E&P FINANCIAL GROUP

24 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. **Appendix 4E Preliminary Final Report**
2. FY22 Results Announcement
3. FY22 Results Presentation

Yours faithfully,

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

E&P

RESULTS FOR ANNOUNCEMENT TO THE MARKET

E&P Financial Group Limited
ACN 609 913 457

Appendix 4E – Preliminary Final Report (Unaudited)

FOR THE YEAR ENDED 30 JUNE 2022

Current reporting period	Year ended 30 June 2022
Prior corresponding period	Year ended 30 June 2021

APPENDIX 4E – PRELIMINARY FINAL REPORT (UNAUDITED)

RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE YEAR ENDED 30 JUNE 2022

KEY INFORMATION		30 JUNE 2022 $'000
Total revenue ("revenue from ordinary activities")	Up by 3.4% to	$206,376
Profit for the year* ("profit from ordinary activities after tax attributable to shareholders")	Result Up by 133.5% to	$6,316
Total comprehensive income for the year* ("net profit for the period attributable to shareholders")	Result Up by 132.9% to	$6,549

* Note this includes impairment of goodwill in the current reporting period of $0.6m (prior corresponding period $11.2m)

DETAILS RELATING TO DIVIDENDS	AMOUNT PER SHARE	FRANKING[1]	TOTAL AMOUNT $'000
Final dividend declared on 24 August 2022[2]	2.7 cents	100%	$6,417

Record date for determining entitlements to dividends: 3 October 2022

1 All dividends are fully franked at a 30% tax rate

2 The final dividend is payable on 11 October 2022 and is not recognised as a liability as at 30 June 2022

PROFIT / (LOSS) PER SHARE	30 JUNE 2022	30 JUNE 2021
Basic (cents per share)	2.8	(8.3)
Diluted (cents per share)	2.7	(8.1)

NET TANGIBLE ASSET INFORMATION	30 JUNE 2022	30 JUNE 2021
Net tangible assets per share	$0.25	$0.22

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Refer to Page 17 of the 30 June 2022 preliminary financial report and accompanying notes for E&P Financial Group Limited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Refer to Page 18 of the 30 June 2022 preliminary financial report and accompanying notes for E&P Financial Group Limited.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Refer to Page 19 of the 30 June 2022 preliminary financial report and accompanying notes for E&P Financial Group Limited.

CONSOLIDATED STATEMENT OF CASH FLOWS

Refer to Page 20 of the 30 June 2022 preliminary financial report and accompanying notes for E&P Financial Group Limited.

CONTROL GAINED OR LOST OVER ENTITIES IN THE YEAR

During the year, E&P Financial Group Limited lost control of Dixon Advisory and Superannuation Services Pty Limited (**DASS**). Refer to Note 8 of the 30 June 2022 preliminary financial report and accompanying notes for E&P Financial Group Limited for further details.

DETAILS OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Refer to Note 13 of the 30 June 2022 preliminary financial report and accompanying notes for E&P Financial Group Limited for further details.

COMMENTARY ON THE RESULTS FOR THE PERIOD

Refer to "Year in Review" on page 5 of the 30 June 2022 preliminary financial report and accompanying notes for E&P Financial Group Limited.

STATUS OF AUDIT

The preliminary report is based on financial statements which are in the process of being audited by Deloitte Touche Tohmatsu and are expected to be made available on 31 August 2022.

Contents

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

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. FY22 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.

Year in Review *(cont.)*

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 agrees 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 Executive 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 Executive 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 electing 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.

Year in Review *(cont.)*

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.

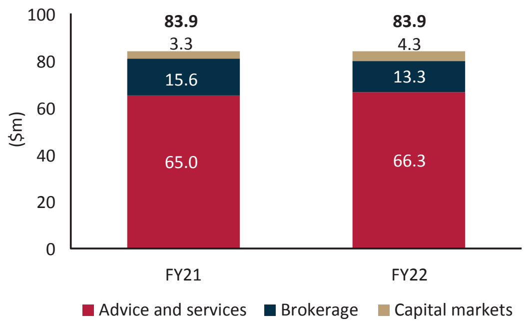
From June 2022, as former DASS clients who joined Evans & Partners reach their annual billing review, clients can choose to either remain on a fixed fee structure but at a higher fee consistent with industry standard pricing, join the full-service FUA-based RWM service, or leave the service. While in 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.

Year in Review *(cont.)*

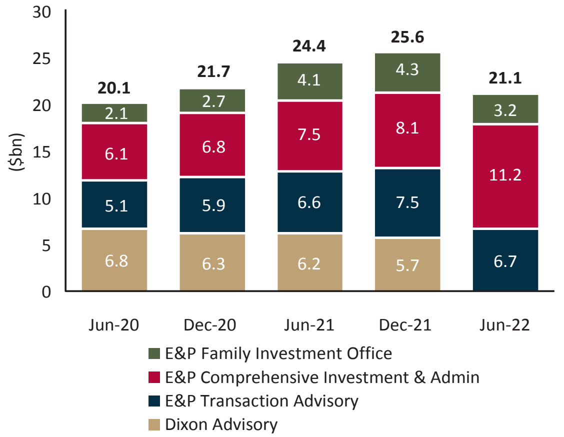
We expect earnings and margins to rebound over the course of FY23 and improve again in FY24 as additional clients choose to move to the RWM full-service FUA-based model, industry standard pricing is rolled out across the remaining fixed fee client base (occurring progressively over FY23) and the one-off 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.

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 and 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.

Year in Review *(cont.)*

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.

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

Re.Group / mercury capital **May 2022** **Undisclosed** Adviser to Re.Group and Mercury Capital on their acquisition of Polytrade	Allity **February 2022** **Undisclosed** Adviser to Allity Aged Care and its shareholders on sale to Bolton Clarke	Genie Solutions **December 2021** **Undisclosed** Adviser to Genie Solutions in relation to its sale to Citadel Group / PEP
AMP **July 2021** **n.a.** Adviser to the Independent Board Committee of AMP Capital's Community Infrastructure Fund	ALE PROPERTY GROUP **December 2021** **~$1.6 billion** Defence adviser to ALE Property Group	REDHILL EDUCATION LIMITED **October 2021** **$65 million** Defence adviser to RedHill Education in relation to a combination with iCollege Ltd

Select Capital Markets transactions

PSC INSURANCE GROUP **March 2022** **$80 million** Institutional Placement Joint Lead Manager	QUALITAS **November 2021** **$214 million** Non-Renounceable Entitlement Offer Sole Arranger and Joint Lead Manager	RAM™ REAL ASSETS REAL RETURNS **October 2021** **$357 million** Initial Public Offering Joint Lead Manager
REGAL FUNDS MANAGEMENT **November 2021** **$212 million** Institutional Placement and ANREO Sole Arranger and Joint Lead Manager	ExperienceCo LIMITED **October 2021** **$51 million** Accelerated Non-Renounceable Institutional Entitlement Offer Joint Lead Manager	MACQUARIE BANK **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.

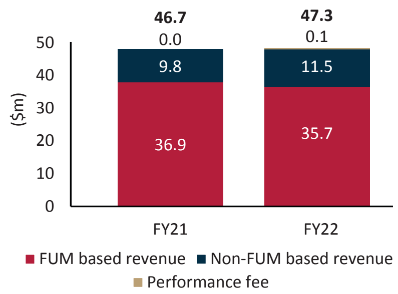
Year in Review *(cont.)*

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.

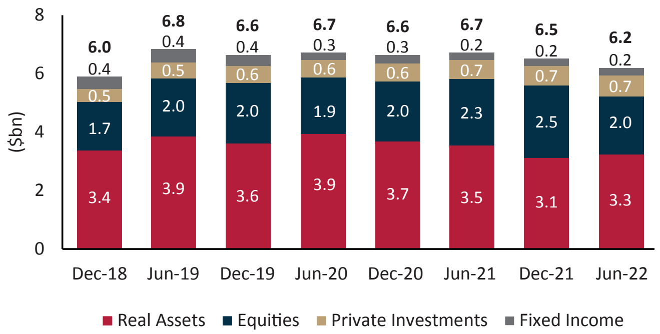
E&P Funds produced underlying EBITDA of $14.0 million, which was up 46% compared to the prior corresponding period and also benefitted from lower direct expenses with operating expense efficiencies achieved following the rationalisation of strategies.

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).

Year in Review *(cont.)*

$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.

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	4	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	4	4,263	1,421
Other income	4	5,422	1,946
Total revenue		**206,376**	**199,494**
Expenses			
Employee benefits	5	(128,270)	(126,208)
Administrative expense		(16,992)	(14,743)
Occupancy		(1,124)	(1,244)
Depreciation and amortisation	5	(12,879)	(15,530)
Impairment of plant, equipment and right of use assets		(216)	(1,465)
Impairment of goodwill, intangible assets and investments	5	(834)	(11,193)
Information technology		(10,646)	(9,847)
Rebates and commissions		(5,596)	(5,726)
Finance costs	6	(1,515)	(1,574)
Legal proceedings and related costs, net of insurance	5	(22)	(1,065)
Regulatory proceedings and related costs, net of insurance	5	(3,824)	(12,621)
Loss on deconsolidation of subsidiary	8	(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	7	(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)	9	2.8	(8.3)
Diluted (cents per share)	9	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		74,181	50,752
Trade and other receivables	11	27,116	23,839
Assets classified as held for sale	15	7,592	6,750
Current tax assets	7	-	2,890
Finance lease receivable		869	746
Prepayments		1,619	1,828
Deposits		5,241	5,760
Total current assets		**116,618**	**92,565**
Non-current assets			
Investments accounted for using the equity method	12	13,916	22,611
Investments in financial assets	15	4,069	2,698
Property, plant and equipment	16	10,927	10,313
Goodwill and other indefinite life intangible assets	17	94,477	95,062
Finite life intangible assets	18	8,438	11,451
Right of use assets		28,556	23,506
Deposits		3,649	4,084
Prepayments		282	421
Finance lease receivable		2,620	3,197
Deferred tax assets	7	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	19	10,764	10,946
Contract liabilities	20	5,110	8,213
Provisions	22	44,837	54,575
Lease liabilities		6,540	7,347
Other liabilities	21	19,594	-
Current tax liabilities	7	599	-
Total current liabilities		**87,444**	**81,081**
Non-current liabilities			
Provisions	22	3,339	3,760
Lease liabilities		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	23	317,992	322,090
Reorganisation reserve		(135,099)	(135,099)
Investment revaluation reserve		(560)	(246)
Foreign currency translation reserve		4,228	3,681
Share based payment reserve		11,388	8,306
Accumulated losses	25	(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	-	-	-	-	-	-	-
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	28	**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		**74,181**	**50,752**

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

Notes to the preliminary final report (unaudited)

1. SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The Preliminary Final Report (the **Report**) has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited consolidated financial statements. The consolidated financial statements have been prepared in accordance with Australian Accounting Standards (**AASBs**) adopted by the Australian Accounting Standards Board that are mandatory for the current reporting period and the *Corporations Act 2001*. The consolidated financial statements also comply with International Financial Reporting Standards (**IFRS**) adopted by the International Accounting Standards Board.

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.

The Report has been prepared on a going concern basis, which assumes the Group will be able to meet its obligations as and when they fall due. As at 30 June 2022 the Group has a cash balance of $74.2 million with net current assets of $29.2 million.

The consolidated financial statements are in the process of being audited and are expected to be made available on 31 August 2022. Accordingly, this Report should also be read in conjunction with any public announcements made by the Company during the year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business 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.

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.

Notes to the preliminary final report (unaudited) *(cont.)*

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).

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.

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.

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**).

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 5 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.

2. 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);
- recognition and useful life assessments of property, plant and equipment and other finite life intangible assets including customer relationships and restraint covenants (refer (i) below);
- impairment assessments of trade receivables and deferred tax assets recognised;
- estimates inherent in employee entitlements and other provisions, including bonuses;
- 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 1. 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 17).

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 18).

Notes to the preliminary final report (unaudited) *(cont.)*

(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.

3. 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.

Notes to the preliminary final report (unaudited) *(cont.)*

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.

Notes to the preliminary final report (unaudited) *(cont.)*

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	3A	**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	3B	(6,006)	-	4,806	(2,451)	(3,651)
EBITDA		**4,845**	**14,643**	**18,768**	**(13,029)**	**25,227**
Depreciation and amortisation expenses	3C	-	-	-	(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	3B					3,952
Segment NPATA						**10,268**

Glossary

EBIT is defined as earnings before interest, 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 preliminary final report (unaudited) *(cont.)*

NOTE 3A: 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 3B: 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 3C: 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.

Notes to the preliminary final report (unaudited) *(cont.)*

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	3A	**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	3B	(13,144)	-	436	(4,778)	(17,486)
EBITDA		**2,052**	**14,176**	**9,989**	**(15,695)**	**10,522**
Depreciation and amortisation expenses	3C	-	-	-	(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	3B					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 preliminary final report (unaudited) *(cont.)*

NOTE 3A: 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 3B: 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 3C: 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.

Notes to the preliminary final report (unaudited) *(cont.)*

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**

4. 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.

Notes to the preliminary final report (unaudited) *(cont.)*

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**

5. EXPENSES

	2022 $'000	2021 $'000
Profit/(Loss) before income tax includes the following specific expenses:		
Employee benefits expense		
Salaries and other employee benefits	(113,610)	(110,070)
Employer related taxes	(6,204)	(5,916)
Post employment benefits	(5,210)	(5,076)
Share based payment expense	(3,081)	(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 17)	(585)	(11,193)
Computer software (Note 18)	(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.

Notes to the preliminary final report (unaudited) *(cont.)*

6. 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)**

7. INCOME TAX

INCOME TAX RECOGNISED IN PROFIT OR LOSS	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**

Notes to the preliminary final report (unaudited) *(cont.)*

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**

8. 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**

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

9. 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.

10. 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).

11. 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.

Notes to the preliminary final report (unaudited) *(cont.)*

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)**

12. 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**

* Key movement reflects that the Group's investments in Fort Street Capital Pty Limited, Fort Street Real Estate Capital Pty Limited and Fort Street Real Estate Services Pty Limited, each accounted for using the equity method, were disposed on 18 February 2022.

Notes to the preliminary final report (unaudited) *(cont.)*

13. 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 %	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 preliminary final report (unaudited) *(cont.)*

14. 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 1:

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.

15. 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.

16. 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**

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

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

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

Notes to the preliminary final report (unaudited) *(cont.)*

IMPAIRMENT TESTING – GOODWILL

E&P WEALTH

The recoverable value of the E&P Wealth CGU has been determined by a value in use calculation which uses cash flow 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 pre-AASB16 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.

The Directors have conducted an analysis of the sensitivity of the impairment test to reasonable changes in the key assumptions used to determine the recoverable amount of the CGU. The sensitivities tested include a 10% reduction in the annual cash flow of the CGU, a 0.25% decrease in the terminal growth rate used to extrapolate cash flows beyond the forecast period and a +/-1% change in the post-tax discount rate applied to cash flow projections. The result of the above sensitivities are shown in the table below.

E&P Wealth Goodwill Impairment Sensitivities

SENSITIVITY	IMPACT ON IMPAIRMENT ASSESSMENT	INCREASE/ (DECREASE) IN AMOUNT OF IMPAIRMENT $'000
10% reduction in cash flows	Impairment of CGU	1,189
0.25% decrease in terminal growth rate	Impairment of CGU	192
1.0% increase in discount rate	Impairment of CGU	1,004
1.0% decrease in discount rate	No impairment	(1,224)

E&P CAPITAL

The recoverable value of the E&P Capital CGU has been determined by a value in use calculation which uses cash flow 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 pre-AASB16 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

The recoverable value of the E&P Funds CGU has been determined by a value in use calculation which uses cash flow 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 and reflect cash inflows and outflows that the Directors reasonably expect to occur as a result of existing restructuring plans. Cash flows beyond FY27 are extrapolated using a steady long term growth rate of 2.45% per annum. A pre-AASB16 post-tax discount rate of 11.0% (FY21: 9.0%) 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.

OTHER INDEFINITE LIFE INTANGIBLE ASSETS – BRANDS

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 blended pre-AASB16 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.

18. 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**

* Key movement reflects write-off of remaining amortisation for the Chairman's restraint covenant following his transition to a non-executive role effective 1 July 2022

19. 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 preliminary final report (unaudited) *(cont.)*

20. 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.

21. 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 loan account relates to 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 8). On the date of deconsolidation (19 January 2022), 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 tax loan account relates to intercompany balance between E&P Financial Group Limited (head entity of tax consolidated group) and DASS (part of the tax consolidated group), which is no longer eliminated on consolidation (as DASS's assets and liabilities, including the equal and opposite related party receivable, are deconsolidated due to the VA, refer to note 8).

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.

22. 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 8 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.

23. 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.

24. 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)

Notes to the preliminary final report (unaudited) *(cont.)*

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.

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

Notes to the preliminary final report (unaudited) *(cont.)*

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**

Notes to the preliminary final report (unaudited) *(cont.)*

25. 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)**

26. 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	114,507	105,121
Non-current assets	163,942	165,216
Total assets	**278,449**	**270,337**
Current liabilities	2,823	313
Non-current liabilities	9,291	9,011
Total liabilities	**12,114**	**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 1, except for consolidation of subsidiaries carried at cost.

The parent entity of the Group intends to propose a Deed of Company Arrangement 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.

27. 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).

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.

Notes to the preliminary final report (unaudited) *(cont.)*

28. 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.

	1 JULY 2021	FINANCING CASH INFLOWS	FINANCING CASH OUTFLOWS	NON-CASH CHANGES ADDITIONS OF LEASES	NON-CASH CHANGES DISPOSALS OF LEASES	NON-CASH CHANGES OTHER CHANGES[1]	30 JUNE 2022
Borrowings (refer to Note 29)	-	5,967	(5,967)	-	-	-	-
Lease liabilities	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.

29. 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.

30. 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 Victorian Registry of the Federal Court of Australia against Dixon Advisory and Superannuation Services Pty Limited (**DASS**), the Company and Mr Alan Dixon (former Executive 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 Executive 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 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 represenatative 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 preliminary final 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 payable in respect of former Executive Directors' legal costs incurred while defending the representative proceeding, but the Directors of the Company are unable to quantify such costs at this time.

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**

31. COMMITMENTS FOR EXPENDITURE

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

32. 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.

The Group intends to propose a Deed of Company Arrangement (**DOCA**) 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.

As at the date of this preliminary final report, the formulation of a DOCA proposal is at an early stage and remains subject to further discussion with the Voluntary Administrators.

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 preliminary final 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.

E&P