held, and
- no shares are reserved for issue under options or other contracts.

Refer Note A3.1 for potential ordinary shares relating to performance rights granted to KMP.

E3.2 DIVIDENDS

The Company's dividend policy permits a payout ratio of up to 70% of NPATA to members.

The Company has a Dividend Reinvestment Plan (DRP). The DRP rules are disclosed on the Company's website www.cogfs.com.au. Under the DRP, holders of ordinary shares can elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash. Shares issued under the DRP may be subject to a discount of up to 2.5% of the market price, or a higher percentage determined by the Board.

Dividends recognised during the reporting period
Since the year ended 30 June 2023, the Board declared a final dividend of 4.7 cents per share (cps) (2022: 4.8 cps). The aggregate amount of the dividend was paid on 20 October 2023 out of the Company's profit reserve at 30 June 2023, and was 100% franked. COG issued 1,463,193 fully paid shares on 20 October 2023 under its DRP in respect of the FY23 final dividend (Note E3.1).

For the period ended 31 December 2023, the Board declared an interim dividend of 4.0 cents per fully paid ordinary share (2022: 3.7 cents per share). The aggregate amount of the proposed dividend of $7,739k was paid on 12 April 2024 out of the Company's profits reserve at 31 December 2023, and was 100% franked. The $36k increase from the total proposed dividend amount of $7,703k disclosed in the 1H24 COG Financial Report is due to rounding and the fact that an additional 1,145,000 new shares were issued on 5 February 2024 as part of the employee incentive scheme, before the dividend record date of 12 March 2024. COG issued 1,383,646 fully paid shares on 12 April 2024 under COG's DRP in respect of the FY24 interim dividend (Note E3.1).

Dividends not recognised at the end of the reporting period
For the year ended 30 June 2024, the Board declared a final dividend of 4.4 cps (2023: 4.7 cps). The aggregate amount of the proposed dividend expected to be paid on 2 October 2024 out of the Company's profit reserve at 30 June 2024, but not recognised as a liability at year end, is $8,642k.

The final dividend declared after 30 June 2024 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 30 June 2024.

E3.2 DIVIDENDS

Franking credits
As at the end of the financial year, the franking credits available for subsequent financial periods based on a tax rate of 30% was $18,663k (2023: $15,746k).

The above available amounts are based on the balance of the dividend franking account at end of the period adjusted for:

- franking credits that will arise from the payment of the current tax liability,
- franking debits that will arise from the payment of dividends recognised as a liability at period end,
- franking credits that will arise from the receipt of dividends recognised as receivables at period end, and
- franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available net assets to declare dividends, and the payment of dividends not prejudicing COG's ability to pay its creditors.

Accounting Policy – Recognition and measurement
Dividends are recognised when declared during the financial year.

E - Group Structure (continued)

E3.3 RESERVES

The movement in reserves is as follows:

	Profits reserve $'000	General reserve $'000	Foreign currency translation reserve $'000	Equity securities at FVOCI reserve $'000	Revaluation reserve $'000	Share based payments reserve $'000	Transactions between owners' reserve $'000	Non-controlling interests reserve $'000	Total $'000
Balance at 1 July 2022	**44,235**	**(9,323)**	**(16)**	**95**	**230**	**306**	**579**	**(22,879)**	**13,227**
Non-controlling interest acquired	-	-	-	-	-	-	(280)	-	(280)
Non-controlling interest acquisition contribution	-	-	-	-	-	-	-	7,642	7,642
Change in equity securities fair value, after tax	-	-	-	18	-	-	-	-	18
Share-based payments expense, net of cancelled/exercised	-	-	-	-	-	27	-	-	27
Financial liability to acquire further interest in subsidiaries	-	-	-	-	-	-	(11,809)	-	(11,809)
Disposal of part interest in subsidiary	-	-	-	-	-	-	1,394	-	1,394
Transfer to reserves (profit for the year)	8,055	-	-	-	-	-	-	-	8,055
Dividends paid	(16,035)	-	-	-	-	-	-	-	(16,035)
Balance at 30 June 2023	**36,255**	**(9,323)**	**(16)**	**113**	**230**	**333**	**(10,116)**	**(15,237)**	**2,239**
Balance at 1 July 2023	**36,255**	**(9,323)**	**(16)**	**113**	**230**	**333**	**(10,116)**	**(15,237)**	**2,239**
Non-controlling interest acquired	-	-	-	-	-	-	-	(9,246)	(9,246)
Change in equity securities fair value, after tax	-	-	-	(1,246)	-	-	-	-	(1,246)
Financial liability to acquire further interest in subsidiaries	-	-	-	-	-	-	(3,444)	-	(3,444)
Share-based payments expense, net of cancelled/exercised	-	-	-	-	-	(1,362)	-	-	(1,362)
Disposal of part interest in subsidiary	-	-	-	-	-	-	-	1,395	1,395
Transfer between reserves	176	(667)	-	1,246	(176)	-	(1,693)	1,114	-
Transfer to reserves (profit for the year)	12,851	-	-	-	-	-	-	-	12,851
Dividends paid	(16,710)	-	-	-	-	-	-	-	(16,710)
Balance at 30 June 2024	**32,572**	**(9,990)**	**(16)**	**113**	**54**	**(1,029)**	**(15,253)**	**(21,974)**	**(15,523)**

E - Group Structure (continued)

E3.3 RESERVES

Reserves

Profits reserve

The Profits reserve was established to accumulate profits relating to previous financial years for the purpose of facilitating the payment of dividends in future financial years.

Foreign currency translation reserve

This reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian Dollars. The reserve is recognised in profit or loss when the net investment is disposed of.

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings.

Equity securities at FVOCI reserve

This reserve comprises the cumulative net change in the fair value of equity securities designated at FVOCI.

Share-based payments reserve

The Share-based payment reserves is used to recognise:

- the fair values of options and rights issued to executives, and
- variances between the fair value of shares issued to employees and the value the related shares are issued for.

Non-controlling interests reserve

This reserve is used to record the differences which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

Transaction between owners' reserve

Reflects the financial liability arising from the put option to acquire further interests in Equity One and Chevron. The financial liability has been recognised separately from the business combination transaction as a reduction to equity, in accordance with requirements of AASB 132 Financial instruments: Presentation, as this financial liability takes the form of a transaction between owners.

Capital management policy

Management utilises the existing share capital of the Company to ensure there is sufficient funding to manage day-to-day working capital, service debt arrangements and fund minor business acquisitions while ensuring the Group continues as a going concern.

Alterations to the Group's capital are undertaken primarily to provide funding for additional acquisitions in the Finance Broking & Aggregation, Novated Leasing and Asset Management & Lending segments consistent with the Group's communicated strategy.

Careful consideration of the existing capital structure and additional capital requirements are undertaken when examining proposed acquisitions; with the cost of capital and utilisation of debt funding weighed up to ensure an appropriate mix of funding to support on-going capital management requirements.

At all times during the financial year, the Group was in compliance with externally imposed capital requirements on its secured loan facility. Consistent with the capital structure requirements, all proposed capital structure changes are discussed with the counterparty to the secured loan facility prior to enactment.

Accounting policy

Share capital

Share capital represents the fair value of shares at issuance date. Any transaction costs directly associated with the issuing of shares are deducted from share capital, net of any related income tax benefits. All transactions with owners of the parent are recorded separately within equity.

E - Group Structure (continued)

E4 RELATED PARTY TRANSACTIONS

Transactions with Key Management Personnel and related parties

Key Management Personnel compensation

Key Management Personnel compensation is comprised as follows:

	2024 $	2023 $
Short-term employee benefits	1,894,903	1,906,122
Post-employment benefits	126,148	149,874
Termination benefits	-	75,000
Other long-term benefits	51,531	14,854
Share-based payments	256,014	362,641
	2,328,596	**2,508,491**

Indemnification for vendor program losses

During the 2019 and 2018 financial years TL Commercial Finance undertook a number of transactions with an equipment finance vendor program partner. During the 2019 financial year the vendor partner entered into voluntary liquidation. While the Group considered the underlying lease arrangements with lessees introduced as part of the program were enforceable the Group took the action to settle these lessee obligations for a lower value than its contractual rights. Cameron McCullagh, one of the Group's Executive Directors, chose to indemnify the Group for the majority of this loss. As part of this indemnification Cameron McCullagh paid an amount of $1,023,160 to the Group to offset the net cash loss incurred by the Group. During the 2024 financial year, a total amount of $82,277 was repaid to Cameron McCullagh, reflecting $17,677 recovered during the financial year and $64,600 recovered during the 2023 financial year.

Key Management Personnel shareholding transactions

The movement during the year in the number of ordinary shares held, directly or indirectly, by each of the KMP, including their related parties, is as follows:

KMP shareholdings	30 June 2023 No. of shares	On market purchase [1] No. of shares	On market sale No. of shares	Granted as compensation [2] No. of shares	30 June 2024 No. of shares
Executive Directors					
Cameron McCullagh	40,601,657	1,949,636	-	-	42,551,293
Mark Crain	800,000	-	-	-	800,000
Non-executive Directors					
Patrick Tuttle	265,005	-	-	-	265,005
Steve White	369,875	-	-	-	369,875
Peter Rollason	-	-	-	-	-
Senior Management					
Andrew Bennett	313,686	25,403	-	669,955	1,009,044
Richard Balzer	-	-	-	120,000	120,000
	42,350,223	**1,975,039**	**-**	**789,955**	**45,115,217**

(1) Includes shares issued under the Dividend Reinvestment Plan.

(2) Includes 465,000 shares issued to Andrew Bennett and 120,000 shares issued to Richard Balzer in relation to the Loan-backed employee share scheme for FY24.

E4 RELATED PARTY TRANSACTIONS

KMP shareholdings	30 June 2022 No. of shares	On market purchase [1] No. of shares	On market sale No. of shares	Granted as compensation No. of shares	30 June 2023 No. of shares
Executive Directors					
Cameron McCullagh	37,592,800	3,008,857	-	-	40,601,657
Mark Crain	1,315,635	-	(515,635)	-	800,000
Non-executive Directors					
Patrick Tuttle	265,005	-	-	-	265,005
Steve White	369,875	-	-	-	369,875
Peter Rollason	-	-	-	-	-
Senior Management					
Andrew Bennett	74,982	33,076	-	205,628	313,686
Richard Balzer	-	-	-	-	-
	39,618,297	**3,041,933**	**(515,635)**	**205,628**	**42,350,223**

(1) Includes shares issued under the Dividend Reinvestment Plan.

Key Management Personnel option and performance rights transactions

Details of performance rights and shares issued to Andrew Bennett and Richard Balzer under their employment contracts are disclosed in Note A3.1.

No options have been granted over unissued shares during or since the end of the financial year and there are no outstanding options as at 30 June 2024.

E5 PARENT ENTITY DISCLOSURES

E5.1 SUMMARY FINANCIAL INFORMATION

As at, and throughout, the financial year ended 30 June 2024 the ultimate parent company of the Group was COG Financial Services Limited.

	2024 $'000	2023 $'000
Results of parent entity		
Profit for the year after tax	12,422	7,823
Other comprehensive income	(1,246)	-
Total comprehensive income for the year	**11,176**	**7,823**
Financial position of the ultimate parent company at year end		
Current assets	21,999	26,986
Non-current assets	194,619	194,061
Total assets	**216,618**	**221,047**
Current liabilities	3,428	6,403
Non-current liabilities	20,034	18,992
Total liabilities	**23,462**	**25,395**
Net assets of the ultimate parent company at year end	**193,156**	**195,652**
Total equity of the ultimate parent company comprising of:		
Share capital	285,001	279,470
Accumulated losses	(106,941)	(106,941)
Reserves	15,096	23,123
Total equity	**193,156**	**195,652**

Parent entity contingencies and commitments are outlined in Note F1.

E5.2 INTERESTS IN OTHER ENTITIES

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

Name of entity [1]	2024 Direct equity interest	2024 Indirect equity interest [2]	2023 Direct equity interest	2023 Indirect equity interest [2]
COG Aggregation Pty Limited	100%		100%	
EF Systems Pty Limited		100%		100%
COG Retail Pty Ltd		93%		93%
National Finance Choice Pty Ltd		100%		-
United Financial Services Pty Ltd		100%		-
United Financial Services Network Pty Ltd		100%		-
United Financial Services (Qld) Pty Ltd		100%		-
COG TLC Pty Limited	100%		100%	
Number Rentals Pty Limited		100%		100%
TL Commercial Finance Pty Limited		100%		100%
Platform Consolidated Group Pty Limited	100%		100%	
Advance Car Loans Pty Limited		100%		100%
Beinformed Group Pty Limited		75%		78%
Beinformed Group (VIC) Pty Limited		75%		62%
Melbourne Finance Broking Pty Limited		100%		100%
Mildura Finance Pty Limited		100%		100%
Platinum Direct Finance Australia Pty Limited		100%		100%
Capital Plus Finance Pty Limited (formerly Platinum Direct Finance (Central Coast) Pty Limited)		50%		50%
Consolidated Platform Aggregation Pty Limited		75%		75%
Consolidated Platform Aggregation Unit Trust		75%		75%
Fleet Avenue Pty Limited		100%		100%
Fleet Network Pty Limited		75%		78%
Vehicle and Equipment Finance Pty Limited		50%		50%
Geelong Financial Group Vehicle and Equipment Finance Pty Limited		25%		25%
Howjack Holdings Pty Ltd		75%		78%
Paywise Pty Ltd		75%		78%
Paywise Financial Services Pty Ltd		75%		78%
Just Drive Pty Ltd		75%		78%
QPF Holdings Pty Limited [3]	59%		57%	
Qld Pacific Finance Pty Limited		59%		57%
QPF Insurance Pty Limited		47%		45%
QPF Mortgages Pty Limited		59%		57%
Security Allied Finance Pty Limited		59%		57%
DLV (QLD) Pty Limited		29%		28%
Access Capital Pty Limited		47%		45%
Club Transport Finance Pty Limited ('Chevron')		39%		40%
The Bay Broker Pty Limited ('Chevron Money')		20%		-
Chevron Insurance Consultants Pty Limited		43%		43%

(1) Excludes entities that were dormant during the years ended 30 June 2024 and 30 June 2023.

(2) Indirect equity interests represent the beneficial interest in entities which are non-wholly owned but are controlled entities of direct equity interests.

(3) Effective 1 July 2024, COG acquired an additional 5% equity interest in QPF Holdings Pty Ltd ("QPF") for a total consideration of $3,660k, taking COG's controlling interest in QPF from 58.74% to 63.74%.

E - Group Structure (continued)

E5.2 INTERESTS IN OTHER ENTITIES

Name of entity [1]	2024 Direct equity interest	2024 Indirect equity interest [2]	2023 Direct equity interest	2023 Indirect equity interest [2]
Linx Group Holdings Pty Limited	60%		60%	
Linx Mortgage Holdings Pty Ltd		60%		60%
Linx Insurance Holdings Pty Ltd		60%		60%
Linx Finance Australia Pty Limited		60%		60%
Linx Insurance Australia Pty Limited		60%		60%
Linx Mortgage Australia Pty Limited		60%		60%
Linx HF Pty Limited		60%		60%
Linx HC Pty Limited		60%		60%
Heritage Finance Pty Limited		42%		38%
Heritage Finance Partnership		42%		38%
Heritage Corporate Pty Limited		42%		38%
Heritage Corporate Partnership		42%		38%
Sovereign Tasmania Pty Limited		35%		35%
Westlawn Finance Limited	75%		75%	
Centrepoint Finance Pty Limited		75%		75%
Finance 2 Business Pty Limited		75%		75%
North State Finance Pty Ltd		75%		75%
Westlawn Insurance Brokers Pty Ltd		68%		53%
Grafton Investments Pty Ltd		75%		75%
Westlawn Financial Services Limited		75%		75%
Westlawn Insurance Brokers (Coffs) Pty Ltd		54%		42%
WIB Services Pty Ltd (formerly Westlawn Insurance Brokers (Vic) Pty Ltd)		68%		27%
Westlawn Insurance Brokers Corporate		-		33%
Westlawn Insurance Brokers (Cairns) Pty Ltd		-		16%
Westlawn Warehouse Trust No. 1		0%		0%
Equity-One Mortgage Fund Limited		53%		53%

(1) Excludes entities that were dormant during the years ended 30 June 2024 and 30 June 2023.
(2) Indirect equity interests represent the beneficial interest in entities which are non-wholly owned but are controlled entities of direct equity interests.

E6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024 $'000	2023 $'000
Non-current assets		
Listed securities		
Steadfast Limited	203	203
Unlisted securities		
Units in unlisted unit trusts	-	-
	203	**203**
Reconciliation of carrying amount		
Opening fair value	203	171
Additions	13,054	-
Revaluation	(1,780)	32
Reclassification to investment in associates	(11,274)	-
Closing fair value	**203**	**203**

Refer to note F2 for further information on fair value measurement.

F - Other

F1 CONTINGENCIES AND COMMITMENTS

Commitments

The Group has commitments to acquire contributed equity of various subsidiaries. The following estimated commitments, which may vary in terms of percentage and timing, are based upon multiples of future financial years' normalised EBITDA and include an option for a one-year deferral by either party:

- Linx Group Holdings Pty Limited (7.7% of contributed equity to be acquired by the Group between 1 July 2021 and 30 June 2027);
- QPF Holdings Pty Limited (10.2% of contributed equity to be acquired by the Group between 1 July 2021 and 30 June 2027);
- Vehicle and Equipment Finance Pty Limited (25% of contributed equity to be acquired by the Group between 1 July 2021 and 30 June 2027);
- Access Capital Pty Limited (20% of contributed equity to be acquired by the Group between 1 July 2022 and 30 June 2027);

Contingencies

Westlawn Finance Limited - Guarantee

COG has provided a guarantee to Westlawn in relation to finance lease and chattel mortgage loan funding arrangements provided to TLC. Amounts owed under this arrangement are included in Finance lease funding and other interest bearing liabilities.

Westlawn Financial Services Pty Limited - Letter of financial support

COG has provided a letter of financial support to Westlawn Financial Services Limited (WFS) whereby it has agreed to provide on a pro rata basis with other Westlawn shareholders, such financial support as may be necessary to enable WFS to meet its financial commitments as the responsible entity for the Westlawn Income Fund (WIF), a registered managed investment scheme administered by WFS. COG's commitment to WFS is currently limited to its 75.0% ownership interest in Westlawn.

COG TLC Pty Ltd (formerly Hal Group Pty Limited)

General security interest

COG holds a registered general security interest (GSA) over the assets and undertakings of its subsidiary, COG TLC Pty Ltd (formerly Hal Group Pty Limited), and its wholly owned subsidiary, TL Commercial Finance Pty Limited (TLC) (formerly TL Rentals Pty Limited). The COG GSA secures repayment of monies loaned to COG TLC Pty Ltd under the COG loan facility.

Letter of financial support

COG has provided a letter of financial support to Hal and its controlled entities.

QPF Holdings Pty Ltd - Guarantee

COG has also provided a guarantee of $4,028k to Westpac in relation to a loan obtained by QPF Holdings Pty Ltd from Westpac to facilitate the acquisition of businesses, including Access Capital and Chevron Finance.

There are no other material contingencies or commitments at the end of the reporting period.

F2 FINANCIAL RISK MANAGEMENT

The Group is exposed to various risks in relation to financial instruments. The main types of risks are credit risk and liquidity risk which are outlined in the following sections:

Credit risk:

- Note A7 Reconciliation of cash flows from operating activities
- Note C1 Trade and other receivables
- Note D1 Financial assets - lease receivables
- Note D2 Financial assets - loans

Liquidity risk:

- Note C2 Trade and other payables
- Note D3 Interest bearing liabilities

F2 FINANCIAL RISK MANAGEMENT

The Group's contract and other financial assets held at amortised cost are not exposed to credit risk arising from expected credit losses due to the high quality of counterparty and the lack of history of losses and non-recovery. The Group has an immaterial exposure to market risks.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The following table summarises the Group's financial assets and financial liabilities, measured or disclosed at fair value on a recurring basis, using a three-level hierarchy, based on the lowest level of input that is significant to the fair value measurement, being:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Recurring fair value measurements 30 June 2024	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets / (liabilities)				
Financial liability to acquire further interests in subsidiaries	-	-	(15,253)	(15,253)
Financial assets at FVOCI	203	-	-	203
Total	**203**	**-**	**(15,253)**	**(15,050)**

Recurring fair value measurements 30 June 2023	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets / (liabilities)				
Financial liability to acquire further interests in subsidiaries	-	-	(11,809)	(11,809)
Financial assets at FVOCI	203	-	-	203
Total	**203**	**-**	**(11,809)**	**(11,606)**

There were no transfers between level 2 and 3 for recurring fair value measurements during the financial year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques used to determine fair values measurements categorised within level 2 and level 3
Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments
- For other financial instruments - discounted cash flow analysis
- The basis of valuation of land and buildings is fair value. Valuations are based on current prices for similar properties in the same location and condition. Valuations are undertaken periodically, at least every three years, or more frequently if there is a material change in the fair value relative to the carrying amount.

F2 FINANCIAL RISK MANAGEMENT

Level 3 financial assets and financial liabilities

Movements in Level 3 financial assets during the current and previous financial year are set out below:

	Financial liability to acquire further interests in subsidiaries $'000	Total $'000
At 1 July 2023	(11,809)	(11,809)
Additional	-	-
Disposals	-	-
Revaluation	(3,444)	(3,444)
At 30 June 2024	**(15,253)**	**(15,253)**

Maturity analysis

The following tables detail the Group's mismatch in the maturity of its financial assets and financial liabilities. The tables have been drawn up based on the undiscounted cash flows of both assets and liabilities based on the earliest expected contractual payment date. The tables include only the principal cash flows disclosed and therefore does not include any interest components that may be received or paid.

	At call $'000	0 to 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	No specified maturity $'000	Total $'000
30 June 2024							
Cash and cash equivalents	43,725	81,955	-	-	-	-	125,680
Trade and other receivables	-	23,753	-	-	-	-	23,753
Other financial assets	-	-	3,738	29,163	-	-	32,901
Financial assets at FVOCI	-	-	-	-	-	203	203
Financial assets - lease receivables	-	1,902	3,613	9,679	-	-	15,194
Financial assets - loans	-	26,091	52,202	180,954	-	-	259,247
Trade and other payables[1]	-	(7,777)	(32,080)	(527)	-	(15,253)	(55,637)
Interest bearing liabilities	(16,825)	(64,620)	(140,462)	(145,568)	(1,304)	-	(368,779)
Lease liabilities	-	-	(4,268)	(3,701)	-	-	(7,969)
Net position	**26,900**	**61,304**	**(117,257)**	**70,000**	**(1,304)**	**(15,050)**	**24,593**
30 June 2023							
Cash and cash equivalents	33,311	68,485	-	-	-	-	101,796
Trade and other receivables	-	22,390	-	-	-	-	22,390
Other financial assets	-	642	1,866	17,556	-	-	20,064
Financial assets at FVOCI	-	-	-	-	-	203	203
Financial assets - lease receivables	-	3,027	7,297	15,951	-	-	26,275
Financial assets - loans	-	18,841	46,088	132,968	39	-	197,936
Trade and other payables[1]	-	(6,515)	(28,417)	(420)	-	(11,809)	(47,161)
Interest bearing liabilities	(21,048)	(54,194)	(128,821)	(73,564)	-	-	(277,627)
Lease liabilities	-	(64)	(1,710)	(4,324)	-	-	(6,098)
Net position	**12,263**	**52,612**	**(103,697)**	**88,167**	**39**	**(11,606)**	**37,778**

[1] 'No specified maturity' reflects the financial liability to acquire further interests in subsidiaries.

F2 FINANCIAL RISK MANAGEMENT

Financial exposures - Interest rate risk
This is the risk due to any mismatch between the interest rate on borrowings to that of lending.

The Company maintains an interest rate lending margin over and above its cost of funds which provides a buffer for upward movements in interest rates.

As at the reporting date, the Group had the following variable rate assets and liabilities outstanding:

	2024 Weighted average interest rate %	2024 Balance $'000	2023 Weighted average interest rate %	2023 Balance $'000
Cash and cash equivalents	3.3%	125,680	1.6%	101,796
Financial assets – leases	13.4%	15,194	13.9%	26,275
Financial assets – loans	8.9%	259,247	8.1%	197,936
Interest bearing liabilities	(5.4)%	(368,779)	(3.1)%	(277,627)
Net exposure to cash flow interest rate risk		**31,342**		**48,380**

Interest rate sensitivity analysis
The Group has performed a sensitivity analysis relating to its exposure to variable interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

The effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2024 $'000	2023 $'000
Change in profit after tax		
Increase in interest rate by 100 basis points	313	484
Decrease in interest rate by 100 basis points	(313)	(484)
Change in equity		
Increase in interest rate by 100 basis points	313	484
Decrease in interest rate by 100 basis points	(313)	(484)

No sensitivity analysis has been performed on foreign exchange risk, as the Consolidated Group is not exposed to foreign currency fluctuations.

F3 SUBSEQUENT EVENTS

Effective 1 July 2024, COG acquired an additional 5% equity interest in QPF Holdings Pty Ltd ("QPF") for a total consideration of $3,660k, taking COG's controlling interest in QPF from 58.74% to 63.74%. Half of the purchase consideration was settled in cash (and funded via drawdown from the COG corporate debt facility). The remaining 50% was settled via allotment and issuance of 1,555,719 fully paid ordinary COG shares on 25 July 2024, as approved by the shareholders on the Extraordinary General Meeting held on 22 July 2024.

Apart from the matter described above, the acquisition of Community Salary Packaging on 11 July 2024 as disclosed in note E1, and the final dividend declared on 28 August 2024, no other matter or circumstance has arisen since 30 June 2024 that would materially affect the Group's reported results or would require disclosure in this report.

F4 AUDITOR'S REMUNERATION

	2024 $	2023 $
Auditors of the Group - BDO and related network firms		
Audit and review of financial statements		
Group	186,033	208,300
Controlled entities	335,967	386,200
Total services provided by BDO	**522,000**	**594,500**
Other auditors and their related network firms		
Audit and review of financial statements		
Controlled entities	267,090	262,848
Total services provided by other auditors (excluding BDO)	**267,090**	**262,848**

F5 NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year ended 30 June 2024, although the disclosure of some accounting policies have been reassessed in light of the changes introduced by AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*.

Consolidated Entity Disclosure Statement

The consolidated entity disclosure statement is a new mandatory disclosure required for this financial year by the *Corporations Act 2001*. Set out below is a list of all entities that are consolidated in this set of Consolidated financial statements at the end of the financial year.

Entity name	Body corporate, partnership or trust	Trustee, partner or participant in JV	% of share capital held directly or indirectly by the Company in the body corporate	Country of incorporation	Australian or Foreign tax resident	Jurisdiction for Foreign resident
COG Aggregation Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
EF Systems Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
COG Retail Pty Ltd	Body corporate	N/A	93%	Australia	Australian	N/A
National Finance Choice Pty Ltd	Body corporate	N/A	100%	Australia	Australian	N/A
United Financial Services Pty Ltd	Body corporate	N/A	100%	Australia	Australian	N/A
United Financial Services Network Pty Ltd	Body corporate	N/A	100%	Australia	Australian	N/A
United Financial Services (Qld) Pty Ltd	Body corporate	N/A	100%	Australia	Australian	N/A
COG TLC Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
Number Rentals Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
TL Commercial Finance Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
Platform Consolidated Group Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
Advance Car Loans Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
Platinum Fleet Pty Limited	Body corporate	N/A	70%	Australia	Australian	N/A
Beinformed Group Pty Limited	Body corporate	N/A	75%	Australia	Australian	N/A
Beinformed Group (VIC) Pty Limited	Body corporate	N/A	75%	Australia	Australian	N/A
Melbourne Finance Broking Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
Mildura Finance Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
Platinum Direct Finance Australia Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
Capital Plus Finance Pty Limited (formerly Platinum Direct Finance (Central Coast) Pty Limited)	Body corporate	N/A	50%	Australia	Australian	N/A
Consolidated Platform Aggregation Pty Limited	Body corporate	Trustee	75%	Australia	Australian	N/A

Consolidated Entity Disclosure Statement (continued)

Entity name	Body corporate, partnership or trust	Trustee, partner or participant in JV	% of share capital held directly or indirectly by the Company in the body corporate	Country of incorporation	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Consolidated Platform Aggregation Unit Trust	Trust	N/A	75%	Australia	Australian	N/A
Fleet Avenue Pty Limited	Body corporate	N/A	100%	Australia	Australian	N/A
Fleet Network Pty Limited	Body corporate	N/A	75%	Australia	Australian	N/A
Vehicle and Equipment Finance Pty Limited	Body corporate	N/A	50%	Australia	Australian	N/A
Geelong Financial Group Vehicle and Equipment Finance Pty Limited	Body corporate	Trustee	25%	Australia	Australian	N/A
Howjack Holdings Pty Ltd	Body corporate	N/A	75%	Australia	Australian	N/A
Paywise Pty Ltd	Body corporate	N/A	75%	Australia	Australian	N/A
Paywise Financial Services Pty Ltd	Body corporate	N/A	75%	Australia	Australian	N/A
Just Drive Pty Ltd	Body corporate	N/A	75%	Australia	Australian	N/A
QPF Holdings Pty Limited [1]	Body corporate	N/A	59%	Australia	Australian	N/A
Qld Pacific Finance Pty Limited	Body corporate	N/A	59%	Australia	Australian	N/A
QPF Insurance Pty Limited	Body corporate	N/A	47%	Australia	Australian	N/A
QPF Mortgages Pty Limited	Body corporate	N/A	59%	Australia	Australian	N/A
Security Allied Finance Pty Limited	Body corporate	N/A	59%	Australia	Australian	N/A
DLV (QLD) Pty Limited	Body corporate	N/A	29%	Australia	Australian	N/A
Access Capital Pty Limited	Body corporate	N/A	47%	Australia	Australian	N/A
Club Transport Finance Pty Limited ('Chevron')	Body corporate	N/A	39%	Australia	Australian	N/A
The Bay Broker Pty Limited ('Chevron Money')	Body corporate	N/A	20%	Australia	Australian	N/A
Chevron Insurance Consultants Pty Limited	Body corporate	N/A	43%	Australia	Australian	N/A
Linx Group Holdings Pty Limited	Body corporate	N/A	60%	Australia	Australian	N/A
Linx Mortgage Holdings Pty Ltd	Body corporate	N/A	60%	Australia	Australian	N/A
Linx Insurance Holdings Pty Ltd	Body corporate	N/A	60%	Australia	Australian	N/A
Linx Finance Australia Pty Limited	Body corporate	N/A	60%	Australia	Australian	N/A
Linx Insurance Australia Pty Limited	Body corporate	N/A	60%	Australia	Australian	N/A

[1] Effective 1 July 2024, COG acquired an additional 5% equity interest in QPF Holdings Pty Ltd (“QPF”) for a total consideration of $3,660k, taking COG’s controlling interest in QPF from 58.74% to 63.74%.

Consolidated Entity Disclosure Statement (continued)

Entity name	Body corporate, partnership or trust	Trustee, partner or participant in JV	% of share capital held directly or indirectly by the Company in the body corporate	Country of incorporation	Australian or Foreign tax resident	Jurisdiction for Foreign resident
Linx Mortgage Australia Pty Limited	Body corporate	N/A	60%	Australia	Australian	N/A
Linx HF Pty Limited	Body corporate	N/A	60%	Australia	Australian	N/A
Linx HC Pty Limited	Body corporate	N/A	60%	Australia	Australian	N/A
Heritage Finance Pty Limited	Body corporate	Partner	42%	Australia	Australian	N/A
Heritage Finance Partnership	Partnership	N/A	42%	Australia	Australian	N/A
Heritage Corporate Pty Limited	Body corporate	Partner	42%	Australia	Australian	N/A
Heritage Corporate Partnership	Partnership	N/A	42%	Australia	Australian	N/A
Sovereign Tasmania Pty Limited	Body corporate	N/A	35%	Australia	Australian	N/A
Westlawn Finance Limited	Body corporate	N/A	75%	Australia	Australian	N/A
Centrepoint Finance Pty Limited	Body corporate	N/A	75%	Australia	Australian	N/A
Finance 2 Business Pty Limited	Body corporate	N/A	75%	Australia	Australian	N/A
North State Finance Pty Ltd	Body corporate	N/A	75%	Australia	Australian	N/A
Westlawn Insurance Brokers Pty Ltd	Body corporate	N/A	68%	Australia	Australian	N/A
Grafton Investments Pty Ltd	Body corporate	N/A	75%	Australia	Australian	N/A
Westlawn Financial Services Limited	Body corporate	N/A	75%	Australia	Australian	N/A
Westlawn Insurance Brokers (Coffs) Pty Ltd	Body corporate	N/A	54%	Australia	Australian	N/A
WIB Services Pty Ltd (formerly Westlawn Insurance Brokers (Vic) Pty Ltd)	Body corporate	N/A	68%	Australia	Australian	N/A
Westlawn Warehouse Trust No. 1	Trust	N/A	0%	Australia	Australian	N/A
Equity-One Mortgage Fund Limited	Body corporate	N/A	53%	Australia	Australian	N/A

Directors' Declaration

1. In the opinion of the Directors of COG Financial Services Limited (the Company):

   a) the consolidated financial statements and notes of the Company and its controlled entities (the Group), are in accordance with the *Corporations Act 2001*, including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and

      ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

   c) the consolidated entity disclosure statement on pages 77 to 79 is true and correct.

2. The basis of preparation confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

3. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the Corporations Act 2001.

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

Patrick Tuttle
Chairman

Cameron McCullagh
Executive Director

28 August 2024

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INDEPENDENT AUDITOR'S REPORT

To the members of COG Financial Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of COG Financial Services Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Key audit matters

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

Revenue Recognition

Key audit matter	How the matter was addressed in our audit
For the year ended 30 June 2024 the Group recognised $498.977M (2022: $366.009M) of revenue from continuing operations. Revenue recognition was identified as a key audit matter due to the significance of revenue to the financial report and the number of distinct revenue streams within the group. Refer to Note A2 of the financial report for the accounting policy and related disclosures.	Our audit procedures to address the key audit matter included, but were not limited to the following: • Understanding and documenting the processes and controls used by the Group in recording revenue; • Assessing the revenue recognition policy for compliance with AASB 15 Revenue from Contracts with Customers; • Performing substantive testing on a sample of revenue transactions to ensure appropriate revenue recognition; • Performing analytical procedures on revenue recorded compared to expectations set based on expected performance in the year; • Performing testing on transactions around year end to ensure appropriate revenue cut-off; and • Assessing the adequacy of the Group's disclosures within the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) 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 on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of COG Financial Services Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

BDO

Responsibilities

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

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney
28 August 2024

ASX Additional Information

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in the report is set out below. The information is effective 12 August 2024.

Substantial Shareholders
The number of substantial shareholders and their associates, based on the latest Form 604 lodged, are set out below:

Shareholder	Form Lodged	No. of ordinary shares [1]	% of Total
NAOS ASSET MANAGEMENT LIMITED	3 August 2023	59,565,201	31.24
GEGM INVESTMENTS PTY LIMITED	19 April 2023	40,601,657	21.30
SANDON CAPITAL INV LTD A/C	10 August 2023	17,698,582	9.28
THORNEY OPPORTUNITIES LTD [2]	10 January 2022	13,385,542	7.18
TIGA TRADING PTY LTD [2]	10 January 2022	13,385,542	7.18

Distribution of equity securities
There were 188 holders of less than a marketable parcel of ordinary shares, totalling 39,971 shares, based on a share price of $1.04.

Range	No. of ordinary shares	%	No. of holders	%
Above 100,000	183,252,003	93.30	107	8.80
Above 10,000 up to and including 100,000	11,071,861	5.64	323	26.56
Above 5,000 up to and including 10,000	1,083,158	0.55	135	11.10
Above 1,000 up to and including 5,000	856,015	0.44	311	25.57
Above 0 up to and including 1,000	151,677	0.07	340	27.97
Total	**196,414,714**	**100.00**	**1,216**	**100.00**

All ordinary shares carry one vote per share and carry rights to dividends.

Range	No. of performance rights	%	No. of holders	%
Above 100,000	224,101	100.00	1	100.00
Above 10,000 up to and including 100,000	0	0.00	0	0.00
Above 5,000 up to and including 10,000	0	0.00	0	0.00
Above 1,000 up to and including 5,000	0	0.00	0	0.00
Above 0 up to and including 1,000	0	0.00	0	0.00
Total	**224,101**	**100.00**	1	**100.00**

Performance rights and options do not carry the right to vote or to dividends until exercised.

There are no outstanding options.

(1) All information as provided by shareholder in the Substantial Shareholder lodgement notices.
(2) Relevant interest of each party noted on each other's Substantial Shareholder lodgement notices.

Twenty largest holders of quoted equity securities

Rank	Twenty largest shareholders	A/C designation	No. of shares held	% of total
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED		60,436,244	30.78
2	GEGM INVESTMENTS PTY LTD		36,558,793	18.61
3	PALM BEACH NOMINEES PTY LIMITED		17,698,582	9.01
4	UBS NOMINEES PTY LTD		15,289,270	7.78
5	LINX HOLDINGS PTY LTD	<LINX HOLDINGS A/C>	5,736,473	2.92
6	FIDUCIO PTY LTD	<LE A/C>	2,228,945	1.13
7	C-FLAG PTY LTD		2,101,796	1.07
8	WARBONT NOMINEES PTY LTD	<UNPAID ENTREPOT A/C>	2,098,429	1.07
9	MRS JASMIN ZHENG-MIN LITSTER & MR IAN JAMES LITSTER		1,871,304	0.95
9	KAI LANI MACKEREL PTY LTD	<THE MCCULLAGH SUPER FUND A/C>	1,750,791	0.89
11	GEGM INVESTMENTS PTY LTD		1,440,604	0.73
12	MOAT INVESTMENTS PTY LTD	<MOAT INVESTMENT A/C>	1,417,495	0.72
13	LEZAK NOMINEES PTY LTD	<LEZAK NOMINEES S/F A/C>	1,325,846	0.68
14	ACRES HOLDINGS PTY LTD	<NOEL EDWARD KAGI FAMILY A/C>	1,289,990	0.67
15	MATTSALL PTY LTD	<MATTSALL SUPERANNUATION A/C>	1,223,838	0.62
16	WESTLAWN HOLDINGS PTY LTD		1,000,000	0.51
17	CITICORP NOMINEES PTY LIMITED		971,875	0.49
18	MARKSUE CRAIN PTY LTD	<MARKSUE CRAIN SUPER FUND A/C>	923,460	0.47
19	REDBROOK NOMINEES PTY LTD		848,422	0.43
20	MR PETER JOHN SCHAMPERS	<PJS FAMILY A/C>	777,131	0.40
		Total	**156,989,288**	**79.93**
		Balance of register	**39,425,426**	**20.07**
		Grand total	**196,414,714**	**100.00**

Performance rights holders greater than 20%	No. of performance rights held	% of total
Andrew Bennett	224,101	100%

Securities exchange
COG is listed on the Australian Securities Exchange under ASX code COG.

Restricted Securities
There are no current restricted securities.

On-Market Buyback
There is no current on-market buyback.

Listing Rule 3.13.1 and 14.3

Further to Listing Rule 3.13.1 and Listing Rule 14.3, the Annual General Meeting of COG is scheduled for 29 November 2024. Further to these Listing Rules and Clause 6.3 of the Company's Constitution, nominations for election of directors at the AGM must be received not less than 40 Business Days before the meeting, being no later than 3 October 2024.

Directors
Patrick Tuttle
Chairman

Peter Rollason
Non-executive Director

Steve White
Non-executive Director

Cameron McCullagh
Executive Director

Mark Crain
Executive Director

Chief Executive Officer
Andrew Bennett

Chief Financial Officer
Richard Balzer

Company Secretary
David Franks

KEY DATES
Annual General Meeting Date: 29 November 2024

Registered Office
David Franks
Level 5, 126 Phillip Street
Sydney NSW 2000
Phone 1300 288 664

Share Registry
Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000
Phone 1300 288 664
Email:
Internet: www.automicgroup.com.au

External Auditors
BDO Audit Pty Limited
1 Margaret Street
Sydney NSW 2000
Phone: 1300 138 991
Internet: https://www.bdo.com.au/en-au/sydney

Securities Exchange
COG Financial Services Limited is a public company listed with the Australian Securities Exchange Limited

ASX: COG