

**Appendix 4D - Half-year report for period ended 31 December 2024**  
(previous corresponding period: 31 December 2023)

**INVESTSMART GROUP LIMITED AND ITS CONTROLLED ENTITIES** ABN: 62 111 772 359

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

This information should be read in conjunction with the attached Interim Financial Report, the Annual Report for the year ended 30 June 2024 and quarterly business update for the period ended 31 December 2024.

	31-Dec-24	31-Dec-23	Increase/decrease over previous corresponding period
Revenues from ordinary activities (\$'000)	4,814	4,880	-1%
Profit/(loss) from ordinary activities (\$'000)	(349)	(609)	43%
Net profit/(loss) attributable to members (\$'000)	(349)	(609)	43%
Net tangible assets (cents per ordinary share)^	3.57	3.64	

^Net tangible assets includes lease right-of-use assets and lease liabilities

**Commentary on results for the period**

Operating profit for the half-year ended 31 December 2024 and 31 December 2023 is reconciled to loss after tax as follows:

	2024	2023
	\$	\$
<b>Income</b>		
Management fees - funds	1,805,067	1,633,395
Subscription income	2,289,979	2,437,248
Commissions income - insurance	555,822	665,589
Other income	15,411	10,805
<b>Total operating income</b>	<b>4,666,279</b>	<b>4,747,037</b>
<b>Total operating expenses</b>	<b>4,937,192</b>	<b>5,152,570</b>
<b>Net profit/(loss) from operating activities</b>	<b>(270,913)</b>	<b>(405,533)</b>
Interest income	147,935	133,342
Employee benefit expense^	(13,067)	(81,493)
Amortisation of intangibles	(260,489)	(281,202)
Restructure costs	-	(34,285)
Loss before income tax	(396,534)	(669,171)
Income tax benefit	47,961	60,606
<b>Loss for the period</b>	<b>(348,573)</b>	<b>(608,565)</b>

^ Accounts for the issue of employee share options in March 2023 and September 2023.

Funds management fees increased by 11% compared to the prior period. Funds under management at 31 December 2024 is \$671 million compared to \$567 million at 31 December 2023.

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Subscription income decreased by 6% compared to the prior period. Average Revenue per User increased from \$543 at 31 December 2023 to \$569 at 31 December 2024. Total paying subscribers decreased from 8,826 at 31 December 2023 to 7,778 at 31 December 2024.

**Dividend**

It is not proposed to pay a dividend.

**Details of associate entities**

	Ownership interest as at	
	31/12/2024	31/12/2023
Professionally Managed Accounts	0.03%	0.08%

**Other**

Additional Appendix 4D disclosure requirements and further information including commentary on operating performance factors affecting the results for the current period are contained in the attached Interim Financial Report and the quarterly business update (released separately).

The consolidated financial statements contained within the Interim Financial Report for the half-year ended 31 December 2024, of which this report is based upon, have been reviewed by BDO Audit Pty Ltd.

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**InvestSMART Group Limited**  
ABN 62 111 772 359

**Interim Financial Report**  
**Half-year ended 31 December 2024**

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## Directors' Report

The Directors present their report on InvestSMART Group Limited (the Company) and its subsidiaries (collectively the Group) for the half-year ended 31 December 2024.

### Directors

The following persons were directors of the company during or since the end of the half-year and up to the date of this report, unless otherwise stated:

Paul Clitheroe AM	Chairman and Non-executive Director
Michael Shepherd AO	Non-executive Director
Ron Hodge	Managing Director
Effie Zahos	Non-executive Director

Effie Zahos was initially appointed as a non-executive director on 11 November 2020. Effie resigned on 13 December 2023. Effie was subsequently reappointed as a non-executive director on 30 September 2024.

### Review and Results of Operations

Operating profit for the half-years ended 31 December 2024 and 31 December 2023 is shown below:

	2024	2023
	\$	\$
<b>Income</b>		
Management fees - funds	1,805,067	1,633,395
Subscription income	2,289,979	2,437,248
Commissions income - insurance	555,822	665,589
Other income	15,411	10,805
<b>Total operating income</b>	<b>4,666,279</b>	<b>4,747,037</b>
Commissions rebates	181,088	204,535
Employment expenses	2,759,038	2,933,993
Marketing costs	353,451	343,919
Other operating expenses	1,643,615	1,670,123
<b>Total operating expenses</b>	<b>4,937,192</b>	<b>5,152,570</b>
<b>Net profit/(loss) from operating activities</b>	<b>(270,913)</b>	<b>(405,533)</b>
Interest income	147,935	133,342
Employee benefit expense <sup>^</sup>	(13,067)	(81,493)
Amortisation of intangibles	(260,489)	(281,202)
Restructure costs	-	(34,285)
Loss before income tax	(396,534)	(669,171)
Income tax benefit	47,961	60,606
<b>Loss for the period</b>	<b>(348,573)</b>	<b>(608,565)</b>

<sup>^</sup> Accounts for the issue of employee share options in March 2023 and September 2023.

The Group continues to provide financial services under general advice to retail clients and self-managed superfunds.

Funds management fees increased by 11% compared to the prior period. Funds under management at 31 December 2024 is \$671 million compared to \$567 million at 31 December 2023.

Subscription income decreased by 6% compared to the prior period. Average Revenue per User increased from \$543 at 31 December 2023 to \$569 at 31 December 2024. Total paying subscribers decreased from 8,826 at 31 December 2023 to 7,778 at 31 December 2024.

Commissions income – insurance has decreased due to attrition of insurance policies.

Total operating expenses decreased by 4% compared to the prior period. Total staff decreased from 36 at 31 December 2023 to 32 at 31 December 2024.

Cash at bank decreased to \$7,042,387 at 31 December 2024 (30 June 2024: \$7,736,213). We allowed a large cohort of subscribers to renew in advance in June 2024 prior to their regular renewal dates. The Net Tangible Assets of the company decreased to 3.57c per fully paid ordinary share at 31 December 2024 (30 June 2024: 3.69c).

#### **Matters subsequent to the end of the half-year**

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect:

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

#### **Auditor's Independence Declaration**

The auditor's independence declaration required under section 307C of the Corporations Act 2001 is included on page 5 of the half-year report. This report is made in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors,



**Paul Clitheroe AM**  
Chairman

Sydney  
20 February 2025

## DECLARATION OF INDEPENDENCE BY DANE PERUMAL TO THE DIRECTORS OF INVESTSMART GROUP LIMITED

As lead auditor for the review of InvestSMART Group Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of InvestSMART Group Limited and the entities it controlled during the period.



**Dane Perumal**  
Director

**BDO Audit Pty Ltd**

Sydney, 20 February 2025

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## Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2024

	Note	2024 \$	2023 \$
Management fees - funds		1,805,067	1,633,395
Subscription income		2,289,979	2,437,248
Commissions income - insurance		555,822	665,589
Other income	2	160,679	142,069
Net gain on financial instruments at fair value through profit and loss		2,667	2,078
<b>Total income</b>		<b>4,814,214</b>	<b>4,880,379</b>
Accounting and administrative costs		375,285	391,977
Audit fees		100,076	101,782
Business insurance		164,233	164,829
Commission rebates		181,088	204,535
Directors' fees		106,644	116,233
Employee costs		2,759,038	2,968,278
Legal and statutory expenses		33,543	46,885
Marketing and advertising		353,451	343,919
Other expenses		207,430	217,077
Software and website costs		566,233	515,054
Depreciation and amortisation		350,660	397,488
Employee benefit expense	6	13,067	81,493
<b>Total expenses</b>		<b>5,210,748</b>	<b>5,549,550</b>
<b>Loss before income tax</b>		<b>(396,534)</b>	<b>(669,171)</b>
Income tax benefit		47,961	60,606
<b>Loss for the period</b>		<b>(348,573)</b>	<b>(608,565)</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive loss for the period</b>		<b>(348,573)</b>	<b>(608,565)</b>
Basic earnings per share (cents per share)	5	(0.31)	(0.55)
Diluted earnings per share (cents per share)	5	(0.31)	(0.55)

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

## Consolidated Statement of Financial Position at 31 December 2024

	Note	31-Dec-24 \$	30-Jun-24 \$
<b>Assets</b>			
Cash and cash equivalents		7,042,383	7,736,213
Trade and other receivables		409,373	1,036,710
Prepayments and deposits		207,325	428,064
Financial assets at fair value through profit and loss	3	10,920	63,393
Loans receivable	4	331,766	167,850
Fixed assets		60,968	72,422
Right of use asset		323,647	398,335
Deferred tax asset		328,111	363,944
Intangible assets		-	260,489
<b>Total assets</b>		<b>8,714,493</b>	<b>10,527,420</b>
<b>Liabilities</b>			
Trade and other payables		642,979	840,398
Trail commissions to rebate		202,568	226,367
Subscriptions received in advance		2,467,108	3,509,142
Provisions		747,119	799,803
Lease liabilities		365,395	440,482
Deferred tax liability		80,912	164,706
<b>Total liabilities</b>		<b>4,506,081</b>	<b>5,980,898</b>
<b>Net assets</b>		<b>4,208,412</b>	<b>4,546,522</b>
<b>Equity</b>			
Issued capital		58,558,691	58,561,295
Employee Benefit reserve	6	2,446,792	2,433,725
Retained losses		(56,797,071)	(56,448,498)
<b>Total equity</b>		<b>4,208,412</b>	<b>4,546,522</b>

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

## Consolidated Statement of Changes in Equity for the half-year ended 31 December 2024

	Note	Issued Capital \$	Retained losses \$	Employee Benefit Reserve \$	Total Equity \$
<b>Balance at 1 July 2023</b>		58,562,495	(55,684,152)	2,331,174	5,209,517
Comprehensive loss for the period		-	(608,565)	-	(608,565)
Employee benefit share reserve	6	-	-	81,493	81,493
<b>Balance at 31 December 2023</b>		<u>58,562,495</u>	<u>(56,292,717)</u>	<u>2,412,667</u>	<u>4,682,445</u>
<b>Balance at 1 July 2024</b>		58,561,295	(56,448,498)	2,433,725	4,546,522
Comprehensive loss for the period		-	(348,573)	-	(348,573)
Employee benefit share reserve	6	-	-	13,067	13,067
Buyback of issued capital - on market		(2,604)	-	-	(2,604)
<b>Balance at 31 December 2024</b>		<u>58,558,691</u>	<u>(56,797,071)</u>	<u>2,446,792</u>	<u>4,208,412</u>

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

## Consolidated Statement of Cash Flows for the half-year ended 31 December 2024

	2024	2023
<b>Cash flows from operating activities</b>	<b>\$</b>	<b>\$</b>
Receipts from customers	4,248,915	4,470,557
Payments to suppliers and employees	(4,900,185)	(5,409,159)
Interest received	147,935	133,342
<b>Net cash used in operating activities</b>	<b>(503,335)</b>	<b>(805,260)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(4,029)	(7,970)
Sale of investments	55,140	-
Issue of Fundlater loans	(778,100)	(481,300)
Receipts from repayments of Fundlater loans	236,610	71,390
Sale of Fundlater loans	377,575	367,120
<b>Net cash used in investing activities</b>	<b>(112,804)</b>	<b>(50,760)</b>
<b>Cash flows from financing activities</b>		
Principal payments for leases	(75,087)	(99,970)
Buyback of issued capital – on market	(2,604)	-
<b>Net cash used in financing activities</b>	<b>(77,691)</b>	<b>(99,970)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(693,830)</b>	<b>(955,990)</b>
Cash and cash equivalents at beginning of the period	7,736,213	7,812,215
<b>Cash and cash equivalents at the end of the period</b>	<b>7,042,383</b>	<b>6,856,225</b>

*This Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes*

## Notes to the Consolidated Financial Statements for the half-year ended 31 December 2024

### 1. Basis of preparation

The consolidated half-year financial report:

- is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting';
- has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the annual financial report of the Group for the year ended 30 June 2024;
- is presented in Australian dollars;
- has been prepared on a going concern basis generally using a historical cost basis. Where permitted under accounting standards a different basis may be used, including the fair value basis;
- presents assets and liabilities on the face of the Consolidated statement of financial position in decreasing order of liquidity and therefore does not distinguish between current and non-current items;
- presents reclassified comparative information where required for consistency with the current year's presentation within the half-year financial report;
- presents revenue on a disaggregated basis consistent with the full-year annual financial statements. No significant changes have occurred in the nature, amount, timing, or uncertainty of revenue and cash flows during the interim period.

The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report of the Group for the year ended 30 June 2024 and any public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

#### **New and amended standards and interpretations adopted in the reporting period**

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. The adoption of these did not have a material impact on the financial statements of the Group.

Any other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The AASB has issued AASB 18 Presentation and Disclosure in Financial Statements to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. AASB 18 applies to annual reporting periods beginning on or after 1 January 2027. AASB 18 will replace AASB 101 Presentation of Financial Statements.

Based on the entity's assessment, it is expected that the first-time adoption of these amendments for the year ending 30 June 2028 will have a material impact on presentation and disclosure within the financial statements as follows:

- the presentation of the statement of comprehensive income to be amended such that transactions are classified as one of five categories – operating, investing, financing, income taxes, and discontinued operations.
- presentation and additional disclosure of certain management-defined performance measures utilised in communications with stakeholders by management.
- Disclosure of the nature of externally imposed capital requirements and how those requirements are incorporated into the management of capital.

### Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group has not recognised deferred tax assets relating to carried forward realised capital and revenue losses on the basis that it does not expect to derive sufficient future gains to utilise the current losses. The potential deferred tax asset that could be realised at 31 December 2024 is \$4,084,571, of which \$3,915,811 is capital.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.8%.

Insurance distribution contracts were acquired as intangible assets under a business combination on 1 January 2015. Whilst they have no expiry date, it is expected that customers on which the distribution fees are earned will leave over the following 6 - 10 years.

### 2. Other income

For the half-year ended 31 December	2024	2023
	\$	\$
Education - Bootcamp	5,594	5,752
Fundlater fees	7,150	2,975
Interest	147,935	133,342
	<u>160,679</u>	<u>142,069</u>

### 3. Financial assets and liabilities held at fair value

AASB 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Directors. The Directors consider observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Group's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 31 December 2024. Financial assets are separated between those classified as Fair Value through Profit and Loss (FVTPL) and those classified as Fair Value through Other Comprehensive Income according to AASB 9.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>At 31 December 2024</b>				
Financial assets at fair value through profit and loss:				
Investment in Professionally Managed Account	<u>10,920</u>	<u>-</u>	<u>-</u>	<u>10,920</u>
Financial assets at fair value through other comprehensive income:				
Loans receivable	<u>-</u>	<u>331,766</u>	<u>-</u>	<u>331,766</u>
<b>At 30 June 2024</b>				
Financial assets at fair value through profit and loss:				
Investment in Professionally Managed Account	<u>63,393</u>	<u>-</u>	<u>-</u>	<u>63,393</u>
Financial assets at fair value through other comprehensive income:				
Loans receivable	<u>-</u>	<u>167,850</u>	<u>-</u>	<u>167,850</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the half-year ended 31 December 2024.

Listed equities have inputs based on quoted market prices in active markets and are classified within level 1. Investments in listed equities consists of equities held through Professionally Managed Accounts, a scheme issued by InvestSMART Funds Management Ltd. InvestSMART Funds Management Ltd is a subsidiary of InvestSMART Group Ltd.

Investments classified within level 2 have inputs based on quoted and unquoted prices. Loans receivable are classified within level 2. The loans are valued using a discounted cash flow approach which reflects the terms of the instrument and the timing of cash flows. The rate used to discount future cash flows is 9.3% and is derived from observable data for similar loans.

#### 4. Loans receivable

	31-Dec-24 \$	30-Jun-24 \$
Loans receivable	<u>331,766</u>	<u>167,850</u>

Loans receivable consists of Fundlater loans. Subject to a minimum investment of \$4,000 a client will receive a non-recourse loan of up to \$6,000 to fund a new Professionally Managed Account (minimum investment is \$10,000). Professionally Managed Accounts is a scheme issued by InvestSMART Funds Management Ltd. A \$6,000 loan is repayable over 20 equal monthly instalments of \$325 each. The \$325 payments are split into \$300 for principal repayment and \$25 for the administration fee.

The Eureka Asset-Backed Loan Fund (EABL) is issued by InvestSMART Funds Management Limited and purchases loans from the Group on a regular basis. The value of loans sold to EABL during the half-year is disclosed under investing activities in the cash flow statement.

The Group may be required to repurchase Fundlater loans where they are delinquent within one month of sale to EABL.

The Group assesses at each reporting date an allowance for expected credit losses (ECLs). The allowance for ECLs at origination and at 31 December 2024 is assessed as zero. The equity within client's accounts (the \$4,000 deposit and subsequent principal repayments) is considered adequate to cover outstanding payments if a client closes their account. Based on a range of possible outcomes the probability that a clients account will be closed with insufficient equity to cover outstanding repayments is remote.

The \$25 administration fee is recognised in the Consolidated Statement of Profit and Loss under Other Income and within Other Income as Fundlater Fees (Refer Note 2). The \$25 administration fee is adjusted for the requirements of AASB 9 to be recognised under the effective interest method.

## 5. Earnings per share

For the half-year ended 31 December	2024	2023
Basic loss per share (cents per share)	(0.31)	(0.55)
Diluted loss per share (cents per share)	(0.31)	(0.55)
Earnings/(loss) as per Consolidated Statement of Comprehensive Income (\$)	(348,573)	(608,565)
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	110,881,124	110,892,537
Weighted average number of ordinary shares outstanding during the year used in calculating diluted earnings per share if all EDSP shares vest and non-recourse loans are repaid	142,669,071	141,966,549

As the Group was in a loss position for the half-year ended 31 December 2024 and 31 December 2023, share based incentive plans did not affect the diluted earnings per share calculation. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

## 6. Employee benefit reserve

For the half-year ended 31 December	2024		2023	
	Shares	\$	Shares	\$
Balance at the beginning of the half-year	31,787,947	2,433,725	30,326,664	2,331,174
EDSP shares granted	-	-	1,461,283	-
Employee benefit expense for the period	-	13,067	-	81,493
Balance at the end of the half-year	31,787,947	2,446,792	31,787,947	2,412,667

No new Employee and Director Share Plan (EDSP) securities were issued during the half-year.

During the prior half-year the following EDSP securities were issued:

- 794,616 EDSP shares were issued to employees on 19 September 2023 in lieu of a cash bonus. 166,667 shares were issued to Ron Hodge in lieu of a cash bonus on 8 December 2023 as approved at the company's AGM on 22 November 2023. The EDSP shares granted during the prior half-year vested immediately and mature on 19 September 2028. A non-recourse loan was provided to participants to acquire EDSP shares at the respective prices issued.
- 500,000 EDSP shares were issued on 19 September 2023 to staff who have progressed subsequent to the issue of the first 3 tranches of EDSP in November 2020. The shares were issued in 3 equal tranches vesting 1,2 and 3 years subsequent to issue respectively. Each tranche matures 5 years after vesting.

## 7. Financial risk management – liquidity

The table below analyses the Group's liabilities in relevant maturity groupings based on the remaining period to the earliest possible contractual maturity date at the half-year end. The amounts in the table below are contractual undiscounted cash flows, except for subscriptions in advance which represent the undiscounted value of subscription services to be delivered.

	Less than 12 months	Greater than 12 months	Total
At 31 December 2024:	\$	\$	\$
Undiscounted cash flows			
Trade and other payables	598,414	44,565	642,979
Trail commissions due to customers	202,568	-	202,568
Lease liabilities	178,299	219,681	397,980
Provisions	632,471	114,648	747,119
	<u>1,611,752</u>	<u>378,894</u>	<u>1,990,646</u>
Undiscounted services to be delivered			
Subscriptions received in advance	<u>2,284,211</u>	<u>182,897</u>	<u>2,467,108</u>
At 30 June 2024:	\$	\$	\$
Undiscounted cash flows			
Trade and other payables	826,871	13,527	840,398
Trail commissions due to customers	226,367	-	226,367
Lease liabilities	173,564	309,620	483,184
Provisions	652,228	147,575	799,803
	<u>1,879,030</u>	<u>470,722</u>	<u>2,349,752</u>
Undiscounted services to be delivered			
Subscriptions received in advance	<u>3,017,707</u>	<u>491,435</u>	<u>3,509,142</u>

The discounted maturity analysis of the lease liability is shown below:

At 31 December 2024	<u>154,467</u>	<u>210,928</u>	<u>365,395</u>
At 30 June 2024	<u>145,740</u>	<u>294,742</u>	<u>440,482</u>

## 8. Segment information

The Group has only one reportable segment. The Group is engaged solely in retail financial services conducted in Australia, deriving revenue from commissions, subscriptions and funds management fees. The Group's operations are merged across subsidiaries, management, location and presentation of reporting. The operating segment identification is based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Maker) in assessing performance, managed on the basis of one segment, and in determining the allocation of resources.

## 9. Contingent liabilities and commitments

At 31 December 2024, InvestSMART Group has the following contingent liabilities:

	31-Dec-24	30-Jun-24
Guarantees for office rentals	63,006	97,106
Guarantee for intermediary facilities	150,000	150,000
	<u>213,006</u>	<u>247,106</u>

InvestSMART Financial Services Pty Ltd, a subsidiary of InvestSMART Group Ltd, may be required to repurchase Fundlater loans where they are delinquent within one month of sale to Eureka Asset-Backed Loan Fund (EABL). Since the inception of EABL zero loans have been repurchased. The estimate of reimbursement of loans purchased at 30 June 2024 is \$nil. Loans sold to EABL within one month of 31 December 2024 total \$57,540 (30 June 2024: \$116,105). Any reimbursement would result in a repurchase of the loans at fair value and closure of the loan account if repayment terms are not met. The provision for expected credit losses for Fundlater loans has been assessed as \$nil.

**10. Contingent assets**

The Intelligent Investor Select Value Share Fund (Fund) has accrued a performance fee of \$548,040 at 31 December 2024 (net of GST and RITC). A performance fee is payable by the Fund to the Group at the end of a calculation period (ending 30 June each year) where the Fund outperforms cash rates and the ASX200 over that calculation period. A performance fee receivable of \$233,236 was recognised at 30 June 2024.

**11. Related party transactions**

Ron Hodge and related parties held two Fundlater loans during the period. Paul Clitheroe's related parties held three Fundlater loans during the period. The Fundlater loans are issued by InvestSMART Financial Services Pty Ltd. The loans were made on terms equivalent to those that prevail in arm's length transactions.

**12. Events occurring after reporting date**

No matter or circumstance has occurred after the period end that has significantly affected, or may affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent periods.

## Directors' Declaration

In the opinion of the Directors:

- (a) the Consolidated Financial Statements and notes of InvestSMART Group Limited for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the directors,



**Paul Clitheroe AM**  
Chairman

Sydney  
20 February 2025

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of InvestSMART Group Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of InvestSMART Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act*

2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

**BDO Audit Pty Ltd**

BDO  
Dane Perumal

**Dane Perumal**  
**Director**

Sydney, 20 February 2025

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