E&P FINANCIAL GROUP

31 August 2022

ASX Limited
ASX Market Announcements Office
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam,

E&P Financial Group Limited FY22 Financial Results

The following announcements to the market are provided:

1. **Annual Report**
2. Appendix 4G

Yours faithfully,

Paul Ryan
Chief Financial Officer & Company Secretary
(Authorising Officer)

Mayfair Building
171 Collins Street
Melbourne VIC 3000
P +61 3 9631 9888

Level 32
1 O'Connell Street
Sydney NSW 2000
P 1300 852 017

E&P Financial Group Limited
ACN 609 913 457

eap.com.au

ANNUAL REPORT

30 JUNE 2022

E&P Financial Group Limited
ACN 609 913 457

Contents

Chairman's letter

31 AUGUST 2022

Dear Shareholder,

On behalf of the Board of Directors and Management team, I am pleased to be able to share with you the E&P Financial Group Limited Annual Report for the financial year ended 30 June 2022.

Financial year 2022 was an important year for the Group including record levels of transaction activity, volatile markets and ongoing legacy issues which have tested us all. It marked the third year of our refocused strategy under our Management team led by Peter Anderson. The period has been notable for the stabilisation of the business, consolidation of the platform and careful navigation of the legacy issues.

I am pleased to report that in financial year 2022, with growth now front of mind, the Group delivered on our strategic priorities leading to improved financial performance from our core businesses.

There are several key areas I would like to address, including our financial and operating performance, governance and legal matters, board renewal and succession as well as dividends.

FINANCIAL AND OPERATING PERFORMANCE

Financial year 2022 saw the Group return to statutory profit, recording net profit after tax of $6.3 million. The Group's statutory result was again influenced by several non-underlying items as we continued to work towards resolving legacy issues. This included impacts from the Voluntary Administration (**VA**) of Dixon Advisory & Superannuation Services Pty Limited (**DASS**), a continuation of expenses incurred in responding to regulatory and representative proceedings and a non-recurring gain on the sale of the Group's interests in the manager of the FSREC Property Fund.

Underlying earnings before interest, tax, depreciation and amortisation (**Underlying EBITDA**) was $28.9 million and underlying net profit after tax before amortisation of acquired intangibles (**Underlying NPATA**) was $10.3 million. These results represent an improvement in underlying profitability of 3% and 42% respectively when compared to the 2021 financial year.

E&P Capital delivered a record result as the business capitalised on high transaction levels and market activity despite increased competition. Our core Evans and Partners wealth business continued its steady growth despite softer market conditions in the second half. Pleasingly, this growth has accelerated further into the current year after the consolidation of the Wealth business under the Evans & Partners brand.

The full year result was supported by positive investment outcomes on principal positions in private equity joint ventures, non-recurring revenue from E&P Funds and growth in core equities funds under management, which helped to offset a softer performance in the Dixon Advisory wealth business.

Underlying earnings per share of 4.5 cents was 41% higher than the prior year reflecting the improved underlying result and lower premises expenses after efforts to rationalise our office footprint in prior periods.

Chairman's letter *(cont.)*

GOVERNANCE AND LEGAL MATTERS

Our independently chaired Investment Committee made further meaningful progress during the year in re-shaping Dixon Advisory client portfolios. While there is more work to be done, we delivered value and liquidity outcomes for these clients in several of our internally managed real asset funds and are systematically implementing a plan to complete this important task.

The appointment of voluntary administrators to DASS on 19 January 2022 was a disappointing but necessary step. We continue to work with the voluntary administrators to sponsor a Deed of Company Arrangement and achieve a final resolution, including of the two representative proceedings issued in late 2021 against EP1, DASS and certain former directors.

BOARD RENEWAL AND SUCCESSION

Reflective of our ongoing Board renewal and succession planning, we welcomed two new directors over the year with the appointment of Ms Sally McCutchan as Non-Executive Director and Mr Tony Johnson as Executive Director. Sally and Tony are significant appointments for our firm and add skills and capability to our Board. Sally brings exceptional ESG credentials and extensive experience in finance, funds management and strategy across the Asia Pacific region. Tony enjoyed a successful 34-year career with EY where he amassed extensive experience in the financial services sector locally and internationally, most recently in his role as CEO and Managing Partner of EY Oceania.

In addition to his role as director, Tony will join E&P in an executive capacity focused on identifying and developing growth opportunities across the Group. I believe that we have an incredible platform and through the guidance and leadership of our Management team we are approaching a period where we can grow, and the business can prosper across all facets and disciplines that we advise on.

Together with the announcement of Tony's appointment, I announced that my role with our firm would change from Executive Chairman to Non-Executive Chairman from 1st July 2022. Whilst I will be stepping back from day-to-day executive duties, I will be staying on the Board in a non-executive role and remain confident and excited by the firm's prospects. As I made clear at the time of the announcement of my changed role, I have no intention of selling my shares and will continue to support the firm in any way I can including being a client.

Having founded Evans & Partners in 2007, I am excited by the opportunities that lie ahead, and it is my judgement that now is the right time to continue the transition to the next generation of leaders. I have been enriched by the ongoing friendships that have been fostered amongst staff, clients and people associated with the firm on so many levels. To serve clients in financial markets is an honour and a privileged responsibility.

DIVIDENDS

I am pleased to report that the Board has declared a final dividend of 2.7 cents per share in light of the improved earnings and considerable progress made in resolving the remaining legacy issues. This dividend marks the recommencement of distributions following the pause while the Group addressed the prevailing regulatory and legal matters.

Chairman's letter *(cont.)*

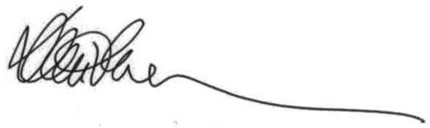
LOOKING AHEAD

Our attention is increasingly focused on executing medium-term growth initiatives. Looking to financial year 2023, volatile market conditions are expected to persist in the near term. This may present challenges for FUM-based revenue in E&P Wealth and E&P Funds. While our Corporate Advisory business has made a solid start to the new financial year and has an encouraging pipeline, Capital Markets activity is likely to be subdued given market uncertainty. The transition in E&P Funds is ongoing, with the contribution from our real asset funds expected to reduce as structural changes continue, to be offset by growth in core equities over time.

I would like to take this opportunity to acknowledge the commitment and hard work of our team who continue to tirelessly service our clients. Our firm is a proud one and we are privileged to look after a wonderful group of clients across all divisions.

I would also like to thank the ongoing loyalty and support of our shareholders and I look forward to updating you on our results when we meet at our Annual General Meeting in November.

Yours sincerely,



David Evans
Chairman
E&P Financial Group Limited

About E&P Financial Group

E&P Financial Group (**Company**, **E&P** or **Group**) is an Australian Securities Exchange listed financial services business with a history spanning over 30 years. E&P's operations are grouped into three segments:

- E&P Wealth;
- E&P Capital; and
- E&P Funds.

E&P Wealth services approximately 8,000 clients, representing $21.1 billion in funds under advice as at 30 June 2022.

In E&P Capital we are an advisor to many leading Australian corporations and institutions through the provision of equity research, institutional sales and trading, corporate advisory, equity capital market and debt capital market services.

In E&P Funds, we manage $6.2 billion of assets across a diverse range of asset classes and strategies.

E&P has offices across Melbourne, Sydney, Canberra, Brisbane, Hong Kong and New York.

Year in Review

OPERATING AND FINANCIAL REVIEW

GROUP FINANCIAL PERFORMANCE BY OPERATING SEGMENT

$'000	E&P WEALTH	E&P CAPITAL	E&P FUNDS	CORPORATE UNALLOCATED	TOTAL
Total revenue[1]	88,576	63,617	47,486	-	199,679
Net revenue[2]	83,852	62,166	47,289	-	193,307
Underlying EBITDA[3]	10,851	14,643	13,962	(10,578)	28,878
Underlying NPATA[4]					10,268
Statutory NPAT					6,316

GROUP PERFORMANCE

In the 12 months to 30 June 2022, the Group recorded total revenue of $199.7 million and net revenue of $193.3 million representing a 2% and 3% increase on FY21 respectively.

FY22 saw the Group return to statutory profit. In FY21, the Group's result was impacted by an $11.2 million impairment to goodwill in E&P Wealth and substantial costs incurred in response to the prevailing regulatory matters and legal proceedings. The Group's statutory net profit after tax of $6.3 million for FY22 was again influenced by non-underlying items, including gains on sale of the Group's interests of the manager of the FSREC Property Fund, impacts from the Voluntary Administration (**VA**) of Dixon Advisory & Superannuation Services Pty Limited (**DASS**) plus a continuation of expenses incurred responding to regulatory and representative proceedings. As a result of the VA, the Group has impaired the remaining $0.6 million goodwill within E&P Wealth, recognised a $1.9 million loss upon deconsolidation of DASS and a $0.5 million onerous contract expense arising from DASS clients that transitioned to Evans & Partners.

The Group's underlying result was stable year on year, notwithstanding significant structural changes in E&P Wealth and E&P Funds. Underlying EBITDA of $28.9 million was 3% higher driven by a record result for E&P Capital, the continued strong contribution from the Evans & Partners high net wealth business and gains from the Group's principal positions in its private equity joint ventures. Lower depreciation and amortisation expenses, following rationalisation of the Group's office footprint, and non-recurring revenue contribution from E&P Funds assisted in increasing underlying NPATA by 42% to $10.3 million for the year.

During the year, Management continued its focus on reducing costs across the organisation, delivering further operational efficiencies through the restructure of several E&P Funds strategies. These efforts contributed to a decrease in operating expenses in FY22 (excluding non-underlying items) by 2% compared to the prior corresponding period. However, due to competitive market conditions and a strong desire to maintain continuity of client-adviser relationships as the Group worked through implications of the DASS VA, staff costs increased by 4% over the year.

Notes:

1. Total revenue presented above excludes interest income of $0.3 million, fair value adjustments of non-core investments of $0.4 million, $4.2 million gain and $1.3 million closing distributions from the sale of the Group's interests in the manager of the FSREC Property Fund and other investments, foreign exchange gains of $0.4 million and gains on leases of $0.1 million.
2. Net revenue is defined as gross revenue less cost of sales including trading execution, clearing and settlement costs.
3. Underlying EBITDA reflects adjustments for items or events that the directors consider are not part of the usual business activities or reflect the underlying performance of the Company. See reconciliation in Non-IFRS information section for further information.
4. Underlying NPATA is defined as underlying net profit after tax, before amortisation of acquired intangibles and items or events that the directors consider are not part of the usual business activities or reflect the underlying performance of the Company. See reconciliation in Non-IFRS information section for further information.

DELIVERING ON STRATEGIC PRIORITIES

During the period, the Group continued to execute its clearly defined strategy to drive medium and long-term growth.

In conjunction with the successful consolidation to a single wealth brand, E&P Wealth has transitioned to a more contemporary operating model led by greater governance and independence. This backdrop has enabled E&P Wealth to focus on growing its full-service advice offering, which has helped contribute to a greater proportion of FUA-based annuity revenue as compared to fixed fees for advice.

The investments made in prior years in developing strong compliance, risk and governance systems means E&P Wealth is well placed to add scale to its operations through the provision of advice to the underserviced mass affluent retail segment of the market. E&P Wealth has demonstrated early success in achieving this goal, with strong growth in the Evans & Partners Retail Wealth Management (**RWM**) offering over the past two years, which accelerated through FY22.

E&P Capital continued to prosecute its strategy as a boutique offering to corporate and institutional clients. This included targeted recruitment in key focus sectors to strategically increase market verticals and sector specialisation across corporate advisory, institutional and equity research. Enhancing E&P Capital's equity research coverage and origination capability, particularly within equity capital markets, for its private and institutional clients is central to E&P Capital's growth strategy. The expansion of E&P Capital into Asia through E&P Asia (HK) is augmenting this strategy by providing expanded access to our platform for international clients and increased penetration in the Asian market.

During the period, E&P Funds continued to implement structural change initiatives to its real asset funds with significant progress achieved in delivering value and liquidity for investors. The initiatives completed in FY22 included:

- Facilitating $425 million in withdrawal offers from the FSREC Property Fund (**FSREC**), with an additional withdrawal offer of up to $96 million that closed in July 2022.
- The sale of New Energy Solar's (**NEW**) Australian assets for $288 million in July 2021 with proceeds applied to reduce debt and fund unit buybacks. On 22 August 2022, NEW announced that it had entered an agreement to dispose of its remaining US assets at approximately NAV for US$244.5 million (A$352 million)[1].
- The continuation of the US Masters Residential Property Fund (**URF**) asset sales program, with US$200 million of asset sales completed since it commenced. This initiative has since been supplemented by significant cost reductions to the URF operating platform, on-market buybacks and exploration of alternative operating structures.
- Announced capital returns totalling $86 million to investors in the CD Private Equity Funds.

Several initiatives remain on foot, which the business is firmly focused on completing to facilitate an orderly exit of related party and non-core activities.

Efforts to expand and diversify the distribution of E&P Funds' high conviction core equities strategies are beginning to materialise, with strong performance and improved access to the Claremont Global strategy on key platforms over FY22. The business will continue to invest in improving access and external distribution over FY23, including for our high-performing private equity strategies.

Notes:

1. Completion of the sale is subject to conditions including shareholder and regulatory approval, following which it will result in the return of all remaining capital, delisting from the ASX and wind-up of the company.

Year in Review *(cont.)*

The Group made a number of key management hires over the year to assist in the strategic direction and execution the Group's core business growth initiatives. This included the appointment of India McLean as Managing Director, Marketing and Rose Clark as Chief People Officer. Ms McLean and Ms Clark each bring a wealth of experience to E&P, they will be central to the Group's efforts as we implement targeted marketing and seek to enhance our talent management, training and development frameworks to support our staff and help drive performance across the Group.

Reflective of the ongoing Board renewal and succession planning, the Group appointed Tony Johnson as Executive Director on 1 June 2022. Mr Johnson enjoyed a successful 34-year career with EY where he amassed extensive experience in the financial services sector locally and internationally. Tony was a Partner of EY, Managing Partner of EY's Financial Services business across Asia Pacific and the CEO and Managing Partner of EY Oceania leading over 600 partners and 9,000 people providing over A$2.3 billion of assurance, tax, transaction, strategic, technology and business consulting services.

In addition to his role as a Director, Mr Johnson will join E&P in an executive capacity focused on identifying and developing growth opportunities across the Group.

SUSTAINABILITY

Recognising its growing importance to a broad array of stakeholders, during FY22 a corporate Environmental, Social & Governance (**ESG**) framework and reporting program was initiated. A firm-wide review of our corporate sustainability practices was undertaken, and a framework developed, that considers ESG topic areas material to the ongoing success of our business.

An inaugural 'Sustainability Overview 2022' report that details our process and performance for the financial year ended 30 June 2022 is available on our website: www.eap.com.au/shareholder-centre/sustainability.

FY22 HIGHLIGHTS[1]

- 8,000+ clients and families provided with financial advice
- 40% women on E&P board and investment committee. 39% across all staff
- GHG emissions footprint measured[2] for the first time with the intention to reduce and compensate in FY23
- Joined Responsible Investment Association of Australia (RIAA)
- 1GW$_{DC}$ of solar assets managed through New Energy Solar and US Solar Fund[3]
- AFR Top 100 graduate employer and AGEE Top 40 intern program[4]
- $270 million+ in FUA across our sustainable investment product suite
- $160,000+ raised for community organisations through E&P and staff
- 1.69 tonnes of paper saved through introduction of electronic signatures

Notes:

1. All data unaudited, as at 30 June 2022
2. Operational (Scope 1 and 2) greenhouse gas emissions only
3. Includes combined portfolio of plants that are wholly or partly owned by New Energy Solar Fund and US Solar Fund
4. Australian Financial Review Top 100 Graduate Employers, Australian Association of Graduate Employers Top 40 Intern Program

ADDRESSING LEGACY ISSUES

During the period and post 30 June 2022, the Board and Management team continued to address the legacy issues related to DASS.

ASIC PROCEEDINGS

On 8 July 2021, DASS entered into a Heads of Agreement with ASIC to resolve the legal proceedings commenced by ASIC against DASS in the Federal Court of Australia. Under the Heads of Agreement DASS agreed to pay to the Commonwealth a pecuniary penalty of $7.2 million and ASIC's costs relating to the legal proceedings agreed at $1.0 million (subject to approval of the Court).

REPRESENTATIVE PROCEEDINGS

On 4 November 2021, the Company announced that a representative proceeding had been commenced in the Federal Court of Australia against DASS, the Company and Mr. Alan Dixon (former Director of the Group) by Piper Alderman on behalf of named applicants and group members who were retail clients of DASS. The proceeding makes certain allegations in connection with personal advice provided by DASS representatives to the applicants and group members in respect of the US Masters Residential Property Fund.

On 24 December 2021, the Company announced that a second representative proceeding had been commenced by Shine Lawyers in the Federal Court of Australia against DASS, the Company, Mr. Alan Dixon and Mr. Christopher Brown (former Directors of the Group). In the Statement of Claim, the Applicant makes similar allegations to those made in the representative proceedings commenced by Piper Alderman. The Federal Court made orders on 15 June 2022 that only the proceedings commenced by Shine Lawyers would proceed, with the Piper Alderman action stayed until the resolution of the Shine Lawyers proceeding. An interlocutory application hearing in the Shine Lawyers proceeding is scheduled for 7 September 2022.

VOLUNTARY ADMINISTRATION OF DASS

On 19 January 2022 the Directors of DASS placed DASS into VA after determining that mounting actual and potential liabilities meant DASS was likely to become insolvent at some future time. Actual or potential liabilities included possible damages arising from the representative proceedings led by Piper Alderman and Shine Lawyers, claims being determined by the Australian Financial Complaints Authority (**AFCA**), and penalties agreed between DASS and ASIC.

E&P's objectives, as a result of the VA are to:

I. facilitate the prompt transfer of DASS clients to a replacement service provider of the client's choice with minimal disruption to client service; and

II. propose a Deed of Company Arrangement (**DOCA**) which provides for the comprehensive settlement of all DASS and related claims (including the representative proceedings) in a manner which provides for equitable treatment of all DASS client creditors.

As of 30 June 2022, substantially all DASS clients have transferred to a replacement service provider, with just over three quarters choosing to transition to Evans & Partners with their adviser.

The convening period for the second meeting of DASS creditors was recently extended until 30 November 2022. The formulation of a DOCA proposal is at an early stage and remains subject to further discussion with the Voluntary Administrators. EP1 does not intend to comment further until the specific terms of a proposed DOCA have been finalised.

NON-IFRS INFORMATION

The Group utilises certain non-IFRS financial measures when assessing the financial performance of the Group. These measures which include net revenue, underlying Earnings Before Interest, Tax, Depreciation and Amortisation (**EBITDA**) and underlying Net Profit After Tax before Acquired Amortisation (**NPATA**), are not prepared in accordance with IFRS and are therefore considered 'non-IFRS' financial measures.

Management uses non-IFRS information, in addition to financial data prepared in accordance with IFRS to attain a more transparent understanding of the Group's performance. We use non-IFRS measures consistently in our internal planning and forecasting, to establish strategic goals and to allocate resources. The directors therefore believe that the non-IFRS measures provide useful information to assist investors and analysts to understand the business and its performance. The non-IFRS financial measures reflect adjustments for items or events that the directors consider are not part of the usual business activities or reflect the underlying performance of the Company. The adjustments have been consistently applied in all reporting periods, regardless of their impact on the underlying result.

The table below sets out the adjustments to EBITDA and NPAT that were made for FY22 and FY21.

UNDERLYING EBITDA AND NPATA RECONCILIATION IN FINANCIALS

FOR THE YEAR $'000	FY22	FY21
Net profit/(loss) before tax	**10,148**	**(18,040)**
Interest revenue and finance costs	1,176	1,351
Depreciation, amortisation and impairment of PPE	13,318	14,553
Impairment of goodwill, intangible assets and investments	585	12,658
EBITDA	**25,227**	**10,522**
Underlying adjustments		
Government stimulus grant (USA)	-	(889)
Net change in value of non-core investments[1]	1,366	3,207
Commonwealth penalty	-	7,200
Legal/regulatory proceedings and related costs (net of insurance)[2]	5,157	6,119
Takeover defence costs	-	1,849
Net gain from sale of interests in FSREC	(5,195)	-
Onerous contract expense	464	-
Loss on deconsolidation of DASS	1,859	-
Underlying EBITDA[3,4]	**28,878**	**28,008**
Statutory NPAT	**6,316**	**(18,835)**
After tax amount of underlying adjustments	1,672	14,270
E&P Wealth goodwill impairment	585	11,193
Amortisation of acquired intangibles	1,695	1,568
US CARES Act tax credit	-	(947)
Underlying NPATA[5,6]	**10,268**	**7,249**

Notes:

1. Non-core investments reflect the Group's legacy investment in an asset or enterprise that is unrelated to the core activities of the Group.
2. Regulatory proceedings and related costs are net of insurance recovery and include administrative costs incurred in relation to the DASS VA.
3. The FY22 Underlying EBITDA adjustments include $5.2 million net gains from the sale of the Group's interests in the manager of the FSREC Property Fund ($5.2 million after tax), net fair value adjustments on non-core investments of $1.4 million ($1.1 million after tax), $5.2 million in expenses relating to legal/regulatory proceedings and related costs, net of insurance ($3.6 million after tax), net onerous contracts expenses of $0.5 million ($0.3 million after tax) and loss on deconsolidation of DASS of $1.9 million ($1.9 million after tax).

4. The FY21 Underlying EBITDA adjustments include income of $0.9 million received in the form of US Paycheck Protection Program forgivable loan ($0.9 million after tax), net fair value adjustment of and acquisition loss on non-core investments of $3.2 million ($2.4 million after tax), $7.2 million Commonwealth penalty ($7.2 million after tax), $6.1 million in expenses associated with regulatory proceedings and related costs, net of insurance ($4.3 million after tax) and $1.8 million in direct legal and advisory expenses incurred as a result of the takeover defence ($1.3 million after tax).
5. The F22 Underlying NPATA excludes the impact of amortisation of intangible assets that arose from the merger with Evans & Partners, acquisition of Fort Street Advisers and the Company's IPO totalling $1.7 million after tax and a $0.6 million impairment of goodwill in E&P Wealth due to regulatory matters.
6. The FY21 Underlying NPATA excludes the impact of amortisation of intangible assets that arose from the merger with Evans & Partners, acquisition of Fort Street Advisers and the Company's IPO totalling $1.6 million after tax, tax relief stimulus measures resulting from the US CARES Act totalling $0.9 million and an $11.2 million impairment of goodwill in E&P Wealth due to regulatory matters.

BUSINESS SEGMENT OVERVIEW

E&P WEALTH

E&P Wealth provides a full-service solution for private clients through a complementary suite of services including financial advice, investment advice, stock broking, private wealth management, private client portfolio administration and reporting, self-managed superannuation fund administration and legal services. E&P Wealth revenues are primarily derived from fee for service investment and financial advice and administration, asset-based advice fees and securities brokerage. E&P Wealth also receives fees for participation in equity and debt capital raisings.

E&P Wealth generated net revenue of $83.9 million in FY22 which was in-line with the prior corresponding period. A strong first half performance driven by growth in the Evans & Partners high net wealth business was offset in the second half by the impacts from the DASS VA and softer market conditions. Following the DASS VA, the Group facilitated the transfer of all DASS clients to a service provider of their choice. As of 30 June 2022, substantially all DASS clients have transferred to a replacement service provider, with just over three quarters choosing to transition to Evans & Partners. Revenue in the second half of the year was impacted by the deconsolidation of DASS, as services provided to DASS clients that transitioned to Evans & Partners were provided for no consideration from the date of the VA (19 January 2022) until their annual service renewal date. This one-time foregone revenue is estimated to be approximately $1.5 million based on the cost to fulfil the remaining service obligations for the relevant clients.

E&P Wealth underlying EBITDA of $10.9 million was down 29% on the prior corresponding period as divisional profitability was affected by the DASS VA and client exits. Direct expenses increased by 7% over the period, reflecting costs incurred in retaining Dixon Advisory clients and staff, together with higher revenue linked variable remuneration in Evans & Partners.

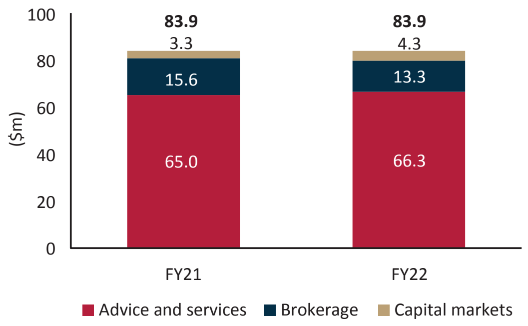
From June 2022, as former DASS clients who joined Evans & Partners reach their annual billing review, clients can choose to either remain on a fixed fee structure but at a higher fee consistent with industry standard pricing, join the full-service FUA-based RWM service, or leave the service. While in some cases discussions are ongoing, around 44% of those clients reaching their annual review in June and July 2022 are (or are considering) joining the RWM service and a further 27% have accepted the increased fixed fee, with approximately 15% choosing to exit.

We expect earnings and margins to rebound over the course of FY23 and improve again in FY24 as additional clients choose to move to the RWM full-service FUA-based model, industry standard pricing is rolled out across the remaining fixed fee client base (occurring progressively over FY23) and the one-off impacts of the DASS VA recede, albeit the first half of FY23 will also be impacted by the provision of services for no consideration to those transitioned DASS clients yet to reach their annual service renewal date.

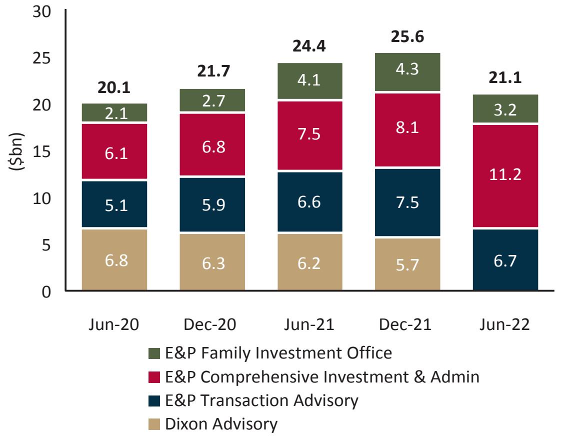
Year in Review *(cont.)*

Total E&P Wealth funds under advice (**FUA**) was $21.1 billion at 30 June 2022, representing a decrease of 14% from the prior period due to equity market declines over the second half and client exits. The total number of E&P Wealth clients fell from approximately 9,100 to 8,000 due to Dixon Advisory client exits as a result of the DASS VA, which offset net client gains in Evans & Partners. Overall, the Group saw strong support from the Dixon Advisory client base with just over three quarters of clients choosing to remain with the business and transition to Evans & Partners with their adviser.

E&P WEALTH NET REVENUE



E&P WEALTH FUA



The decrease in Family Investment Office FUA of 14% compared to the prior comparable period was exacerbated by concentrated exposure to individual securities held by select clients, with total client numbers remaining steady over the period. We are actively looking to expand our high-touch Evans & Partners Family Investment Office service as we believe this segment of the market represents an attractive opportunity to leverage the Group's intellectual property to provide clients with a bespoke service for managing complex affairs and intergenerational wealth management.

Throughout FY22, the RWM service offering continued to receive strong support from existing and new clients. At the period end, there was a total of 1,081 clients on RWM representing FUA of approximately $2.0 billion with further growth achieved in July 2022, accelerated by the transition of Dixon Advisory clients to Evans & Partners. The momentum in the RWM offering remains integral to the divisional strategy to restructure its earnings profile by expanding the Evans & Partners financial advice offering across our client base and increasing exposure to FUA-based revenue whilst reducing the contribution from transactional sources.

Over FY22 we continued to invest in our advisers through best-in-class training and mentoring to develop and retain internal talent. Over 6,400 hours of accredited training was delivered in addition to internally developed content. We have made further enhancements to the client portal with the addition of a suite of ESG data and metrics of ESG performance against investment holdings. We believe this is an important initiative that brings several key benefits across the client experience and provision of service.

Year in Review *(cont.)*

E&P CAPITAL

E&P Capital provides stockbroking and investment advisory services to institutional clients and advice to corporations, including advice on equity and debt capital market transactions, public markets and private treaty mergers and acquisitions, corporate divestments, private equity buyouts, debt financing and corporate restructurings. The E&P Capital segment generates revenue through institutional brokerage and securities execution commissions, corporate advisory services fees and debt and equity capital markets advice fees.

E&P Capital achieved a record result in FY22 with the division recording net revenue of $62.2 million, up 8% compared to the prior corresponding period. This growth was driven by high transaction levels for M&A advisory, supported by selected Capital Market mandates in what was an extraordinary market dynamic given several new entrants and record transactions levels, especially in the first half of the year. Underlying EBITDA was $14.6 million, which was 3% higher than the prior year.

The earnings uplift was led by the successful execution of Corporate Advisory transactions with several M&A mandates in targeted sectors of expertise and resilient Capital Markets activity despite challenging market conditions in the second half. E&P Capital's institutional business continued to perform well in a competitive environment, supported by the Group's expansion into Asia via E&P Asia (HK). E&P Asia (HK) provides access to the E&P Capital platform to international clients and aids in increasing share of wallet of key international clients through penetration in the Asian market.

The business also enhanced its position across target sectors and key products with senior recruitment enabling expanded sector coverage. The result demonstrated the successful execution of the business' integrated growth strategy.

Over FY22 the equity research team refined its coverage with 136 securities under coverage as of 30 June 2022, representing approximately 73% of the ASX200 by market capitalisation. During the year the team initiated on an additional 28 companies.

The quality of the Group's institutional sales, trading and equity research teams were again demonstrated through E&P Capital's strong result in the most recent Peter Lee Associates Australian Equity Investors Report.

REPORT	HIGHLIGHT
Peter Lee Associates Australian Equity Investors Report 2021	■ **Sales** - #2 in sales team capability ■ **Research** - excellent recognition for sector research – top three ranked analysts in three sectors; top five in five sectors ■ **Trading** - #2 ranked for best execution in small caps

Year in Review *(cont.)*

E&P CAPITAL SELECT CORPORATE ADVISORY TRANSACTIONS

Select M&A transactions

May 2022
Undisclosed

Adviser to Re.Group and Mercury Capital on their acquisition of Polytrade

February 2022
Undisclosed

Adviser to Allity Aged Care and its shareholders on sale to Bolton Clarke

December 2021
Undisclosed

Adviser to Genie Solutions in relation to its sale to Citadel Group / PEP

July 2021
n.a.

Adviser to the Independent Board Committee of AMP Capital's Community Infrastructure Fund

December 2021
~$1.6 billion

Defence adviser to ALE Property Group

October 2021
$65 million

Defence adviser to RedHill Education in relation to a combination with iCollege Ltd

Select Capital Markets transactions

March 2022
$80 million

Institutional Placement
Joint Lead Manager

November 2021
$214 million

Non-Renounceable Entitlement Offer
Sole Arranger and Joint Lead Manager

October 2021
$357 million

Initial Public Offering
Joint Lead Manager

November 2021
$212 million

Institutional Placement and ANREO
Sole Arranger and Joint Lead Manager

October 2021
$51 million

Accelerated Non-Renounceable Institutional Entitlement Offer
Joint Lead Manager

August 2021
$655 million

Capital Notes 3
Joint Lead Manager

E&P FUNDS

E&P Funds is a specialist global fund manager spanning global equities, residential and commercial property, private equity and sustainable and social investments. Our approach is to focus exclusively on markets that meet specific criteria providing superior return potential and diversification power, opportunities to identify mispriced assets through active management and scope to leverage our competitive advantage. E&P Funds generates its revenue primarily from investment management fees, revenue for responsible entity and administration services, performance fees and revenue from execution of transactions such as asset acquisitions, disposals and debt arranging.

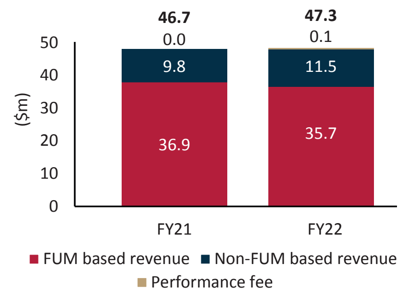
Year in Review *(cont.)*

E&P Funds recorded net revenue of $47.3 million up 1% on the prior corresponding period. FUM-based revenue fell 3% against the prior corresponding period as a result of lower FUM following the asset sale program for URF, a lower NEW enterprise value following asset disposals and the sale of the Group's interests in the manager of the FSREC Property Fund. Base management fees received from the Group's core equities strategies were up 5% on the prior corresponding period, despite being impacted by equity market declines in the second half of the year. Non-FUM-based revenue grew by 18% against the prior period driven by Solar asset disposal fees and non-recurring revenue, including contribution from principal positions in our joint venture private equity funds.

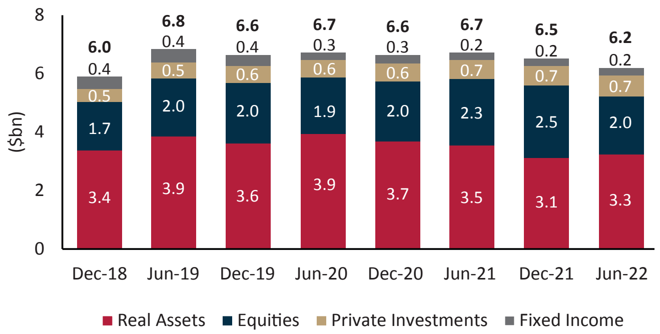
E&P Funds produced underlying EBITDA of $14.0 million, which was up 46% compared to the prior corresponding period and also benefitted from lower direct expenses with operating expense efficiencies achieved following the rationalisation of strategies.

Funds under management at 30 June 2022 was $6.2 billion, down 8% on the prior corresponding period as FUM was impacted by negative equity market movements and the deliberate asset sales.

E&P FUNDS NET REVENUE



FUNDS UNDER MANAGEMENT BY ASSET CLASS



During the period, E&P Funds' core equities strategies delivered mixed performance in light of challenging market conditions experienced over the second half. The Group's private equity funds, however, continued to perform well with significant capital returns made to investors across several funds.

Despite the challenging market conditions, Claremont Global continued to perform well, receiving an upgraded "recommended" investment rating from Lonsec and Zenith following a strong year in which it ranked as the number one performing global equity manager in Australia in Morningstar's Top-performing global equity fund managers in 2021 (Large Blend) report[1]. Claremont Global continued their focus on increasing access to the strategy through key platforms, with total net inflows of $91 million for FY22, including $36 million in external FUM, notwithstanding the market was down 8.1% over the year[2].

The Orca Global Disruption Fund expanded its investment team to further assist in attracting external capital and research ratings in line with the Group's strategic focus on growing third party capital from a diverse investor base.

Over the period, E&P Funds continued to progress structural initiatives across its real asset funds to achieve value and liquidity for investors. The FSREC Property Fund facilitated withdrawal offers totalling

Notes:

1. Morningstar Top-performing global equity fund managers in calendar year 2021 (Large Blend) report (1 year performance).
2. MSCI AC World Accumulation Index ex. Australia (AUD).

$425 million with an additional withdrawal offer of up to $96 million that closed in July 2022[1]. The URF asset sale program is progressing with over US$200 million of asset sales completed since the program commenced, with initiation of further significant cost reductions to the URF operating platform, on market buybacks and exploration of alternative structures such as outsourcing. NEW completed the sale of its Australian assets for $288 million with proceeds utilised for debt reductions and buybacks while the CD Private Equity Funds announced that they would be returning $86 million to investors during FY22. On 22 August 2022, NEW announced that it had entered an agreement to dispose of its remaining US assets at approximately NAV for US$244.5 million (A$352 million)[2].

While there has been excellent progress made, the forward earnings outlook has changed alongside these deliberate structural changes with FUM-based revenue expected to reduce from real asset funds, to be offset by growth in core equities over time.

E&P FUNDS EQUITIES

EQUITIES OFFERING FUM[3]	30-JUN-21	NET INFLOWS	MARKET MOVEMENTS	30-JUN-22	CHANGE %
Claremont Global / E&P International Strategies	$1,081m	$91m	($92m)	$1,080m	(0.1%)
Orca Global Disruption Fund / E&P Global Disruption Portfolio	$555m	($28m)	($211m)	$316m	(43.1%)
Orca Asia Fund	$91m	($26m)	($13m)	$52m	(42.3%)
Orca Global Fund	$110m	($36m)	($2m)	$72m	(34.7%)
E&P Australian Equities Strategy	$411m	$32m	($20m)	$423m	+2.8%
Other (Global Healthcare / Sprott Gold[4])	$23m	($5m)	($1m)	$17m	(29.1%)
Total Equities FUM	**$2,271m**	**$28m**	**($339m)**	**$1,960m**	**(13.7%)**

SELECT PRODUCT PERFORMANCE AS OF 30 JUNE 2022[5]	TOTAL RETURN (P.A.)[6]			
FUND	1 YEAR	VS INDEX	SINCE INCEPTION[7]	VS INDEX
Claremont Global Fund	(1.5%)	6.6%	13.3%	3.0%
Orca Global Disruption Fund	(37.0%)	(28.4%)	9.0%	(0.6%)
E&P Australian Equities Growth Portfolio	(3.2%)	2.0%	11.8%	2.6%

Notes:

1. The FSREC Property Fund withdrawal offer of up to 53,928,771 securities at a price of $1.78 per security closed on 8 July 2022.
2. Completion of the sale is subject to conditions including shareholder and regulatory approval, following which it will result in the return of all remaining capital, delisting from the ASX and wind-up of the company.
3. Gross funds under management.
4. The Sprott Gold Portfolio was closed on 30 May 2022.
5. Not illustrative of overall performance.
6. Illustrative performance of a $10,000 investment after fees with dividends reinvested since inception to 30 June 2022 and exit unit price from this date, if applicable. Past performance is not a reliable indicator of future performance.
7. Inception date for Claremont Global Fund on 18 February 2014, Orca Global Disruption Fund on 25 July 2017 and E&P Australian Equities Growth Portfolio on 16 March 2011.

DIVIDENDS

The Board has declared a final dividend for FY22 of 2.7 cents per share that is expected to be paid on 11 October 2022. This represents 80% of FY22 NPATA.

BALANCE SHEET AND CAPITAL

The Group strengthened its balance sheet position over FY22 with a 4% increase in net assets and net cash of $74.2 million as at 30 June 2022, supported by $25.6 million of investments in financial assets and equity accounted investments. Cash and cash equivalents were up 46% compared to the prior year driven by growth in operating earnings and proceeds from the disposal of investments, noting the cash balance is largely committed.

Corporate governance statement

INTRODUCTION

The board of E&P Financial Group Limited (the "**Company**") recognises the importance of good corporate governance and its impact on investor confidence. The board of the Company (the "**Board**") is responsible for the corporate governance of the Company and its related bodies corporate (the "**Group**").

This corporate governance statement documents the Company's key corporate governance practices that were put in place by the Company, in line with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) ("ASX Principles and Recommendations").

The various corporate governance policies and charters adopted by the Company and referred to in this document are available at www.eap.com.au/shareholdercentre/corporate-governance.

ROLE AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for the overall corporate governance of the Group. The Board monitors the operational and financial position and performance of the Group and oversees its business strategy, including approving the strategic goals of the Group and considering and approving its annual business plan and the associated budget.

The Board is committed to maximising performance, generating appropriate level of Shareholder value and financial return and sustaining the growth and success of the Group. In conducting the Group's business consistent with these objectives, the Board seeks to ensure that the Group is properly managed to protect and enhance shareholder interests and that the Group, its Directors, officers and personnel operate in an appropriate corporate governance environment.

The Board has adopted a written charter to clarify the roles and responsibilities of the Board members. The charter sets out:

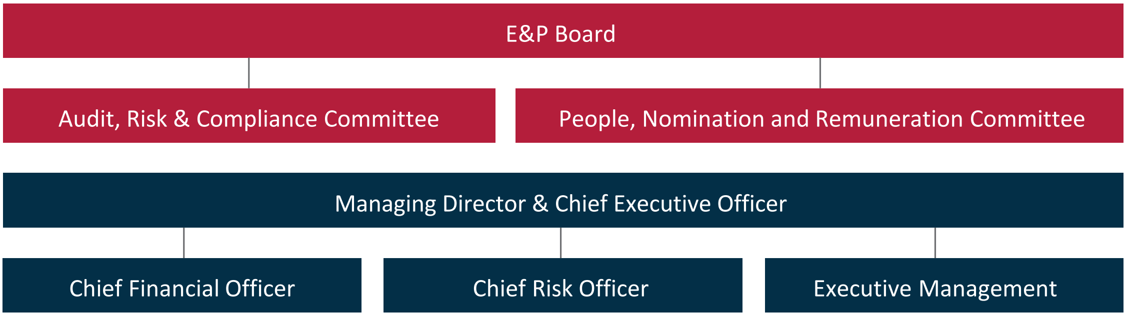
- the Board composition;
- the Board's role and responsibilities;
- the relationship and interaction between the Board and management; and
- the authority delegated by the Board to management and Board committees.

A copy of the Board Charter is available www.eap.com.au/shareholdercentre/corporate-governance.

Although the Board is ultimately responsible for the overall direction and performance of the Company and the Group, the Managing Director & Chief Executive Officer, under the direction of the Board, is responsible for the day-to-day management and operation of the Company.

Corporate governance statement *(cont.)*

The below diagram summaries the Company's governance model.



ROLE OF THE COMPANY SECRETARY

The Company Secretary is responsible for providing support to the Board and its Committees by:

- monitoring whether the Company's corporate governance policies and charters are followed;
- advising the Board and the Committees on governance related matters;
- coordinating distribution of Board and Committee packs;
- preparing meeting minutes for the Board and Committees; and
- coordinating induction and professional development for directors.

Company Secretaries will be appointed by the Board and will be directly accountable to the Board through the Chair.

STATEMENT OF VALUES

E&P Financial Group identifies the following as our values to help in achieving our purpose:

- we act with integrity;
- we are accountable;
- we strive for excellence in all that we do;
- we always have our client's best interests in mind;
- respect, inclusion and teamwork are at the core of our business; and
- we operate as a meritocracy.

CODE OF CONDUCT

The Company is committed to maintaining the highest ethical standards in the conduct of its business activities. The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal Code of Conduct to be followed by Directors, management, senior executives and other employees.

Corporate governance statement *(cont.)*

The key aspects of this code are to:

- articulate the high standards of honesty, integrity and ethical and law-abiding behaviour of directors and senior executives;
- encourage the observance of those standards to protect and promote the interest of shareholders and other stakeholders (including employees, clients, service providers and creditors);
- guide directors and senior executives as to the practices thought necessary to maintain confidence in the Company's integrity; and
- set out the responsibility and accountability of directors and senior executives to report and investigate any reported violations of this code or unethical or unlawful behaviour.

The Code of Conduct requires that the Board of the Company is informed of any material breaches of the code.

A copy of the Code of Conduct is available at www.eap.com.au/shareholdercentre/corporate-governance.

APPOINTMENT OF DIRECTORS OR SENIOR EXECUTIVES

The Company has a formal process in place to ensure that appropriate background checks are undertaken before appointing a person as director or senior executive or putting forward to shareholders a candidate for election as a director. Background checks include verification of candidate's experience, criminal record and bankruptcy history.

Upon proposing a candidate for election or re-election as a director, the Company will provide shareholders with the relevant material information in its possession to allow shareholders to make an informed decision. This generally includes:

- biographical details of the candidate, including their qualifications, experience and skills which may be beneficial to the Board of the Company; and
- details of any current or past directorships held by the candidate.

Each director or senior executive is appointed by a formal letter or contract of appointment setting out the key terms and conditions of their appointment to ensure that each director or senior executive clearly understands the Company's expectations of him or her.

BOARD SKILLS MATRIX

The Company seeks to maintain a Board of Directors with a broad range of skills and diversity. The Board has developed the following matrix which lists the skills and industry experience across the five members of the Board as at 30 June 2022. This skills matrix is reflective of the Board as at 30 June 2022.

SKILLS	NUMBER OF DIRECTORS
Leadership & Strategic Direction	5
Corporate Governance	5
Financial & Accounting	5
Risk Based Auditing & Risk Management	5
Legal & Regulatory Compliance	5

INDUSTRY EXPERIENCE	NUMBER OF DIRECTORS
Financial Markets	5
Wealth Management	5
Funds Management	5
Corporate Advisory	5
Sustainability	3

COMPOSITION OF THE BOARD FOR FY2022

The Company's Board as at 30 June 2022 comprised of majority independent members:

DIRECTOR	POSITION
David Evans	Executive Chair[1]
Peter Anderson	Managing Director & Chief Executive Officer
Tony Johnson	Executive Director
Sally McCutchan	Independent Non-Executive Director
Josephine Linden	Independent Non-Executive Director

Appointments and resignations during the reporting period were as follows:

DIRECTOR	POSITION
Peter Anderson	Managing Director (appointed on 16 November 2021)
Tony Johnson	Executive Director (appointed on 1 June 2022)
Sally McCutchan	Independent Non-Executive Director (appointed on 10 November 2021)
Kevin McCann	Lead Independent Non-Executive Director (retired on 16 November 2021)
Anthony Pascoe	Independent Non-Executive Director (retired on 29 November 2021)
Sally Herman	Independent Non-Executive Director (retired on 10 November 2021)

Detailed biographies of each of the Directors at the date of this report are given in the Directors' Report (see page 33 of the Annual Report), including the number of years in office, skills, experience and current and former directorships.

The ASX Principles and Recommendations state at Recommendation 2.4 that a majority of the board of a listed entity should be independent directors. At the commencement of the reporting period the Board comprised of a majority of independent directors. Following the November 2021 retirements and appointments (per the above table), the Board was no longer majority independent. These changes included the appointment of Mr Peter Anderson as Managing Director on the basis that Mr Anderson's experience gained as CEO of the Company would bring an invaluable contribution to the Board. Further

Notes:

1. On 6 May 2022, the Company announced that Mr Evans would transition from Executive Chair to Non-Executive Chair, effective 1 July 2022.

to this, effective 1 June 2022, the Company appointed Mr Tony Johnson as an Executive Director with a focus on business development. Mr Johnson brings to the Board extensive experience gained from his 34-year career with Ernst & Young ("EY"). Mr Johnson was a Partner of EY, Managing Partner of EY's Financial Services business across Asia Pacific and the CEO and Managing Partner of EY Oceania leading over 600 partners and 9,000 people providing over A$2.3 billion of assurance, tax, transaction, strategic, technology and business consulting services. The Company believes the current Board composition is well positioned and appropriate as it continues through its strategic transition towards its next stage of growth.

The ASX Principles and Recommendations state at Recommendation 2.5 that the chair of a listed entity should be an independent director and should not be the same person as the CEO of the entity. The Directors have reserved absolute discretion to determine the appropriate composition of the Board and have determined not to follow Recommendation 2.5 to the extent that it recommends the Chair position be held by an independent Director. During the reporting period the Chair was Mr David Evans, who is not the CEO of the Company. On 6 May 2022, the Company announced that effective from 1 July 2022, Mr David Evans' employment as Executive Chair would end and he would transition to Non-Executive Chair. Mr Evans will be considered a Non-Independent Non-Executive Chair until such time it can be determined that Mr Evans complies with the criteria for independence. The Company believes it is appropriate for Mr Evans to be the Chair given he is the founder of Evans & Partners, he has deep experience and knowledge in the industry sectors in which the Group operates, and he has a proven track record of facilitating effective contributions from all directors and promoting constructive relations between directors and between the Board and Group management. Further, the transition to a Non-Executive function will strengthen the separation between Group management and the Board's oversight of such management.

The Company's Board Charter provides that the Board has the ability to appoint a lead independent director where the Chair of the Company is not independent. The lead independent director's responsibilities include:

- perform the role and function of the Chair in the absence of the Chair for any reason;
- be available to facilitate (as appropriate and required) Chair succession planning, approvals and actions required to be performed by the Chair where the Chair may be conflicted;
- support in the performance evaluation of the role and function of the Chair; and
- act as a separate channel of communication for security holders in particular where those communications may concern the Chair.

At the commencement of the reporting period, Mr Kevin McCann was the Lead Independent Director of the Board. On 16 November 2021, Mr McCann retired from the Board and as such the Lead Independent Director position was vacated. The Board has not considered it necessary to formally appoint a replacement Lead independent Director at this time.

DIVERSITY

The Board recognises the importance of diversity and believes that it creates value for shareholders by fostering innovation, productivity and responsiveness. Diversity is a key strategic asset of the Group and therefore improving diversity is a key strategic focus.

The Group's commitment to diversity forms part of its merit-based organisational culture dedicated to the recruitment and retention of the best available talent at all levels, up to and including the Board.

Corporate governance statement *(cont.)*

The Group believes that embracing diversity in its workforce contributes to the achievement of its corporate objectives and enhances its reputation. To date the Board has largely focused on gender diversity as the first plank of its diversity and inclusion strategy. As this strategy evolves, the Board will look to embed other elements of diversity into its metrics and targets.

The Company has adopted a Diversity Policy which outlines the Company's commitment to achieving diversity across the Group. Under the policy, the Board is expected to establish measurable objectives for achieving gender diversity and to annually review and assess both the measurable objectives for achieving gender diversity and the Group's progress in achieving them.

MEASURABLE OBJECTIVES

As required by the Group's Diversity Policy, the Board is required to set measurable objectives to allow it to achieve diversity. In FY22, the People, Nomination and Remuneration Committee and Board scheduled working sessions to consider industry diversity issues and agree an appropriate set of objectives encompassing senior executives and our workforce generally. The Board agreed to introduce an expanded range of targets related to diversity for the year to 30 June 2022:

OBJECTIVE	FY22 PERFORMANCE	ACHIEVED (Y/N)
1. To not have less than 30% of each gender on the Board at all times	At least 40% of each gender on the Board at all times	YES
2. To make offers of employment to women under the Graduate and Intern Programs which on a rolling three-year basis average circa 50% of the total number of offers made	Rolling three-year average of 52% of offers made to women, compared to 23% of applications received	YES
3. In the medium term, to target overall gender ratios consistent with or better than industry metrics (subject to the availability of data)	Reliable industry data not available; overall ratio of 39 : 61 females : males	N/A

GENDER DIVERSITY DATA

The proportion of men and women employed by the Company as at 30 June 2022 is set out in the table below.

LEVEL	MEN	WOMEN	TOTAL STAFF
Board	60%	40%	5
Key Management Personnel (excluding Directors)	100%	0%	2
Other Executives/Managers	72%	28%	111
Other Employees	57%	43%	304
Total	**61%**	**39%**	**422**

INDUCTION AND ONGOING PROFESSIONAL DEVELOPMENT FOR DIRECTORS

The Company has adopted an induction program which is used for the induction of new directors of the Company. The purpose of the program is to provide new directors with an overview of the organisation, its activities and to position them to discharge their responsibilities effectively and to add value.

Under the program, an induction meeting will be held with each new director. The new director will be given the opportunity to meet with the Chair, other directors, key executives (CEO, CFO and CRO) and management to gain an understanding of the Company's structure, business operations, history, culture and key risks. If the new director is not familiar with the legal framework that governs the entity, the director will also be provided with training on their legal duties and responsibilities as a director under the key legislation governing the Company and the listing rules. If the new director does not have accounting skills or knowledge, they will receive training on key accounting matters and on the responsibility of directors in relation to the financial statements. On appointment, the directors of the Company are individually briefed by the Board, CEO, CFO and senior management.

The Company Secretary is responsible for facilitating the induction and ongoing development of all directors, and where necessary, from time to time, may recommend relevant courses and industry seminars which may benefit the directors and assist members in discharging their duties.

The Board regularly participates in educational sessions in areas of relevance to develop and maintain the skills and knowledge needed to perform their role as director.

BOARD PERFORMANCE EVALUATION PROCESS

The Board has delegated the responsibility to the People, Nomination and Remuneration Committee for establishing processes to evaluate the performance of the Board, and the committees, both collectively and individually. The Company has adopted the following evaluation process:

- on an annual basis, each director must complete an evaluation questionnaire concerning the Board, Committees and each individual director;
- the Chair of the People, Nomination and Remuneration Committee is responsible for collating the responses from each director and presenting the aggregated information to the Board for discussion and feedback; and
- results from the current questionnaire may be benchmarked against data gathered through the performance evaluation process conducted in prior years.

A performance evaluation for the Board was undertaken for the relevant period in accordance with the processes described above.

SENIOR EXECUTIVE PERFORMANCE EVALUATION PROCESS

The Company has entered into an employment contract with each of its senior executives setting out the terms and conditions of their employment.

The Board is responsible for regularly reviewing the performance of key senior executives against measurable and qualitative indicators as decided by the Board. The People, Nomination and Remuneration Committee is responsible for annually reviewing the performance of the Group CEO against the achievement of strategic and financial objectives of the Group in addition to a review of the Group CEO's personal performance in respect of his leadership of the Group.

The Group CEO is responsible for annually reviewing the performance of the Executive Key Management Personnel. Performance review criteria vary according to the individual's role but include (as appropriate) financial performance, risk management, business and people leadership and culture.

A performance evaluation for the senior executives, including the CEO in relation to FY2022 was undertaken in accordance with the processes described above.

POLICIES

FRAUD AND CORRUPTION POLICY

Any fraud or corruption committed against the Company is a major concern to the Company. The Company requires all officers, Associates and employees at all times to act honestly and with integrity and to safeguard the Company resources for which they are responsible. The Company is also committed to protecting all revenue, expenditure and assets from any attempt to gain illegal financial or other benefits. Accordingly, the Board has adopted a fraud and corruption policy.

The Fraud and Corruption Policy applies to all officers and employees (including directors, executives and managers) of the Company and the Group. Where an incident is considered a material breach of the policy, the Board will be notified in accordance with the reporting procedures. A copy of the Fraud and Corruption Policy is available at www.eap.com.au/shareholdercentre/corporate-governance.

WHISTLEBLOWING POLICY

In line with the Company's expected standards of conduct and culture, the Company has adopted a Whistleblowing Policy which aims to promote a culture of compliance, honesty and ethical integrity by providing an avenue, without fear of persecution or intimidation, for the reporting of improper conduct or behaviour (i.e. wrongdoing). Improper conduct or behaviour may relate to the Company's business activities, licensing conditions, internal policies and other standards of behaviour expected of the Company's employees.

The Board of the Company encourages all individuals associated with the Company to report suspected instances of wrongdoing that could potentially harm the Company's employees, its assets, and the Company's long-term sustainability and reputation. The Company has zero tolerance for any breach of the policy. Any material breach of the policy is required to be reported to Board.

A copy of the Whistleblowing Policy is available at www.eap.com.au/shareholdercentre/corporate-governance.

SECURITIES TRADING POLICY

The Company has adopted a Securities Trading Policy which applies to the Company and its directors, officers, employees, including those persons having authority and responsibility for planning, directing and controlling the activities of the Company, whether directly or indirectly (i.e. key management personnel) and associates of the Company directors, officers and employees (Associates).

The policy is intended to explain the types of conduct in relation to dealings in shares of the Company that are prohibited under the Corporations Act and establish procedures in relation to Directors, officers, employees, key management personnel or Associates dealing in shares of the Company.

The Securities Trading Policy defines certain 'trading windows' during which trading in shares of the Company by directors, officers and certain key management personnel is permitted. In all instances, buying or selling of shares of the Company is not permitted at any time by any person who possesses price-sensitive information.

A copy of the Securities Trading Policy is available at www.eap.com.au/shareholdercentre/corporate-governance.

Corporate governance statement *(cont.)*

MARKET DISCLOSURE POLICY

The Company is required to comply with the continuous disclosure obligations of the ASX Listing Rules and the Corporations Act. The Company is committed to observing its continuous disclosure obligations and has adopted a Market Disclosure Policy which establishes procedures that are aimed at ensuring that directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price sensitive information. The CEO, in consultation with the Board, will review the policy as often as it considers necessary.

The Board is responsible for monitoring compliance with the policy. The CEO, CFO, Company Secretary and any other persons nominated by the Board from time to time have the responsibility for managing the Company's compliance with its continuous disclosure obligations. The disclosure officer will be responsible for the disclosure of material information to the ASX. Any items of materiality that require disclosure require the approval of the chair of the Board prior to release.

The Board receives copies of all announcements promptly after they have been made.

All presentations containing price-sensitive information which may be presented to potential or substantive investors/analysts, are published on the ASX ahead of presenting. A copy of the Market Disclosure Policy is available at www.eap.com.au/shareholdercentre/corporate-governance.

SHAREHOLDER COMMUNICATIONS POLICY

The Board's aim is to provide shareholders with sufficient information to assess the performance of the Company and to inform them of major developments affecting the affairs of the Company relevant to shareholders in accordance with all applicable laws. The Company has adopted a Shareholders Communications Policy which aims to promote effective communication with its shareholders and encourage effective participation at general meetings of the Company.

Information will be communicated to shareholders through the lodgement of all relevant financial and other information with the ASX and publishing information on the Company's website. In particular, the Company's website will contain information, including media releases, key policies and the terms of reference of its Board committees. All relevant announcements made to the market and any other relevant information will be posted on the Company's website as soon as they have been released to the ASX.

Each shareholder is provided online access to the Registry to allow them to receive communications from, and send communication to, the Company and the Registry. The Board encourages full participation of shareholders at the annual general meeting. Shareholders who are unable to attend the annual general meeting are given the opportunity to provide questions or comments ahead of the meeting and where appropriate, these questions are answered at the meeting. All substantive resolutions at a meeting of shareholders are decided by a poll.

The Company will ensure that its external auditor attends the Company's annual general meeting and is available to answer questions from the shareholders relevant to the audit.

A copy of the Shareholder Communications Policy is available at www.eap.com.au/shareholdercentre/corporate-governance.

BOARD COMMITTEES

PEOPLE, NOMINATION AND REMUNERATION COMMITTEE

The Board has established a People, Nomination and Remuneration Committee to help the Board fulfil its statutory, fiduciary and regulatory responsibilities, instil the Group's values and achieve its objectives to seek to ensure that the Company:

- has a Board of an effective composition, size and commitment to adequately discharge its responsibilities and duties;
- has coherent remuneration policies and practices to attract and retain executives and directors who can reasonably be expected to create value for shareholders;
- observes those remuneration policies and practices; and
- fairly and responsibly rewards executives having regard to the performance of the Group, the performance of the executives and the general external pay environment.

The People, Nomination and Remuneration Committee is also responsible for:

- identifying and recommending to the Board nominees for membership of the Board;
- annually evaluating the performance of the Board, both collectively and individually;
- reviewing, approving and recommending to the Board for adoption executive remuneration and incentive policies and practices;
- reviewing the remuneration of Non-Executive Directors for serving on the Board and any committee (both individually and in total); and
- reviewing any insurance premiums or indemnities for the benefit of directors and officers.

The committee is governed by the People, Nomination and Remuneration Committee charter. The charter provides that the committee must comprise of at least three directors, majority of whom are independent directors. The chair of this committee must be an independent Non-Executive Director.

Members of the People, Nomination and Remuneration Committee during FY22 were:

- Josephine Linden (Chair, Independent Non-Executive Director)
- Sally McCutchan (Independent Non-Executive Director) (appointed on 10 November 2021)
- David Evans (Executive Director)
- Kevin McCann (Chair, Independent Non-Executive Director) (resigned on 16 November 2021)
- Sally Herman (Independent Non-Executive Director) (resigned on 10 November 2021)

A copy of the People, Nomination and Remuneration Committee Charter is available at www.eap.com.au/shareholdercentre/corporate-governance.

AUDIT, RISK & COMPLIANCE COMMITTEE

The role of the Audit, Risk and Compliance committee is to assist the Board to carry out its role in overseeing the audit, risk management and compliance practices of the Company. The Committee is accountable to the Board for its performance.

The Audit, Risk & Compliance Committee has adopted a formal charter which includes the role and responsibilities of the committee. The charter provides that the committee must comprise of at least three directors, a majority of who are independent. All members of this committee must be able to read and understand financial statements and at least one member be a qualified accountant or other financial professional with experience of financial and accounting matters.

The CEO, CFO and CRO are standing invitees of each meeting of the committee. The chair of the committee (or a person nominated by the chair of the committee) must report to the Board following each meeting of the committee on all matters relevant to the committee's duties and responsibilities.

Members of the Audit, Risk & Compliance Committee during FY22 were:

- David Evans (Chair, Executive Director) (appointed on 10 November 2021)
- Sally McCutchan (Independent Non-Executive Director) (appointed on 10 November 2021)
- Josephine Linden (Independent Non-Executive Director) (appointed on 10 November 2021)
- Kevin McCann (Independent Non-Executive Director) (resigned on 16 November 2021)
- Sally Herman (Independent Non-Executive Director) (resigned on 10 November 2021)

The ASX Principles and Recommendations recommend that a Board's audit committee have at least three members, all of whom are non-executive. There is however no recommendation for the members of a Company's risk committee to be non-executive. The retirement of independent directors in November 2021 lowered the number of non-executive Board members to two, and accordingly the Board could not adopt the recommendation of three non-executive committee members for an audit committee. As at 30 June 2022, the recommendations are partially adopted due to the presence of three members, the majority of whom are independent, and from 1 July 2022 (when Mr Evans transitions to a Non-Executive function) the committee will meet the recommended audit committee composition of three non-executives.

The ASX Principles and Recommendations also recommend that the audit and risk committee chair be an independent director. Having regard to the current composition of the Board, it is considered that the committee is of sufficient size and independence and that the background of Mr Evans makes him an appropriate chair notwithstanding his non-independence.

More information on the number of committee meetings held during the reporting period and the individual committee member attendance can be found in the Directors Report on (page 33).
A copy of the Audit, Risk & Compliance Committee Charter is available at
www.eap.com.au/shareholdercentre/corporate-governance.

AUDIT AND RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

The Audit, Risk and Compliance Committee assists the Board with its oversight of the Company's risk management systems. The Committee assist the Board in ensuring that the Company is operating with due regard to the risk appetite set by the Board. Each of the Company's key underlying divisions maintain a risk management framework which is reviewed on a quarterly basis by the respective compliance committee of that division that is overseen by the Board. A formal review of the Company's risk management systems and respective division's risk management framework is undertaken at least annually.

An annual review of the Company's risk management systems has taken place during the reporting period.

Corporate governance statement *(cont.)*

INTERNAL AUDIT FUNCTION

The Company does not currently have an internal audit function in place. For its current size and scale, the Company relies on senior executives and internal operational, risk and compliance teams to perform supervising and monitoring over the Company's risk management systems, internal controls and governance. The Company compliments this with the use of external consultants who will work with the executive, operational, risk and compliance teams. The Company regularly reviews the size and scale of its operations with respect to the suitability of establishing an internal audit function.

EXTERNAL AUDIT FUNCTION

The Audit, Risk & Compliance Committee is responsible for overseeing the external auditor who demonstrates independence. The performance of the external auditor is reviewed annually. The external auditor attends each Annual General Meeting where they are available to answer any shareholder questions about the conduct of the audit and the preparation of the auditor's report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISKS

The Board and management recognise the importance of effective Environmental, Social and Governance (**ESG**) practices as part of their responsibility to stakeholders. In FY22, the Company formalised an ESG framework and reporting approach structured around ESG focus areas considered to be material. These focus areas reflect the risks and opportunities identified by the Company and the issues of interest to our stakeholders.

The approach to ESG risk is built around three key areas of focus: governance and conduct (our approach to ethical conduct and client-first outcomes), social capital (how we develop, retain and protect our staff and engage with communities), and natural capital (how we utilise ESG factors in our investment related activities and monitor and mitigate the environmental footprint of our operations). Material risks across these topic areas are overseen by the Board and supported by mechanisms that track, monitor and manage risk that may result in shareholder detriment.

Information on our identification process and management of material ESG risks are provided within our 'Sustainability Overview 2022' report available at www.eap.com.au/shareholder-centre/sustainability.

FINANCIAL STATEMENTS DECLARATIONS

As required under section 295A of the *Corporations Act 2001*, the CEO and CFO are required to provide written declarations for a financial period confirming that in their opinion, the financial records of the Company have been properly maintained and the financial statements and accompanying notes comply with the Accounting Standards and give a true and fair view of the financial position and performance of the Company, based on their review of the internal control systems, management of risk, the financial statements and the letter from the Company's external auditor.

The CEO and CFO have provided a written statement in compliance with section 295A of the Corporations Act in respect of the 2022 full year statutory accounts of the Company.

Prior to releasing any periodic corporate reports to the market which are not audited or reviewed by an external auditor, the Company ensures the corporate reports are reviewed in accordance with an internal verification procedure to ensure the integrity and accuracy of the information included in these reports are materially accurate. This verification process involves systematic checking by the internal finance, risk and compliance teams and Board approval.

REMUNERATION POLICIES AND PRACTICES

The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of executive directors and other senior executives are disclosed in the Company's Remuneration Report on page 43 of the Annual Report.

EQUITY BASED REMUNERATION SCHEMES

The Company has adopted a Loan Funded Share Plan (**LFSP**) and a share options/rights plan (**ORP**) for Australian-based employees. During the period the company has issued interests in the ORP for Australian-based employees to:

- provide an incentive for them to remain in their employment;
- recognise their ongoing ability and expected efforts;
- acknowledge their contribution to the performance and future success of the Group; and
- provide a means through which they may acquire shares in the Company and benefit from the potential growth in the Company's share price.

Further details of the LFSP and ORP are provided in the notes to the financial statements (see page 110 of the Annual Report).

The Company's Securities Trading Policy prohibits directors, officers and employees of the Company from using derivatives in relation to any unvested Company shares in any way.

On 18th December 2020, the Group announced the suspension of its Employee Share Plans. Aside from Key Management Personnel or to satisfy contractual obligations, the Group does not presently intend to grant further deferred equity to employees as part of the Group's discretionary bonus awards. This does not impact previously issued employee share options.

Directors' report

INTRODUCTION

The Directors of E&P Financial Group Limited (the **Company**) submit herewith the annual report of the consolidated entity comprising the Company and its controlled entities (herein referred to as the **Group**) for the financial year ended 30 June 2022. In order to comply with the provisions of the *Corporations Act 200*1, the directors report as follows:

DIRECTORS

The names and particulars of the directors of the company during or since the end of the financial year are:

- David Evans, Executive Chairman (Non-Executive Chairman, effective 1 July 2022)
- Peter Anderson, Managing Director & Chief Executive Officer (appointed, 16 November 2021)
- Josephine Linden, Non-Executive Director
- Sally McCutchan, Non-Executive Director (appointed, 10 November 2021)
- Tony Johnson, Executive Director (appointed, 1 June 2022)
- Sally Herman, Non-Executive Director (resigned, 10 November 2021)
- Kevin McCann, Non-Executive Director (resigned, 16 November 2021)
- Anthony Pascoe, Non-Executive Director (resigned, 29 November 2021)

COMPANY SECRETARIES

The following persons were company secretaries of E&P Financial Group Limited during the financial year and up to the date of this report:

- Paul Ryan
- Mike Adams (appointed, 10 December 2021)

INFORMATION ON CURRENT DIRECTORS

Chair of:
Audit, Risk and Compliance Committee

Member of:
People, Nomination and Remuneration Committee

DAVID EVANS

David Evans has been a director of E&P Financial Group Limited since February 2017.

David is the Executive Chairman of E&P Financial Group Limited, having initially established Evans and Partners Pty Ltd in June 2007. As announced to the ASX on 6 May 2022, David Evans has transitioned from Executive Chairman to Non-Executive Chairman effective 1 July 2022.

Since 1990, he has worked in a variety of roles within JB Were & Son and then the merged entity Goldman Sachs JBWere Pty Ltd. Prior to establishing Evans and Partners, David ran Goldman Sachs JBWere's (**GSJBW**) Private Wealth business and the Institutional Equities business. His most recent role at GSJBW was as Managing Director and Chief of Staff.

He is a director of Seven West Media and a member of the People, Nomination & Remuneration Committee. He is a member of the Victorian Police Corporate Advisory Group and Chairman of Cricket Australia's Investment Committee. David holds a Bachelor Of Economics from Monash University.

PETER ANDERSON

Peter has been Chief Executive Officer of E&P Financial Group since July 2019 and Managing Director since November 2021.

Peter led a number of Australia's largest and most complex restructuring engagements including across the Global Financial Crisis. He had operational responsibility for the restructuring of many prominent listed Australian entities and structured finance projects across a broad range of industries, including Babcock & Brown, Slater and Gordon, Hastings Funds Management, Arrium, Wiggins Island Coal Export Terminal, Centro and McAleese. Peter regularly advised syndicates of banks, bond holders and hedge funds, as well as private equity investors.

Peter has a Bachelor of Commerce and Diploma of Finance from the University of Melbourne. He is a member of Chartered Accountants Australia and New Zealand and the Australian Institute of Company Directors and was an Official Liquidator.

Chair of:
People, Nomination and Remuneration Committee

Member of:
Audit, Risk and Compliance Committee

JOSEPHINE LINDEN

Josephine Linden has been a director of E&P Financial Group Limited since March 2018.

Josephine is Founder and Chief Executive Officer of Linden Global Strategies, a wealth management advisory firm and multifamily office. She retired from Goldman Sachs as a Partner and Managing Director in 2009, after being with the firm for over twenty-five years.

Josephine serves on public, non-profit and family boards. She is the Chairman of Lands' End, Director of Trine II and on the Board of Advance.

She was an Adjunct Professor at the Business School of Columbia University, and currently teaches and moderates ad hoc sessions. Josephine has recently stepped down from being Trustee for the Collegiate School, and still serves on the Investment Committee. She is a member of the Council on Foreign Relations and the Trilateral Commission, and a Trustee of the Asia Society.

Having spent her childhood and young adult life in Sydney, Josephine continues to maintain strong ties to Australia despite being based in New York City. Josephine has created a fellowship for her alma mater, Kambala Girls school in Sydney. Each year up to four graduates with interest in Finance spends three months with Josephine and her team.

Josephine received an MBA from University of Chicago and a BA from the University of Sydney.

SALLY McCUTCHAN

Member of:
People, Nomination and Remuneration Committee

Audit, Risk and Compliance Committee

Sally McCutchan has been an Independent Non-Executive Director of E&P Financial Group Limited since November 2021.

Sally McCutchan has extensive experience in finance, funds management and strategy, particularly in Asia Pacific markets.

Sally is a partner and the CEO of Bridges Australia an independent affiliate of Bridges Fund Management, an international impact investing fund manager. She was previously the CEO of Impact Investing Australia (IIA), where she led the organisation's strategic direction and oversaw the delivery of several ESG and impact investment initiatives. IIA represent Australia on the Global Steering Group for Impact Investment and work closely with its member countries to grow opportunities for investments that deliver social, environmental and cultural benefits alongside financial returns. Prior to that Sally held senior roles with Accenture, JP Morgan Investment Management and SBC Warburg (now UBS).

Sally is currently a non-executive director of: Impact Investing Australia, Titan Securities (a National Australia Bank securitisation company), and Oxfam Australia. She is a member of the QBE Committee of Social and Environmental Impact, the wisdom circle of First Australian's Capital, and the Technical Advisory Group for DFAT's Emerging Markets Impact Investing Fund. She was a member of the expert panel of the Social Impact Investing Taskforce in the Department of the Prime Minister and Cabinet and the Australian Sustainable Finance Initiative Working Group for mobilising capital.

Sally is a Certified Practising Accountant and a Graduate of the Australian Institute of Company Directors and was recognised in 2020 with an Order of Australia award for her work in ethical investment.

TONY JOHNSON

Tony Johnson was appointed an Executive Director of E&P Financial Group in June 2022 with a focus on identifying and developing growth opportunities across the group.

Tony's current roles include being a non-executive director of Bupa ANZ and Chair of the Advisory Board of Fujitsu ANZ. Previously Mr Johnson enjoyed a successful 34-year career with EY where he amassed extensive experience in the financial services sector locally and internationally. Tony was a Partner of EY, Managing Partner of EY's Financial Services business across Asia Pacific and the CEO and Managing Partner of EY Oceania leading over 600 partners and 9,000 people providing over A$2.3billion of assurance, tax, transaction, strategic, technology and business consulting services.

Mr Johnson has a Bachelor of Economics, Master of Business Administration (Executive) and a Graduate Diploma in Applied Finance & Investment. He is a Fellow of Chartered Accountants in Australia and New Zealand, a Fellow of FINSIA and a Graduate and Member of the Australian Institute of Company Directors.

INFORMATION ON PREVIOUS DIRECTORS

SALLY HERMAN

Sally Herman has been a director of E&P Financial Group Limited since March 2018, before retiring from the Board on 10 November 2021. Sally is an experienced Non-Executive Director in the fields of financial services, retail, manufacturing and property. She sits on the board of directors of both listed and unlisted companies including three ASX 200 companies, being Suncorp Group Limited, Premier Investments Limited and Breville Group Limited. She was also on the Board of Irongate Funds Management Limited as Responsible Entity for Irongate Property Fund I and Irongate Property Fund II during the 2021/22 financial year, retiring in July 2022 from that board. Her executive career in Australia and the USA includes 16 years with the Westpac Group, running major business units in most operating divisions of the Group, notably in the wealth management and retail banking divisions. Prior to Westpac, Sally worked at Macquarie Bank in the Capital Markets and Private Banking divisions. Sally holds a Bachelor of Arts from university of NSW.

KEVIN McCANN

Kevin McCann has been a director of E&P Financial Group Limited since February 2020, before retiring from the Board on 16 November 2021. Kevin has extensive board experience with some of Australia's most recognised companies. He is the current Chairman of Telix Pharmaceuticals Limited, a Pro Chancellor of the University of Sydney, a member of the Male Champions of Change, Chairman and Director of China Matters and a trustee of the Sydney Opera House Trust. He is also a former Chairman of Macquarie Group Limited and Macquarie Bank Limited, Origin Energy Limited, Healthscope Limited, ING Management Limited and the Sydney Harbour Federation Trust. Kevin practised as a Commercial Lawyer as a Partner of Allens Arthur Robinson from 1970 to 2004 and was Chairman of Partners from 1995 to 2004. He has a Bachelor of Arts and Law with Honours from Sydney University and a Master of Laws from Harvard University. Kevin was appointed an Officer of the Order of Australia in 2020 for service to Business, Corporate Governance and Gender Equality.

ANTHONY PASCOE

Anthony Pascoe has been a director of E&P Financial Group Limited since July 2020, before retiring from the Board on 29 November 2021. Anthony is a highly skilled executive with extensive experience in management and directorship roles across several significant Australian public and private companies. As the former Chief Executive Officer of Lendlease Ventures, Anthony was instrumental in steering the company to become a recognised market leader in clean technology investment. He was also Global Chief Operating Officer of Lendlease Investment Management, where he was responsible for overseeing the firm's governance, risk management, sustainability and HR frameworks. Prior to that time, Anthony was Chief Financial Officer of Blackmores Limited where he was also appointed to the board. More recently, he built up and sold a technology enabled services business to an ASX listed acquiror following a successful recapitalisation and growth strategy which he initiated. Anthony has a Bachelor of Commerce from the University of Queensland and is an alumnus of executive development programs at The Wharton School (University of Pennsylvania), The Kellogg School of Management (Northwestern University) and Social Leadership Australia. Anthony is a Chartered Accountant and a Fellow of the Australian Institute of Company Directors.

INFORMATION ON CURRENT COMPANY SECRETARIES

PAUL RYAN

Paul Ryan has been Company Secretary and Chief Financial Officer of E&P Financial Group since February 2020.

He brings significant executive and leadership experience to his role. Paul has a deep understanding of the Group, having held multiple roles since joining in 2008, including five years as Chief Executive Officer of Evans and Partners where he was responsible for strategy, finance, risk, compliance and operations.

During a career spanning more than 20 years in financial services, Paul has managed teams across private wealth, funds management, capital markets and investment research.

In addition to holding a Bachelor of Arts and Bachelor of Laws (First Class Honours) from the University of Melbourne, Paul is a Graduate Member of the Australian Institute of Company Directors and completed the International Executive Program at INSEAD in 2010, after being awarded FINSIA's Hugh D.T. Williamson Scholarship.

MIKE ADAMS

Mike Adams has been joint Company Secretary and General Counsel of the E&P Financial Group since December 2021.

Mike has extensive experience as a lawyer across a broad range of corporate, commercial and private client sectors. His core practice areas have involved the provision of advice and transactional expertise in retail and wholesale financial products, related regulatory frameworks, debt and equity financing, intellectual property, and general corporate, among others.

He previously worked within the Group as a consultant providing legal services and performing board and committee functions. Prior to that Mike worked in private practice and within public and private sector in-house roles in Australia, New Zealand and the United Kingdom, acting across multiple industries for financial institutions, high-net worth individuals, and numerous listed and unlisted corporate entities.

He is admitted as a solicitor of the Supreme Court of NSW and holds a Bachelor of Laws from the University of Otago.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings (including meetings of committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member):

	BOARD MEETING		PEOPLE, NOMINATION & REMUNERATION COMMITTEE		AUDIT, RISK & COMPLIANCE COMMITTEE	
	A	H	A	H	A	H
David Evans[1]	17*	17	4	4	5	5
Peter Anderson	10*	10	#	#	#	#
Josephine Linden[2]	17	17	4	4	5	5
Sally McCutchan[3]	11*	11	2	2	5	5
Tony Johnson	0	1	#	#	#	#
Sally Herman (resigned 10 November 2021)	7*	7	2	2	2	2
Kevin McCann (resigned 16 November 2021)	7	7	2	2	2	2
Anthony Pascoe (resigned 29 November 2021)	7	7	#	#	2	2

A – Number of meetings attended.

H – Number of meetings held during the time the Director held office during the year. Includes sub-committee meetings.

– Not a member of committee.

* – Includes sub-committee meetings.

1 - Mr Evans was appointed Chairman and a Member of the ARC from 10 November 2021.

2 - Ms Linden was appointed Chairman of the PNRC from 10 November 2021.

3 - Ms McCutchan was appointed a Member of the ARC and PNRC from 10 November 2021.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES TO NATURE OF ACTIVITIES

The principal activities of the Group during the financial year were the provision of financial advice, investment advice, stockbroking services, self-managed superannuation fund administration, the management of investment companies and managed investment schemes, Responsible Entity services to managed investment schemes and advisory services to corporations on equity and debt capital market transactions.

There has been no significant change in the nature of these activities during the year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

On 19 January 2022, the Directors of Dixon Advisory and Superannuation Services Pty Limited (**DASS**), a subsidiary of the Group, appointed PwC Partners, Stephen Longley and Craig Crosbie, as Voluntary Administrators. As a result, the Group ceased to control DASS as of 19 January 2022 and as such DASS' assets and liabilities will be deconsolidated from the Group on this date. (Refer to Note 10 for further details).

There has been no other significant changes in state of affairs during the year.

REVIEW AND RESULTS OF OPERATIONS

The consolidated profit of the Group after providing for income tax amounted to $6.3 million (2021: loss of $18.8 million). Please refer to the section 'Year in review' on page 8 for further detail on the review and results of operations for the year ended 30 June 2022.

DIVIDENDS

$6.4 million dividends (2021: $4.7 million) were declared or paid to shareholders during the year.

SUBSEQUENT EVENTS

DASS VOLUNTARY ADMINISTRATION

On 19 January 2022, Dixon Advisory and Superannuation Services Pty Limited (**DASS**), a subsidiary of the Group, appointed PwC Partners, Stephen Longley and Craig Crosbie, as Voluntary Administrators. The appointment was made as the Directors determined that mounting actual and potential liabilities meant DASS was likely to become insolvent at some future time.

On 12 August 2022, the Voluntary Administrators applied to the Federal Court for and were granted an extension of the convening period for the second meeting of creditors until 30 November 2022.

As at the date of this annual financial report, the Group is in the early stages of formulating a Deed of Company Arrangement (**DOCA**) proposal which remains subject to further discussion with the Voluntary Administrators as part of a wider arrangement that will include, among other matters, a comprehensive settlement of the Piper Alderman and Shine Lawyers representative proceedings and all other claims against DASS, the Company and the former Directors. The Group intends to contribute a sum at least equivalent to the $8.2 million in penalties and costs agreed with ASIC in their proceedings against DASS for the benefit of creditors as part of a comprehensive settlement of all DASS and related claims.

SHINE LAWYERS REPRESENTATIVE PROCEEDING

On 27 July 2022 and as subsequently amended, Shine Lawyers filed an interlocutory application seeking orders that DASS and the former director respondents produce, amongst other documents, insurance policies. The application is set down for hearing on 7 September 2022.

As at the date of this annual financial report, the representative proceeding remains at an early stage. As there is no reliable basis upon which any potential future liability can be measured this matter has been treated as a contingent liability.

DIVIDEND

Since the end of the financial period, the directors have declared a final dividend for FY22 of 2.7 cents per share franked to 100%. The dividend will be paid to eligible shareholders on 11th October 2022. The record date for dividend entitlement is 3rd October 2022. The Company's Dividend Reinvestment Plan (**DRP**) remains suspended until further notice.

No other matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Group has paid premiums to insure each of the directors and officers against liabilities for costs and expenses incurred by them, to the extent permitted by the *Corporations Act 2001*, in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Company or a controlled entity, other than conduct involving a wilful breach of duty in relation to the Company or a controlled entity.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

ENVIRONMENTAL REGULATION

The Directors are satisfied that adequate systems are in place for management of the Group's environmental responsibility and compliance with various requirements and regulations in Australia and the United States of America. The Directors are not aware of any material breaches to these requirements, and to the best of their knowledge, all activities have been undertaken in compliance with environmental requirements.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 8 to the financial statements. The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The Directors are of the opinion that the services as disclosed in Note 8 to the financial statements do not compromise the external auditor's independence, for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION

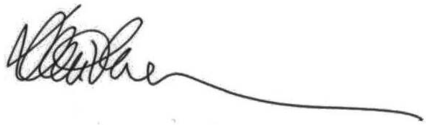
The auditor's independence declaration is included immediately after this report on page 57.

ROUNDING OFF OF AMOUNTS

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/ Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

This directors' report is signed in accordance with a resolution of directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors,



David Evans
Director

Peter Anderson
Director

Dated: 31 August 2022

Directors’ report: Remuneration report

This Remuneration Report, which forms part of the Directors’ Report, sets out information about the remuneration of E&P Financial Group Limited’s key management personnel for the year ended 30 June 2022. The term ‘key management personnel’ refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

- Details of Key Management Personnel (**KMP**)
- Remuneration policies and practices
- Relationship between the remuneration policy and group performance
- Remuneration of Non-Executive Directors
- Remuneration of Executive KMP
- Remuneration of Executive KMP – Executive Chairman
- Remuneration of Executive KMP – Executive Director
- Remuneration of Executive KMP – Managing Director & Chief Executive Officer
- Remuneration of Executive KMP – Chief Financial Officer
- Remuneration of Executive KMP – Chief Risk Officer
- Details of KMP remuneration
- Key terms of employment contracts – Executive KMP
- KMP equity holdings
- Other transactions with KMP

DETAILS OF KEY MANAGEMENT PERSONNEL (KMP)

The following persons are considered Key Management Personnel of the Group during the financial year:

NAME	ROLE	PERIOD
Current KMP		
David Evans	Executive Director and Executive Chairman *	1 July 2021 – 30 June 2022
Tony Johnson	Executive Director	1 June 2022 – 30 June 2022 **
Josephine Linden	Non-Executive Director	1 July 2021 – 30 June 2022
Sally McCutchan	Non-Executive Director	10 November 2021 – 30 June 2022 **
Peter Anderson	Managing Director & Chief Executive Officer	1 July 2021 – 30 June 2022
Paul Ryan	Group Chief Financial Officer	1 July 2021 – 30 June 2022
Francis Araullo	Group Chief Risk Officer	1 July 2021 – 30 June 2022

NAME	ROLE	PERIOD
Former KMP		
Sally Herman	Non-Executive Director	1 July 2021 – 10 November 2021 **
Kevin McCann	Non-Executive Director	1 July 2021 – 16 November 2021 **
Anthony Pascoe	Non-Executive Director	1 July 2021 – 29 November 2021 **

Notes:

* As announced to the ASX on 6 May 2022, David Evans has transitioned from Executive Chairman to Non-Executive Chairman effective 1 July 2022.

** Represents KMP for the portion of the year stated only

REMUNERATION POLICIES AND PRACTICES

Executive remuneration and incentive policies and practices are performance based and aligned with the Group's vision, values and overall business objectives.

The Board established a People, Nomination and Remuneration Committee (**PNRC**) which operates in accordance with its charter approved by the Board, and which is responsible for reviewing compensation arrangements for the directors and executive management team and recommending these for approval by the Board. The PNRC monitors people, remuneration practices and performance to ensure good governance, risk management, equal employment opportunity and diversity. In doing so it takes into account the best interests of the Group as well as those of shareholders, clients and employees.

Executive remuneration and incentive policies and practices are designed to:

- motivate directors and senior management to pursue the Group's growth and success;
- demonstrate a clear connection between the Group's overall performance and the contribution and behaviours of executives; and
- motivate compliance with all relevant legal and regulatory provisions as well as the Code of Conduct of the Group and other relevant policies.

RELATIONSHIP BETWEEN THE REMUNERATION POLICY AND GROUP PERFORMANCE

The review of the performance of the Executive KMP includes both qualitative and quantitative factors, including delivery on strategic objectives, the financial performance of the Group and role-specific Key Performance Indicators (**KPIs**). The Board and PNRC take into account competitive remuneration including the market for talented executives in the financial services sector. The Executive Chairman's remuneration level, including annual bonus outcome, is recommended by the PNRC and submitted to the Board for approval. The Managing Director & Chief Executive Officer's remuneration level, including annual bonus outcome, is recommended by the Executive Chairman, considered by the PNRC and submitted to the Board for approval. The other Executive KMP and Senior Executives remuneration levels, including annual bonus outcomes, are recommended by the Managing Director & Chief Executive Officer, considered by the PNRC and submitted to the Board for approval. Non-executive Directors receive a fixed fee.

Directors' report: Remuneration report *(cont.)*

The company's annual financial performance for the current and past financial year is detailed in the Annual Report. During that period the Group continued to prosecute a restructure to address a considerable number of significant issues. This commenced with the Board's decision to appoint a new CEO and management team during FY20 who have diligently implemented necessary business model changes and governance enhancements with the Board's oversight and approval to stabilise the business and form a platform from which to grow in the medium term. Other challenges which have impacted the Group's financial performance in FY22 include regulatory investigations and proceedings related to legacy issues, the appointment of voluntary administrators to DASS and a highly competitive market for investment banking talent.

The company's annual financial performance and indicators of shareholders' wealth for the current and past financial year are summarised below:

GROUP PERFORMANCE	FY22	FY21	FY20	FY19
Net revenue ($ million)	193.3	187.9	191.8	212.1
EBITDA ($ million)[1]	25.2	10.5	34.4	35.1
Statutory NPAT ($ million)	6.3	(18.8)	(30.5)	16.8
Statutory EPS (cents per share)	2.8	(8.3)	(13.6)	7.5
Segment EBITDA ($ million)[2]	28.9	28.0	37.2	37.1
Segment NPATA ($ million)[2]	10.3	7.2	13.3	21.8
Share price at end of year	$0.485	$0.735	$0.535	$0.800
Dividends declared (cents per share)[3]	2.7	2.0	2.5	8.0
Key management personnel remuneration ($ million)	5.4	5.1	4.8	2.7

REMUNERATION OF NON-EXECUTIVE DIRECTORS

Under the Constitution, the total amount of fees paid to all Directors for their services (excluding the salary of an Executive Director) must not exceed in aggregate $1,200,000 per annum in any financial year. Any change to this aggregate annual sum needs to be approved by Shareholders in a general meeting. The ASX Listing Rules require that the remuneration of Executive Directors must not include a commission on, or a percentage of, operating revenue.

Annual Directors' fees currently agreed to be paid by the Company to a Non-Executive Director are $175,000 per annum plus $25,000 per annum in aggregate if the Director is appointed a member of any Board committees for the Company. These fees have not been increased since the Group's IPO in 2018.

Notes:

1 EBITDA is not an IFRS measure but has been presented to provide a comparable measure to the Segment EBITDA result. Please see note 4 within the Annual Financial Report for further details.

2 Please see note 4 within the Annual Financial Report for further details.

3 Franked at 100% at 30% corporate income tax rate.

Directors’ report: Remuneration report *(cont.)*

Shares, options, rights and other share-based payments may be provided to Non-Executive Directors as part of their remuneration according to the rules of any share plan that has or may be introduced and adopted by the Company, subject to the Listing Rules and requirements of the Corporations Act. The value of any such shares, options, rights and other share-based payments will not be included in the aggregate maximum amount.

REMUNERATION OF EXECUTIVE KEY MANAGEMENT PERSONNEL

In this Remuneration Report, the term ‘Executive KMP’ is used to refer to David Evans, Peter Anderson, Paul Ryan and Francis Araullo for the 1 July 2021 to 30 June 2022 year, with Tony Johnson also considered Executive KMP for the aforementioned period of 1 June 2022 to 30 June 2022.

The Executive KMPs receive a variable level of remuneration. To achieve the aims of attracting, motivating and retaining capable individuals, remuneration for all employees includes a mix of fixed and variable remuneration components. The fixed component is delivered through a base salary inclusive of superannuation. The variable component is delivered through the annual discretionary bonus scheme. The process for determining remuneration as it applies to Executive KMP is described in this Remuneration Report.

Each Executive KMP is eligible to participate in the annual bonus scheme. Participation is determined through Executive KMP performance evaluation against group performance and individual performance, which includes an assessment of financial and non-financial measures including strategic initiatives and behavioural expectations for Executives. The Executive KMP must be employed at the time bonuses are paid in order to receive a bonus. Payment of bonuses are made in cash, with the Managing Director & Chief Executive Officer, Chief Financial Officer and Chief Risk Officer also offered the opportunity to participate in the previously established options/rights plan (**ORP**).

During the year the Managing Director & Chief Executive Officer and Chief Financial Officer were offered the opportunity to participate in the October 2021 issue of the ORP. Participation in the ORP is subject to vesting conditions, Participants will forfeit their rights if the vesting conditions are not met. Participants who forfeit their rights will not be entitled to any gains. No performance hurdles are attached to the existing tranches under the ORP.

The review of salaries and the payment of bonuses to Executive KMPs is determined annually by the Board on recommendation from the People, Nomination and Remuneration Committee. Fixed remuneration reflects the role scope and the Executive’s skills and experience. In determining salary increases (if any) and the bonus amounts (if any) for Executive KMPs, the Board takes into account a range of factors including the performance of the Group, market remuneration levels, key metrics such as total compensation of all employees as a percentage of Group net revenue (noting the impact on this metric of the Board’s decision in December 2020 to suspend the ORP for employees other than Executive KMP), as well as the performance of each Executive KMP appropriately weighted to ensure shared accountability against financial and non-financial measures.

REMUNERATION OF EXECUTIVE KEY MANAGEMENT PERSONNEL – EXECUTIVE CHAIRMAN

At the instigation of David Evans, the Company announced on 1 October 2020 that it had agreed to vary his employment contract to remove the previous entitlement to any fixed bonus (which had been waived by David in respect of the years ending 30 June 2019 and 2020).

Instead, for the years ended 30 June 2021 and 2022 David became eligible to participate in the company's bonus scheme up to a maximum of 100% of his total fixed remuneration, with payment of any bonus at the absolute discretion of the Non-Executive Directors and subject to achieving key performance metrics as determined by the Board.

At the conclusion of the year ended 30 June 2021, notwithstanding his performance against the metrics set by the Board, David elected to waive any discretionary bonus.

On 6 May 2022 the Company announced that it had agreed with David to vary the terms of his employment contract such that:

- David's employment as Executive Chairman would end on 30 June 2022 without the need for a 3-month notice period;
- David would remain entitled to be considered for a discretionary bonus in respect of the 12 months to 30 June 2022; and
- David would remain a director of the Company in a non-executive capacity and continue in the role of Chairman with effect from 1 July 2022.

David's KPIs for the year ending 30 June 2022 were:

1. financial performance against FY22 Board approved budget;
2. adherence to, and promotion of, the company's values; and
3. specific KPIs covering areas including new business development, mentoring programs and client engagement.

Taking into consideration his performance against KPIs, the Board approved David being awarded a total discretionary bonus of $250,000, equating to 44.6% of his total fixed remuneration compared to a maximum of 100%.

REMUNERATION OF EXECUTIVE KEY MANAGEMENT PERSONNEL – EXECUTIVE DIRECTOR

Given Tony Johnson commenced his role in the final month of the financial year, the Managing Director & Chief Executive Officer and the People, Nomination and Remuneration Committee have determined that a full set of KPI metrics was not appropriate for the remaining portion of the year ended 30 June 2022 in relation to Tony and no bonus was awarded.

For the next financial year ending 30 June 2023, the Managing Director & Chief Executive Officer and the People, Nomination and Remuneration Committee will have in place a comprehensive set of agreed KPIs for Tony in order to assess his individual performance against relevant metrics and to determine the appropriate level of discretionary entitlements, to be approved by the Board, as per his employment contract.

REMUNERATION OF EXECUTIVE KEY MANAGEMENT PERSONNEL – MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Peter Anderson was recruited in July 2019 to become Chief Executive Officer from his previous role as Executive Chairman of McGrath Nicol. His executive experience, restructuring skills and leadership were consistent with the Board's mandate for a restructure to address significant issues facing the Group.

Peter's KPIs for the year ending 30 June 2022 were:

1. financial performance against FY22 Board approved budget;
2. implementation and delivery of outcomes against the full Board approved strategic plan;
3. adherence to, and promotion of, the company's values; and
4. specific KPIs covering areas including regulatory matters, liquidity of real asset funds, employee performance and talent management programs, marketing function upgrade, groupwide ESG plan, exit from real assets business and staff retention.

The Board acknowledged that in assessing Peter's performance for the year ending 30 June 2022, factors that needed to be considered included:

1. financial performance was impacted by continued implementation of necessary business model changes and negotiating legacy issues affecting the Group;
2. significant time and effort required to respond to the launch of two representative proceedings filed against DASS, EP1 and certain former directors in addition to other civil proceedings and ongoing claims made with the Australian Financial Complaints Authority as well as proceedings filed by ASIC in the Federal Court against DASS, which have been settled (subject to Court approval of the terms); and
3. the impact of the resulting appointment of voluntary administrators to DASS in January 2022.

In summary then, the year ending 30 June 2022 for the Group was one of stabilisation, with Peter spearheading an approach to move the business into a growth phase whilst continuing to fix and resolve legacy issues. The Board measured Peter's performance weighted towards stabilising the business and delivery of the strategic plan.

Taking into consideration these factors and his performance against KPIs, the Board approved Peter being awarded a:

- short-term incentive in the form a $840,000 cash bonus, equating to 70% of his total fixed remuneration compared to the target of up to 80%; and
- long-term incentive in the form of an opportunity to participate in the ORP to the value of $650,000, equating to 54.2% of his total fixed remuneration compared to the target of up to 70%.

REMUNERATION OF EXECUTIVE KEY MANAGEMENT PERSONNEL - CHIEF FINANCIAL OFFICER

Paul Ryan commenced as Chief Financial Officer on 1 February 2020. Paul's KPIs for the year ending 30 June 2022 were:

1. financial performance against FY22 Board approved budget;
2. implementation and delivery of outcomes against financial and operational aspects of the Board approved strategic plan;
3. adherence to, and promotion of, the company's values; and
4. specific KPIs covering areas including insurance coverage, banking facilities, monetisation of financial investments, IT projects, cyber defence programs, core wealth platform implementation, core finance systems review, premises rationalisation, marketing function upgrade, divisional ESG plan, governance enhancements and staff retention.

Taking into consideration his performance against KPIs, the Board approved Paul being awarded a total discretionary bonus of $400,000, equating to 88.9% of his total fixed remuneration compared to a minimum of 50% and maximum of 100%. Consistent with the terms of Paul's employment contract, 70% of this award will be in cash with the remaining 30% in the form of an opportunity to participate in the ORP.

REMUNERATION OF EXECUTIVE KEY MANAGEMENT PERSONNEL - CHIEF RISK OFFICER

Francis Araullo commenced as Chief Risk Officer on 9 June 2021. Francis's KPIs for the year ending 30 June 2022 were:

1. financial performance against FY22 Board approved budget;
2. implementation and delivery of outcomes against risk and compliance aspects of the Board approved strategic plan;
3. adherence to, and promotion of, the company's values; and
4. specific KPIs covering areas including management of legal proceedings and interactions with regulators, implementation of an enterprise risk model and governance, risk and compliance system, rollout of an enhanced learning & development program including a professionalism/ conduct module within the group's employee performance system, cyber defence programs and staff development.

Taking into consideration his performance against KPIs, the Board approved Francis being awarded a total discretionary bonus of $250,000, equating to 66.7% of his total fixed remuneration compared to a maximum of 66.7%. Consistent with the terms of Francis's employment contract, 70% of this award will be in cash with the remaining 30% in the form of an opportunity to participate in the ORP.

Directors' report: Remuneration report *(cont.)*

DETAILS OF KEY MANAGEMENT PERSONNEL REMUNERATION

30 JUNE 2022	SHORT TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS	LONG TERM EMPLOYEE BENEFITS	SHARE BASED PAYMENTS	TOTAL
	SALARIES AND FEES $	BONUSES $	OTHER $	SUPER-ANNUATION $	LONG SERVICE LEAVE $	OPTIONS & RIGHTS $	$
Executive KMP							
David Evans	536,435	250,000	34,086	23,568	1,769	-	845,858
Tony Johnson[1]	31,369	-	9,227	3,137	6	-	43,739
Peter Anderson[2]	1,176,446	840,000	57,198	23,568	17,553	471,130	2,585,895
Paul Ryan[3]	426,438	280,000	(2,551)	23,568	7,670	66,582	801,707
Francis Araullo[4]	351,436	175,000	(1,309)	23,568	8,174	32,733	589,602
Non-Executive KMP							
Josephine Linden[5]	200,000	-	-	-	-	-	200,000
Sally McCutchan[6]	115,341	-	-	11,534	-	-	126,875
Sally Herman[7]	65,711	-	-	6,571	-	-	72,282
Kevin McCann[8]	68,687	-	-	6,869	-	-	75,556
Anthony Pascoe[9]	75,252	-	-	7,525	-	-	82,777
Total for the year ended 30 June 2022	**3,047,115**	**1,545,000**	**96,651**	**129,908**	**35,172**	**570,445**	**5,424,291**

The table below provides the relative proportion of 2022 Executive KMP remuneration (for the period the individual was considered an Executive KMP), including bonuses:

EXECUTIVE KMP	FIXED	VARIABLE
David Evans	70%	30%
Tony Johnson	100%	-
Peter Anderson	49%	51%
Paul Ryan	57%	43%
Francis Araullo	65%	35%

Notes:

1 Tony Johnson was appointed Executive Director on 1 June 2022 and as such was considered an Executive KMP for the period 1 June 2022 to 30 June 2022.

2 As part of Peter Anderson's LTI, Peter has the opportunity to participate in the next issue of Share rights (expected to be in October 2022) to the equivalent value of $650,000.

3 Paul Ryan has the opportunity to participate in the next issue of Share rights (expected to be in October 2022) to the equivalent value of $120,000.

4 Francis Araullo has the opportunity to participate in the next issue of Share rights (expected to be in October 2022) to the equivalent value of $75,000.

5 Josephine Linden received $200,000 for her role as Independent Non-Executive Director and Chair of: People, Nomination and Remuneration Committee and Member of Audit, Risk & Compliance Committee.

6 Sally McCutchan was appointed Independent Non-Executive Director on 10 November 2021 and received $126,875 for her role as Independent Non-Executive Director and Member of: People, Nomination and Remuneration Committee and Audit, Risk & Compliance Committee for the period 10 November 2021 to 30 June 2022.

7 Sally Herman resigned as Independent Non-Executive Director on 10 November 2021 and received $72,282 for her role as Independent Non-Executive Director and Member of: People, Nomination and Remuneration Committee; and Chair of: Audit, Risk and Compliance Committee for the period 1 July 2021 to 10 November 2021.

8 Kevin McCann resigned as Independent Non-Executive Director on 16 November 2021 and received $75,556 for his role as Independent Non-Executive Director and Chair of: People, Nomination and Remuneration Committee; and Member of: Audit, Risk and Compliance Committee for the period 1 July 2021 to 16 November 2021.

9 Anthony Pascoe resigned as Independent Non-Executive Director on 29 November 2021 and received $82,777 for his role as Independent Non-Executive Director and Member of: Audit, Risk and Compliance Committee for the period 1 July 2021 to 29 November 2021.

Directors' report: Remuneration report *(cont.)*

	SHORT TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS	LONG TERM EMPLOYEE BENEFITS	SHARE BASED PAYMENTS	TOTAL
30 JUNE 2021	**SALARIES AND FEES $**	**CASH BONUSES $**	**OTHER $**	**SUPER-ANNUATION $**	**LONG SERVICE LEAVE $**	**OPTIONS & RIGHTS $**	**$**
Executive KMP							
David Evans	538,310	-	(43,921)	21,694	(6,410)	-	509,673
Peter Anderson[1]	1,178,318	840,000	5,016	21,694	11,174	267,614	2,323,816
Paul Ryan[2]	428,310	281,885	4,842	21,694	8,018	25,487	770,236
Francis Araullo[3]	21,289	12,055	2,362	407	4,947	2,642	43,702
James Wincott[4]	409,847	-	209,778	21,694	(8)	-	641,311
Non-Executive KMP							
Sally Herman[5]	182,648	-	-	17,352	-	-	200,000
Josephine Linden[6]	200,000	-	-	-	-	-	200,000
Kevin McCann[7]	182,648	-	-	17,352	-	-	200,000
Anthony Pascoe[8]	179,138	-	-	17,018	-	-	196,156
Alan Dixon[9]	-	-	-	-	-	-	-
Total for the year ended 30 June 2021	**3,320,508**	**1,133,940**	**178,077**	**138,905**	**17,721**	**295,743**	**5,084,894**

Notes:

1 As part of Peter Anderson's LTI, Peter has the opportunity to participate in the next issue of Share rights (expected to be in October 2021) to the equivalent value of $650,000.

2 Paul Ryan has the opportunity to participate in the next issue of Share rights (expected to be in October 2021) to the equivalent value of $120,000.

3 On 9 June 2021, Francis Araullo was appointed Chief Risk Officer and as such was considered an Executive KMP for the period 9 June 2021 to 30 June 2021.

4 On 8 June 2021, James Wincott resigned as Chief Risk Officer and as such was considered an Executive KMP for the period 1 July 2020 to 8 June 2021. A termination payment of $214,153 is included within "other'.

5 Sally Herman received $200,000 for her role as Independent Non-Executive Director and sitting committee member of: People, Nomination and Remuneration Committee; and Chairman of: Audit, Risk and Compliance Committee.

6 Josephine Linden received $200,000 for her role as Independent Non-Executive Director and sitting committee member of: People, Nomination and Remuneration Committee.

7 Kevin McCann received $200,000 for his role as Independent Non-Executive Director and Chairman of: People, Nomination and Remuneration Committee; and sitting committee member of: Audit, Risk and Compliance Committee.

8 On 2 July 2020, Anthony Pascoe was appointed Non-Executive Director. Anthony resigned from this position on 11 November 2020, before being re-appointed on 18 November 2020. As such Anthony was considered a Non-Executive KMP for the periods 2 July 2020 to 11 November 2020 and 18 November 2020 to 30 June 2021. For the aforementioned period, Anthony received $196,156 for his role as Independent Non-Executive Director and sitting committee member of: Audit, Risk and Compliance Committee.

9 On 2 July 2020, Alan Dixon retired as Non-Executive Director and as such was considered a Non-Executive KMP for the period 1 July 2020 to 2 July 2020.

SHARE BASED PAYMENTS

As part of their LTI's, Peter Anderson and Paul Ryan were awarded share options as part of the Group's Share options/rights plan (**ORP**) during the year ended 30 June 2022. Refer to note 35 for details of the Group's ORP.

No other Executive or Non-Executive KMPs were awarded share options as part of the Group's ORP during the year ended 30 June 2022.

The number of share options granted was endorsed by the PNRC and approved by the Board, taking into account Peter and Paul's performance against KPIs with reference to the predetermined LTI target ranges for their respective roles

Details of the share options granted during the year to key management personnel are detailed below:

	PETER ANDERSON			PAUL RYAN		
ORP	TRANCHE M	TRANCHE N	TRANCHE O	TRANCHE M	TRANCHE N	TRANCHE O
Number of rights	379,517	379,517	379,519	70,064	70,064	70,066
Grant date	15-Oct-21	15-Oct-21	15-Oct-21	15-Oct-21	15-Oct-21	15-Oct-21
Vesting date	15-Oct-22	15-Oct-23	15-Oct-24	15-Oct-22	15-Oct-23	15-Oct-24
Exercise Expiry Date	15-Oct-28	15-Oct-28	15-Oct-28	15-Oct-28	15-Oct-28	15-Oct-28
Market value of shares at grant date	$0.5709	$0.5709	$0.5709	$0.5709	$0.5709	$0.5709

The value of share option rights issued on 15 October 2021 in relation to Peter Anderson was $650,000 and in relation to Paul Ryan was $120,000. This was determined by the Board as disclosed in the 30 June 2021 remuneration report after assessing Peter and Paul's service conditions and performance criteria for the year ended 30 June 2021.

During the financial year (since the grant date of 15 October 2021), there has been no alteration of the terms and conditions of the above share-based payment arrangements. Share option rights will vest in future periods as per the dates included in the above table as per the conditions of the ORP.

During the financial year (since the grant date of 15 October 2021), none of the above share option rights granted to Peter Anderson and Paul Ryan (Tranches M, N & O) either vested, were exercised or were forfeited/lapsed.

During the financial year some share option rights granted to Peter Anderson and Paul Ryan in the prior financial year (15 October 2020 – Tranche G) vested, as per the below summary.

	PETER ANDERSON	PAUL RYAN
ORP	TRANCHE G	TRANCHE G
Number of rights	395,108	37,629
Grant date	15-Oct-20	15-Oct-20
Vesting date	15-Oct-21	15-Oct-21
Exercise Expiry Date	15-Oct-27	15-Oct-27
Market value of shares at grant date	$0.5315	$0.5315

Directors' report: Remuneration report *(cont.)*

KEY TERMS OF EMPLOYMENT CONTRACTS – EXECUTIVE KMP

The major terms and conditions of the employment contracts of those Executive KMP in place as at 30 June 2022 are as follows:

EXECUTIVE CHAIRMAN

A controlled entity of the Company, E&P Operations Pty Limited (**E&P Ops**), has entered into a contract of employment with David Evans to govern his employment with the Group as Executive Chairman. Key provisions of the contract of employment are as follows:

- total salary compensation of $560,000 per annum (including superannuation entitlements), with an initial term of two years (1 July 2020 to 30 June 2022), to be reviewed at the end of this period;
- the ability to participate in any of the Group's short-term incentive (STI) arrangements with a target of up to 100% of total fixed remuneration
- at any time, a right for either E&P Ops or the Executive Chairman to terminate the Executive Chairman's employment by giving three months' written notice;
- a right for E&P Ops to terminate the Executive Chairman's employment immediately without notice if it considers that he has engaged in serious misconduct;
- non-compete and non-solicitation restraints which operate for three and twelve months respectively from termination of his contract; and
- six weeks annual leave per year as well as other customary leave entitlements.

Note that the above key terms were in effect up until the end of the reporting period, 30 June 2022.

As announced to the ASX on 6 May 2022, David Evans has transitioned from Executive Chairman to Non-Executive Chairman effective 1 July 2022. For his services as Non-Executive Chairman, David will receive an annual fee of $275,000 commencing 1 July 2022.

In addition, a restraint deed arrangement was entered into by the Company with the Executive Chairman in February 2018, under which the Executive Chairman has given a number of post-employment covenants for the protection of the Group's business. In consideration of the provision of these covenants, a sum of $5,000,000 was paid to the Executive Chairman in February 2018.

EXECUTIVE DIRECTOR

A controlled entity of the Company, E&P Ops, has entered into a contract of employment with Tony Johnson to govern his employment with the Group as Executive Director. Key provisions of the contract of employment are as follows:

- salary compensation of $400,000 per annum (including superannuation entitlements);
- the ability to participate in E&P Ops's bonus schemes applicable to the Executive Director which, subject to achievement of key performance indicators (which maybe based on individual performance, company performance or other financial or non-financial objectives), as determined by the E&P Financial Group Board in its absolute discretion;

- at any time, a right for either E&P Ops or the Executive Director to terminate the Executive Director's employment by giving three months' written notice;
- a right for E&P Ops to terminate the Executive Director's employment immediately without notice if it considers that he has engaged in serious misconduct;
- non-compete and non-solicitation restraints which operate for three and six months respectively from termination of his contract; and
- fourteen weeks annual leave per year as well as other customary leave entitlements.

CHIEF EXECUTIVE OFFICER

A controlled entity of the Company, E&P Ops, has entered into a contract of employment with Peter Anderson to govern his employment with the Group as Chief Executive Officer (**CEO**). Key provisions of the contract of employment are as follows:

- total salary compensation of $1,200,000 per annum (including superannuation entitlements);
- the ability to participate in any of the Group's short-term incentive (STI) arrangements with a target of up to 80% of total fixed remuneration
- the ability to participate in any of the Group's long-term incentive (LTI) arrangements with a target of up to 70% of total fixed remuneration;
- at any time, a right for either E&P Ops or the CEO to terminate the CEO's employment by giving 12 months' written notice;
- a right for E&P Ops to terminate the CEO's employment immediately without notice if it considers that he has engaged in serious misconduct;
- non-compete and non-solicitation restraints which operate for six months from termination of his contract; and
- six weeks annual leave per year as well as other customary leave entitlements.

CHIEF FINANCIAL OFFICER

A controlled entity of the Company, E&P Ops, has entered into a contract of employment with Paul Ryan to govern his employment with the Group as Chief Financial Officer (**CFO**). Key provisions of the contract of employment are as follows:

- total salary compensation of $450,000 per annum (including superannuation entitlements);
- the ability to participate in E&P Ops's bonus schemes applicable to the CFO, which, subject to achieving agreed performance metrics, represents between 50% and 100% of total fixed remuneration (on a pro-rated basis where relevant);
- the Company may, at its election in part satisfaction of its obligation to pay the aforementioned bonus amount, apply up to 30% of this amount in an opportunity for subscription of shares in the Company's share rights plan;
- the eligibility for any such bonuses agreed to in the Secondment Agreement with CVC Emerging Companies IM Pty Limited dated 22 February 2019 (a jointly controlled entity of the Group), whilst remaining engaged as a Secondee;

- at any time, a right for either E&P Ops or the CFO to terminate the CFO's employment by giving six months' written notice;
- a right for E&P Ops to terminate the CFO's employment immediately without notice if it considers that he has engaged in serious misconduct;
- non-compete restraint during the term of his contract and non-solicitation restraint which operates for twelve months from termination of his contract, less any period of gardening leave; and
- four weeks annual leave per annum as well as other customary leave entitlements.

CHIEF RISK OFFICER

A controlled entity of the Company, E&P Ops, has entered into a contract of employment with Francis Araullo to govern his employment with the Group as Chief Risk Officer (**CRO**). Key provisions of the contract of employment are as follows:

- total salary compensation of $375,000 per annum (including superannuation entitlements);
- the ability to participate in E&P Ops's bonus schemes applicable to the CRO which, subject to achieving agreed performance metrics, represents up to $250,000 gross payment (on a pro-rated basis where relevant);
- the Company may, at its election in part satisfaction of its obligation to pay the aforementioned bonus amount, apply up to 30% of this amount in an opportunity for subscription of shares in the Company's share rights plan;
- at any time, a right for either E&P Ops or the CRO to terminate the CRO's employment by giving three months' written notice;
- a right for E&P Ops to terminate the CRO's employment immediately without notice if it considers that he has engaged in serious misconduct;
- non-compete and non-solicitation restraints which operate for three and twelve months respectively from termination of his contract; and
- four weeks annual leave per annum as well as other customary leave entitlements.

Directors' report: Remuneration report *(cont.)*

KMP EQUITY HOLDINGS

The following table sets out each continuing KMP's interest or that of related parties in equity instruments in the Company as as at 30 June 2022:

	EQUITY INSTRUMENT	BALANCE AS AT 1 JULY 2021	PURCHASED OR GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	SOLD OR LAPSED DURING THE YEAR	BALANCE AS AT 30 JUNE 2022
David Evans	Ordinary shares	15,812,393	318,763	-	-	16,131,156
	Share rights	-	-	-	-	-
	Loan funded shares	-	-	-	-	-
Tony Johnson	Ordinary shares	-	-	-	-	-
	Share rights	-	-	-	-	-
	Loan funded shares	-	-	-	-	-
Peter Anderson	Ordinary shares	-	796,909	-	-	796,909
	Share rights	1,185,324	1,138,553	-	-	2,323,877
	Loan funded shares	-	-	-	-	-
Paul Ryan	Ordinary shares	1,904,261	-	-	-	1,904,261
	Share rights	112,888	210,194	-	-	323,082
	Loan funded shares	-	-	-	-	-
Francis Araullo	Ordinary shares	6,679	-	-	-	6,679
	Share rights	96,680	-	-	-	96,680
	Loan funded shares	126,365	-	-	-	126,365
Josephine Linden	Ordinary shares	-	-	-	-	-
	Share rights	-	-	-	-	-
	Loan funded shares	-	-	-	-	-
Sally McCutchan	Ordinary shares	-	-	-	-	-
	Share rights	-	-	-	-	-
	Loan funded shares	-	-	-	-	-

OTHER TRANSACTIONS WITH KMP

All transactions with KMPs and KMP-related entities are conducted on arm's-length commercial or employment terms.

During the financial year, KMP were charged for various services by the Group including international equities managed discretionary account services, funds under advice and brokerage totalling $313,630.

Auditor's independence declaration

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Board of Directors
E&P Financial Group Limited
Level 32
1 O'Connell Street
Sydney NSW 2000

31 August 2022

Dear Board Members

Auditor's Independence Declaration to E&P Financial Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of E&P Financial Group Limited.

As lead audit partner for the audit of the financial report of E&P Financial Group Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants

Financial report – contents

Consolidated statement of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 $'000	2021 $'000
Revenue			
Provision of services	5	191,547	186,722
Interest		339	223
Share of profits of associates and jointly controlled entities		4,805	8,293
Government stimulus grant (USA)		-	889
Gain on investments and leases	5	4,263	1,421
Other income	5	5,422	1,946
Total revenue		**206,376**	**199,494**
Expenses			
Employee benefits	6	(128,270)	(126,208)
Administrative expense		(16,992)	(14,743)
Occupancy		(1,124)	(1,244)
Depreciation and amortisation	6	(12,879)	(15,530)
Impairment of plant, equipment and right of use assets		(216)	(1,465)
Impairment of goodwill, intangible assets and investments	6	(834)	(11,193)
Information technology		(10,646)	(9,847)
Rebates and commissions		(5,596)	(5,726)
Finance costs	7	(1,515)	(1,574)
Legal proceedings and related costs, net of insurance	6	(22)	(1,065)
Regulatory proceedings and related costs, net of insurance	6	(3,824)	(12,621)
Loss on deconsolidation of subsidiary	10	(1,859)	-
Fair value loss on held for sale assets		-	(2,398)
Acquisition loss of investments		(1,395)	(1,830)
Other expenses		(11,056)	(12,090)
Total expenses		**(196,228)**	**(217,534)**
Profit/(loss) before income tax expense		**10,148**	**(18,040)**
Income tax expense	9	(3,832)	(795)
Profit/(loss) for the year		**6,316**	**(18,835)**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		547	(438)
Items that will not be reclassified subsequently to profit or loss			
Fair value (loss) on financial assets measured at FVTOCI		(314)	(645)
		233	(1,083)
Total comprehensive profit/(loss) for the year		**6,549**	**(19,918)**
Profit/(loss) per share			
Basic (cents per share)	11	2.8	(8.3)
Diluted (cents per share)	11	2.7	(8.1)

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

Consolidated statement of financial position

AS AT 30 JUNE 2022

	NOTE	2022 $'000	2021 $'000
Assets			
Current assets			
Cash and cash equivalents	13	74,181	50,752
Trade and other receivables	15	27,116	23,839
Assets classified as held for sale	19	7,592	6,750
Current tax assets	9	-	2,890
Finance lease receivable	24	869	746
Prepayments		1,619	1,828
Deposits	14	5,241	5,760
Total current assets		**116,618**	**92,565**
Non-current assets			
Investments accounted for using the equity method	16	13,916	22,611
Investments in financial assets	19	4,069	2,698
Property, plant and equipment	20	10,927	10,313
Goodwill and other indefinite life intangible assets	21	94,477	95,062
Finite life intangible assets	22	8,438	11,451
Right of use assets	23	28,556	23,506
Deposits		3,649	4,084
Prepayments		282	421
Finance lease receivable	24	2,620	3,197
Deferred tax assets	9	4,208	2,594
Total non-current assets		**171,142**	**175,937**
Total assets		**287,760**	**268,502**
Liabilities			
Current liabilities			
Trade and other payables	25	10,764	10,946
Contract liabilities	26	5,110	8,213
Provisions	28	44,837	54,575
Lease liabilities	29	6,540	7,347
Other liabilities	27	19,594	-
Current tax liabilities	9	599	-
Total current liabilities		**87,444**	**81,081**
Non-current liabilities			
Provisions	28	3,339	3,760
Lease liabilities	29	33,527	25,871
Total non-current liabilities		**36,866**	**29,631**
Total liabilities		**124,310**	**110,712**
Net assets		**163,450**	**157,790**
Equity			
Share capital	30	317,992	322,090
Reorganisation reserve	31	(135,099)	(135,099)
Investment revaluation reserve	32	(560)	(246)
Foreign currency translation reserve	33	4,228	3,681
Share based payment reserve	34	11,388	8,306
Accumulated losses	36	(34,499)	(40,942)
Total equity		**163,450**	**157,790**

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 2022

	SHARE CAPITAL $'000	RE-ORGANISATION RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	SHARE BASED PAYMENTS RESERVE $'000	INVESTMENT REVALUATION RESERVE $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'000
Balance at 1 July 2020	322,424	(135,099)	3,890	3,589	(112)	(16,754)	177,938
Loss after income tax expense for the year	-	-	-	-	-	(18,835)	(18,835)
Other comprehensive (loss) for the year, net of tax	-	-	(438)	-	(645)	-	(1,083)
Total comprehensive (loss) for the year	**-**	**-**	**(438)**	**-**	**(645)**	**(18,835)**	**(19,918)**
Transactions with owners in their capacity as owners:							
Treasury shares acquired	(334)	-	-	-	-	-	(334)
Equity-settled share-based payments	-	-	-	4,717	-	-	4,717
Dividends paid	-	-	-	-	-	(4,613)	(4,613)
Transfer of other comprehensive income from foreign currency translation reserve to accumulated losses	-	-	229	-	-	(229)	-
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to accumulated losses	-	-	-	-	511	(511)	-
Balance at 30 June 2021	**322,090**	**(135,099)**	**3,681**	**8,306**	**(246)**	**(40,942)**	**157,790**
Balance at 1 July 2021	322,090	(135,099)	3,681	8,306	(246)	(40,942)	157,790
Profit after income tax expense for the year	-	-	-	-	-	6,316	6,316
Other comprehensive income/(loss) for the year, net of tax	-	-	547	-	(314)	-	233
Total comprehensive income/(loss) for the year	**-**	**-**	**547**	**-**	**(314)**	**6,316**	**6,549**
Transactions with owners in their capacity as owners:							
Treasury shares acquired	(4,098)	-	-	-	-	-	(4,098)
Equity-settled share-based payments	-	-	-	3,082	-	-	3,082
Dividends paid in prior years reclassified to profit and loss	-	-	-	-	-	127	127
Balance at 30 June 2022	**317,992**	**(135,099)**	**4,228**	**11,388**	**(560)**	**(34,499)**	**163,450**

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 2022

	NOTE	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		201,535	201,965
Payments to suppliers and employees		(183,409)	(175,514)
Receipts from insurance		4,414	-
Interest received		97	18
Interest paid		(85)	(90)
Income and other taxes paid		(3,160)	(6,865)
Income and other tax refund received		1,435	1,520
Net cash generated by operating activities	41	**20,827**	**21,034**
Cash flows from investing activities			
Dividends received from jointly controlled entities and investments		8,069	6,042
Purchase of financial assets		(2,724)	(3,182)
Purchase / development costs of intangible assets (software)		(1,859)	(2,333)
Purchase of property, plant and equipment		(3,192)	(1,533)
Payments for investments in jointly controlled entities		-	(2,988)
Cash disposed on de-recognition of subsidiary		(963)	-
Payments for other related party liability		(640)	-
Proceeds on disposal of investments		12,375	-
Proceeds on sale of financial assets		430	15,789
Net cash generated by investing activities		**11,496**	**11,795**
Cash flows from financing activities			
Proceeds from borrowings		5,967	5,280
Repayment of borrowings		(5,967)	(5,280)
Proceeds from release of short-term deposits		308	-
Proceeds from finance lease		1,067	244
Net payments of lease liabilities		(8,587)	(9,550)
Payment for short-term deposits		-	(5,332)
Purchase of treasury shares		(4,098)	(334)
Proceeds of lease incentive		2,107	118
Payments of transaction costs relating to borrowings		-	(16)
Dividends paid		-	(4,613)
Net cash used in financing activities		**(9,203)**	**(19,483)**
Net increase in cash and cash equivalents		23,120	13,346
Cash and cash equivalents at beginning of year		50,752	37,635
Effect of exchange rate fluctuations on cash held		309	(229)
Cash and cash equivalents at end of year	13	**74,181**	**50,752**

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

Notes to the consolidated financial statements

1. GENERAL INFORMATION

E&P Financial Group Limited (the **Company**) is a limited company incorporated in Australia. The address of its registered office and principal place of business are disclosed in the Corporate Directory at the end of this annual report. The principal activities of the Company and its subsidiaries (the **Group**) are described in the Directors' Report.

2. SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (**AASB**), and comply with other requirements of the law. The financial statements comprises the consolidated financial statements of the Group, comprising the Company, E&P Financial Group Limited, and its controlled entities. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial statements were authorised by the directors for issue on 31st August 2022.

COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards (**IFRS**).

BASIS OF PREPARATION

The consolidated financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies of the Group are set out below.

GOING CONCERN

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group. Subsidiaries are deconsolidated when control ceases.

BUSINESS COMBINATIONS

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity instruments issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with *AASB 112 'Income Taxes'* and *AASB 119 'Employee Benefits'* respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with *AASB 2 'Share-based Payments*' at the acquisition date;
- Assets (or disposal groups) that are classified as held for sale in accordance with *AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see "Business combinations" above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit (or group of cash generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit (or group of cash generating units) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

FOREIGN CURRENCY

I. TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

The functional and presentation currency of the Group is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies that are outstanding at the reporting date are translated at the rate of exchange ruling at the Statement of Financial Position date.

Exchange differences on monetary items are recognised in the profit or loss in the period in which they arise. Differences arising on a monetary item forming part of the net investment in a foreign operation are taken to the foreign currency translation reserve on consolidation.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

II. TRANSLATION OF FINANCIAL REPORTS OF FOREIGN OPERATIONS

The functional currency of some of the Company’s subsidiaries is US dollars, and one subsidiary is HK dollars. As at the reporting date, the assets and liabilities of those entities are translated into Australian dollars at the rate of exchange ruling at the Statement of Financial Position date, and the Statement of Profit or Loss and Other Comprehensive Income is translated at the average exchange rates for the period.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with *AASB 5*. Under the equity method, an investment in an associate or a joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of *AASB 136* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with *AASB 136 'Impairment of Assets'* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with *AASB 136* to the extent that the recoverable amount of the investment subsequently increases.

When the Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses. The assets' residual values and useful lives are reviewed and adjusted if required at each balance date with the effect of any changes in estimate accounted for on a prospective basis.

I. PLANT AND EQUIPMENT

Plant and equipment are measured at cost less depreciation and impairment losses.

Notes to the consolidated financial statements *(cont.)*

II. DEPRECIATION

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on either a straight line basis or diminishing value over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are generally:

Furniture & equipment	2% - 40%
Motor vehicles	19% - 25%
Computer equipment	25% - 50%
Leasehold improvements	10% - 35%

The assets' residual values and useful lives are reviewed and adjusted if required at each balance date, with the effect of any changes in estimate accounted for on a prospective basis.

NON-CURRENT ASSETS HELD FOR SALE

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale. When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of is classified as held for sale when the criteria described above are met, and the Group ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

INTANGIBLE ASSETS

I. INTANGIBLE ASSETS ACQUIRED SEPARATELY

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

II. INTERNALLY-GENERATED INTANGIBLE ASSETS

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The amortisation rate used for internally-generated computer software is 25%.

III. INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

IV. DEROCOGNITION OF INTANGIBLE ASSETS

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

IMPAIRMENT OF ASSETS

The directors of the Group assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate is made of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount through profit or loss.

Goodwill and other assets that have an indefinite useful life (e.g. Brands) are not amortised but are tested annually for impairment in accordance with *AASB 136 'Impairment of Assets'*. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the asset may be impaired.

For the purposes of impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

FINANCIAL INSTRUMENTS

I. NON-DERIVATIVE FINANCIAL ASSETS

All financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: receivables, cash and cash equivalents, unlisted equity investments at fair value through profit or loss (**FVTPL**) and listed equity investments at fair value through other comprehensive income (**FVTOCI**).

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Unlisted equity investments held by the Group are classified as FVTPL. The carrying cost is considered to materially represent fair value when no evidence is available to support a material change in the value of an unlisted investment.

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments at FVTOCI.

Investments in listed equity instruments at FVTOCI are initially measured at fair value. Gains and losses relating to these financial assets are recognised in other comprehensive income and accumulated in the investment revaluation reserve. Cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

II. IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises a loss allowance for expected credit losses (**ECL**) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

III. NON-DERIVATIVE FINANCIAL LIABILITIES

Financial liabilities (including liabilities designated at FVTPL) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or have expired.

Financial liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: trade and other payables, borrowings and lease liabilities.

Trade and other payables are initially measured at fair value, net of transaction costs. Subsequent to initial recognition, trade and other payables are measured at amortised cost using the effective interest method.

Borrowings and loans are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities are recognised in accordance with Leases (see below).

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

LEASES

THE GROUP AS LESSEE

The Group recognises a right of use asset and a lease liability at the lease commencement date in the consolidated statement of financial position, except for short-term leases and leases of low value assets.

The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. Depreciation of right of use assets is recognised in the consolidated statement of profit or loss, the average depreciation period for the right of use assets is 3.7 years.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally the Group uses its incremental borrowing rate as the discount rate. Interest on lease liabilities is recognised in the statement of profit or loss.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Lease payments are recognised as amortisation expense of the right of use asset over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

Under *AASB 16*, right of use assets are tested for impairment in accordance with *AASB 136*. This replaces the previous requirement to recognise a provision for onerous lease contracts.

The right of use assets recognised under *AASB 16* is an intangible asset, and hence excluded from the Group's net tangible assets, despite the related lease liability being included as a reduction in the net tangible assets calculation.

THE GROUP AS LESSOR

The Group has entered into lease agreements as a lessor with respect to its previously used office premises at 140 Broadway, New York, USA. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group reviews the estimated unguaranteed residual value and applies the impairment requirements of *AASB 9*, recognising an allowance for expected credit losses on the lease receivables. Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

EMPLOYEE BENEFITS

SHORT-TERM AND LONG-TERM EMPLOYEE BENEFITS

A liability is recognised for benefits accruing to employees in respect of wages and salaries, bonuses, annual leave and long service leave in the period the related service is rendered. Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's profit after income tax by the weighted average number of ordinary shares outstanding during the financial year.

The dilutive potential ordinary shares by the weighted average number of ordinary shares and potential ordinary shares that would be issued on the exchange of all the dilutive potential ordinary shares into ordinary shares.

TAXATION

The Australian entities within the Group form a tax-consolidated group under Australian taxation law, of which E&P Financial Group Limited is the head entity.

The tax sharing agreement entered into between Australian members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that the Company's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

I. CURRENT TAX

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

II. DEFERRED TAX

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

III. CURRENT TAX AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

ONEROUS CONTRACTS

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

REVENUE RECOGNITION

Revenue from the rendering of services is recognised upon delivery of the services to the Group's customers. Prepaid amounts received in advance of the provision of services are recorded as a liability in the financial statements and are then recognised in profit or loss over the service period. The Group's major categories of revenue from the rendering of services includes:

- **Advisory, administration and brokerage** includes financial strategy advice and estate planning advice where revenue is charged and recognised on a time incurred basis when the service is provided, as well as brokerage commissions where revenue is recognised at the point in time when the transaction is settled. Also included within this category is asset and investment management advisory and SMSF accounting and tax services where revenue is recognised on a straight-line basis over the period the services are performed and the customer consumes the benefit associated with the services;
- **Corporate advisory revenue** includes services provided to corporations in respect of mergers, acquisitions, equity and debt capital market transactions, where revenue is recognised at the point the transaction is finalised, generally coinciding with the time the Group's non-extinguishable entitlement to its fee is established. Also included within the category is institutional brokerage commission revenue which is recognised at the point in time the trade transaction is settled;
- **Funds management** includes responsible entity and administration services, investment management and accounting services where revenue is recognised on a straight-line basis over the time the services are performed. Also included within this category is asset management services where revenue is recognised at the point in time the purchase or sale transaction is finalised, generally coinciding with the time the Group's entitlement to its fee is established. Additionally, performance fee variable consideration is recognised when it is reliably measurable (ie when there is no high probability of significant reversal), generally at the time a non-extinguishable entitlement to the fee is established; and

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the consolidated financial statements *(cont.)*

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

All revenue is stated net of the amount of goods and services tax (**GST**).

GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

SHARE-BASED PAYMENTS

Equity settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of fair value of equity settled share-based transactions are set out in Note 35.

The fair value determined at grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

RECOGNITION OF INSURANCE PROCEEDS

During the year ended 30 June 2022, the Group has received proceeds from insurers in relation to legal costs incurred relating to external dispute resolutions and defending Commonwealth (**ASIC**), representative and civil proceedings.

In addition, the Group has recorded insurance proceeds that are virtually certain to be received in the future in relation to legal costs incurred relating to defending representative proceedings and settlements of external dispute resolutions.

Insurance income received (or receivable) associated with these matters has been netted against the accompanying expenses incurred in the consolidated statement of profit or loss and other comprehensive income. Also refer to Note 6 for further detail on this matter.

APPLICATION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

Amendments to Accounting Standards that are mandatorily effective for the current year:

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the **AASB**) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2021.

ACCOUNTING STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

At the date of authorisation of the financial statements, the Group has not applied the following new and revised Australian Accounting Standards, interpretations and amendments that have been issued but are not yet effective, and are relevant to its operations. The potential impact of the new or revised Standards and Interpretations for reporting periods on or after 1 July 2022 are not expected to be material to the Group. The potential impact of the new or revised Standards and Interpretations for reporting periods on or after 1 July 2022 are yet to be determined.

STANDARD / INTERPRETATION	EFFECTIVE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER	EXPECTED TO BE INITIALLY APPLIED IN THE FINANCIAL YEAR ENDING
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and *AASB 2020-6 Amendments to Australian Accounting Standard*s – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date	1 January 2023	30 June 2024
AASB 2021-2 Amendments to Australian Accounting Standards Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	30 June 2024
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, *AASB 2015-10 Amendments to Australian Accounting Standard*s – Effective Date of Amendments to *AASB 10* and *AASB 128* and *AASB 2017-5 Amendments to Australian Accounting Standard*s – Effective Date of Amendments to *AASB 10* and *AASB 128* and Editorial Corrections	1 January 2023	30 June 2023
*AASB 2021-5 Amendments to Australian Accounting Standard*s – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	30 June 2023
AASB 2022-1 Amendments to Australian Accounting Standards – Initial Application of *AASB 17* and *AASB 9 – Comparative Information*	1 January 2023	30 June 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies which are subject to significant accounting estimates and judgements include:

- allocation of the goodwill and other intangible assets to cash generating units (CGUs);
- recognition and impairment assessments of goodwill and other indefinite life intangible assets (refer (i) below);
- fair value and recoverable value assessments in respect of equity investments, equity settled transactions and interests in associates and jointly controlled entities (refer (iii) below);
- determining the lease term for lease contracts in which it is a lease that includes renewal options, including assessing whether the Group is reasonably certain to exercise such options;
- meeting recognition criteria of revenue, including performance service fees and corporate transaction fees (refer (ii) below); and
- estimates inherent in calculating share based payments expense associated with the expected probability of staff remaining employed until the vesting date of the relevant tranche issued.

(I) GOODWILL AND OTHER INTANGIBLE ASSETS

The Group tests annually, or more frequently if events or changes in circumstances indicate that goodwill or other indefinite life intangible assets (with a total carrying value of $94.5 million at balance date, 2021: $95.1 million), have suffered any impairment in accordance with the accounting policy stated in Note 2. Impairment assessments include significant judgements and estimates applied in determining inputs in the impairment models, including future cash flows, discount rates and growth rates (see Note 21).

Software, customer relationships, contracts in progress and restraint payment assets (total carrying value $8.4 million at balance date, 2021: $11.5 million), are finite intangible assets that are amortised over their expected lives. Assets subject to amortisation are reviewed for impairment whenever events or circumstances arise that indicate the carrying amount of the asset may be impaired. Judgements and estimates are inherent in impairment assessments including determining the useful lives of these assets (see Note 22).

(II) REVENUE RECOGNITION

Performance fee arrangements involve the Group assessing the performance of relevant managed assets against specified performance hurdles. The fee calculations involve complex formulae and judgement is applied in determining when the fee recognition criteria are met, including the probability that a significant reversal in the amounts of revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Corporate advisory transaction fee arrangements involve individually significant transactions where judgement is applied in determining the Group's entitlement to the fees and the correct timing of recognition based on satisfaction of relevant recognition criteria.

(III) FAIR VALUE AND RECOVERABLE VALUE ASSESSMENTS

Fair value assessments are required to be made annually in respect of certain financial instruments, including equity investments, and recoverable value assessments are required to be made in respect of investments in associates and jointly controlled entities where there is an indication of impairment in the investments. An active market may not exist for equity investments and underlying equity interests held by jointly controlled entities, and as a result, significant judgement is applied in the valuation assumptions and estimates used in determining the fair value of the investments.

(IV) INSURANCE RECEIVABLE ASSET

Insurance recoveries are recognised only when it is determined that the Group has insurance cover for the incident and a claim will be settled by the insurer. Judgement has been applied in determining the recognition of insurance receivable asset in relation to those specific claims and costs that will be fully or partially covered by the insurance.

4. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Board of Directors as chief operating decision maker (**CODM**) in order to allocate resources to the segment and to assess its performance. Information reported to the CODM for the purposes of resource allocation and assessment of performance is more specifically focused on the category of services provided to customers and the wider economic circumstances and market forces within which each segment operates. As such, the principal categories of services provided to customers as reported to and assessed by the CODM in the current reporting period, which represent the Group's reportable segments under *AASB 8* are as follows:

- E&P Wealth
- E&P Capital
- E&P Funds

E&P Wealth relates to the provision of full-service investment advisory, financial strategy, portfolio administration and stockbroking services to affluent self-managed superannuation trustees, retail clients, wholesale clients and high net worth individuals and the provision of share transaction arrangement and handling services.

E&P Capital relates to the provision of stockbroking and investment advisory services to institutional clients and advice to corporations on mergers, acquisitions, equity and debt capital market transactions.

E&P Funds relates to the provision of investment management services, fund accounting and administration services and Responsible Entity services to managed investment schemes.

Corporate unallocated is the aggregation of corporate activities that do not fall under any of the above three segments as they do not engage in business activities that may earn revenue and there is no basis to accurately allocate expenses to the three operating segments in order for the CODM to reliably assess performance or allocate resources within the operating segments. Therefore, this category is not a reportable segment as defined within *AASB 8*, but is included below in order for the total amounts to reconcile to the condensed consolidated statement of profit or loss and other comprehensive income as contained earlier in this report.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the year:

OPERATING SEGMENT NOTE YEAR ENDED 30 JUNE 2022	NOTE	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Revenue						
Provision of services		86,688	63,617	41,242	-	191,547
Recognised as follows:						
Over time		*66,737*	*6,255*	*37,367*	-	*110,359*
At a point in time		*19,951*	*57,362*	*3,875*	-	*81,188*
Share of profits of associates and jointly controlled entities		17	-	4,788	-	4,805
Other income		1,871	-	1,456	-	3,327
Total revenue	4A	**88,576**	**63,617**	**47,486**	-	**199,679**
Total cost of sales		(4,724)	(1,451)	(197)	-	(6,372)
Net revenue		**83,852**	**62,166**	**47,289**	-	**193,307**
Direct expenses		(60,639)	(35,218)	(28,119)	-	(123,976)
Overhead expenses		(5,573)	(2,976)	(2,336)	-	(10,885)
Allocated staff expenses		(6,789)	(9,329)	(2,872)	-	(18,990)
Unallocated group staff expenses		-	-	-	(6,965)	(6,965)
Unallocated group operating expenses		-	-	-	(3,613)	(3,613)
Segment EBITDA		**10,851**	**14,643**	**13,962**	**(10,578)**	**28,878**
(Less)/Add: segment adjustments before tax	4B	(6,006)	-	4,806	(2,451)	(3,651)
EBITDA		**4,845**	**14,643**	**18,768**	**(13,029)**	**25,227**
Depreciation and amortisation expenses	4C	-	-	-	(4,598)	(4,598)
Amortisation of acquired intangibles		-	-	-	(1,921)	(1,921)
Right-of-use asset depreciation		(3,153)	(1,152)	(706)	(1,323)	(6,334)
Impairment of property, plant and equipment		-	-	-	(216)	(216)
Impairment of goodwill, intangible assets and investments		(585)	-	-	(249)	(834)
EBIT		**1,107**	**13,491**	**18,062**	**(21,336)**	**11,324**
Interest revenue		-	-	-	97	97
Finance costs		(636)	(232)	(53)	(352)	(1,273)
Profit before tax		**471**	**13,259**	**18,009**	**(21,591)**	**10,148**
Income tax expense						(3,832)
Net profit after tax						**6,316**
Add: Segment adjustments after tax	4B					3,952
Segment NPATA						**10,268**

Glossary

EBIT is defined as earnings before interest and tax. EBITDA is defined as earnings before interest, tax, depreciation and amortisation. NPATA is defined as net profit after tax before amortisation of acquired intangibles.

Notes to the consolidated financial statements *(cont.)*

NOTE 4A: REVENUE RECONCILIATION FULL-YEAR ENDED 30 JUNE 2022	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Total revenue per Statement of Profit and Loss	**88,576**	**63,617**	**53,043**	**1,140**	**206,376**
Interest income	-	-	-	(339)	(339)
Gain on leases	-	-	-	(26)	(26)
Gain on sale of FSREC and other investments	-	-	(4,230)	(7)	(4,237)
Closing distributions on sale of FSREC	-	-	(1,327)	-	(1,327)
Foreign exchange gains	-	-	-	(357)	(357)
Unrealised trading gain	-	-	-	(411)	(411)
Total revenue per Operating Segment note	**88,576**	**63,617**	**47,486**	**-**	**199,679**

NOTE 4B: SEGMENT ADJUSTMENTS FULL-YEAR ENDED 30 JUNE 2022	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Segment adjustments before tax					
Net gain from sale of FSREC	-	-	5,195	-	5,195
Legal/regulatory proceedings and related costs (net of insurance)[1]	(3,683)	-	-	(1,474)	(5,157)
Fair value adjustments on non-core investments[2]	-	-	(389)	(977)	(1,366)
Onerous contract expense	(464)	-	-	-	(464)
Loss on deconsolidation of DASS	(1,859)	-	-	-	(1,859)
Total segment adjustments before tax	**(6,006)**	**-**	**4,806**	**(2,451)**	**(3,651)**
Segment adjustments after tax					
Net gain from sale of FSREC	-	-	5,195	-	5,195
Legal/regulatory proceedings and related costs (net of insurance)[1]	(2,578)	-	-	(1,032)	(3,610)
Fair value adjustments on non-core investments[2]	-	-	(389)	(684)	(1,073)
Onerous contract expense	(325)	-	-	-	(325)
Loss on deconsolidation of DASS	(1,859)	-	-	-	(1,859)
Amortisation of acquired intangibles	-	-	-	(1,695)	(1,695)
E&P Wealth goodwill impairment	(585)	-	-	-	(585)
Total segment adjustments after tax	**(5,347)**	**-**	**4,806**	**(3,411)**	**(3,952)**

NOTE 4C: DEPRECIATION AND AMORTISATION RECONCILIATION FULL-YEAR ENDED 30 JUNE 2022	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Total Depreciation and Amortisation per Statement of Profit and Loss	**(3,153)**	**(1,152)**	**(706)**	**(7,868)**	**(12,879)**
Right of use asset depreciation	3,153	1,152	706	1,323	6,334
Amortisation of acquired intangibles	-	-	-	1,921	1,921
Gain on leases	-	-	-	26	26
Total Depreciation & Amortisation per Operating Segment note	**-**	**-**	**-**	**(4,598)**	**(4,598)**

Notes:

1. Regulatory proceedings and related costs are net of insurance recovery and include administrative costs incurred in relation to the DASS VA.
2. Includes net fair value adjustment of and acquisition loss on non-core investments. Non-core investments reflect the Group's legacy investment in an asset or enterprise that is unrelated to the core activities of the Group.

OPERATING SEGMENT NOTE YEAR ENDED 30 JUNE 2021	NOTES	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Revenue						
Provision of services		87,520	59,053	40,149	-	186,722
Recognised as follows:						
Over time		*66,547*	*3,047*	*38,991*	-	*108,585*
At a point in time		*20,973*	*56,006*	*1,158*	-	*78,137*
Share of profits of associates and jointly controlled entities		10	-	8,283	-	8,293
Other income		710	(23)	676	-	1,363
Fair value loss on held for sale assets		-	-	(1,098)	-	(1,098)
Total revenue	4A	**88,240**	**59,030**	**48,010**	-	**195,280**
Total cost of sales		(4,365)	(1,609)	(1,359)	-	(7,333)
Net revenue		**83,875**	**57,421**	**46,651**	-	**187,947**
Direct expenses		(56,556)	(30,748)	(31,990)	-	(119,294)
Overhead expenses		(5,466)	(2,825)	(2,263)	-	(10,554)
Allocated staff expenses		(6,657)	(9,672)	(2,845)	-	(19,174)
Unallocated group staff expenses		-	-	-	(6,660)	(6,660)
Unallocated group operating expenses		-	-	-	(4,257)	(4,257)
Segment EBITDA		**15,196**	**14,176**	**9,553**	**(10,917)**	**28,008**
(Less)/Add: segment adjustments before tax	4B	(13,144)	-	436	(4,778)	(17,486)
EBITDA		**2,052**	**14,176**	**9,989**	**(15,695)**	**10,522**
Depreciation and amortisation expenses	4C	-	-	-	(4,178)	(4,178)
Amortisation of acquired intangibles		-	-	-	(2,509)	(2,509)
Right-of-use asset depreciation		(3,755)	(1,031)	(1,166)	(1,914)	(7,866)
Impairment of property, plant and equipment		-	-	-	(1,465)	(1,465)
Impairment of goodwill, intangible assets and investments		(11,193)	-	-	-	(11,193)
EBIT		**(12,896)**	**13,145**	**8,823**	**(25,761)**	**(16,689)**
Interest revenue		-	-	205	18	223
Finance costs		(656)	(180)	(299)	(439)	(1,574)
Loss before tax		**(13,552)**	**12,965**	**8,729**	**(26,182)**	**(18,040)**
Income tax expense						(795)
Net loss after taxation						**(18,835)**
Add: segment adjustments after tax	4B					26,084
Segment NPATA						**7,249**

Glossary

EBIT is defined as earnings before interest and tax; EBITDA is defined as earnings before interest, tax, depreciation and amortisation; and NPATA is defined as net profit after tax before amortisation of acquired intangibles.

Notes to the consolidated financial statements *(cont.)*

NOTE 4A: REVENUE RECONCILIATION YEAR ENDED 30 JUNE 2021	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Total revenue per Statement of Profit or Loss	**88,823**	**59,030**	**51,235**	**406**	**199,494**
Interest income	-	-	(205)	(18)	(223)
Government stimulus grant (USA)	-	-	(889)	-	(889)
Gain on leases	-	-	(977)	-	(977)
Trading gain	-	-	(56)	(388)	(444)
Fair value loss on held for sale assets	-	-	(1,098)	-	(1,098)
Other revenue adjustments	(583)	-	-	-	(583)
Total revenue per Operating Segment note	**88,240**	**59,030**	**48,010**	**-**	**195,280**

NOTE 4B: SEGMENT ADJUSTMENTS YEAR ENDED 30 JUNE 2021	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Segment adjustments before tax					
Government stimulus grant (USA)	-	-	889	-	889
Net change in value of non-core investments[1]	-	-	(453)	(2,754)	(3,207)
Commonwealth penalty	(7,200)	-	-	-	(7,200)
Regulatory proceedings and related costs[2]	(5,944)	-	-	(175)	(6,119)
Takeover defence costs	-	-	-	(1,849)	(1,849)
Total segment adjustments before tax	**(13,144)**	**-**	**436**	**(4,778)**	**(17,486)**
Segment adjustments after tax					
Government stimulus grant (USA)	-	-	889	-	889
Net change in value of non-core investments[1]	-	-	(55)	(2,326)	(2,381)
Commonwealth penalty	(7,200)	-	-	-	(7,200)
Regulatory proceedings and related costs[2]	(4,162)	-	-	(122)	(4,284)
Takeover defence costs	-	-	-	(1,294)	(1,294)
Amortisation of acquired intangibles	-	-	-	(1,568)	(1,568)
E&P Wealth goodwill impairment	(11,193)	-	-	-	(11,193)
US CARES Act Tax Credit	-	-	947	-	947
Total segment adjustments after tax	**(22,555)**	**-**	**1,781**	**(5,310)**	**(26,084)**

NOTE 4C: DEPRECIATION AND AMORTISATION RECONCILIATION YEAR ENDED 30 JUNE 2021	E&P WEALTH $'000	E&P CAPITAL $'000	E&P FUNDS $'000	CORPORATE UNALLOCATED $'000	TOTAL $'000
Total Depreciation and Amortisation per Statement of Profit or Loss	**(3,755)**	**(1,031)**	**(2,143)**	**(8,601)**	**(15,530)**
Gain on leases	-	-	977	-	977
Right of use asset depreciation	3,755	1,031	1,166	1,914	7,866
Amortisation of acquired intangibles	-	-	-	2,509	2,509
Total Depreciation & Amortisation per Operating Segment note	**-**	**-**	**-**	**(4,178)**	**(4,178)**

Notes:

1. Includes net fair value adjustment of and acquisition loss on non-core investments. Non-core investments reflect the Group's legacy investment in an asset or enterprise that is unrelated to the core activities of the Group.
2. Regulatory proceedings and related costs are net of insurance recovery.

The Group operates in three principal geographic areas - Australia (country of domicile), United States of America and Hong Kong. The Group's revenue from external customers and non-current assets by location of operations is detailed below.

	2022 $'000	2021 $'000
Revenue from external customers (provision of services revenue)		
Australia	181,768	176,121
United States of America	9,559	10,601
Hong Kong	220	-
	191,547	**186,722**
Non-current assets		
Australia	164,861	169,147
United States of America	6,269	6,790
Hong Kong	12	-
	171,142	**175,937**

5. REVENUE

PROVISION OF SERVICES REVENUE	2022 $'000	2021 $'000
At a point in time		
Advisory, administration and brokerage	19,951	20,973
Corporate advisory and institutional brokerage	57,362	56,006
Funds management	3,875	1,158
Total revenue earned at a point in time	**81,188**	**78,137**
Over time		
Advisory, administration and brokerage	66,737	66,547
Corporate advisory revenue	6,255	3,047
Funds management	37,367	35,676
Project service fees	-	3,315
Total revenue earned over time	**110,359**	**108,585**
Total provision of services revenue	**191,547**	**186,722**

GAIN ON INVESTMENTS AND LEASES	2022 $'000	2021 $'000
Gain on assets classified as held for sale*	4,230	-
Gain on investments in financial assets	7	444
Gain on leases	26	977
	4,263	**1,421**

* Note - On 18th February 2022, the Group disposed its jointly controlled entities including Fort Street Capital Pty Limited (FSC), Fort Street Real Estate Capital Pty Limited (FSREC) and Fort Street Real Estate Services Pty Limited (FSRES). As a result of the transaction, the Group recognised a gain on investment of $6.4 million, partially offset by $2.2 million fair value loss on the Group's investment on FSC.

OTHER INCOME	2022 $'000	2021 $'000
Dividends	2,567	348
Management fees	1,800	538
Other income	1,055	1,060
	5,422	**1,946**

6. EXPENSES

	2022 $'000	2021 $'000
Profit/(Loss) before income tax includes the following specific expenses:		
Employee benefits		
Salaries and other employee benefits	(113,609)	(110,070)
Employer related taxes	(6,204)	(5,916)
Post employment benefits	(5,210)	(5,076)
Share based payment expense	(3,082)	(4,717)
Termination benefits	(165)	(429)
	(128,270)	**(126,208)**
Depreciation and amortisation		
Depreciation and amortisation – property, plant and equipment	(2,310)	(2,740)
Amortisation – computer software	(2,314)	(2,509)
Amortisation – restraint covenants	(1,168)	(1,743)
Amortisation – customer relationships	(673)	(673)
Amortisation – in progress contracts	(80)	-
Amortisation – right of use assets	(6,334)	(7,865)
	(12,879)	**(15,530)**
Impairment of goodwill, intangible assets and investments		
Goodwill (Note 21)	(585)	(11,193)
Computer software (Note 22)	(249)	-
	(834)	**(11,193)**
Legal proceedings and related costs, net of insurance		
Other legal and related costs	(1,804)	(2,234)
Insurance recovery income*	1,782	1,169
	(22)	**(1,065)**
Regulatory proceedings and related costs, net of insurance		
AFCA external dispute resolution and other claims	(4,506)	(8,149)
Other legal and related costs	(953)	(556)
Commonwealth penalty	-	(7,200)
Commonwealth penalty related costs	-	(1,000)
Insurance recovery income*	1,635	4,284
	(3,824)	**(12,621)**

*Note: further related costs maybe recovered but are not virtually certain at this time.

Other expenses included in the consolidated statement of profit or loss and other comprehensive income totalling $11.1 million (2021: $12.1 million) primarily comprise direct fund costs, insurance costs, onerous contract expense and other office-related expenses.

7. FINANCE EXPENSE

Recognised directly in profit or loss:

	2022 $'000	2021 $'000
Interest expense on financial liabilities measured at amortised cost	(85)	(89)
Interest expense on leases	(1,430)	(1,470)
Other finance costs – including facility line fees and amortisation of loan establishment costs	-	(15)
Finance expense recognised directly in profit or loss	**(1,515)**	**(1,574)**

8. REMUNERATION OF AUDITOR

The auditor of E&P Financial Group Limited is Deloitte Touche Tohmatsu. The following fees were paid or are payable for services provided by Deloitte Touche Tohmatsu and network firms of the parent entity auditor:

		2022 $'000	2021 $'000
Deloitte Touche Tohmatsu - auditor of parent entity			
Audit services:	Audit of the Group's annual financial statements	283	239
	Audit of the subsidiaries' annual financial statements	183	163
Review services:	Review of the Group's half-year financial statements	167	115
Other services:	Taxation services	42	134
	Advisory services (corporate finance and taxation) in respect of proposed transaction relating to funds managed by the Group	-	230
	Audit fee of managed funds paid by the Group	126	121
	Advisory services in respect of Investment Risk Management	-	56
	Other	18	39
Total		**819**	**1,097**
Network firm of the parent entity auditor:			
Deloitte Touche Tohmatsu Hong Kong			
Audit services:	Audit of the foreign subsidiaries' annual financial statements	36	27
Deloitte Tax LLP			
Other services:	Taxation services	250	127
Deloitte AG			
Other services:	Tax advisory services	13	-
		1,118	**1,251**

9. INCOME TAX

	2022 $'000	2021 $'000
Current tax		
In respect of the current year	5,385	3,236
In respect of prior years	(73)	155
	5,312	**3,391**
Deferred tax		
In respect of the current year	(1,480)	(2,596)
Total income tax expense recognised in the current year	**3,832**	**795**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit/(Loss) before income tax expense	**10,148**	**(18,040)**
Income tax expense at 30% (2021: 30%)	3,045	(5,412)
Effect of different tax rates of subsidiaries operating in other jurisdiction	(20)	(25)
Effect of income that is exempt from taxation	(2,295)	(488)
Effect of expenses that are not deductible in determining taxable profit	2,420	6,456
Deferred tax assets not recognised	755	1,056
Writeback of previous year's USA tax losses (US CARES Act)	-	(947)
	3,905	**640**
Adjustments recognised in the current period in relation to the current tax of prior periods	(73)	155
Total income tax expense recognised in profit or loss	**3,832**	**795**
Current tax (liabilities)/assets		
Income tax (payable)/receivable	**(599)**	**2,890**
Deferred tax balances		
The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated statement of financial position:		
Deferred tax assets	15,239	13,796
Deferred tax liabilities	(11,031)	(11,202)
	4,208	**2,594**

During the year the Group incurred $3,546,576 (tax effect $1,063,973) of capital losses that were not booked as a deferred tax asset (2021: $827,543, tax effect $248,262). These capital losses can be carried forward to shelter the tax otherwise payable on future net capital gains.

2022	OPENING BALANCE $'000	RECOGNISED IN PROFIT OR LOSS $'000	RECOGNISED IN OTHER COMPREHENSIVE INCOME $'000	CLOSING BALANCE $'000
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	550	(159)	-	391
Intangible assets	(10,328)	201	-	(10,127)
Provisions, prepayments, accruals, receivables	10,553	1,900	-	12,453
Provision for lease incentives	288	(47)	-	241
Accrued revenue	(874)	(30)	-	(904)
Financial assets at fair value	37	216	135	388
Lease liabilities / right of use assets	1,057	(57)	-	1,000
Other	1,311	(545)	-	766
Deferred tax assets/(liabilities)	**2,594**	**1,479**	**135**	**4,208**

2021	OPENING BALANCE $'000	RECOGNISED IN PROFIT OR LOSS $'000	RECOGNISED IN OTHER COMPREHENSIVE INCOME $'000	CLOSING BALANCE $'000
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	866	(316)	-	550
Intangible assets	(10,530)	202	-	(10,328)
Provisions, prepayments, accruals, receivables	7,718	2,835	-	10,553
Provision for lease incentives	340	(52)	-	288
Accrued revenue	(817)	(57)	-	(874)
Financial assets at fair value	(161)	300	(102)	37
Lease liabilities/right of use assets	1,330	(273)	-	1,057
Other	1,354	(43)	-	1,311
Deferred tax assets/(liabilities)	**100**	**2,596**	**(102)**	**2,594**

10. DECONSOLIDATION OF SUBSIDIARY

On 19 January 2022, the Directors of Dixon Advisory and Superannuation Services Pty Limited (**DASS**), a subsidiary of the Group, appointed PwC Partners, Stephen Longley and Craig Crosbie, as Voluntary Administrators. As a result, the Group ceased to control DASS as of 19 January 2022 and as such DASS' assets and liabilities have been deconsolidated from the Group on this date. The assets and liabilities deconsolidated are set out in the table below:

SUMMARISED FINANCIAL INFORMATION	$'000
Current assets	
Cash and cash equivalents	963
Trade and other receivables	3,444
Other assets	21,264
Total assets	**25,671**
Current liabilities	
Trade and other payables	537
Provisions	20,108
Contract liabilities	3,167
Total liabilities	**23,812**
Net assets	**1,859**

Note: No liability has been adjusted in respect of claims that may arise with the Voluntary Administrator subsequent to the date of their appointment.

A loss of $1.859 million arising from the deconsolidation is recognised through consolidated statement of profit or loss and other comprehensive income.

11. EARNINGS PER SHARE

	2022 NO.	2021 NO.
Weighted average number of ordinary shares		
Weighted average number of ordinary shares during the year used to calculate basic earnings per share	227,125,597	225,860,792
Effect of dilutive potential ordinary shares	7,565,894	6,984,771
Weighted average number of ordinary shares during the year used to calculate diluted earnings per share	**234,691,491**	**232,845,563**

	2022 $'000	2021 $'000
Profit/(loss) attributable to ordinary shareholders		
Profit/(loss) attributable to ordinary shareholders	6,316	(18,835)
Profit/(loss) used in the calculation of basic and diluted earnings per share	6,316	(18,835)
Basic profit/(loss) per share (cents per share)	2.8	(8.3)
Diluted profit/(loss) per share (cents per share)	2.7	(8.1)

Treasury shares issued pursuant to the Loan Funded Share Plan (**LFSP**) are anti-dilutive and are therefore excluded.

12. DIVIDENDS

During the year, E&P Financial Group Limited made the following dividend payments:

	2022		2021	
	CENTS PER SHARE	TOTAL $'000	CENTS PER SHARE	TOTAL $'000
Fully paid ordinary shares				
2020 Final dividend			-	-
2021 Interim dividend			2.0 cents	4,693
2021 Final dividend	-	-		
2022 Interim dividend	-	-		
		-		**4,693**

The franking account balance as at 30 June 2022 was $31.9 million (2021: $27.9 million).

13. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2022 $'000	2021 $'000
Cash on hand	4	4
Cash at bank	74,177	50,748
	74,181	**50,752**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Average interest rates during the period were 0.2191% (2021: 0.0131%). Included in cash at bank is $12.5 million (2021: $13.8 million) which is required to be retained to meet various regulatory requirements relating to licences held, and is not available for general use.

14. CURRENT ASSETS – DEPOSITS

	2022 $'000	2021 $'000
Short-term deposits	5,024	5,332
Other deposits	217	428
	5,241	**5,760**

The Group entered into a six month short-term bank deposit of $5.0 million maturing on 1 October 2022 to cash back the bank guarantee facility with National Australia Bank with a $5.0 million limit.

15. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Current		
Trade receivables	22,534	14,735
Loss allowance	(155)	(19)
Other receivables and accrued revenue	4,068	3,350
Other related party receivables	307	273
Insurance receivables	362	5,500
	27,116	**23,839**

TRADE RECEIVABLES

The average credit period on sales is 30 days. No interest is charged on trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (**ECL**). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed into liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off are subject to enforcement activities.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

30 JUNE 2022	EXPECTED CREDIT LOSS RATE* %	CARRYING AMOUNT OF TRADE RECEIVABLES $'000	ALLOWANCE FOR EXPECTED CREDIT LOSSES $'000
0-30 days current/overdue	0.00%	19,937	-
31-60 days overdue	0.90%	1,894	(17)
61-120 days overdue	4.28%	187	(8)
121+ days overdue	25.05%	516	(130)
Total loss allowance		**22,534**	**(155)**

* Expected credit loss rate % has been rounded to two decimal places.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables.

	2022 $'000	2021 $'000
Balance at beginning of the year	(19)	(30)
Change in loss allowance	(136)	(43)
Amounts written off	-	54
Balance at end of the year	**(155)**	**(19)**

16. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	2022 $'000	2021 $'000
Investments in associates	768	555
Investments in jointly controlled entities	13,148	22,056
	13,916	**22,611**

Reconciliation of movement in carrying values of jointly controlled entities.

	FORT STREET CAPITAL* $'000	DIXON ASSOCIATES PE III $'000	CVC EMERGING COMPANIES FUND $'000	OTHER** $'000	TOTAL $'000
Balance at 1 July 2020	**6,386**	**5,048**	**7,409**	**3,725**	**22,568**
Acquisitions	-	611	2,377	-	2,988
Disposal	-	-	(4,674)	-	(4,674)
Share of profits of jointly controlled entities	902	3,198	3,549	482	8,131
Fair value loss	-	-	(1,098)	-	(1,098)
Less: dividends received	(650)	(1,388)	(2,657)	(1,000)	(5,695)
Effect of foreign currency exchange differences	-	-	-	(164)	(164)
Balance as at 30 June 2021	**6,638**	**7,469**	**4,906**	**3,043**	**22,056**
Balance at 1 July 2021	**6,638**	**7,469**	**4,906**	**3,043**	**22,056**
Acquisitions	-	-	-	-	-
Disposal	(4,038)	-	-	(983)	(5,021)
Share of profits of jointly controlled entities	598	3,590	(297)	735	4,626
Fair value loss	(1,795)	-	-	-	(1,795)
Less: dividends received	(1,403)	(2,953)	(520)	(1,927)	(6,803)
Effect of foreign currency exchange differences	-	-	-	85	85
Balance as at 30 June 2022	**-**	**8,106**	**4,089**	**953**	**13,148**

* This investment accounted for using equity method was disposed on 18 February 2022.

** Other jointly controlled entities, 'Fort Street Real Estate Capital Pty Limited' and 'Fort Street Real Estate Services Pty Limited', were disposed on 18 February 2022.

Notes to the consolidated financial statements *(cont.)*

Summarised financial information for the Group's material jointly controlled entities.

2022	FORT STREET CAPITAL* $'000	DIXON ASSOCIATES PE III $'000	CVC EMERGING COMPANIES FUND $'000	OTHER** $'000	TOTAL $'000
Current assets	-	91	1,779	866	2,736
Non-current assets	-	10,851	39,617	4,865	55,333
Current liabilities	-	(844)	(147)	(211)	(1,202)
Non-current liabilities	-	(399)	-	(3,614)	(4,013)
Net assets	**-**	**9,699**	**41,249**	**1,906**	**52,854**
The above amounts of assets and liabilities include the following:					
Cash and cash equivalents	-	65	610	1,624	2,299
Revenue	-	4,736	8,154	1,004	13,894
Profit for the year	-	4,296	7,626	(281)	11,641
Other comprehensive loss for the year	-	-	-	(115)	(115)
Total comprehensive income for the year	**-**	**4,296**	**7,626**	**(396)**	**11,526**

2021	FORT STREET CAPITAL* $'000	DIXON ASSOCIATES PE III $'000	CVC EMERGING COMPANIES FUND $'000	OTHER** $'000	TOTAL $'000
Current assets	1,450	154	1,572	4,755	7,931
Non-current assets	588	9,023	48,026	7,047	64,684
Current liabilities	(305)	(12)	(104)	(1,937)	(2,358)
Non-current liabilities	-	(228)	-	(3,777)	(4,005)
Net assets	**1,733**	**8,937**	**49,494**	**6,088**	**66,252**
The above amounts of assets and liabilities include the following:					
Cash and cash equivalents	1,552	31	964	4,439	6,986
Revenue	1,102	3,984	11,380	8,300	24,766
Profit for the year	1,730	3,807	8,106	2,023	15,666
Other comprehensive loss for the year	-	-	-	(434)	(434)
Total comprehensive income for the year	**1,730**	**3,807**	**8,106**	**1,589**	**15,232**

* This investment accounted for using equity method was disposed on 18 February 2022.

** Other jointly controlled entities, 'Fort Street Real Estate Capital Pty Limited' and 'Fort Street Real Estate Services Pty Limited', were disposed on 18 February 2022.

Notes to the consolidated financial statements *(cont.)*

Reconciliation of the above summarised financial information to the carrying amount of the interest recognised in the consolidated financial statements.

2022	FORT STREET CAPITAL* $'000	DIXON ASSOCIATES PE III $'000	CVC EMERGING COMPANIES FUND $'000	OTHER** $'000	TOTAL $'000
Net assets	-	9,699	41,249	1,906	52,854
Proportion of Group's ownership interest in the jointly controlled entities	-	8,106	4,089	953	13,148
Carrying amount of the Group's interest in the associate	**-**	**8,106**	**4,089**	**953**	**13,148**

2021	FORT STREET CAPITAL* $'000	DIXON ASSOCIATES PE III $'000	CVC EMERGING COMPANIES FUND $'000	OTHER** $'000	TOTAL $'000
Net assets	1,733	8,937	49,494	6,088	66,252
Proportion of Group's ownership interest in the jointly controlled entities	867	7,469	4,906	3,043	16,285
Goodwill, net of impairment	5,771	-	-	-	5,771
Carrying amount of the Group's interest in the associate	**6,638**	**7,469**	**4,906**	**3,043**	**22,056**

* This investment accounted for using equity method was disposed on 18 February 2022.

** Other jointly controlled entities, 'Fort Street Real Estate Capital Pty Limited' and 'Fort Street Real Estate Services Pty Limited', were disposed on 18 February 2022.

17. ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Details of the Group's associates and jointly controlled entities at the end of the reporting period are as follows:

NAME	PRINCIPAL PLACE OF BUSINESS/COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2022 %	OWNERSHIP INTEREST 2021 %
Associates of E&P Financial Group Limited			
Clear Law Pty Limited	Australia	49%	49%
US Select Private Opportunities Fund II, GP LLC	USA	50%	50%
US Select Private Opportunities Fund III, GP LLC	USA	42.5%	42.5%
US Select Private Opportunities Fund IV, GP LLC	USA	42.5%	42.5%
US Select Direct Private Equity, GP LLC	USA	42.5%	42.5%
Jointly controlled entities of E&P Financial Group Limited			
Fort Street Real Estate Capital Pty Limited *	Australia	-	75%
Fort Street Real Estate Services Pty Limited *	Australia	-	75%
Fort Street Capital Pty Limited**	Australia	-	50%
Laver Place Sub Pty Limited	Australia	33.3%	33.3%
CVC Emerging Companies IM Pty Limited	Australia	50%	50%
CVC Emerging Companies Fund	Australia	9.9%	9.9%
Dixon Associates PE III Wholesale Fund***	USA	83.6%	83.6%
UA Dixon 168 Manager, LLC	USA	50%	50%
UA Dixon 30-58/64 34th Street, LLC	USA	50%	50%
UA Dixon 523 West 135th Street Manager, LLC	USA	50%	50%

*Despite the Group holding a majority interest in Fort Street Real Estate Capital Pty Limited and Fort Street Real Estate Services Pty Limited, control is shared between the Group and the minority holder by virtue of the Shareholder Agreement which is in place. These investments accounted for using equity method were disposed on 18 February 2022.

** This investment accounted for using equity method was disposed on 18 February 2022.

***Despite the Group holding a majority interest in Dixon Associates PE III Wholesale Fund, by virtue of the Fund's Constitution, control is vested in the Trustee. The Group does not control the Board of the Trustee (it has 50% representation), nor is it able to remove the Trustee, and accordingly it does not exercise control over the Fund.

All of the above associates and jointly controlled entities are accounted for using the equity method in these consolidated financial statements.

Notes to the consolidated financial statements *(cont.)*

18. SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 2:

NAME	PRINCIPAL PLACE OF BUSINESS/COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2022 %	OWNERSHIP INTEREST 2021 %
Ultimate parent entity:			
E&P Financial Group Limited	Australia	100%	100%
Subsidiaries of ultimate parent entity:			
E&P Operations Pty Limited	Australia	100%	100%
Dixon Advisory & Superannuation Services Pty Limited*	Australia	100%	100%
E&P Private Investments Pty Limited	Australia	100%	100%
Dixon Advisory Property Pty Limited	Australia	100%	100%
E&P SMSF Services Pty Limited (formerly known as Dixon Advisory Super Pty Limited)	Australia	100%	100%
E&P Financial Group USA Inc.	USA	100%	100%
E&P Investments Limited	Australia	100%	100%
E&P Funds Management Pty Limited	Australia	100%	100%
E&P Funds Group Pty Limited	Australia	100%	100%
Dixon Projects LLC	USA	100%	100%
E&P Asset Management USA Inc	USA	100%	100%
Walker Street Partners Pty Limited	Australia	100%	100%
DGP Inc	USA	100%	100%
US Select Private Opportunities Fund GP LLC	USA	100%	100%
Australian Fund Accounting Services Pty Limited	Australia	100%	100%
E&P Investment Services Pty Limited	Australia	100%	100%
E&P International Investments Pty Limited	Australia	100%	100%
URF Investment Management Pty Limited**	Australia	-	100%
New Energy Solar Manager Pty Limited	Australia	100%	100%
Dixon Leasing Property Management LLC**	USA	-	100%
Evans and Partners Pty Limited	Australia	100%	100%
Orca Funds Management Pty Limited	Australia	100%	100%
NES Development Services Pty Limited**	Australia	-	100%
NES Project Services LLC	USA	100%	100%
E&P Employee Investments Pty Limited	Australia	100%	100%
E&P Corporate Advisory Pty Limited	Australia	100%	100%
E&P Asia (HK) Limited	Hong Kong	100%	100%
Claremont Funds Management Pty Ltd	Australia	100%	100%
E&P Facilities Pty Limited***	Australia	100%	-

* Entered into voluntary administration on 19 January 2022.

** De-registered as a company in FY22.

*** New entity incorporated in FY22.

19. CURRENT AND NON-CURRENT ASSETS – ASSETS CLASSIFIED AS HELD FOR SALE AND INVESTMENTS IN FINANCIAL ASSETS

	2022 $'000	2021 $'000
Current		
Financial assets classified as held for sale, at fair value	**7,592**	**6,750**
Non-Current		
Financial assets held at FVTOCI	2,527	2,078
Financial assets held at FVTPL	1,542	620
	4,069	**2,698**

The Group's escrowed shares of $6.4 million in US Solar Fund (USF) listed on the London Stock Exchange were released from escrow in April 2022. These shares have been classified as 'Financial assets classified as held for sale'. Escrowed shares of $0.8 million in USF are classified as 'Financial assets held at FVTOCI'.

The Group's investment in FSREC Property Fund of $1.2 million was transferred from 'Financial assets held at FVTPL' to 'Financial assets classified as held for sale' during the period, which were subsequently sold in July 2022.

20. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2022 $'000	2021 $'000
Carrying amounts of		
Furniture and equipment	1,436	1,651
Motor vehicles	-	7
Computer equipment	228	206
Leasehold improvements	9,263	8,449
	10,927	**10,313**

Notes to the consolidated financial statements *(cont.)*

COST	FURNITURE AND EQUIPMENT $'000	MOTOR VEHICLES $'000	COMPUTER EQUIPMENT $'000	LEASEHOLD IMPROVEMENTS $'000	TOTAL $'000
Balance at 1 July 2020	5,120	33	2,295	14,907	22,355
Additions	329	-	90	3,790	4,209
Disposals	(1,980)	-	(523)	(5,559)	(8,062)
Effect of foreign currency exchange differences	(37)	(3)	(22)	-	(62)
Balance as at 30 June 2021	**3,432**	**30**	**1,840**	**13,138**	**18,440**
Balance at 1 July 2021	3,432	30	1,840	13,138	18,440
Additions	364	-	151	2,798	3,313
Disposals	(722)	-	(76)	(2,222)	(3,020)
Effect of foreign currency exchange differences	29	2	22	-	53
Balance as at 30 June 2022	**3,103**	**32**	**1,937**	**13,714**	**18,786**

ACCUMULATED DEPRECIATION/ AMORTISATION	FURNITURE AND EQUIPMENT $'000	MOTOR VEHICLES $'000	COMPUTER EQUIPMENT $'000	LEASEHOLD IMPROVEMENTS $'000	TOTAL $'000
Balance at 1 July 2020	(2,614)	(18)	(1,906)	(7,324)	(11,862)
Depreciation/amortisation	(562)	(6)	(268)	(1,904)	(2,740)
Impairment	(597)	-	-	(496)	(1,093)
Disposal	1,962	-	523	5,035	7,520
Effect of foreign currency exchange differences	30	1	17	-	48
Balance as at 30 June 2021	**(1,781)**	**(23)**	**(1,634)**	**(4,689)**	**(8,127)**
Balance at 1 July 2021	(1,781)	(23)	(1,634)	(4,689)	(8,127)
Depreciation/amortisation	(405)	(6)	(127)	(1,772)	(2,310)
Impairment*	(175)	-	(4)	(37)	(216)
Disposal	722	-	76	2,047	2,845
Effect of foreign currency exchange differences	(28)	(3)	(20)	-	(51)
Balance as at 30 June 2022	**(1,667)**	**(32)**	**(1,709)**	**(4,451)**	**(7,859)**
Written down value as at 30 June 2022	**1,436**	**-**	**228**	**9,263**	**10,927**

*Note: This impairment loss relates to furniture and equipment, computer equipment and leasehold improvements due to the termination of a lease of North Sydney office premises. The impairment losses have been included in the profit and loss in the 'impairment of plant, equipment and right of use assets' line item.

21. NON-CURRENT ASSETS – GOODWILL AND OTHER INDEFINITE LIFE INTANGIBLE ASSETS

	2022 $'000	2021 $'000
Carrying amounts of:		
Goodwill	65,144	65,729
Brand	29,333	29,333
	94,477	**95,062**

COST	GOODWILL $'000	BRAND $'000	TOTAL $'000
Balance at 1 July 2020	76,922	29,333	106,255
Impairment of goodwill and other indefinite life intangible assets	(11,193)	-	(11,193)
Balance as at 30 June 2021	**65,729**	**29,333**	**95,062**
Balance at 1 July 2021	65,729	29,333	95,062
Impairment of goodwill and other indefinite life intangible assets	(585)	-	(585)
Balance as at 30 June 2022	**65,144**	**29,333**	**94,477**

ALLOCATION OF GOODWILL TO CASH-GENERATING UNITS

Goodwill has been allocated for impairment testing purposes to the following groups of cash-generating units (**CGUs**):

- E&P Wealth
- E&P Capital
- E&P Funds

The carrying amount (after impairment) of goodwill has been allocated as follows:

GOODWILL	2022 $'000	2021 $'000
CGU		
E&P Wealth	-	585
E&P Capital	65,144	65,144
E&P Funds	-	-
Balance as at 30 June	**65,144**	**65,729**

Notes to the consolidated financial statements *(cont.)*

IMPAIRMENT TESTING – GOODWILL

E&P WEALTH

The recoverable value of the E&P Wealth CGU has been determined by a fair value less costs of disposal calculation which uses cash flow projections based on the financial forecasts approved by the Directors covering the 2023 and 2024 financial years. The valuation is considered to be level 3 in the fair value hierarchy. Cash flows from FY25 to FY27 have been escalated at 2.5% per cent per annum, with cash flows beyond FY27 extrapolated using a steady long term growth rate of 2.45% per annum. A post-tax discount rate of 12.5% (FY21: 10.0%) has been applied to the forecast cash flows.

In preparing the E&P Wealth impairment test, the Directors have considered the potential risks facing the business as at 30 June 2022, which include legal and regulatory risks and further potential disruption caused by the voluntary administration of DASS. Based on these assumptions, there is an impairment to the goodwill allocated to this CGU of $0.585 million, which is included in "Impairment of goodwill, intangible assets and investments" within the Consolidated statement of profit or loss and other comprehensive income. Key drivers of the impairment to goodwill include the impact of legacy issues in the Dixon Advisory business (which led to the voluntary administration of DASS) and the continued elevated risks associated with the representative proceedings.

E&P CAPITAL

The recoverable value of the E&P Capital CGU has been determined by a fair value less cost of disposal calculation which uses cash flow projections based on the financial forecasts approved by the Directors covering the 2023 and 2024 financial years. The valuation is considered to be level 3 in the fair value hierarchy. Cash flows from FY25 to FY27 have been escalated at 2.5% per cent per annum, with cash flows beyond FY27 extrapolated using a steady long term growth rate of 2.45% per annum. A post-tax discount rate of 13.5% (FY21: 10.5%) has been applied to the forecast cash flows. The Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

E&P FUNDS

All indefinite life intangible assets allocated to the E&P Funds CGU were fully written off in prior periods. The remaining assets and liabilities of E&P Funds primarily comprise working capital and property, plant and equipment.

Notes to the consolidated financial statements *(cont.)*

OTHER INDEFINITE LIFE INTANGIBLE ASSETS – BRAND

The recoverable value of the Evans & Partners (E&P) brand has been assessed at the group level using a relief-from-royalty approach on the basis that the Evans & Partners (E&P) brand is a corporate asset utilised across all cash generating units.

Consistent with the goodwill impairment test, the relief-from-royalty brand valuation utilises 5 year revenue projections based on the financial forecasts approved by the Directors covering the 2023 and 2024 financial years. Cash flows from FY25 to FY27 have been escalated at 2.5% per cent per annum, with cash flows beyond FY27 extrapolated using a steady long term growth rate of 2.45% per annum. A post-tax discount rate of 12.9% has been applied to the forecast cash flows.

Under this treatment, for the purposes of the goodwill impairment test, the brand intangible asset is excluded from the carrying value of the cash generating units, with an implied royalty instead charged to the cash generating units.

Using the above methodology, the directors conclude that it remains appropriate for the carrying value of the brand to be held at $29.3 million, and for no impairment to be recorded in the current year.

22. NON-CURRENT ASSETS – FINITE LIFE INTANGIBLE ASSETS

	2022 $'000	2021 $'000
Carrying amounts of:		
Computer software	4,014	5,106
Customer relationships	4,424	5,097
Restraint covenants	-	1,168
Contracts in progress	-	80
	8,438	**11,451**

COST	COMPUTER SOFTWARE $'000	CUSTOMER RELATIONSHIPS $'000	RESTRAINT COVENANTS $'000	CONTRACTS IN PROGRESS $'000	TOTAL $'000
Balance at 1 July 2020	17,309	10,700	10,000	700	38,709
Additions	2,333	-	-	-	2,333
Disposals	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-
Balance as at 30 June 2021	**19,642**	**10,700**	**10,000**	**700**	**41,042**
Balance at 1 July 2021	19,642	10,700	10,000	700	41,042
Additions	1,859	-	-	-	1,859
Disposals	(1,834)	-	-	-	(1,834)
Effect of foreign currency exchange differences	2	-	-	-	2
Balance as at 30 June 2022	**19,669**	**10,700**	**10,000**	**700**	**41,069**

ACCUMULATED AMORTISATION	COMPUTER SOFTWARE $'000	CUSTOMER RELATIONSHIPS $'000	RESTRAINT COVENANTS $'000	CONTRACTS IN PROGRESS $'000	TOTAL $'000
Balance at 1 July 2020	(12,027)	(4,930)	(7,089)	(620)	(24,666)
Amortisation expense	(2,509)	(673)	(1,743)	-	(4,925)
Impairment	-	-	-	-	-
Eliminated on disposal of assets	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	-	-	-
Balance as at 30 June 2021	**(14,536)**	**(5,603)**	**(8,832)**	**(620)**	**(29,591)**
Balance at 1 July 2021	(14,536)	(5,603)	(8,832)	(620)	(29,591)
Amortisation expense	(2,314)	(673)	(1,168)	(80)	(4,235)
Impairment	(249)	-	-	-	(249)
Eliminated on disposal of assets	1,445	-	-	-	1,445
Effect of foreign currency exchange differences	(1)	-	-	-	(1)
Balance as at 30 June 2022	**(15,655)**	**(6,276)**	**(10,000)**	**(700)**	**(32,631)**
Written down value as at 30 June 2022	**4,014**	**4,424**	**-**	**-**	**8,438**

The amortisation period for the above finite life intangible assets is as follows:

Computer software	4 years
Customer relationships	2 – 12 years
Restraint covenants	2 – 5 years
Contracts in progress	1 – 2 years

23. NON-CURRENT ASSETS – RIGHT OF USE ASSETS

COST	OFFICE PREMISES $'000	OFFICE EQUIPMENT $'000	TOTAL $'000
Opening balance at 1 July 2020	38,208	1,384	39,592
Additions	8,377	208	8,585
Disposals	(10,881)	-	(10,881)
Transfer to finance lease receivable	(4,781)	-	(4,781)
Effect of foreign currency exchange differences	(357)	-	(357)
Balance as at 30 June 2021	**30,566**	**1,592**	**32,158**
Opening balance at 1 July 2021	30,566	1,592	32,158
Additions	10,822	739	11,561
Disposals	(2,615)	-	(2,615)
Effect of foreign currency exchange differences	36	-	36
Balance as at 30 June 2022	**38,809**	**2,331**	**41,140**

ACCUMULATED DEPRECIATION	OFFICE PREMISES $'000	OFFICE EQUIPMENT $'000	TOTAL $'000
Opening balance at 1 July 2020	(8,037)	(277)	(8,314)
Depreciation expense	(7,585)	(280)	(7,865)
Impairment of right of use assets	(372)	-	(372)
Eliminated on disposal	6,854	-	6,854
Transfer to finance lease receivable	880	-	880
Effect of foreign currency exchange differences	165	-	165
Balance as at 30 June 2021	**(8,095)**	**(557)**	**(8,652)**
Opening balance at 1 July 2021	(8,095)	(557)	(8,652)
Depreciation expense	(6,057)	(277)	(6,334)
Eliminated on disposal	2,446	-	2,446
Effect of foreign currency exchange differences	(44)	-	(44)
Balance as at 30 June 2022	**(11,750)**	**(834)**	**(12,584)**
Written down value as at 30 June 2022	**27,059**	**1,497**	**28,556**

The Group leases several office premises in Australia and the USA as well as office equipment including photocopiers and printers. The average lease term is 3.7 years.

The maturity analysis of lease liabilities is presented in Note 29.

	2022 $'000	2021 $'000
Amounts recognised in profit or loss		
Depreciation expense on right of use assets	6,334	7,865
Interest expense on lease liabilities	1,430	1,470
	7,764	**9,335**

24. CURRENT AND NON-CURRENT ASSETS - FINANCE LEASE RECEIVABLES

	2022 $'000	2021 $'000
Amounts receivable under finance leases		
Less than one year	1,069	979
One to five years	2,850	3,591
Total undiscounted lease payments receivable	**3,919**	**4,570**
Present value of lease payments receivable	(430)	(627)
Net investment in the lease	**3,489**	**3,943**
Current	869	746
Non-current	2,620	3,197
	3,489	**3,943**

The Group is exposed to foreign currency risk as a result of this finance lease arrangement as the lease is denominated in USD.

	2022 $'000	2021 $'000
Amounts recognised in the consolidated Statement of Profit or Loss and other Comprehensive Income		
Finance income on the net investment in finance leases	**242**	**205**

The Directors of the Group estimate the loss allowance on finance lease receivables at the end of the reporting period at an amount equal to lifetime ECL. None of the finance lease receivables at the end of the reporting period are past due, and taking into account the future prospects of the industries in which the lessees operate, the directors of the Group consider that no finance leases receivable are impaired.

25. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Current		
Trade payables	2,329	3,534
Sundry payables and accrued expenditure	7,076	5,975
GST payable	1,359	1,437
	10,764	**10,946**

The average credit period on purchases of goods and services in Australia and the United States of America is 19 days (2021: 25 days).

Notes to the consolidated financial statements *(cont.)*

26. CURRENT LIABILITIES – CONTRACT LIABILITIES

	2022 $'000	2021 $'000
Contract liabilities	**5,110**	**8,213**

Revenue relating to advisory and administration services are recognised over time although the customer pays up-front in full for these services. A contract liability is recognised for revenue relating to these services at the time of the initial sale transaction and is released over the service period.

27. CURRENT LIABILITIES – OTHER LIABILITIES

	2022 $'000	2021 $'000
Current		
Related party loan account – E&P Operations Pty Limited & DASS*	17,749	-
Related party tax loan account – E&P Financial Group Limited & DASS**	1,845	-
	19,594	**-**

* This related party non-interest bearing loan account relates to an intercompany balance between E&P Operations Pty Limited and DASS, which is no longer being eliminated on consolidation (as DASS's assets and liabilities, including the equal and opposite related party receivable, are deconsolidated due to the Voluntary Administration (VA), refer to note 10). On the date of deconsolidation (19 January 2022), repayment of the loan account balance was specific to funding amounts payable under the conditional Heads of Agreement signed on 9 July 2021 by DASS and ASIC (subject to approval of the Court) and future settlement of open cases against DASS with external dispute resolution body - the Australian Financial Compliant Authority, which are reliant on the satisfaction of a number of conditions. While the loan account is subject to variability and contingent recourse conditions contained in the terms and conditions of those borrowings, the Group has recognised the full balance of the loan account.

**This related party non-interest bearing tax loan account relates to an intercompany balance between E&P Financial Group Limited (head entity of tax consolidated group) and DASS (part of the tax consolidated group). DASS has remained a member of the E&P Financial Group Limited tax consolidated group throughout the year and as such is a party to the Tax Funding Arrangement where the relevant contribution to the Group's tax payable for the year is payable / receivable by the end of the month following the date the Group's final tax payment for the year is or should have been paid. This balance is no longer eliminated on consolidation as DASS's assets and liabilities, including the equal and opposite related party amounts, are deconsolidated due to the VA, refer to note 10.

The Group made a number of commitments to the Voluntary Administrators of DASS upon their appointment in relation to the ongoing provision of services during the period up until 30 June 2022. These commitments included directing respective employees of Group entities to do all things necessary and to exercise their duties to enable DASS to continue its operations, including the provision of financial services to its clients (whilst DASS' AFSL remained in place) and to make available the technology, systems and other necessary infrastructure to facilitate the ongoing operations of DASS.

As a result of the services provided and their associated costs, E&P Ops has charged DASS a management fee of $1.13 million for the period 19 January 2022 to 30 June 2022. The calculation methodology of this management fee (being 90% of accounting revenue recognised in DASS over this period) has been agreed between the parties. The intended mechanism by which settlement of the aforementioned management fee will be made is via the related party loan balance held between E&P Ops and DASS.

28. CURRENT AND NON-CURRENT LIABILITIES – PROVISIONS

	2022 $'000	2021 $'000
Current		
Employee benefits	44,373	38,508
Commonwealth penalty & related costs	-	8,200
AFCA external dispute resolution claims	-	7,837
Other claims settlement	-	30
Onerous contracts	464	-
	44,837	**54,575**
Non-current		
Employee benefits	1,236	1,321
Provision for make-good	2,103	2,439
	3,339	**3,760**

Reconciliation of movement in the current year:

	COMMONWEALTH PENALTY & RELATED COSTS* $'000	AFCA EXTERNAL DISPUTE RESOLUTION CLAIMS* $'000	OTHER CLAIMS SETTLEMENT $'000	ONEROUS CONTRACTS** $'000	PROVISION FOR MAKE-GOOD $'000
Balance as at 1 July 2021	8,200	7,837	30	-	2,439
Additional provision in the year	-	4,505	-	1,795	119
Utilisation of provision	-	(434)	(30)	(1,331)	(190)
Unwinding of unused provision	-	-	-	-	(265)
De-recognition*	(8,200)	(11,908)	-	-	-
Balance as at 30 June 2022	**-**	**-**	**-**	**464**	**2,103**

*De-recognition of Provisions for Commonwealth Penalty and AFCA External Dispute Resolution Claims due to deconsolidation of DASS's assets and liabilities following the VA (refer to note 10 for further details).

**Inclusion of Provision for Onerous Contracts, relating to the service requirements that Evans and Partners Pty Limited (EaP), a subsidiary of the Group, will undertake during FY23 to service the former DASS clients that transitioned to EaP subsequent to the DASS VA appointment. Effectively, EaP are receiving zero consideration for performing the remaining service obligations of clients who had already been invoiced by DASS and paid their fees to DASS prior to the voluntary administration and who have now transitioned to EaP subsequent to the VA appointment.

29. CURRENT AND NON-CURRENT LIABILITIES – LEASE LIABILITIES

	2022 $'000	2021 $'000
Maturity analysis - contractual undiscounted cashflows		
Less than one year	8,529	8,579
One to five years	24,723	21,591
More than five years	15,091	7,228
Total undiscounted lease liabilities at 30 June 2022	**48,343**	**37,398**
Lease liabilities included in the consolidated Statement of Financial Position		
Opening balance at the beginning of the year	33,218	37,141
Additions of leases during the year	8,694	10,027
Interest incurred	1,430	1,470
Payments of lease liabilities	(8,703)	(9,892)
Disposals of leases during the year	(136)	(889)
Change in lease terms	-	(3,779)
Lease modifications	5,170	(337)
Impact of foreign exchange on lease liabilities balance	394	(523)
	40,067	**33,218**
Current	6,540	7,347
Non-current	33,527	25,871
	40,067	**33,218**
Amounts recognised in the consolidated Statement of Profit or Loss and other Comprehensive Income		
Interest expense on lease liabilities	**1,430**	**1,470**
Amounts recognised in the consolidated Statement of Cash Flows		
Total cash outflow for leases	**(8,703)**	**(9,892)**

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's finance function

Notes to the consolidated financial statements *(cont.)*

30. EQUITY – ISSUED CAPITAL

	NUMBER OF SHARES	SHARE CAPITAL $
Balance of issued share capital as at 1 July 2020	234,633,959	337,940,239
Treasury shares re-issued under the share rights plan during the year	-	(2,995,224)
Balance of issued share capital as at 30 June 2021	**234,633,959**	**334,945,015**
Issue of shares – 15 October 2021	3,046,131	-
Treasury shares re-issued under the share rights plan during the year	-	(6,453,717)
Balance of issued share capital as at 30 June 2022	**237,680,090**	**328,491,298**
(Less): treasury shares held by Group entities	(12,660,894)	(10,499,090)
Balance of share capital as at 30 June 2022	**225,019,196**	**317,992,208**
Movement in treasury shares balance during the year can be reconciled as follows:		
Opening balance of treasury shares held by Group entities 1 July 2021	(8,301,006)	(12,854,686)
(Less): Treasury shares purchased during the year	(6,231,793)	(4,098,121)
(Less): Treasury shares issued during the period	(3,046,131)	-
Add: Treasury shares issued (options exercised) during the year	4,918,036	6,453,717
Closing balance treasury shares held by Group entities 30 June 2022	**(12,660,894)**	**(10,499,090)**

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

31. EQUITY – REORGANISATION RESERVE

	2022 $'000	2021 $'000
Reserve arising out of corporate reorganisation	**(135,099)**	**(135,099)**

The reorganisation reserve reflects the change in organisational structure when E&P Financial Group Limited became the parent entity of the Group on 18 March 2016.

32. EQUITY – INVESTMENT REVALUATION RESERVE

	2022 $'000	2021 $'000
Investment revaluation reserve	**(560)**	**(246)**

The investment revaluation reserve represents the cumulative gains or losses arising on changes in the fair value of equity investments measured at fair value through other comprehensive income.

	2022 $'000	2021 $'000
Movements in investment revaluation reserve		
Movements in the investment revaluation reserve during the current financial year is set out below:		
Balance at the beginning of the year	(246)	(112)
Fair value gain on financial assets measured at FVTOCI	(449)	(369)
Deferred tax liability arising on revaluation of financial assets	135	(276)
Transfer of loss on disposal of equity investments at fair value through other Comprehensive income to accumulated losses	-	511
Balance at the end of the year	**(560)**	**(246)**

33. EQUITY – FOREIGN CURRENCY TRANSLATION RESERVE

	2022 $'000	2021 $'000
Foreign currency translation reserve	**4,228**	**3,681**

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

	2022 $'000	2021 $'000
Movements in foreign currency translation reserve		
Movements in the foreign currency translation reserve during the current and previous financial year are set out below:		
Balance at the beginning of the year	3,681	3,890
Exchange differences arising on translating the foreign operations	547	(438)
Transfer of other comprehensive income to retained earnings	-	229
Balance at the end of the year	**4,228**	**3,681**

34. EQUITY – SHARE BASED PAYMENTS RESERVE

The share based payments reserve represents the cumulative amount of share based payments expense recognised during the respective vesting periods of each tranche of shares that have been issued under the Loan Funded Share Plan and share options /rights plan (refer Note 35).

MOVEMENTS IN SHARE BASED PAYMENTS RESERVE	2022 $'000	2021 $'000
Movements in the share based payments reserve during the current and previous financial year are set out below:		
Balance at the beginning of the year	8,306	3,589
Share based payments expense recognised in the year – Loan funded share plan	551	1,131
Share based payments expense recognised in the year – Share options/rights plan	2,531	3,586
Balance at the end of the year	**11,388**	**8,306**

35. SHARE BASED PAYMENTS

EMPLOYEE SHARE OPTIONS

On 18th December 2020, the Group announced the suspension of its Employee Share Plans. Aside from Key Management Personnel or in order to satisfy contractual obligations, the Group does not intend to grant further deferred equity to employees as part of the Group's discretionary bonus awards. This does not impact previously issued employee share options as detailed below and in previous period financial statements.

SHARE OPTIONS/RIGHTS PLAN

During the year ended 30 June 2022, the Group continued its Share Options/Rights Plan (**ORP** or **Plan**) for its Australian domiciled employees (Eligible Person). The key terms of the ORP are listed as follows:

Nature of Rights	Each Right represents a right to acquire one (1) ordinary share of capital of the Company, subject to the terms and conditions of the Plan rules
Determination of the Number of Rights	The number of Rights has been determined by dividing an Eligible Persons' Discretionary Share Rights Bonus amount by the volume weighted average of the price (**VWAP**) at which the Company shares traded on the ASX during the 10 trading days immediately prior to the Grant Date.
Grant Dates	15 October 2021 (tranches M, N, O, P, Q, R)
Vesting Dates	Refer below
Exercise Expiry Dates	Refer below
Vesting Conditions	Continuous employment on the Vesting Dates or such other date the Board of the Company determines the Vesting Condition to have been met.
Right exercise price	Nil
Dividend and voting entitlements	Rights do not confer an entitlement to receive dividends, to vote at Company meetings or to capital distributions. Once a Right has vested and is exercised, the holder will have the same benefits as other holders of ordinary shares in the Company.
Funding of rights	In order to satisfy the obligations of the Company arising from the grant of the Rights, the Company intends to, over time, purchase ordinary shares on-market, to be held in an employee share trust (Trust) or issue the relevant ordinary shares or a combination of those actions.

Notes to the consolidated financial statements *(cont.)*

During the year ended 30 June 2022, six tranches of rights have been issued under the ORP as follows:

ORP	TRANCHE M	TRANCHE N	TRANCHE O	TRANCHE P	TRANCHE Q	TRANCHE R
Number of Rights	449,581	449,581	449,585	99,258	99,258	99,259
Grant Date	15 Oct 2021	15 Oct 2021	15 Oct 2021	15 Oct 2021	15 Oct 2021	15 Oct 2021
Vesting Date	15 Oct 2022	15 Oct 2023	15 Oct 2024	15 Apr 2022	15 Apr 2023	15 Apr 2024
Exercise Expiry Date	15 Oct 2028	15 Oct 2028	15 Oct 2028	15 Oct 2028	15 Oct 2028	15 Oct 2028
Market value of shares at grant date	$0.5709	$0.5709	$0.5709	$0.5709	$0.5709	$0.5709

The rights issued under the ORP have been treated as 'in substance options' which have been valued using a Black-Scholes option pricing methodology with key inputs shown below. The resulting value is amortised over the vesting period on a probability adjusted basis. The total expense recorded for the period in relation to all the tranches since inception was $2.5 million.

ORP	TRANCHE M	TRANCHE N	TRANCHE O	TRANCHE P	TRANCHE Q	TRANCHE R
Option life	1 year	2 years	3 years	0.5 years	1.5 years	2.5 years
Share price at grant date	$0.530	$0.530	$0.530	$0.530	$0.530	$0.530
Expected volatility	50%	50%	50%	50%	50%	50%
Historical dividend yield	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Risk-free rate	0.07%	0.21%	0.51%	0.06%	0.11%	0.35%
Fair value per right	$0.510	$0.491	$0.473	$0.520	$0.501	$0.482
Valuation methodology	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes

Details of the share options outstanding during the period are as follows:

	NUMBER OF SHARE RIGHTS
Balance at the start of the year	13,995,206
Granted during the year	1,646,522
Vested and exercised during the year (current employees)	(3,077,019)
Vested and exercised during the year ("good" leavers under the terms of the Plan)	(1,559,598)
Vested and exercised during the year ("other" leavers under the terms of the Plan)	(281,419)
Forfeited during the year ("good" leavers under the terms of the Plan)	(110,982)
Forfeited during the year ("other" leavers under the terms of the Plan)	(976,023)
Balance at the end of the year	**9,636,687**

The following tranches vested during the year ended 30 June 2022:

ORP	TRANCHE B	TRANCHE E	TRANCHE G	TRANCHE J
Number of rights	1,859,691	395,637	3,092,027	105,301
Number of rights exercised	1,431,825	50,703	1,942,345	105,301
Grant date	15/10/2019	15/04/2020	15/10/2020	15/04/2021
Vesting date	15/10/2021	15/04/2022	15/10/2021	15/10/2021

In addition to the above tranches, there was a further 4,289 (2021: 50,363) shares that vested during the year in relation to good leavers that are yet to be exercised.

LOAN FUNDED SHARE PLAN (LFSP)

During the year ended 30 June 2022, no further tranches of shares have been issued under the LFSP. Further details of previously issued LFSP tranches of shares are disclosed in previous years' annual financial reports. The total expense recorded for the year was $0.6 million.

	NUMBER OF SHARE RIGHTS
Balance at the start of the year	7,297,229
Vested during the year ("good" leavers under the terms of the Plan)	(681,309)
Forfeited during the year ("other" leavers under the terms of the Plan)	(268,539)
Balance at the end of the year	**6,347,381**

36. EQUITY – ACCUMULATED LOSSES

	2022 $'000	2021 $'000
Balance at the beginning of the year	(40,942)	(16,754)
Profit/(loss) attributable to the owners of the Company	6,316	(18,835)
Transfer of other comprehensive income from foreign currency translation reserve to accumulated losses	-	(229)
Payment of dividends	-	(4,613)
Transfer of fair value through other comprehensive income to accumulated losses	-	(511)
Dividends paid in prior years reclassified to profit and loss	127	-
Balance at the end of the year	**(34,499)**	**(40,942)**

37. PARENT ENTITY INFORMATION

As of and throughout the financial year ended 30 June 2022, the parent entity of the group was E&P Financial Group Limited. The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

SUMMARISED FINANCIAL INFORMATION	2022 $'000	2021 $'000
Summarised statement of financial position		
Current assets	119,470	105,121
Non-current assets	163,942	165,216
Total assets	**283,412**	**270,337**
Current liabilities	7,786	313
Non-current liabilities	9,291	9,011
Total liabilities	**17,077**	**9,324**
Net assets	**266,335**	**261,013**
Equity		
Issued capital	408,071	414,525
Reserves	11,387	8,306
Accumulated losses	(153,123)	(161,818)
	266,335	**261,013**
Summarised statement of profit or loss and other comprehensive income		
Profit/(Loss) for the year, after income tax	8,569	(13,983)
Other comprehensive income	-	-
Total comprehensive profit/(loss)	**8,569**	**(13,983)**

On 1st August 2020, E&P Financial Group Limited entered into a guarantee and indemnity agreement in respect of a commercial lease at 171 Collins Street, Melbourne, Victoria 3000, under which it has guaranteed the obligations of the lessee (E&P Operations Pty Limited) under the lease. The amount of the obligation subject to the guarantee is $2,844,369 (2021: $4,187,315). The accounting policies of the parent entity are consistent with those of the Group as disclosed in Note 2, except for consolidation of subsidiaries carried at cost.

The parent entity of the Group intends to propose a Deed of Company Arrangement to the Voluntary Administrators as part of a wider arrangement that will include, among other matters, a comprehensive settlement of the Piper Alderman and Shine Lawyers representative proceedings and all other claims. The Group intends to contribute a sum at least equivalent to the $8.2 million in penalties and costs agreed with ASIC in their proceedings against DASS for the benefit of creditors as part of a comprehensive settlement of all DASS and related claims.

38. FINANCIAL INSTRUMENTS

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's principal financial assets comprise cash and cash equivalents, trade and other receivables and investments in listed and unlisted securities, and deposits. The Group's principal financial liabilities comprise trade and other payables and lease liabilities.

The Group's activities expose it to a variety of financial risks: for example, market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to ensure the potential adverse effects on the financial performance of the Group are kept to within acceptable limits. The Group uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and foreign currency risk, and ageing analysis for credit risk.

Risk management is carried out by senior management and the Board. The Board identifies and monitors the risk exposure of the Group and determines appropriate procedures, controls and risk limits. Senior management identifies, evaluates and monitors financial risks within the Group's operations. There has been no material change to the nature of the financial risks the Group is exposed to, or the manner in which these risks are managed and measured.

MATERIAL CATEGORIES OF FINANCIAL INSTRUMENTS	2022 $'000	2021 $'000
Financial assets		
Cash and cash equivalents	74,181	50,752
Trade and other receivables	27,116	23,839
Finance lease receivables	3,489	3,943
Assets classified as held for sale	7,592	6,750
Investments in financial assets	4,069	2,698
Deposits	8,890	9,844
Financial liabilities		
Trade and other payables	10,764	10,946
Lease liabilities	40,067	33,218
Other liabilities	19,594	-

CAPITAL MANAGEMENT

The capital structure of the Group consists of cash (cash and cash equivalents) and equity (comprising contributed equity, (accumulated losses)/retained profits and reserves). The Group manages its capital with the aim of ensuring that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Notes to the consolidated financial statements *(cont.)*

A subsidiary of the Group, Evans and Partners Pty Limited, is a market participant on the ASX and Chi-X, and therefore has an externally imposed capital and liquidity requirement. Another subsidiary of the Group, E&P Asia (HK) Limited, holds a Type 1 and Type 4 Securities and Futures Commission (**SFC**) licence in Hong Kong, and also has an externally imposed capital and liquidity requirement. In addition, the subsidiaries Evans and Partners Pty Limited, E&P Investments Limited, E&P Funds Management Pty Limited and E&P Corporate Advisory Pty Limited all have Australian Financial Services Licenses which require the maintenance of a minimum level of net assets.

FOREIGN CURRENCY RISK

The Group undertakes certain transactions denominated in foreign currencies that are different to the functional currency of the respective entities undertaking the transactions, hence the exposures to exchange rate fluctuations arise which are recorded through profit or loss. The carrying amounts of the Group's foreign currency denominated assets at the reporting date that are denominated in a currency different to the functional currency of the respective entities holding the monetary assets are as follows:

	2022 $'000	2021 $'000
Assets		
Currency of USA - represents cash at bank and intercompany trade receivables	**15,978**	**18,026**

I. FOREIGN CURRENCY SENSITIVITY ANALYSIS

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A negative number below indicates a reduction in profit where the Australian dollar strengthens 10% against the relevant currency. For a 10% weakening of the Australian dollar against the relevant currency, there would be a comparable increasing impact on the profit, and the balances below would be positive.

	2022 $'000	2021 $'000
USD impact		
+ 10% strengthening	(1,598)	(1,803)
- 10% weakening	1,598	1,803

Notes to the consolidated financial statements *(cont.)*

INTEREST RATE RISK

The Group is exposed to change in interest rates on cash at bank.

I. INTEREST RATE SENSITIVITY ANALYSIS

A 100 basis points (**BP**) increase or decrease in interest rates represents management's assessment of the reasonably possible change in interest rates based on cash at bank and short-term deposit balances at balance date.

	2022 $'000	2021 $'000
Impact of 100 BP change in interest rate applied on year-end cash at bank balance		
+ 100 basis points	566	494
- 100 basis points	(162)	(7)

CREDIT RISK MANAGEMENT

Credit risk management is the risk that a counterparty defaults on its contractual obligations resulting in financial loss to the Group. A default may arise through a counterparty failing to meet its obligation to pay invoiced fees.

I. INVOICES FOR SERVICES

The credit worthiness of clients is taken into account when accepting client assignments. Receivables consist of a number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of customers. As at 30 June 2022 the Group does not have a significant credit risk exposure to any single customer. Note 15 includes an ageing of receivables past due.

II. CASH BALANCES

The credit risk of the banks holding the Group's cash is considered limited because the banks have high credit ratings assigned by international credit rating agencies. Cash and cash equivalents are only deposited with reputable financial institutions. The majority of funds at year end were deposited with three banks in Australia, three banks in the USA and one bank in Hong Kong.

III. FINANCE LEASE RECEIVABLES

The Group is exposed to credit risk on finance lease receivable. The Group has a policy to continuously assess and monitor the credit quality of the lessee taking into account the future prospects of the industries in which the lessees operate. The maximum exposure to credit risk at 30 June 2022 is under Note 24.

Notes to the consolidated financial statements *(cont.)*

LIQUIDITY RISK MANAGEMENT

Liquidity is the risk that financial obligations of the Group cannot be met as and when they fall due without incurring significant costs. The Group manages liquidity risk by monitoring forecast cash requirements, both short and longer term, against its current liquid assets. In determining the level of liquidity to maintain, regard is had to cash flows required over the next 12 months and regulatory obligations such as Australian Financial Services Licence requirements of the Group.

I. LIQUIDITY AND INTEREST RATE TABLES

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

FINANCIAL LIABILITIES	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE $'000	LESS THAN 1 MONTH $'000	1-3 MONTHS $'000	3-12 MONTHS $'000	1-5 YEARS $'000	5+ YEARS $'000	TOTAL $'000
30 June 2022							
Non-interest bearing	-	(5,939)	(925)	(23,429)	(65)	-	(30,358)
Interest bearing lease liabilities	5.466%	(611)	(2,141)	(5,777)	(24,723)	(15,091)	(48,343)
30 June 2021							
Non-interest bearing	-	(7,033)	(2,379)	(1,534)	-	-	(10,946)
Interest bearing lease liabilities	4.115%	(716)	(2,127)	(5,736)	(21,591)	(7,228)	(37,398)

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

FAIR VALUE OF FINANCIAL INSTRUMENTS

This note provides information about how the Group determines fair value of various financial assets and financial liabilities. Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation techniques and inputs used).

Notes to the consolidated financial statements *(cont.)*

FINANCIAL ASSETS	FAIR VALUE AS AT		FAIR VALUE HIERARCHY	VALUATION TECHNIQUE(S) AND KEY INPUT(S)
	2022 $'000	**2021 $'000**		
Assets classified as held for sale				
Listed corporations	6,394	6,750	Level 1	Quoted bid prices in an active market.
Unlisted corporations	1,198	-	Level 2	Where relevant Level 2 market information, such as a recent capital raising or offer for sale of an asset, is available, this information is used to determine the fair value of the investment.
	7,592	**6,750**		
Investments in financial assets				
Listed corporations	3,094	2,215	Level 1	Quoted bid prices in an active market.
Shares/bonds in unlisted corporations	666	209	Level 2	Where relevant Level 2 market information, such as a recent capital raising or offer for sale of an asset, is available, this information is used to determine the fair value of the investment.
Shares/bonds in unlisted corporations	309	274	Level 3	For remaining investments, alternative Level 3 valuation techniques may be used adopting market or asset specific inputs and assumptions. In the absence of any other available information indicating material change in value, the directors may deem that the fair value of assets materially approximates their historical cost. Movements in carrying values include movements in foreign exchange rates at balance date where the investments are held by foreign subsidiaries.
	4,069	**2,698**		

There were no transfers between Level 1, Level 2 or Level 3 in the year. The fair value of financial assets and financial liabilities which are not measured at fair value on a recurring basis materially approximates their carrying value at reporting date.

39. RELATED PARTY TRANSACTIONS

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

TRADING TRANSACTIONS

During the year, group entities entered into the following trading transactions with related parties that are not members of the Group and key management personnel:

	PROVISION OF SERVICES		PURCHASE OF SERVICES	
	YEAR ENDED 30 JUNE 2022 $'000	YEAR ENDED 30 JUNE 2021 $'000	YEAR ENDED 30 JUNE 2022 $'000	YEAR ENDED 30 JUNE 2021 $'000
Associates of E&P Financial Group Limited				
Clear Law Pty Limited	-	-	-	-
US Select Private Opportunities Fund II GP, LLC	1,052	1,026	-	-
US Select Private Opportunities Fund III GP, LLC	783	761	-	-
US Select Private Opportunities Fund IV GP, LLC	950	924	-	-
US Select Direct Private Equity (US) GP, LLC	-	41	-	-
	2,785	**2,752**	**-**	**-**
Jointly controlled entities of E&P Financial Group Limited				
Fort Street Real Estate Capital Pty Limited*	1,438	1,643	-	174
Fort Street Real Estate Services Pty Limited*	500	-	-	-
Fort Street Capital Pty Limited*	1,403	650	-	-
CVC Emerging Companies IM Pty Limited	23	62	-	-
CVC Emerging Companies Fund	99	273	-	-
	3,463	**2,628**	**-**	**174**

* These jointly controlled entities of the Group were disposed on 18 February 2022.

On 19 January 2022, Dixon Advisory and Superannuation Services Pty Limited (DASS), a subsidiary of the Group, entered voluntary administration. As a result, the Group ceased to control DASS from this date. Please refer to Note 27 for further details in relation to related party loan balances and transactions between the Group and DASS.

Notes to the consolidated financial statements *(cont.)*

KEY MANAGEMENT PERSONNEL (KMP) OF E&P FINANCIAL GROUP LIMITED:

Trading transactions: During the year, KMP and KMP-related entities were charged for various services including international equities managed discretionary account services and brokerage totalling $313,630 (2021: $446,946). The terms and conditions of these transactions were at arms-length and were no more favourable than those available to non-KMP.

The following balances were outstanding at the end of the reporting period:

	AMOUNTS OWED BY RELATED PARTIES		AMOUNTS OWED TO RELATED PARTIES	
	30 JUNE 2022 $'000	30 JUNE 2021 $'000	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Associates of E&P Financial Group Limited				
Clear Law Pty Limited	307	273	-	-
	307	**273**	**-**	**-**

	AMOUNTS OWED BY RELATED PARTIES		AMOUNTS OWED TO RELATED PARTIES	
	30 JUNE 2022 $'000	30 JUNE 2021 $'000	30 JUNE 2022 $'000	30 JUNE 2021 $'000
Jointly controlled entities of E&P Financial Group Limited				
Dixon Associates PE III Wholesale Fund	3	12	-	-
	3	**12**	**-**	**-**
Key management personnel of E&P Financial Group Limited				
Key management personnel - trade receivables	**2**	**13**	**-**	**-**

40. KEY MANAGEMENT PERSONNEL REMUNERATION

The remuneration of directors and other members of key management personnel during the year was as follows:

	2022 $'000	2021 $'000
Short-term employee benefits	4,689	4,418
Termination benefits	-	214
Post-employment benefits	130	139
Long-term employee benefits	35	18
Share based payments	570	296
	5,424	**5,085**

41. NET CASH PROVIDED BY OPERATING ACTIVITIES

Reconciliation of loss for the year to net cash flows from operating activities:

	2022 $'000	2021 $'000
Profit/(loss) after tax for the year	6,316	(18,835)
Add: Depreciation and amortisation	12,879	15,530
Add: Impairment of plant, equipment and right of use assets	216	1,465
Add: Impairment of goodwill, intangible assets and investments expense	834	11,193
Add: Share based payments expense	3,207	4,717
Add: Interest expense – lease liability	1,430	1,470
Add: Loss on derecognition of subsidiary	1,859	-
Add: Acquisition loss on investments	1,395	1,830
Add: Software expense (SaaS)	390	-
Add: Onerous contracts expense	464	-
(Less)/add: Unrealised foreign exchange	(390)	225
(Less)/add: Movement of fair value of investments	(429)	2,398
(Less): Dividend income from investments	(2,567)	(348)
(Less): Share of profits of associates and jointly controlled entities	(4,805)	(8,293)
(Less): Gain on investments and leases	(4,263)	(1,421)
(Less): Government Grant US	-	(889)
(Less): Interest income – finance lease receivable	(242)	(205)
(Less): Other non-provision for services income	(1,246)	(223)
Changes in assets and liabilities:		
(Increase) / decrease in trade and other receivables	(6,697)	(5,603)
(Increase) / decrease in prepayments	348	126
(Increase) / decrease in finance lease receivable	-	(292)
(Increase) / decrease in current tax assets	3,590	(2,334)
(Increase) / decrease in deposits	646	590
(Increase) / decrease in deferred tax assets	(1,482)	(2,216)
Increase / (decrease) in trade and other payables	(223)	(1,846)
Increase / (decrease) in contract liabilities	64	(1,535)
Increase / (decrease) in provisions	9,533	25,530
Net cash generated by operating activities	**20,827**	**21,034**

Reconciliation of liabilities arising from financing activities.

		FINANCING		NON-CASH CHANGES			
	1 JULY 2021	CASH INFLOWS	CASH OUTFLOWS	ADDITIONS OF LEASES	DISPOSALS OF LEASES	OTHER CHANGES[1]	30 JUNE 2022
Borrowings (refer to Note 42)	-	5,967	(5,967)	-	-	-	-
Lease liabilities (refer to Note 29)	33,218	-	(8,703)	8,694	(136)	6,994	40,067
Total liabilities from financing activities	**33,218**	**5,967**	**(14,670)**	**8,694**	**(136)**	**6,994**	**40,067**

Note 1: Other changes include change in lease terms, lease modifications, interest incurred and impact of foreign exchange.

42. BORROWINGS

During the year, the Group entered into an insurance premium financing facility totalling $6.0 million to fund its annual insurance premiums. The facility has been fully paid during the year.

As at 30 June 2022, the Group has a bank guarantee facility with National Australia Bank (**NAB**) with a $5.0 million limit, which were used to secure the Group's Australian commercial office leases. This bank guarantee has been cash backed by a short-term bank deposit maturing on 1 October 2022 (refer to Note 14).

43. CONTINGENT LIABILITIES

PIPER ALDERMAN AND SHINE LAWYERS REPRESENTATIVE PROCEEDINGS

On 4 November 2021, the Company announced that a representative proceeding had been commenced in the Federal Court of Australia against Dixon Advisory and Superannuation Services Pty Limited (**DASS**), the Company and Mr Alan Dixon (former Director of the Company and certain subsidiaries) by Piper Alderman on behalf of named applicants and group members who were retail clients of DASS. The proceeding makes certain allegations in connection with personal advice provided by DASS representatives to the applicants and group members in respect of the US Masters Residential Property Fund.

On 24 December 2021, the Company announced that a second representative proceeding had been commenced by Shine Lawyers in the Federal Court of Australia against DASS, the Company, Mr Alan Dixon and Mr Christopher Brown (former Directors of the Company and certain subsidiaries). In the Statement of Claim, the Applicant makes similar allegations to those made in the representative proceedings commenced by Piper Alderman.

The appointment of voluntary administrators to DASS on 19 January 2022 meant that under s 440D of the *Corporations Act 2001* (Cth), both the representative proceedings were stayed as against DASS but continued against the other respondents.

In May 2022, there was a carriage motion hearing before the Federal Court to determine how the representative proceedings would be conducted going forward, given both proceedings largely covered the same matters, and it was inefficient to continue with both proceedings. The Federal Court made orders on 15 June 2022 that the proceeding commenced by Shine Lawyers would continue, and that the Piper Alderman action would be stayed until the resolution of the Shine Lawyers proceeding.

As at the date of this annual financial report the representative proceeding remains at an early stage and the Directors of the Company are unable to estimate the potential future liability, if any, that may arise from these proceedings, which would be incurred by the Company. Amounts may be advanced in respect of former Directors' legal costs incurred while defending the representative proceeding. Circumstances may arise that could result in the Company or a Group entity incurring future liabilities arising from these proceedings as they relate to former Directors. At this time, the Directors of the Company are unable to quantify such costs.

LETTER OF CREDITS

Citibank, N.A. has issued a standby letter of credit on behalf of E&P Financial Group USA Inc. in favour of the landlord of Level 28, 140 Broadway New York USA up to a limit of $457,038 USD ($663,432 AUD equivalent) as required under the terms of the lease of this premises.

Wells Fargo Bank, N.A. has issued a standby letter of credit on behalf of Dixon Projects LLC in favour of Liberty Mutual Insurance Corporation up to a limit of $500,000 USD ($725,795 AUD equivalent) as required under the terms of an insurance policy.

JOINT LESSEE

The Group is joint lessee of the premises located at 140 Broadway, New York, with US Masters Residential Property Fund (**URF**). The Group is jointly and severally liable for all lease charges, and thus has a contingent liability in respect of URF's share of future leases charges which are summarised below:

	2022 $'000	2021 $'000
Less than one year	1,050	963
One to five years	2,939	3,656
More than five years	-	-
	3,989	**4,619**

44. COMMITMENTS FOR EXPENDITURE

The Group has a remaining commitment for investment into Dixon Associates PE III Wholesale Fund totalling $0.5 million.

45. SUBSEQUENT EVENTS

DASS VOLUNTARY ADMINISTRATION

On 19 January 2022, Dixon Advisory and Superannuation Services Pty Limited (**DASS**), a subsidiary of the Group, appointed PwC Partners, Stephen Longley and Craig Crosbie, as Voluntary Administrators. The appointment was made as the Directors determined that mounting actual and potential liabilities meant DASS was likely to become insolvent at some future time.

On 12 August 2022, the Voluntary Administrators applied to the Federal Court for and were granted an extension of the convening period for the second meeting of creditors until 30 November 2022.

As at the date of this annual financial report, the Group is in the early stages of formulating a Deed of Company Arrangement (**DOCA**) proposal which remains subject to further discussion with the Voluntary Administrators as part of a wider arrangement that will include, among other matters, a comprehensive settlement of the Piper Alderman and Shine Lawyers representative proceedings and all other claims against DASS, the Company and the former Directors. The Group intends to contribute a sum at least equivalent to the $8.2 million in penalties and costs agreed with ASIC in their proceedings against DASS for the benefit of creditors as part of a comprehensive settlement of all DASS and related claims.

SHINE LAWYERS REPRESENTATIVE PROCEEDING

On 27 July 2022 and as subsequently amended, Shine Lawyers filed an interlocutory application seeking orders that DASS and the former director respondents produce, amongst other documents, insurance policies. The application is set down for hearing on 7 September 2022.

As at the date of this annual financial report, the representative proceeding remains at an early stage. As there is no reliable basis upon which any potential future liability can be measured this matter has been treated as a contingent liability.

Notes to the consolidated financial statements *(cont.)*

DIVIDEND

Since the end of the financial period, the directors have declared a final dividend for FY22 of 2.7 cents per share franked to 100%. The dividend will be paid to eligible shareholders on 11th October 2022. The record date for dividend entitlement is 3rd October 2022. The Company's Dividend Reinvestment Plan (**DRP**) remains suspended until further notice.

No other matters or circumstances have arisen since 30 June 2022 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity, and

(d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors,

David Evans
Director

Peter Anderson
Director

Dated: 31 August 2022

Independent auditor's report to the members of E&P

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Report to the members of E&P Financial Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of E&P Financial Group Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2022, 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 2022 and of its financial performance for the year then ended; 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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 for 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.

Deloitte.

Key Audit Matters	How the scope of our audit responded to the Key Audit Matters
Accounting for DASS deconsolidation On 19 January 2022, the Group announced its wholly-owned subsidiary Dixon Advisory & Superannuation Services Pty Ltd (DASS) had been placed into voluntary administration (VA). Management determined that control of DASS had been lost upon appointment of the administrators and DASS was deconsolidated from the Group at that time. As disclosed in note 3, significant judgement is required in the accounting for the deconsolidation of DASS. Furthermore, continuing intercompany balances and transactions with DASS which were previously eliminated upon Group consolidation are now required to be recognised in the Group financial report for the period subsequent to the deconsolidation of DASS . A number of accounting complexities requiring judgement and detailed disclosure have arisen from the DASS administration. This complexity includes: a. As disclosed in note 10 the deconsolidation of DASS as at 19 January 2022 resulted in a loss of $1.859m being recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. b. As disclosed in note 27 loans payable by the Group to DASS of $17.749m and $1.845m (previously eliminated upon consolidation) were recognised. Management services provided by the Group to DASS after 19 January 2022 of $1.130m have also been recognised as revenue by the Group and offset against one of the loans payable as at 30 June 2022. c. As disclosed in note 28 during the year the Group recognised an onerous contract liability of $1.795m which as at year end is $0.464m. The onerous contract liabilities arose on the assumption by the Group of certain DASS clients electing to remain clients of the Group, for which the Group agreed to satisfy the remaining performance obligations for no compensation. d. As described in notes 9 and 27 whilst DASS has been deconsolidated from 19 January 2022, it remains a continuing member of the tax consolidation group. As a result, tax computations continue to consider the tax positions and any obligations of DASS as at 30 June 2022.	Our year-end procedures included, but were not limited to the following: *(a) <u>Deconsolidation of DASS assets and liabilities as at 19 January 2022.</u>* • Evaluating management's assessment of the loss of control of DASS in accordance with the requirements of AASB 10 *Consolidated Financial Statements*. • Obtaining and assessing the management's calculation of the loss on deconsolidation of DASS including: o challenging the carrying value of assets and liabilities including tax balances at the time of deconsolidation; o challenging the measurement of related party balances as at the date of deconsolidation; and o evaluating the mathematical accuracy of the deconsolidation calculations. • Testing, on a sample basis, the financial result of DASS included in the consolidated financial report from 1 July 2021 up to the date of deconsolidation; • Assessing the accounting treatment adopted by management in respect of classification of financial assets and liabilities post deconsolidation of DASS in accordance with AASB 9 requirements, specifically assessing the accuracy of related party loan payables to DASS as at 30 June 2022; • Obtaining management's assessment and calculation of the value of onerous contract liabilities assumed and evaluating the appropriateness of the methodology and assumptions; • Obtaining confirmation and making inquiries with the DASS administrators in relation to the management services provided during administration up to 30 June 2022 and settlement thereof; and • Assessing the adequacy of the Group's disclosures of accounting policies, significant judgements and description of events, transactions and disclosures relating to the deconsolidation of DASS in the financial statements. *(b) <u>Tax impact arising after deconsolidation of DASS</u>* • Assessing the accounting treatment and tax treatment adopted by management in respect to the impacts of tax arising after deconsolidation of DASS as at 30 June 2022; • With the assistance of our tax specialists: o assessing the integrity of the tax models including the mathematical accuracy of the underlying calculation formulae; o challenging and evaluating the impact on income tax calculations; o review of the Tax Funding and Sharing Agreement and assessing the impact on DASS intercompany tax loan balances and timing differences; and o assessing the continued availability to the Group of taxation balances related to DASS. • Assessing the adequacy of the tax disclosures in note 9 to the financial statements.

Deloitte.

Key Audit Matters	How the scope of our audit responded to the Key Audit Matters
Goodwill Impairment As at 30 June 2022 the Group has recognised goodwill totalling $65.144m. The goodwill comprises 22% of the Group's total assets. The carrying value of goodwill was allocated to two cash generating units (CGUs) being Wealth and Capital. As disclosed in note 21 management has performed an impairment assessment of these two CGUs concluding that the remaining goodwill allocated to the Wealth CGU totalling $0.585m is impaired. Management has used a fair value less costs to sell model supported by discounted cash flows. As disclosed in note 3, significant judgement is required in the assessment of the recoverable value of goodwill. The impairment assessment is complex in respect of the assumptions and estimates used in preparing discounted cash flow models, including the determination of: • future cash flows for the CGUs; • growth rates; • terminal growth rate; and • discount rates.	Our procedures included, but were not limited to: • Obtaining an understanding and evaluating the controls associated with the Group's impairment assessment; • Challenging the key assumptions and estimates used in the models, including cash flow forecasts, growth rates, terminal growth rate and discount rates; • Evaluating the appropriateness of the Group's sensitivity analysis of key inputs, including changes in future cash flows, growth rates, terminal rates and discount rates applied; • Retrospective review of the accuracy of management's budgets against actual results to assist with our challenge of the forecasted cash flow; and • Obtaining the Wealth and Capital goodwill impairment models and with the assistance of our valuation specialists: ○ obtaining an understanding and evaluating the continued appropriateness of the Group's method adopted for allocating net assets including goodwill to the CGUs at which level management monitor the Group's operations; ○ ensuring reasonableness of royalty charges imposed to each of CGU as part of goodwill impairment model; ○ assessing the integrity of the impairment models including the mathematical accuracy; ○ calculating an independent discount rate to assess the discount rates used by management; and ○ assessing the adequacy of the disclosures in notes 2, 3(i) and 21 to the financial statements.
Brand Name Intangible Asset As referred to in note 21, included in indefinite life intangible assets is a brand name totalling $29.333m. Management has performed an impairment assessment of the brand name using a relief from royalty method to ascertain the fair value at balance date. No impairment was noted by management. As disclosed in note 3, significant judgement is required in the assessment of the impairment of the brand name as number of estimates are required in preparing a relief from royalty calculation, including the determination of: • future revenue growth; • annual royalty rate; • terminal growth rate; and • discount rate.	Our procedures included, but were not limited to: • Obtaining an understanding and evaluating the controls associated with the Group's impairment assessment; • Obtaining an understanding and evaluating the appropriateness of the Group's method adopted for assessing fair value of the brand name; and • Obtaining the Group's relief from royalty calculation and with the assistance of our valuation specialists: ○ assessing the integrity of the models including the mathematical accuracy of the underlying calculation formulae; and ○ challenging the key assumptions and estimates used in the calculation, including the reasonableness of future revenue growth, annual royalty rates, terminal growth rate, and discount rate. ○ Assessing the adequacy of the Group's disclosures in notes 2, 3(i) and 21 to the financial statements.

Deloitte.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our 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 the 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 financial report that gives a true and fair view and is free from material 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

Deloitte.

the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 2022.

In our opinion, the Remuneration Report of E&P Financial Group Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Tara Hill
Partner
Chartered Accountants
Sydney,31 August 2022

Additional stock exchange information

DIVIDEND DETAILS

It is the current intention of the Board to pay interim dividends in respect of half years ending in December and final dividends in respect of full years ending in June each year. It is anticipated that interim dividends will be paid in April and final dividends will be paid in October following the relevant financial period end. It is expected that all future dividends will be franked to the maximum extent possible without the Company incurring an additional tax liability.

STATEMENT OF QUOTED SECURITIES AS AT 1 AUGUST 2022

There are 2,318 shareholders holding a total of 237,680,090 ordinary shares.

The 20 largest shareholders between them hold 62.39% of the total shares on issue.

SHARE REGISTRY INFORMATION

The following information is correct as at 1 August 2022:

20 LARGEST SHAREHOLDERS

REGISTERED HOLDER	NUMBER OF SHARES HELD	% OF ORDINARY SHARES
MCF3 E&P Holdco Limited	33,510,112	14.10%
J P Morgan Nominees Australia Pty Limited	22,729,466	9.56%
Jolimont Terrace Investments Pty Ltd <Thornton Investments A/C>	15,581,955	6.56%
E&P Employee Investments Pty Limited	12,660,894	5.33%
Citicorp Nominees Pty Limited	11,741,059	4.94%
Wroxby Pty Limited	7,181,088	3.02%
Bki Investment Company Limited	6,631,759	2.79%
Inishail Pty Limited <The Keeble Family A/C>	5,010,148	2.11%
Laver Place Nominees Pty Limited	4,308,334	1.81%
Morey Ankatell Pty Ltd <Bluebombers S/F A/C>	3,841,369	1.62%
Richard Anthony Lang Hunt	3,753,925	1.58%
Premiership Player Pty Ltd <Premiership Legend Super A/C>	3,266,084	1.37%
Oh-Rule Pty Ltd <The Rule Family A/C>	2,878,468	1.21%
Ohjs Group Pty Limited <Super Hans Super Fund A/C>	2,440,000	1.03%
Walker Street Lb Nominees Pty Limited	2,432,708	1.02%
Zonda Capital Pty Ltd <Flinders Family A/C>	2,134,533	0.90%
Oh-Rule Pty Ltd <Rule Family A/C>	2,096,534	0.88%
Ipch Investments Pty Limited <Ipch Investment A/C>	2,092,872	0.88%
Castellina Pty Ltd <Panzano Family A/C>	2,000,000	0.84%
Huinink Investments Pty Ltd <Huinink Family A/C>	2,000,000	0.84%

Additional stock exchange information *(cont.)*

DISTRIBUTION OF SHAREHOLDERS

HOLDING	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	% OF ORDINARY SHARES
1 - 1,000	109	58,699	0.02%
1,001 - 5,000	390	1,213,727	0.51%
5,001 - 10,000	1198	9,729,165	4.09%
10,001 - 100,000	453	14,414,122	6.06%
100,001 and over	168	212,264,377	89.31%
	2,318	**237,680,090**	**100.0%**

SUBSTANTIAL SHAREHOLDERS

The following holders are registered by the Company as a substantial shareholder, having declared a relevant interest, in accordance with the Corporations Act, in the shares below:

NAME	NUMBER OF SHARES	% OF ORDINARY SHARES
MCF3 E&P Holdco Limited, MCF3B General Partner Limited as general partner of MCF3B Limited Partnership, MCF3 Feeder Services Pty Ltd as trustee of the MCF3 Feeder Trust, Mercury Capital Investments Pty Ltd, MCF3 GP Limited as general partner of the MCF3 NZ Limited Partnership and Clark Perkins together, "Mercury Capital"[1]	52,331,317	22.02%
Jolimont Terrace Investments Pty Limited & Attunga Super Pty Limited (David Evans)	16,131,156	6.79%
E&P Employee Investments Pty Limited	12,660,894	5.33%

Note 1 Mercury Capital's shareholdings are held directly through "MCF3 E&P Holdco Limited" and indirectly through nominee accounts including "J P Morgan Nominees Australia Pty Limited".

DIRECTORS' SHAREHOLDINGS

NAME	NUMBER OF SHARES HELD
David Evans	16,131,156
Peter Anderson	796,909
Josephine Linden	-
Sally McCutchan	-
Tony Johnson	-

VOTING RIGHTS

At meetings of members or classes of members, each member may vote in person or by proxy, attorney or (if the member is a body corporate) corporate representative. On a show of hands, every person present who is a member or a proxy, attorney or corporate representative of a member has one vote and on a poll every member present in person or by proxy, attorney or corporate representative has one vote for each fully paid Share held by the member.

Corporate directory

DIRECTORS

David Evans

Peter Anderson

Josephine Linden

Sally McCutchan

Tony Johnson

COMPANY SECRETARIES

Paul Ryan

Mike Adams

REGISTERED OFFICE

(Principal place of business)

Level 32, 1 O'Connell Street
Sydney NSW 2000

Telephone: 1300 069 436

SHARE REGISTRY

Boardroom Pty Limited

Level 12, Grosvenor Place
225 George Street
Sydney, NSW, 2000

Telephone: 1800 634 850

www.boardroomlimited.com.au

AUDITOR

Deloitte Touche Tohmatsu

Grosvenor Place,
225 George Street
Sydney, NSW, 2000

WEBSITE

www.eap.com.au

E&P