

1. COMPANY DETAILS

Name of entity:	Sequoia Financial Group Limited
ABN:	90 091 744 884
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$
Revenues from ordinary activities (continuing and discontinued)	down	1.7%	to	129,326,643
Profit from ordinary activities after tax attributable to the owners of Sequoia Financial Group Limited	up	1012.1%	to	23,992,502
Profit for the year attributable to the owners of Sequoia Financial Group Limited	up	1012.1%	to	23,992,502

Dividends

<i>Details of Dividends</i> ⁽¹⁾	Cents per share	\$
2023 Special dividend (paid 29 September 2023) ⁽²⁾	4.00	5,355,699
2024 Interim dividend (paid 29 March 2024) ⁽³⁾	2.00	2,628,154
2024 Final dividend declared ⁽⁴⁾	2.50	3,256,309 ⁽⁵⁾
2024 Special dividend declared ⁽⁴⁾	2.50	3,256,309 ⁽⁵⁾

(1) All dividends are fully franked

(2) 2023 Special dividend comprised of a cash dividend on completion of divestment of Morrison Securities.

(3) 2024 Interim dividend comprised of a cash dividend.

(4) Record date for determining entitlement to the 2024 Final and Special dividends is 3 September 2024, and is to be paid on 11 September 2024.

(5) Estimated total dollar value based on shares at 30 June 2024.

Comments

The profit for the Group after providing for income tax amounted to \$23,992,502 (30 June 2023: loss of \$2,630,431).

3. NET TANGIBLE ASSETS

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	24.55	8.63

Calculated as follows:

	Consolidated	
	2024 \$	2023 \$
Net assets	56,675,105	43,042,196
Less: Right-of-use assets	(363,745)	(1,348,225)
Less: Intangibles	(25,037,804)	(31,981,070)
Add: Lease liabilities	704,641	1,938,241
Net tangible assets	31,978,197	11,651,142
	2024 Number	2023 Number
Total number of shares issued	130,252,366	135,054,525

4. CONTROL GAINED OVER ENTITIES

Not applicable.

5. LOSS OF CONTROL OVER ENTITIES

Name of entities (or group of entities)	Morrison Securities Pty Ltd	
Date control lost	31 August 2023	
		\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)		372,447
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)		1,825,696

6. DIVIDENDS

Current period

Details of Dividends ⁽¹⁾

	Cents per share	\$
2023 Special dividend (paid 29 September 2023) ⁽²⁾	4.00	5,355,699
2024 Interim dividend (paid 29 March 2024) ⁽³⁾	2.00	2,628,154
2024 Final dividend declared ⁽⁴⁾	2.50	3,256,309 ⁽⁵⁾
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(3) 2024 Interim dividend comprised of a cash dividend.

(4) Record date for determining entitlement to the 2024 Final and Special dividends is 3 September 2024, and is to be paid on 11 September 2024.

(5) Estimated total dollar value based on shares at 30 June 2024.

Previous period

Details of Dividends ⁽¹⁾

	Cents per share	\$
2022 Final dividend (paid 10 October 2022) ⁽²⁾	0.90	1,226,517
2023 Interim dividend (paid 29 March 2023) ⁽²⁾	0.70	945,384

(1) All dividends are fully franked

(2) Comprised of a cash dividend.

7. DIVIDEND REINVESTMENT PLANS

Not applicable.

8. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Taking Control Pty Ltd (joint venture)	50.00%	50.00%	-	-
Euree Asset Management Pty Ltd	20.00%	20.00%	(41,493)	-
Morrison Securities Pty Ltd	20.00%	49.90%	279,994	-
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit/(loss) from ordinary activities before income tax			238,501	-
Income tax on operating activities			83,998	-

9. FOREIGN ENTITIES

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. AUDIT QUALIFICATION OR REVIEW

Details of audit/review dispute or qualification (if any):

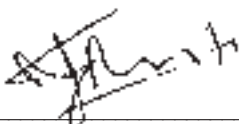
The financial statements have been audited and an unmodified opinion has been issued.

11. ATTACHMENTS

Details of attachments (if any):

The Annual Report of Sequoia Financial Group Limited for the year ended 30 June 2024 is attached.

12. SIGNED

Signed  _____

Date: 26 August 2024

Mike Ryan
Chairman
Sydney



Sequoia Financial
Group Limited

ABN 90 091 744 884

Annual Report

30 JUNE 2024

sequoia
FINANCIAL GROUP

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Chairman Report

Dear Shareholders, Employees, and Partners,

It is with great honour and enthusiasm that I present my first annual report as Chairman of Sequoia Financial Group Limited ("Sequoia").

Sequoia has demonstrated resilience and growth despite a challenging economic climate, and I am pleased to form a part of a much more streamlined company than was reported in FY2023.

Major achievements from the last year include the divestment of 80% of Morrison Securities, streamlining the organisation into two profitable divisions, increasing the operating margins for both new divisions, divesting non-core assets and recruiting high quality staff to drive our future growth.

The Board and management team successfully navigated a disruptive period, addressing shareholder concerns raised through an EGM process. While this led to notable business disruption in the second half of FY24, we effectively contained its impact.

I am looking forward to evolving the Board's strategic planning process and positively shape the strategic direction of Sequoia. More so, the improving external environment for financial advice in Australia, presents exciting growth opportunities for Sequoia.

I extend my sincere gratitude to our dedicated employees, trusted advisers and their clients, and valued shareholders for their ongoing support. Special recognition goes to Charles Sweeney, our former Interim Chair, for his leadership during a period of shareholder challenges. I also commend Kevin Pattison for his exceptional resilience and integrity throughout this time.

Furthermore, I'd like to acknowledge the pivotal roles played by our CEO, Garry Crole, and CFO, Lizzie Tan. Their unwavering dedication has been instrumental in achieving our strong performance this year.

As we enter this new chapter, I am committed to pursuing the strategic opportunities that lie ahead. Sequoia is well-positioned to achieve sustained growth for investors.

Mike Ryan
Chairman of the Board

CEO Report

As we reflect on the past financial year, it is with a deep sense of gratitude to our shareholders that I present the 2024 Sequoia Financial Group Limited's ("Sequoia") Annual Report.

This year has been a testament to our staff's resilience, innovation, and commitment to offering a comprehensive range of valuable solutions to the financial advisory and accountancy marketplace.

Despite a challenging economic landscape for advisers and accountants we have achieved significant milestones. Total continued revenue was \$124.6m, up from \$98.4m last financial year, which is a growth rate of 26%.

Operating profit increased from \$4.6m to \$8.7m, an 88% improvement over FY23.

Landscape for Advisers

The thematics for the adviser industry are attractive.

The rapid decline in the number of advisers since the Royal Commission has begun to slow in recent years with adviser numbers now steady at around 15,600. This has seen the number of recurring clients per adviser increase across the industry by between 15-20%. Advisers have become more efficient and have embraced technology and increased the use of outsourced services such as those offered by Sequoia. Fewer advisers have been moving to self-licensing models.

In addition, advisers are increasing their overall revenue as demand for advice increases as the pool of available advisers reduces. In addition to this tailwind, we are winning market share from other licensors, particularly when advisers are disappointed with the consolidation of the industry occurring. In 2024 we had 70 new advisers join the AFSL and whilst we did see 56 depart most of the departures were from non-economic practises who closed or merged their businesses rather than leaving us to join a competitor.

The shift from commissions to fee for service has also ensured businesses like ours are far more sustainable and less reliant on new sales and transactional income. In our case the retention rate of advisers of a scale we see as commercial using our services and accountants using our legal and document business has been very high. This gives us confidence around future revenue allowing the business to invest with greater confidence.

One of our goals over the next two years is to further expand our number of self-employed advisers in financial planning under the Interprac Financial Planning brand and add expertise and new business specialist equity advisers under the Sequoia Wealth Management brand, so we can further expand on the footprint we have established in the Equity Capital Markets and higher net worth marketplace.

Investments

Throughout the year we made several key investments, including the asset acquisitions of Australian Business Structures Ltd and Castle Corporate Pty Ltd / Castle Legal Pty Ltd.

Delivering to Shareholders

Our Net Profit After Tax of \$24.0m allows us to pay fully franked dividends, maintain our share buyback program and fund future acquisitions with cash, thus avoiding any equity dilution to our shareholders.

We have distributed an interim dividend of 2.0 cents per share fully franked on 29 March 2024. Today we are pleased to declare a further dividend to eligible shareholders at 2.5 cents per share final dividend share and a further 2.5 cents per share special dividend, fully franked, taking the full year FY24 normal dividends to 4.5 cents per share.

The Future

I am confident the recent changes we have made as part of our business streamlining strategy provides a robust platform for continued success and growth.

I thank you for being a shareholder and part of that journey.

Garry Crole
Managing Director and CEO
26 August 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Sequoia Financial Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

DIRECTORS

The following persons were directors of Sequoia Financial Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Garry Crole	Managing Director and Chief Executive Officer
Mike Ryan	Non-Executive Director and Chairman (appointed 7 August 2024)
Charles Sweeney	Non-Executive Director and Former Chairman (resigned as Chairman 7 August 2024)
Kevin Pattison	Non-Executive Director
John Larsen	Former Non-Executive Director and Former Chairman (resigned 16 May 2024)

PRINCIPAL ACTIVITIES

The Group's principal activity is to provide a range of services to financial planner stockbrokers, self-directed investors, superannuation funds and accountants that allows them to offer wealth management solutions to their customers.

This includes, but is not limited to, the provision of licensing services, business support, advice coaching, compliance, education, legal document establishments, portfolio management, bespoke investments, administration, investor relations, research and media services.

There was no change in the principal activities during the financial year.

DIVIDENDS

Details of Dividends ⁽¹⁾

	Cents per share	\$
2023 Special dividend (paid 29 September 2023) ⁽²⁾	4.00	5,355,699
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(4) Record date for determining entitlement to the 2024 Final and Special dividends is 3 September 2024, and is to be paid on 11 September 2024.

(5) Estimated total dollar value based on shares at 30 June 2024.

REVIEW OF OPERATIONS

The profit for the Group after providing for income tax amounted to \$23,992,502 (30 June 2023: loss of \$2,630,431).

Revenue from ordinary operating activities of the Group increased to \$124,550,747, up from \$98,498,810 in the corresponding year ended 30 June 2023 an increase of 26.4%.

The Group's financial performance this year was very positive with total revenue increasing by \$26.1m (or 26.4%) over the last financial year. The Sequoia Licensees Services division achieved strong net organic growth in adviser numbers and reported revenue growth over 42%, despite the ongoing reduction of industry advisers.

The Group is committed to streamlining its business model to drive greater efficiency and provide more simplicity to enable better interaction with stakeholders. Hence the decision to streamline the Group's existing divisional structure from the 2025 financial year onwards, whereby the reporting divisions will move from four to two. This change is designed to enhance the focus of our executive team and reduce the cost base, in terms of headcount by 10%. The new reporting Divisions will be: (1) Licensee and Adviser Services and (2) Legal and Administration Services.

During the financial year ended 30 June 2024, the following transactions occurred:

- On 21 August 2023, the acquisition of the customer list of Castle Corporate Pty Ltd and Castle Legal Pty Ltd was completed and, on 13 December 2023, the acquisition of the customer list of Australian Business Structures Ltd was completed.
- On 31 August 2023, the disposal of 80% of Morrison Securities was completed. This resulted in a non-recurring gain of \$26.8m, after tax, that included the revaluation of the remaining 20% investment.
- Acquisition of Clique Paraplanning, which will provide a great paraplanning service offering to our existing advisers.
- Sale of Yield Report to Finexia Financial Group and the formation of a strategic relationship with Finexia to jointly market each other's services to the financial planning and accountancy marketplace.



Risk Management of Material Risks

Listed below are the material business risks that the Group seeks to manage to prevent adverse impact on the Group's business, financial performance, or operations. Note that these risks are out of the control of the Group.

<i>Risk Type</i>	<i>Description</i>	<i>Managing the Risk</i>
Legal and compliance risk	The risk of financial loss for failing to comply with legal and regulatory obligations	<ul style="list-style-type: none"> - Oversight of compliance and regulatory matters by the Group Risk and compliance function - Monitoring regulatory change and implementing appropriate controls - Oversight of regulatory and compliance matters to Board and Risk and compliance Committees - Use of internal and external legal advisors
Poor quality of advice risk	The risk of failure to provide quality, appropriate and adequate financial advice in the best interests of clients	<ul style="list-style-type: none"> - This Risk is managed by having highly professional, educational, compliance, assurance, and training standards in place for the Group's advisers and authorised - There is an on-going education program and rolling program of compliance reviews of advisers - The potential financial impact is mitigated by appropriate levels of insurance cover
Market performance risk	The risk that the operating and financial performance is influenced by economic and business conditions, including financial markets performance, interest rates and Government policies.	<ul style="list-style-type: none"> - Regular monitoring by the CEO, the Investment Committee and the Board of possible outcomes, the likely timeframe and the likelihood of the outcome occurring - Diversification of revenue streams which act in different ways with market performance

Operating Profitability

The Directors are of the view that the best guide to the Group's performance is the Operating profit or normalised EBITDA, which is defined as earnings before interest, tax, depreciation and amortisation ('EBITDA') excluding the impact of:

- Non-operational items (i.e. acquisition and divestment-related costs, redundancy costs, impairment charges, fair value adjustments, abnormal events and gains/losses on the sale of investments); and
- Non-cash amortisation charges relating to separately identifiable intangible assets acquired under business combinations and other intangible assets.

The Operating profit over the financial year ended 30 June 2024 increased from \$4,610,286 to \$8,676,432.

Operating revenue and operating profit compared to the prior financial year are presented in the following table:

Financial performance from continuing operations

	2024 \$	2023 \$	Change \$	Change %
Operating revenue from ordinary activities	124,550,747	98,498,810	26,051,937	26.4%
Statutory net profit after income tax	(3,142,515)	(3,948,032)	805,517	(20.4%)
Operating profit*	8,676,432	4,610,286	4,066,146	88.2%

* Operating profit is the measure that the Group uses to assess performance as it excludes certain non-cash and one-off or non-operational items. Operating profit is a financial measure that is not recognised under Australian Accounting Standards and may not be comparable to similarly titled measures used by other companies. Operating profit has been audited.

Normalised adjustments have been applied as set out in the following reconciliation between the Group's Operating profit and the Statutory net profit for the current and prior financial years:

30 June 2024	Continuing operations 2024 \$	Discontinued operations Morrison Securities \$	Consolidated 2024 \$
Operating profit for the year	8,676,432	144,203	8,820,635
<i>Deduct normalisation adjustments:</i>			
Abnormal events	(163,079)	-	(163,079)
Acquisition and divestment-related costs	(121,077)	-	(121,077)
Restructuring costs	(119,942)	-	(119,942)
Impairment of plant and equipment	(787,785)	-	(787,785)
Impairment of goodwill and intangible assets	(6,383,412)	-	(6,383,412)
Gain on disposal	135,000	28,622,959	28,757,959
Write-back to profit or loss for consideration not payable	334,257	-	334,257
Fair value revaluation of retained investment	-	6,880,593	6,880,593
	1,570,394	35,647,755	37,218,149
<i>Add/(deduct):</i>			
Interest revenue calculated using the effective interest method	919,705	231,132	1,150,837
Depreciation and amortisation	(3,777,728)	(2,888)	(3,780,616)
Finance costs	(175,917)	-	(175,917)
Statutory net (loss)/profit before income tax for the year	(1,463,546)	35,875,999	34,412,453
Income tax expense	(1,678,969)	(8,740,982)	(10,419,951)
Statutory net (loss)/profit after income tax for the year	(3,142,515)	27,135,017	23,992,502

30 June 2023	Continuing operations		Discontinued operations		Consolidated 2023
	2023	Morrison Securities	Libertas	2023	
	\$	\$	\$	\$	\$
Operating profit for the year	4,610,286	760,964	139,680		5,510,930
<i>Deduct normalisation adjustments:</i>					
Acquisition costs	(102,230)	-	-		(102,230)
Impairment costs	(1,687,476)	-	-		(1,687,476)
Consideration for business acquired	(1,494,182)	-	-		(1,494,182)
	1,326,398	760,964	139,680		2,227,042
<i>Add/(deduct):</i>					
Interest revenue calculated using the effective interest method	45,760	940,100	-		985,860
Depreciation and amortisation	(3,593,779)	(15,048)	-		(3,608,827)
Finance costs	(230,146)	-	-		(230,146)
Statutory net (loss)/profit before income tax for the year	(2,451,767)	1,686,016	139,680		(626,071)
Income tax expense	(1,496,265)	(508,095)	-		(2,004,360)
Statutory net (loss)/profit after income tax for the year	(3,948,032)	1,177,921	139,680		(2,630,431)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Acquisition of Castle Corporate Pty Ltd and Castle Legal Pty Ltd ('Castle')

On 21 August 2023, the Company completed the acquisition of the customer list of the Castle companies ('Castle'). The Castle businesses are prominent and reputable firms specialising in providing accountants, financial advisers and lawyers comprehensive advice and solutions relating to new and existing companies, trusts and self-managed super funds.

Acquisition of Australian Business Structures Ltd

On 13 December 2023, the Company announced the acquisition of the assets of Australian Business Structures Ltd ('ABS'). ABS is a provider of legal services and has been providing the Company with a range of proprietary legal documents. The acquisition broadens the product offering of the Professional Services division and builds on the presence within the accounting and advice industry.

Divestment of Morrison Securities Pty Ltd

The transaction to divest 80% of Morrison Securities Pty Ltd is complete, with the final payment of \$15.0m received on 31 August 2023. A further working capital adjustment of \$1.2m was received in the financial year ended 30 June 2024. A total gain of \$28.6m is recognised in the current financial year. Based on the sales price, the fair value of the retained 20% is \$10.0m resulting in a fair value gain of \$6.9m. Morrison Securities is now accounted for as an investment in an associate and reported using the equity method.

Impairment of goodwill

For the year ended 30 June 2024, the annual assessment of the value of the intangible assets of indefinite life indicated an impairment was needed for the cash generating units ('CGUs'): Sequoia Equity Markets Group and Sequoia Direct Investment Group. The reasons for these impairments are as follows:

After the sale of Morrison Securities Pty Ltd, the only business in the Sequoia Equity Markets Group was Sequoia Specialist Investments Pty Ltd. Over the last 2 years, the market for investment products issued by Sequoia Specialist Investments has declined resulting in a reduction in revenue generated. Based on the assumptions used to assess impairment, the current value of intangible assets was impaired by \$3.8m.

Sequoia Direct Investment Group include the recent acquisition of Informed Investor, ShareCafe and Corporate Connect Research. The financial performance of these businesses since acquisition has not been as expected. While the financial performance of these businesses is expected to improve through operational changes and team restructuring, the improvement is not enough to support the current value of intangible assets. Based on the assumptions used to assess impairment, the current value of intangible assets was impaired by \$2.5m.

Sale of Sequoia Insurance Brokers and InterPrac General Insurance

On 28 June 2024, the Company entered into an agreement to sell the general insurance broking businesses, Sequoia Insurance Brokers Pty Ltd and Interprac General Insurance Pty Ltd, effective 1 July 2024. For these financial statements, year ended 30 June 2024, the businesses have not been reported as discontinued operations in the consolidated statement of profit or loss and other comprehensive income, because they have not been deemed significant. In the consolidated statement of financial position, the businesses have been reported as held for sale.

ANZ loan facility

The loan amount drawn for \$1,750,000 was fully repaid during the financial year ended 30 June 2024. As at 30 June 2024, the ANZ financing facility consisted of an uncommitted and undrawn loan facility (with no redraw) of \$13,250,000, of which none was utilised, and a standby letter of guarantee of \$700,000. The standby letter continues to be used as bank guarantees for office leases. The uncommitted and undrawn loan facility is due to mature on 1 October 2024.

There were no other significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Sale of Sequoia Insurance Brokers and InterPrac General Insurance

On 1 July 2024, the Group sold 100% of its general insurance broking businesses to WIB Corporate Pty Ltd. The total consideration price is in the range \$4.40m to \$5.00m for the sale of Sequoia Insurance Brokers Pty Ltd and InterPrac General Insurance Pty Ltd. The Group has received initial cash consideration paid of \$1.05m for the sale in the subsequent period. The second tranche of \$1.00m is payable by 31 October 2024, with the final tranche payable in October 2025 subject to specific performance hurdles being achieved.

Restructure of operating segments

The Group announced the restructure of the operating segments, effective from 1 July 2024, which are used in assessing performance and in determining the allocation of resources. This restructure reduces the existing four operating segments down to two. The Head Office segment remains unchanged.

The two operating segments are as follows:

(1) Licensee and Adviser Services - Provide licensee services to financial planners and advisors, provide financial planning personal and general advice to wholesale and retail investors, and provide listed and private companies with equity capital markets support, M&A advice, corporate access and investor relations.

(2) Legal and Administration Services - Act as service provider to accountancy firms, dealer groups, financial planning, law firms and direct trustees.

Appointment of Non-Executive Chairman

On 7 August 2024, the Group announced the appointment of Mike Ryan as the new Chairman of the Board. The Acting Chairman, Charles Sweeney (resigned on 7 August 2024), will continue in his role as non-executive director and Chair of the Risk and Compliance Committee.

Legal proceedings for and against Tim McGowen update

The Company and Tim McGowen have agreed to settle at an undisclosed amount and, on 15 August 2024, executed a deed of release.

No other matter or circumstance has arisen since 30 June 2024 that has 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Group does not expect any major developments or variation to results if the Group continues to operate as normal. However major variations would occur if the Group undertook a key strategic initiative such as a material acquisition. Currently nothing of this nature is expected to take place in the foreseeable future but the Group remains open to look at opportunities in this space whenever they are presented.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

INFORMATION ON DIRECTORS

Name: **Garry Peter Crole**

Title: Managing Director and Chief Executive Officer

Appointed: 18 November 2016

Qualifications: Adv.Dip Financial Services (Deakin), GAICD

Experience and expertise: Garry is a highly experienced and well-regarded Financial Services Executive. He founded Deakin Financial Planning, an ASX listed company that was later acquired by IOOF. In more recent years, Garry started Interprac Financial Planning Pty Ltd, which is a leading independently owned Australian Financial Services Licensee.

Other current directorships: None

Former directorships (last 3 years): None



Special responsibilities: Member of Risk and Compliance Committee, Audit Committee and Remuneration and Nomination Committee

Interests in shares: 10,665,635 ordinary shares (directly held) and 2,097,535 ordinary shares (indirectly held)

Interests in options: None

Interests in rights: None

Name: **Mike Ryan**

Title: Non-Executive Director and Chairman

Appointed: 7 August 2024

Qualifications: B.Agriculture

Experience and expertise: Mike is an accomplished executive and director with extensive capital markets expertise. Through his 40 year career, Mike has specialised in steering companies towards growth and successful turnarounds. He has held a number of key positions across a range of industries, including executive and board roles at Goldman Sachs & JBWere, Morgan Stanley, Citibank, CIMB and Shaw and Partners.

Other current directorships: Director of East 33 Limited (since November 2022), Director of Energy One Limited (since January 2024), and PM Capital Global Opportunities Fund Ltd (since August 2024)

Former directorships (last 3 years): Interim Chairman of Australian Pacific Coal Limited (January 2023 to June 2024) and Director of Australian Pacific Coal Limited (November 2022 to June 2024)

Special responsibilities: Member of Audit Committee and Remuneration and Nomination Committee

Interests in shares: None

Interests in options: None

Interests in rights: None



Name: **Charles Sweeney**

Title: Non-Executive Director

Appointed: Non-Executive Director: 1 March 2019

Acting Chairman: 18 April 2024 to 7 August 2024

Qualifications: B.Comm, LL.B (Melb), Partner of Cooper Grace Ward Lawyers

Experience and expertise: Charles is a partner in Cooper Grace Ward's corporate and commercial group. Charles provides wide-ranging general commercial advice to clients, with particular areas of focus including corporate advisory and intellectual property / information technology. Acting for listed and unlisted public and private clients, Charles advises across a broad range of industries, including agribusiness, financial services, technology and mining. Charles has served as a non-executive director of an ASX listed company (including during its ASX listing) and has practical experience of the issues faced by boards in relation to corporate governance, dealings with regulators (especially ASX and ASIC), major transactions and capital raisings. Charles is also a regular presenter on such topics.

Other current directorships: None

Former directorships (last 3 years): None



Special responsibilities: Chair of Risk and Compliance Committee and member of Audit Committee

Interests in shares: 811,490 ordinary shares (indirectly held)

Interests in options: None

Interests in rights: None

Name: **Kevin Pattison**

Title: Non-Executive Director

Appointed: 5 February 2019

Qualifications: B.Bus(Ins), Fellow ANZIF, GAICD

Experience and expertise: Kevin has over 40 years' experience in financial services, specialising in distribution, strategic planning and business remediation. He has been a Non-Executive Director for the past 4 years on private companies and prior to that he was the CEO of various large national businesses in the financial services sector.



Other current directorships: None

Former directorships (last 3 years): None

Special responsibilities: Chair of Remuneration and Nomination Committee and Chair of Audit Committee and member of Risk and Compliance Committee

Interests in shares: 815,702 ordinary shares (indirectly held)

Interests in options: None

Interests in rights: None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

COMPANY SECRETARIES

The joint Company secretaries are as follows:

Lizzie Tan, B.Economics (Accounting), CPA and Fellow member of FINSIA - Joint Company Secretary

Lizzie has been the Company's Chief Financial Officer since 23 April 2020. Lizzie is an experienced finance, audit, risk and corporate transactional executive who has held senior Finance and Audit roles with ANZ, AXA, Legg Mason Australia and Deloitte.

Sally McDow Bachelor of Laws (LLB) and Master of Business Administration - Joint Company Secretary

Sally is an employee of Boardroom Pty Ltd, the Company's Corporate Secretarial services provider. Sally is an experienced ASX Listed company secretary and is a graduate of the Governance Institute and Australian Institute of Company Directors.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Audit Committee		Risk and Compliance Committee		Remuneration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held	Attended	Held
G Crole	5	5	3	3	3	3	3	3
C Sweeney	5	5	3	3	3	3	-	-
K Pattison	5	5	1	3	3	3	3	3
J Larsen *	4	5	2	3	-	-	3	3

* Resigned 16 May 2024

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report contains the following sections:

- (a) Key management personnel covered in this report
- (b) Executive reward framework
- (c) Remuneration and nomination committee
- (d) Non-executive directors arrangement
- (e) Elements of remuneration
- (f) Use of remuneration consultants
- (g) Voting and comments made at the Company's 2023 Annual General Meeting (AGM)
- (h) Details of key management personnel remuneration
- (i) Service agreements
- (j) Share-based compensation
- (k) Additional information
- (l) Other disclosures relating to key management personnel

(a) Key management personnel covered in this report

The key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

The key management personnel of the Group during the financial year are as follows:

- Garry Crole - Managing Director and Chief Executive Officer
- John Larsen - Chairman and Non-Executive Director (resigned 16 May 2024)
- Kevin Pattison - Non-Executive Director
- Charles Sweeney - Non-Executive Director

Other key management personnel:

- Lizzie Tan – Chief Financial Officer and Joint Company Secretary

(b) Executive reward framework

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

(c) Remuneration and Nomination Committee

The Board of Directors, through its Remuneration and Nomination Committee, accepts responsibility for determining and reviewing remuneration arrangements for the directors and the senior management team. The Remuneration and Nomination Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior managers on a periodic basis by reference to relevant employment market conditions, giving due consideration to the overall profitability and financial resources of the Group, with the objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

(d) Non-executive directors arrangement

Fees and payments to non-executive directors reflect the demands which are made of the directors in fulfilling their responsibilities. Non-executive director fees are reviewed annually by the Board. The constitution of the Company provides that the non-executive directors of the Company are entitled to such remuneration, as determined by the Board, which must not exceed in aggregate the maximum amount determined by the Company in general meeting. The most recent determination was at the Annual General Meeting held on 23 November 2023 where the shareholders approved an aggregate remuneration of \$450,000.

(e) Elements of remuneration

Executive remuneration comprises:

- Fixed remuneration component;
- Variable remuneration component including short-term incentive ('STI')
- Variable remuneration including long-term incentive ('LTI'); and
- A Sequoia Employee Incentive Plan is in place, which was approved at a meeting of shareholders in a prior year.

Fixed remuneration

Fixed remuneration consists of base remuneration as well as employer contributions to superannuation. Remuneration levels are reviewed annually through a process that considers individual performance and that of the overall Group.

Variable remuneration – short-term incentive ('STI')

STIs are available to executives who achieve performance criteria including compliance. The Board is responsible for determining who is eligible to participate in STI arrangements as well as the structure of those arrangements.

Variable remuneration – long-term incentive ('LTI')

The objective of the LTI plan is to reward senior managers in a manner which aligns this element of remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance against relevant long term performance hurdles. LTI grants to executives are delivered in the form of options or performance rights.

Sequoia Employee Incentive Plan ('SEIP')

The Company has in place an employee equity scheme, called the Sequoia Employee Incentive Plan to offer options and performance rights to certain employees employed in the Company. During the financial year, no new options or performance rights were issued.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is set with reference to prevailing market rates and the performance of the Group. Short-term and long-term incentive payments are at the total discretion of the Remuneration and Nomination Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the five years to 30 June 2024.

(f) Use of remuneration consultants

During the financial year ended 30 June 2024, the Group did not engage remuneration consultants, to review its existing remuneration policies and provide recommendations.

(g) Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')

At the 23 November 2023 AGM, 99.39% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

(h) Details of key management personnel remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

2024	Short-term benefits			Long-term benefits		Post-employment benefits	Share-based payments	Total \$
	Cash salary and fees \$	Cash bonus \$	Directors' fees \$	Movement in leave entitlements \$	Movement in leave entitlements \$	Super-annuation \$	Options ⁽²⁾ \$	
Non-Executive Directors:								
J Larsen ⁽³⁾	93,725	-	-	-	-	10,310	10,329	114,364
K Pattison	76,577	-	-	-	-	8,423	5,165	90,165
C Sweeney	-	-	82,680	-	-	-	5,165	87,845
Executive Directors:								
G Crole ⁽¹⁾	534,572	45,000	-	1,654	31,123	27,399	10,329	650,077
Other Key Management Personnel:								
L Tan	330,000	45,000	-	19,295	6,824	27,399	-	428,518
	1,034,874	90,000	82,680	20,949	37,947	73,531	30,988	1,370,969

(1) Cash salary and fees include annual leave payout of \$26,977

(2) Directors' options vesting completion dates are 1 January 2022 and 1 January 2024. Other Key Management Personnel options have vested on 15 July 2021, 1 January 2022, 30 June 2022 and 1 January 2023.

(3) Payment as Chairman up to 18 April 2024, then as a director to 16 May 2024.

2023	Short-term benefits			Long-term benefits		Post-employment benefits	Share-based payments	Total \$
	Cash salary and fees \$	Cash bonus ⁽²⁾ \$	Directors' fees \$	Movement in leave entitlements \$	Movement in leave entitlements \$	Super-annuation \$	Options ⁽³⁾ \$	
Non-Executive Directors:								
J Larsen ⁽⁴⁾	90,909	-	-	-	-	9,545	20,379	120,833
K Pattison	-	-	65,000	-	-	-	10,190	75,190
C Sweeney	-	-	65,000	-	-	-	10,190	75,190
Executive Directors:								
G Crole ⁽¹⁾⁽²⁾	468,464	-	-	25,450	17,317	25,292	20,379	556,902
Other Key Management Personnel:								
L Tan ⁽²⁾	296,432	-	-	9,314	7,009	25,292	5,274	343,321
	855,805	-	130,000	34,764	24,326	60,129	66,412	1,171,436

(1) Cash salary and fees include expense reimbursement of \$869.

(2) No cash bonus paid/payable during the year.

(3) Directors' options vesting completion dates are 1 January 2022 and 1 January 2024. Other Key Management Personnel options have vested on 15 July 2021, 1 January 2022, 30 June 2022 and 1 January 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
<i>Non-Executive Directors:</i>						
J Larsen	91%	83%	-	-	9%	17%
K Pattison	94%	86%	-	-	6%	14%
C Sweeney	94%	86%	-	-	6%	14%
<i>Executive Directors:</i>						
G Crole	98%	96%	-	-	2%	4%
<i>Other Key Management Personnel:</i>						
L Tan	100%	98%	-	-	-	2%

(i) Service agreements

Where contracts have been established, employment terms and conditions of key management personnel and Group executives are formalised in standard contracts of employment. All contracts, except for the following, are for no fixed term with one to three months' notice required for termination by either party. There are no requirements for termination payments.

The Group renewed the service agreement for the Managing Director and Chief Executive Officer, Garry Crole. The details of the agreement are as follows:

Name:	Garry Peter Crole
Title:	Managing Director and Chief Executive Officer
Term of agreement:	2 year term ending 30 June 2026
Details:	Fixed base annual salary of \$507,595, plus superannuation. Incentive based on KPI performance, capped at 30% of total remuneration, to be paid in shares of Sequoia Financial Group Ltd.

(j) Share-based compensation

Issue of options

During prior years, options were granted to the directors and other key management personnel of the Company as part of their compensation. The number of options over ordinary shares in the Company held during the financial year by each director and the other member of the key management personnel of the Group, including their personal related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
<i>Options over ordinary shares</i>					
G Crole	500,000	-	(500,000)	-	-
J Larsen	500,000	-	-	(500,000)	-
K Pattison	250,000	-	-	(250,000)	-
C Sweeney	250,000	-	(250,000)	-	-
L Tan	250,000	-	-	(250,000)	-
	1,750,000	-	(750,000)	(1,000,000)	-

As at 30 June 2024, all options were either exercised or expired.

(k) Additional information

The earnings of the Group for the five years to 30 June 2024 are summarised below:

	2024 \$	2023 \$	2022 \$	2021 \$	2020 \$
Sales revenue	129,326,643	131,536,916	147,312,720	116,462,659	84,498,650
Operating profit	8,820,635	5,510,930	12,354,607	11,516,560	4,825,701
Profit/(loss) before income tax	34,412,453	(626,071)	8,633,168	8,127,791	2,881,237
Profit/(loss) after income tax	23,992,502	(2,630,431)	5,714,296	5,548,262	1,932,474

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price at financial year end (\$)	0.475	0.540	0.590	0.550	0.210
Total dividends declared (cents per share)	7.000	4.700	1.400	1.000	0.400
Basic earnings per share (cents per share)	18.121	(1.942)	4.296	4.324	1.607

(l) Other disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and the other member of the key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received on exercise of options	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
G Crole*	12,083,672	500,000	179,498	-	12,763,170
C Sweeney*	561,490	250,000	-	-	811,490
K Pattison*	794,869	-	20,833	-	815,702
J Larsen**	2,260,979	-	-	(2,260,979)	-
L Tan	303,861	-	-	-	303,861
	16,004,871	750,000	200,331	(2,260,979)	14,694,223

* Shares acquired via on-market trade or exercise of options.

** J Larsen resigned from the Board on 16 May 2024, and, as at 30 June 2024, was not a Key Management Personnel of the Company.

Transactions with key management personnel and their related parties

During the financial year, \$18,521 was paid or payable for services provided by Cooper Grace Ward, a related party entity of director, Charles Sweeney. This is not deemed personal remuneration.

This concludes the remuneration report, which has been audited.

SHARES UNDER OPTION

There were no unissued ordinary shares of Sequoia Financial Group Limited under option outstanding at the date of this report.

SHARES UNDER PERFORMANCE RIGHTS

There were no unissued ordinary shares of Sequoia Financial Group Limited under performance rights outstanding at the date of this report.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

The following ordinary shares of Sequoia Financial Group Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
19 November 2020 (Type 2)	\$0.4500	100,000
18 January 2021 (Type 2)	\$0.4500	750,000
		850,000

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following ordinary shares of Sequoia Financial Group Limited were issued during the year ended 30 June 2024 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Share price as at date of exercise	Number of shares issued
29 September 2023	\$0.4850	100,000

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 28 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 28 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

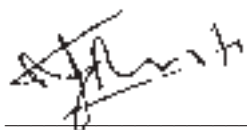
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including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

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read "Mike Ryan", written over a horizontal line.

Mike Ryan
Chairman

26 August 2024
Sydney

WilliamBuck

ACCOUNTANTS & ADVISORS

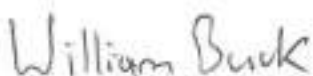
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Sequoia Financial Group Limited

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

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

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



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



R. P. Burt
Director
Melbourne, 26 August 2024

		Consolidated	
	Note	2024 \$	2023 \$
Revenue from continuing operations	5	124,550,747	98,498,810
Share of profits of associates accounted for using the equity method	14	154,503	-
Expenses			
Data fees		(72,753)	(277,227)
Dealing and settlement	6	(4,250,821)	268,458
Compliance costs		(543,558)	(2,124,560)
Commission and hedging		(90,238,455)	(71,257,839)
Employee benefits	6	(14,315,092)	(14,399,304)
Occupancy		(744,079)	(470,244)
Telecommunications		(1,296,989)	(1,255,679)
Marketing		(494,560)	(396,627)
General and administrative		(2,861,308)	(2,966,899)
Insurance		(1,211,203)	(1,008,603)
Operating profit		8,676,432	4,610,286
Interest revenue calculated using the effective interest method		919,705	45,760
Depreciation	6	(1,330,133)	(1,381,076)
Amortisation	6	(2,447,595)	(2,212,703)
Finance costs	6	(175,917)	(230,146)
Abnormal events		(163,079)	-
Acquisition and divestment-related costs		(121,077)	(102,230)
Restructuring costs		(119,942)	-
Impairment of plant and equipment		(787,785)	-
Impairment of goodwill and intangible assets	15	(6,383,412)	(1,687,476)
Gain on sale of asset		135,000	-
Write-back to profit or loss for consideration not payable		334,257	-
Consideration for business acquired		-	(1,494,182)
Loss before income tax expense from continuing operations		(1,463,546)	(2,451,767)
Income tax expense	7	(1,678,969)	(1,496,265)
Loss after income tax expense from continuing operations		(3,142,515)	(3,948,032)
Profit after income tax expense from discontinued operations	8	27,135,017	1,317,601
Profit/(loss) after income tax expense for the year attributable to the owners of Sequoia Financial Group Limited	23	23,992,502	(2,630,431)
Other comprehensive expense			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of financial assets at fair value through other comprehensive income, net of tax		(29)	(82)
Other comprehensive expense for the year, net of tax		(29)	(82)
Total comprehensive income/(expense) for the year attributable to the owners of Sequoia Financial Group Limited		23,992,473	(2,630,513)

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



Consolidated statement of profit or loss and other comprehensive income

Total comprehensive income/(expense) for the year is attributable to:

Continuing operations	(3,142,544)	(3,948,114)
Discontinued operations	27,135,017	1,317,601
	23,992,473	(2,630,513)

		2024 Cents	2023 Cents
Earnings per share for loss from continuing operations attributable to the owners of Sequoia Financial Group Limited			
Basic earnings per share	36	(2.373)	(2.914)
Diluted earnings per share	36	(2.373)	(2.914)
Earnings per share for profit from discontinued operations attributable to the owners of Sequoia Financial Group Limited			
Basic earnings per share	36	20.494	0.973
Diluted earnings per share	36	20.494	0.973
Earnings per share for (loss)/profit attributable to the owners of Sequoia Financial Group Limited			
Basic earnings per share	36	18.121	(1.942)
Diluted earnings per share	36	18.121	(1.942)

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

	Note	Consolidated	
		2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents		16,832,354	9,392,306
Trade and other receivables	9	8,914,681	9,311,594
Contract assets and deferred costs	10	2,472,610	3,509,343
Investments in shares	11	5,138,684	1,494,565
Derivative financial instruments	12	1,431,703	2,461,708
Other financial assets	13	-	17,891,572
Prepayments		918,601	1,074,813
		35,708,633	45,135,901
Assets of disposal groups classified as held for sale	8	2,444,933	42,860,810
Total current assets		38,153,566	87,996,711
Non-current assets			
Contract assets and deferred costs	10	928,158	1,018,846
Derivative financial instruments	12	1,241,828	1,694,766
Investments accounted for using the equity method	14	10,654,503	500,000
Plant and equipment		234,968	1,133,944
Right-of-use assets		363,745	1,348,225
Goodwill and intangible assets	15	25,037,804	31,981,070
Deferred tax	7	2,714,801	9,975,843
Other non-current assets		59,701	86,578
Total non-current assets		41,235,508	47,739,272
Total assets		79,389,074	135,735,983

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

		Consolidated	
	Note	2024 \$	2023 \$
Liabilities			
Current liabilities			
Trade and other payables	16	6,810,453	10,057,215
Contract liabilities and deferred revenue	17	3,336,304	4,504,747
Interest bearing loans and borrowings	18	-	495,593
Lease liabilities		383,432	990,340
Derivative financial instruments	12	1,431,703	2,461,708
Income tax payable		414,664	6,487,348
Employee benefits		1,089,819	1,368,396
Contingent consideration	20	2,124,728	2,205,244
Consideration in advance	19	-	25,041,572
		15,591,103	53,612,163
Liabilities directly associated with assets classified as held for sale	8	2,396,012	30,533,788
Total current liabilities		17,987,115	84,145,951
Non-current liabilities			
Contract liabilities and deferred revenue	17	1,157,669	1,305,390
Interest bearing loans and borrowings	18	-	1,750,000
Lease liabilities		321,209	947,901
Derivative financial instruments	12	1,241,828	1,694,766
Deferred tax	7	1,443,172	2,711,095
Employee benefits		112,976	138,684
Contingent consideration	20	450,000	-
Total non-current liabilities		4,726,854	8,547,836
Total liabilities		22,713,969	92,693,787
Net assets		56,675,105	43,042,196
Equity			
Issued capital	21	51,593,730	53,867,905
Reserves	22	548,118	810,032
Retained profits/(accumulated losses)	23	4,533,257	(11,635,741)
Total equity		56,675,105	43,042,196

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital \$	Financial assets at fair value reserve \$	Share-based payments reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	54,491,225	548,229	169,245	(6,833,409)	48,375,290
Loss after income tax expense for the year	-	-	-	(2,630,431)	(2,630,431)
Other comprehensive expense for the year, net of tax	-	(82)	-	-	(82)
Total comprehensive expense for the year	-	(82)	-	(2,630,431)	(2,630,513)
<i>Transactions with owners in their capacity as owners:</i>					
Payments for share buy-backs (note 21)	(623,320)	-	-	-	(623,320)
Vesting of share-based payments	-	-	92,640	-	92,640
Dividends paid	-	-	-	(2,171,901)	(2,171,901)
Balance at 30 June 2023	53,867,905	548,147	261,885	(11,635,741)	43,042,196

Consolidated	Issued capital \$	Financial assets at fair value reserve \$	Share-based payments reserve \$	Retained profits \$	Total equity \$
Balance at 1 July 2023	53,867,905	548,147	261,885	(11,635,741)	43,042,196
Profit after income tax expense for the year	-	-	-	23,992,502	23,992,502
Other comprehensive expense for the year, net of tax	-	(29)	-	-	(29)
Total comprehensive (expense)/income for the year	-	(29)	-	23,992,502	23,992,473
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	48,500	-	10,032	-	58,532
Payments for share buy-backs (note 21)	(2,816,743)	-	-	-	(2,816,743)
Exercise of options	494,068	-	(111,568)	-	382,500
Transfer of fair value on lapsed options	-	-	(160,349)	160,349	-
Dividends paid (note 24)	-	-	-	(7,983,853)	(7,983,853)
Balance at 30 June 2024	51,593,730	548,118	-	4,533,257	56,675,105

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

		Consolidated	
	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		138,574,105	115,299,106
Payments to suppliers and employees (inclusive of GST)		(133,738,139)	(112,426,961)
Net cash used in client related operations		(834,930)	(7,015,692)
		4,001,036	(4,143,547)
Interest received		1,150,837	985,859
Interest and other finance costs paid		(117,818)	(142,344)
Income taxes paid		(9,856,345)	(2,292,867)
Net cash used in operating activities	35	(4,822,290)	(5,592,899)
Cash flows from investing activities			
Payment for purchase of businesses, net of cash acquired		(401,197)	-
Further payments for prior period purchase of business		-	(2,244,182)
Payments for investments in shares		(3,516,370)	(1,135,033)
Payments for plant and equipment		(469,861)	(423,983)
Payments for intangibles	15	-	(4,900)
Payments for asset acquisitions		(4,347,009)	(112,126)
Transfer of cash at bank on disposal of business		(20,851,590)	-
Proceeds from disposal of business		34,081,401	7,150,000
Proceeds from disposal of investments in shares		660,218	108,529
Proceeds from disposal of property, plant and equipment		3,026	-
Proceeds of distributions from joint venture		-	7,500
Net cash from investing activities		5,158,618	3,345,805
Cash flows from financing activities			
Proceeds from exercise of options and performance rights		402,786	-
Payments for share buybacks		(2,816,743)	(623,320)
(Repayment)/proceeds from drawdown of loan facility		(1,750,000)	1,750,000
Proceeds from borrowings		-	991,685
Repayment of borrowings		(495,593)	(986,869)
Repayment of lease liabilities		(1,048,439)	(1,038,370)
Dividends paid	24	(7,983,853)	(2,171,901)
Net cash used in financing activities		(13,691,842)	(2,078,775)
Net decrease in cash and cash equivalents		(13,355,514)	(4,325,869)
Cash and cash equivalents at the beginning of the financial year		9,392,306	36,607,635
Less: cash and cash equivalents classified as held for sale		(2,093,898)	(22,889,460)
Cash and cash equivalents classified as held-for-sale at the beginning of the financial year		22,889,460	-
Cash and cash equivalents at the end of the financial year		16,832,354	9,392,306

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

NOTE 1. GENERAL INFORMATION

The financial statements cover Sequoia Financial Group Limited as a Group consisting of Sequoia Financial Group Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Sequoia Financial Group Limited's functional and presentation currency.

Sequoia Financial Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Suite 7.01, Level 7
1 Castlereagh Street
Sydney NSW 2000

Principal place of business

Level 8
525 Flinders Street
Melbourne VIC 3000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 August 2024. The directors have the power to amend and reissue the financial statements.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

Amendments of AASB 7, 101 and 108 provide definition and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies. The amendments were applied from 1 July 2023. The amendments did not have a material impact on the Group.

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

This amendment revises AASB 112 to narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations.

The amendments were applied from 1 July 2023. The amendments did not have a material impact on the Group.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATIONS (CONTINUED)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sequoia Financial Group Limited as at 30 June 2024 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATIONS (CONTINUED)

Revenue recognition

Material accounting policies relating to revenue are as follows:

Revenue from contracts with customers

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

Timing of revenue recognition

A business in this Group offers structured products to investors seeking exposure to investment opportunities. Management determined after lengthy evaluation that there are different types of structured product revenue. Each revenue type has numerous and distinct performance obligations, which allows for a different treatment to each of these revenue streams.

The different revenue streams include:

- application fee revenue is recognised up-front (upon execution of delivery of product to the customer) and is non-refundable;
- structured product revenue is released over the duration of the contract as it is earned over a period of time (duration of the contract); and
- coupon premium revenue is earned upon completion of the contract, as it is earned upon concluding the contract (conclusion of contract).

The costs of entering into the contract with wholesale counter parties are matched to the revenue streams.

Other revenue from client services

Revenues from other services, including brokerage, superannuation and general advisory services are performed as they are rendered to the customer, net of any commissions. For brokerage, this occurs upon the date of settlement of clearing the underlying transaction on behalf of the client.

Contract assets and contract liabilities

Contract assets relate to contract costs and contract liabilities relate primarily to structured product revenues. The contract assets represent costs deferred and contract liabilities represent revenue deferred due to recognition requirements where the revenue and cost are spread over the product life.

Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The asset or disposable group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale is highly probable. A sale is highly probable where the agreement has been signed and executed and completion is expected within the next year.

The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income. The disposal assets are held for sale at the lower of its carrying amount and fair value less costs to sell.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATIONS (CONTINUED)

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation, based upon the maturity date set in the underlying derivative agreement.

Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATIONS (CONTINUED)

the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Goodwill and intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

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

Customer list

Customer lists are amortised on a straight-line basis over their finite life. The finite life is the period of expected benefit, which ranges from 5 to 20 years depending on factors such as, their significance to the Group, acquisition consideration and estimated customer turnover.

Impairment of non-financial assets

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

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

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATIONS (CONTINUED)

Fair value measurement

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

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

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

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

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Sequoia Financial Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

The amendments are applicable for financial periods beginning on or after 1 January 2024. The standard makes amendments to paragraphs 69 to 76 of AASB 101 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATIONS (CONTINUED)

- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Group will adopt this standard from 1 July 2024 and the amendments are not expected to have a material impact on the Group.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Assessment of achieving revenue targets attached to contingent consideration

Contingent consideration is deemed a critical estimate as there may be estimated amounts included in the transaction price of acquired businesses. These estimates are largely based on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Goodwill

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Investments in associates and joint ventures and significant influence

Having significant influence over an associate or joint venture means that the investment in that associate or joint venture is accounted for using the equity method. Management had assessed the associates and joint ventures where the group holds between 20% to 50% of shares and determined that significant influence was maintained. This was due to having board representation, participating in the policy-making process and provision of essential technical support.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Discontinued operations - Morrison Securities Pty Ltd

The discontinued operation contained two main accounting judgements: the date of loss of control and accounting for the sale as a single transaction.

It was assessed that the Group retains control of Morrison Securities Pty Ltd until the completion of the second tranche of the transaction because until that point in time, the Group has power over Morrison Securities Pty Ltd through the majority of director votes in maintaining policy and operational decision making.

It was also evaluated that these two tranche transactions be accounted for as a single transaction, due to the intended overall commercial effect.

Recovery of deferred tax assets

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

Derivatives and investments

The fair value of derivatives and investments is determined by marking-to-market. Refer to note 2, Fair value measurement section, and note 26 Fair value measurement.

NOTE 4. OPERATING SEGMENTS

Identification of reportable operating segments

The Group is organised into five operating segments, which are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

On a monthly basis the CODM reviews operating profit, which is earnings before interest, taxation, depreciation and amortisation, and non-operational items (such as, acquisition-related costs, redundancy costs and impairment charges).

NOTE 4. OPERATING SEGMENTS (CONTINUED)

Types of products and services

The principal products and services of each of the Group's operating segments are as follows:

Sequoia Licensees Services Group	<p>The Licensees Services Group is the core driver of the company business thematic.</p> <p>The Licensees Services Group is the area of the business where we provide licensee services to Financial Planners, Wealth Managers, Equity advisers and a Corporate advisory business unit.</p> <p>The Licensees Services Group specialises in providing the adviser market a full service licensing and support service so they can operate as an adviser in a market that is heavily legislated. Our role is to charge a fee for service and assist with a range of value propositions including compliance, marketing, coaching, education, research, and technical support.</p> <p>The advisers are primarily accountants, financial planners, mortgage brokers, insurance advisers, equity market advisers and investment professionals with their AFS licensing, merger and acquisitions corporate advice.</p>
Sequoia Professional Services Group	<p>The Professional Services Group provides services to intermediaries including licensed advisers, accountants and lawyers. This service provision includes SMSF administration, general insurance broking, legal document establishment services and company secretarial services. The division has relationships with over 3,000 accountants and financial planners across Australia, who have used at least one service from the division.</p>
Sequoia Equity Markets Group	<p>The Equity Markets Group provides services to licensed advisers, self-directed investors and superannuation funds. Specialised Investment delivers solutions to third party institutional and adviser networks that operate their own AFSL.</p>
Sequoia Direct Investment Group	<p>The Direct Investment Group provides a range of media services, research and general advice to self-directed investors. In addition, the division looks to support AFSL holders with tools to reduce the cost of advice by providing news, research and data on managed funds, direct shares and bonds.</p>
Head Office	<p>Head Office relates to the corporate running costs of the Group.</p>

All products and services are provided predominantly to customers in Australia.

Intersegment transactions

Intersegment transactions were made at cost. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

NOTE 4. OPERATING SEGMENTS (CONTINUED)

Operating segment information

Consolidated - 2024	Sequoia Licensees Services Group \$	Sequoia Professional Services Group \$	Sequoia Equity Markets Group \$	Sequoia Direct Investment Group \$	Head Office \$	Total \$
Continuing operations						
Revenue						
Revenue	102,203,861	9,952,580	9,095,430	2,347,771	327,169	123,926,811
Gains/(losses) on portfolio investments	588,926	-	(527)	-	35,537	623,936
Total revenue	102,792,787	9,952,580	9,094,903	2,347,771	362,706	124,550,747
Operating profit	8,164,674	4,237,441	563,057	(65,724)	(4,223,016)	8,676,432
Interest revenue						919,705
Depreciation						(1,330,133)
Amortisation						(2,447,595)
Finance costs						(175,917)
Abnormal events						(163,079)
Acquisition and divestment-related costs						(121,077)
Restructuring costs						(119,942)
Impairment of plant and equipment						(787,785)
Impairment of goodwill and intangible assets						(6,383,412)
Gain on sale of asset						135,000
Write-back to profit or loss for consideration not payable						334,257
Loss before income tax expense						(1,463,546)
Income tax expense						(1,678,969)
Loss after income tax expense						(3,142,515)

NOTE 4. OPERATING SEGMENTS (CONTINUED)

Consolidated - 2023	Sequoia Licensees Services Group \$	Sequoia Professional Services Group \$	Sequoia Equity Markets Group \$	Sequoia Direct Investment Group \$	Head Office \$	Total \$
Continuing operations						
Revenue						
Revenue	72,882,313	8,484,162	14,383,094	2,970,254	472,345	99,192,168
Gains/(losses) on portfolio investments	(684,977)	(8,746)	365	-	-	(693,358)
Total revenue	72,197,336	8,475,416	14,383,459	2,970,254	472,345	98,498,810
Operating profit						
	3,751,016	2,383,510	1,513,010	(203,300)	(2,833,950)	4,610,286
Interest revenue						45,760
Depreciation						(1,381,076)
Amortisation						(2,212,703)
Acquisition costs						(102,230)
Finance costs						(230,146)
Impairment of intangible assets						(1,687,476)
Consideration for business acquired						(1,494,182)
Loss before income tax expense						(2,451,767)
Income tax expense						(1,496,265)
Loss after income tax expense						(3,948,032)

Revenue by geographical area

All revenue is generated within Australia

NOTE 5. REVENUE

	Consolidated	
	2024 \$	2023 \$
From continuing operations		
<i>Sales revenue</i>		
Data subscriptions fees	138,703	355,515
Brokerage and commissions revenue	100,160,298	71,124,624
Superannuation product revenue	2,462,488	2,713,971
Structured product revenue	9,095,305	14,384,198
Corporate advisory fees	9,533,895	7,421,452
Media revenue	963,223	1,588,741
Other income	1,572,899	1,603,667
	123,926,811	99,192,168
<i>Other revenue</i>		
Gains/(losses) on portfolio investments	623,936	(693,358)
Revenue from continuing operations	124,550,747	98,498,810

NOTE 5. REVENUE (CONTINUED)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated - 2024	Sequoia Licensees Services Group \$	Sequoia Professional Services Group \$	Sequoia Equity Markets Group \$	Sequoia Direct Investment Group \$	Head Office \$	Total \$
<i>Timing of revenue recognition</i>						
Services transferred at a point in time	102,203,861	9,952,580	125	1,312,739	327,169	113,796,474
Services transferred over time	-	-	9,095,305	1,035,032	-	10,130,337
	102,203,861	9,952,580	9,095,430	2,347,771	327,169	123,926,811

Consolidated - 2023	Sequoia Licensees Services Group \$	Sequoia Professional Services Group \$	Sequoia Equity Markets Group \$	Sequoia Direct Investment Group \$	Head Office \$	Total \$
<i>Timing of revenue recognition</i>						
Services transferred at a point in time	72,882,312	8,484,162	123	1,052,248	472,346	82,891,191
Services transferred over time	-	-	14,382,971	1,918,006	-	16,300,977
	72,882,312	8,484,162	14,383,094	2,970,254	472,346	99,192,168



NOTE 6. EXPENSES

	Consolidated	
	2024 \$	2023 \$
Loss before income tax from continuing operations includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	99,706	99,706
Plant and equipment	463,109	486,524
Land and buildings - right-of-use	716,525	758,223
Equipment - right-of-use	50,793	36,623
Total depreciation	1,330,133	1,381,076
<i>Amortisation</i>		
Customer list	2,440,493	2,005,483
Regulatory memberships and licences	4,418	4,418
Other intangibles	2,684	202,802
Total amortisation	2,447,595	2,212,703
Total depreciation and amortisation	3,777,728	3,593,779
<i>Dealing and settlement</i>		
Dealing and settlement	5,407,584	4,649,558
Elimination of intercompany transactions	(439,178)	(1,780,881)
Elimination of intercompany transactions from discontinued operations	(717,585)	(3,137,135)
Total dealing and settlement expense	4,250,821	(268,458)
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	117,818	142,344
Interest and finance charges paid/payable on lease liabilities	58,099	87,802
Total finance costs	175,917	230,146
<i>Employee benefits</i>		
Wages and salaries	10,404,128	10,152,315
Share-based payments	30,987	68,521
Commissions and discretionary bonus	600,246	902,063
Defined contribution superannuation expense	1,144,763	1,106,631
Other employment costs	2,134,968	2,169,774
Total employee benefits expense	14,315,092	14,399,304

NOTE 7. INCOME TAX

	Consolidated	
	2024 \$	2023 \$
<i>Income tax expense</i>		
Current tax	2,268,998	7,762,627
Deferred tax - origination and reversal of temporary differences	5,993,120	(6,167,443)
Adjustment recognised for prior periods	(25,798)	351,704
Tax adjustments related to discontinued operations	2,183,631	57,472
Aggregate income tax expense	10,419,951	2,004,360
Income tax expense is attributable to:		
Loss from continuing operations	1,678,969	1,496,265
Profit from discontinued operations	8,740,982	508,095
Aggregate income tax expense	10,419,951	2,004,360
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense from continuing operations	(1,463,546)	(2,451,767)
Profit before income tax expense from discontinued operations	35,875,999	1,825,696
	34,412,453	(626,071)
Tax at the statutory tax rate of 30%	10,323,736	(187,821)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Amortisation of intangibles	736,218	432,921
Tax impact on fair value revaluation	(403,096)	1,297,648
Revaluation of retained investment in Morrison Securities	154,102	-
Non-assessable earnings from investment in associate	(169,757)	-
Sundry items	(195,454)	109,908
	10,445,749	1,652,656
Adjustment recognised for prior periods	(25,798)	351,704
Income tax expense	10,419,951	2,004,360

NOTE 7. INCOME TAX (CONTINUED)

	Consolidated	
	2024 \$	2023 \$
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Allowance for expected credit losses	-	9,135
Employee benefits	506,658	601,486
Accrued expenses	247,918	409,788
Deferred income	1,348,192	1,743,041
Capital gain on sale of investment	-	6,557,359
Net fair value loss on investment	399,401	205,561
Lease liability	211,392	595,131
Deferred tax asset held for sale	-	(145,658)
Sundry	1,240	-
Deferred tax asset	2,714,801	9,975,843
Movements:		
Opening balance	9,975,843	6,000,655
Charged to profit or loss	(640,664)	(2,201,602)
Capital gain on sale of investments	(6,557,359)	6,557,359
Other reclass	(63,019)	(234,911)
Deferred tax asset held for sale	-	(145,658)
Closing balance	2,714,801	9,975,843

NOTE 7. INCOME TAX (CONTINUED)

	Consolidated	
	2024 \$	2023 \$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Financial assets at fair value through other comprehensive income	106,554	14,827
Deferred expenses	1,020,230	1,358,456
Intangibles	206,502	893,816
Lease asset	109,886	443,996
	1,443,172	2,711,095
Deferred tax liability		
Movements:		
Opening balance	2,711,095	4,757,692
Credited to profit or loss	(590,229)	(1,696,742)
Recognition of deferred tax liability on lease asset	(203,268)	-
Disposal of assets	-	(114,944)
Other reclass	(474,426)	(234,911)
	1,443,172	2,711,095



NOTE 8. DISCONTINUED OPERATIONS AND HELD FOR SALE

Morrison Securities Pty Ltd

On 31 August 2023, the 80% divestment of Morrison Securities Pty Ltd was completed with receipt of the final tranche of consideration payable.

Financial performance information

	Consolidated	
	2024 \$	2023 \$
Brokerage and commissions revenue	4,688,490	32,426,032
Other income	87,406	612,074
Total revenue	4,775,896	33,038,106
Interest revenue calculated using the effective interest method	231,132	940,100
Data fees	(295,925)	(2,051,686)
Dealing and settlement	(3,445,759)	(19,639,467)
Commission and hedging	-	(4,994,854)
Employee benefits	(434,003)	(2,901,614)
Telecommunications	(146,102)	(1,035,283)
Marketing	(472)	(21,253)
General and administrative	(309,432)	(1,493,305)
Depreciation	(2,888)	(15,048)
Total expenses	(4,634,581)	(32,152,510)
Profit before income tax expense	372,447	1,825,696
Income tax expense	(264,156)	(508,095)
Profit after income tax expense	108,291	1,317,601
Gain on disposal before income tax	28,622,959	-
Fair value revaluation of retained investment in Morrison Securities Pty Ltd	6,880,593	-
Income tax expense	(8,476,826)	-
Gain on disposal after income tax expense	27,026,726	-
Profit after income tax expense from discontinued operations	27,135,017	1,317,601

Cash flow information

	Consolidated	
	2024 \$	2023 \$
Net cash used in operating activities	(2,030,612)	(3,443,613)
Net cash used in investing activities	(20,851,590)	(12,789)
Net cash used in financing activities	(7,258)	(3,547,960)
Net decrease in cash and cash equivalents from discontinued operations	(22,889,460)	(7,004,362)

NOTE 8. DISCONTINUED OPERATIONS AND HELD FOR SALE (CONTINUED)

Assets and liabilities on disposal of Morrison Securities Pty Ltd

	Consolidated 2024 \$
Cash and cash equivalents	20,851,590
Trade and other receivables	27,653,042
Prepayments	105,819
Plant and equipment	22,502
Deposits	20,000
Intangibles	3,564,107
Deferred tax asset	145,658
Advances to related parties	104,668
Total assets	52,467,386
Trade and other payables	31,429,315
Accrued expenses	2,016,015
Provision for income tax	643,240
Client trading and security bond	2,348,615
Employee benefits	382,684
Total liabilities	36,819,869
Net assets	15,647,517

Details of the disposal of Morrison Securities Pty Ltd

	Consolidated 2024 \$
Total sale consideration	40,500,000
Fair value of investment retained	10,000,000
Excess working capital	1,151,069
Carrying amount of net assets disposed	(15,647,517)
Retention cost relating to sale	(500,000)
Gain on disposal before income tax	35,503,552
Income tax expense	(8,476,826)
Gain on disposal after income tax	27,026,726

NOTE 8. DISCONTINUED OPERATIONS AND HELD FOR SALE (CONTINUED)

Assets and liabilities of disposal groups classified as held for sale

On 1 July 2024, the Company sold all shares in Sequoia Insurance Brokers Pty Ltd and Interprac General Insurance Pty Ltd. For the year ended 30 June 2024, the assets and liabilities of these businesses were held for sale. For the prior year ended 30 June 2023, Morrison Securities Pty Ltd was held for sale.

	Consolidated	
	2024 \$	2023 \$
Cash and cash equivalents	2,093,900	22,889,460
Trade and other receivables	93,848	19,657,033
Prepayments	-	123,269
Plant and equipment	13,146	25,390
Right-of-use assets	217,162	-
Deferred tax asset	-	145,658
Deposits	26,877	20,000
Total assets	2,444,933	42,860,810
Trade payables	2,067,731	25,896,830
Other payables	9,914	13,533
Accrued expenses	15,221	1,894,883
Client trading and security bond	-	2,348,615
Lease liabilities	243,260	-
Employee benefits	59,886	379,927
Total liabilities	2,396,012	30,533,788
Net assets	48,921	12,327,022

	Consolidated	
	2024 \$	2023 \$
<i>Cash and cash equivalents</i>		
Cash and cash equivalents	91,211	11,092,389
Client funds**	2,002,689	11,797,071
Cash and cash equivalents as disclosed above held for sale	2,093,900	22,889,460

* During 2023, Morrison Securities held cash reserves which were required to meet its broker licensing conditions. The conditions of the license, amongst other requirements, mandate that Morrison Securities must maintain at all times core capital greater than \$7,500,000, where at least 90% of this core capital is cash at bank

** Client funds are not available for general use by the Group

NOTE 9. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2024 \$	2023 \$
<i>Current assets</i>		
Trade receivables	3,279,421	1,552,402
Less: Allowance for expected credit losses	-	(30,450)
	3,279,421	1,521,952
Other receivables	5,635,260	7,789,642
	<u>8,914,681</u>	<u>9,311,594</u>

Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2024 %	2023 %	2024 \$	2023 \$	2024 %	2023 %
Not overdue	-	-	7,001,461	8,495,833	-	-
1 to 30 days overdue	-	-	1,170,322	583,682	-	-
31 to 60 days overdue	-	-	163,758	106,501	-	-
Over 60 days overdue	-	19.52%	579,140	156,028	-	30,450
			<u>8,914,681</u>	<u>9,342,044</u>	-	<u>30,450</u>

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2024 \$	2023 \$
Opening balance	30,450	20,000
Additional provisions recognised	-	75,450
Receivables written off during the year	(30,450)	(65,000)
Closing balance	<u>-</u>	<u>30,450</u>

NOTE 10. CONTRACT ASSETS AND DEFERRED COSTS

	Consolidated	
	2024 \$	2023 \$
<i>Current assets</i>		
Contract assets - deferred costs	2,472,610	3,509,343
<i>Non-current assets</i>		
Contract assets - deferred costs	928,158	1,018,846
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	4,528,189	9,453,926
Release of deferred cost to profit or loss	(1,127,421)	(4,925,737)
Closing balance	3,400,768	4,528,189

Contract assets – deferred costs relate to the costs of revenue contracts for structured products. These costs (and associated revenues) are amortised over the life of the contract.

Changes in contract assets and liabilities reflect both:

- (a) the release of deferred revenues and costs to the profit or loss through the performance of a contract; and
- (b) new receipts and prepayments for contracts that are yet to be performed.

NOTE 11. INVESTMENTS IN SHARES

	Consolidated	
	2024 \$	2023 \$
<i>Current assets</i>		
Investments in shares	5,138,684	1,494,565
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	1,494,565	1,589,036
Net additions	4,291,713	591,314
Net disposals	(1,093,161)	(685,703)
Revaluation taken to profit or loss	445,596	-
Revaluation recognised in other comprehensive income	(29)	(82)
Closing fair value	5,138,684	1,494,565

Refer to note 26 for further information on fair value measurement.

Investment in shares reflect ordinary shares held in ASX listed companies.

NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	2024 \$	2023 \$
<i>Current assets</i>		
Derivatives - financial assets	1,431,703	2,461,708
	1,431,703	2,461,708
<i>Non-current assets</i>		
Derivatives - financial assets	1,241,828	1,694,766
	1,241,828	1,694,766
<i>Current liabilities</i>		
Derivatives - financial liabilities	(1,431,703)	(2,461,708)
	(1,431,703)	(2,461,708)
<i>Non-current liabilities</i>		
Derivatives - financial liabilities	(1,241,828)	(1,694,766)
	(1,241,828)	(1,694,766)
	-	-

Refer to note 25 for further information on financial instruments.

Refer to note 26 for further information on fair value measurement.

NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in the value of its investment products issued to the Group's investors in accordance with the Group's financial risk management policies (refer to note 25).

The Group offers its clients investment products structured legally as loans, which provide clients a derivative exposure to underlying market movements to those products. These exact market risks are in-turn hedged with exact like-for-like products offered by commercial institutions, leaving the Group with no exposure to the underlying market risks.

Information about the Group's exposure to market risk, liquidity risk, and credit risk is disclosed in note 25. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial assets outlined above.

The Group has an obligation to its clients to pay the value of the investment at expiry. The current asset amount and the non-current asset amount equals that of the investment obligation described as a current liability and a non-current liability. The carrying amount equals the amount of the investment obligation. The rise or fall offset each other.

NOTE 13. OTHER FINANCIAL ASSETS

	Consolidated	
	2024 \$	2023 \$
<i>Current assets</i>		
Receivable for future disposal of business	-	17,891,572
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	17,891,572	-
Divestment of Morrison Securities Pty Ltd	-	17,891,572
Proceeds from disposal of Morrison Securities Pty Ltd	(17,891,572)	-
Closing balance	-	17,891,572

NOTE 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Consolidated	
	2024 \$	2023 \$
<i>Non-current assets</i>		
Investment in associates	10,654,503	500,000
<i>Reconciliation</i>		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:		
Opening carrying amount	500,000	-
Additions	-	500,000
Minority interest in earnings from investments	154,503	-
Addition of 20% investment in associate (Morrison Securities Pty Ltd)	10,000,000	-
Closing carrying amount	10,654,503	500,000

Refer to note 33 for further information on interests in associates.

NOTE 15. GOODWILL AND INTANGIBLE ASSETS

	Consolidated	
	2024 \$	2023 \$
<i>Non-current assets</i>		
Goodwill	17,782,277	17,782,277
Less: Impairment	(7,402,959)	(1,019,547)
	10,379,318	16,762,730
Customer list - at cost	21,347,286	15,895,338
Less: Accumulated amortisation	(7,657,842)	(5,217,348)
	13,689,444	10,677,990
Regulatory memberships and licences - at cost	258,825	3,827,449
Brand name - at cost	620,401	620,401
Other intangibles - at cost	159,767	923,360
Less: Accumulated amortisation	(69,951)	(830,860)
	89,816	92,500
	25,037,804	31,981,070

NOTE 15. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$	Customer list \$	Regulatory memberships and licences \$	Brand name \$	Other intangibles \$	Total \$
Balance at 1 July 2022	17,115,271	12,747,862	3,831,867	1,821,233	290,402	35,806,635
Additions	-	127,188	-	-	4,900	132,088
Write-down*	(352,541)	(191,577)	-	(1,200,832)	-	(1,744,950)
Amortisation expense	-	(2,005,483)	(4,418)	-	(202,802)	(2,212,703)
Balance at 30 June 2023	16,762,730	10,677,990	3,827,449	620,401	92,500	31,981,070
Additions	-	5,451,947	-	-	-	5,451,947
Disposals from discontinued operations	-	-	(3,564,206)	-	-	(3,564,206)
Impairment of assets	(6,383,412)	-	-	-	-	(6,383,412)
Amortisation expense	-	(2,440,493)	(4,418)	-	(2,684)	(2,447,595)
Balance at 30 June 2024	10,379,318	13,689,444	258,825	620,401	89,816	25,037,804

* The write-down impairment relates to the discontinued operation of Libertas Financial Planning Pty Ltd. It was part of the Sequoia Licensees Services Group cash generating unit.



NOTE 15. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Impairment testing of intangible assets of indefinite life

Intangible assets of indefinite life, consisting of goodwill, regulatory memberships and licences and brand names acquired through business combinations have been allocated to the following cash generating units:

Consolidated - 2024	Goodwill \$	Regulatory memberships and licences \$	Brand name \$	Total \$
<i>Cash-generating units ('CGUs'):</i>				
Sequoia Licensees Service Group	1,456,670	258,825	-	1,715,495
Sequoia Professional Services Group	4,846,974	-	620,401	5,467,375
Sequoia Equity Markets Group	1,062,392	-	-	1,062,392
Sequoia Direct Investment Group	3,013,282	-	-	3,013,282
	10,379,318	258,825	620,401	11,258,544

Consolidated - 2023	Goodwill \$	Regulatory memberships and licences \$	Brand name \$	Total \$
<i>Cash-generating units ('CGUs'):</i>				
Sequoia Licensees Service Group	1,456,670	263,242	-	1,719,912
Sequoia Professional Services Group	4,930,386	-	620,401	5,550,787
Sequoia Equity Markets Group	4,862,392	3,564,207	-	8,426,599
Sequoia Direct Investment Group	5,513,282	-	-	5,513,282
	16,762,730	3,827,449	620,401	21,210,580

The recoverable amount of the Group's CGUs has been determined by a value-in-use calculation using a discounted cash flow model, based on a 12-month projection period approved by management and extrapolated for a further 4 years by using key assumptions.

Key assumptions are those to which the recoverable amount of an asset or CGUs is most sensitive.

The following key assumptions were used in the discounted cash flow model in relation to the intangible assets of indefinite life associated to various CGUs:

Key assumptions	Revenue growth rate %	Cost of sales growth rate %	Pre-tax discount rate %	Terminal growth rate %
Sequoia Wealth Group	4.5%	4.0%	15.6%	1.0%
Sequoia Professional Services Group	4.5%	4.0%	15.6%	1.0%
Sequoia Equity Markets Group	4.5%	4.0%	15.6%	1.0%
Sequoia Direct Investment Group	4.5%	4.0%	15.6%	1.0%

The revenue and cost of sales key assumptions are based on historical growth rates, excluding the impact of acquisitions and restructuring. The cost of sales growth rate is lower in an effort to contain costs. The discount rate was obtained from an external consultant for the prior year. All key assumptions remain the same as the prior year because there was no significant change in conditions.

NOTE 15. GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

The intangible assets of indefinite life are considered to be sensitive to these assumptions and are carried in the statement of financial position at a written-down value. As at 30 June 2024, the assessment has indicated an impairment to the value of intangible assets of indefinite life for the CGUs: Sequoia Equity Markets Group and Sequoia Direct Investment Group.

After the sale of Morrison Securities Pty Ltd, the only business in the Sequoia Equity Markets Group was Sequoia Specialist Investments Pty Ltd. Over the last 2 years, the market for investment products issued by Sequoia Specialist Investments has declined resulting in a reduction in revenue generated. Based on the assumptions used to assess impairment, the current value of intangible assets was impaired by \$3.8m.

Sequoia Direct Investment Group include the recent acquisition of Informed Investor, ShareCafe and Corporate Connect Research. The financial performance of these businesses since acquisition has not been as expected. While these businesses have been operationally reviewed and undergone a restructure, the financial performance improvement is not enough to support the current value of intangible assets. Based on the assumptions used to assess impairment, the current value of intangible assets was impaired by \$2.5m.

Sensitivity

The directors have made judgements and estimates in respect of impairment testing of intangible assets of indefinite life. Should these judgements and estimates not occur, the resulting goodwill carrying amount may decrease. The CGU sensitivities are as follows:

(a) Sequoia Direct Investment Group - revenue growth would need to decrease by 0.04% before goodwill would need to be impaired, with all other assumptions remaining constant. The pre-tax discount rate would be required to increase by 0.10% before goodwill would need to be impaired, with all other assumptions remaining constant.

(b) Sequoia Equity Markets Group - revenue growth would need to decrease by 0.02% before goodwill would need to be impaired, with all other assumptions remaining constant. The pre-tax discount rate would be required to increase by 0.11% before goodwill would need to be impaired, with all other assumptions remaining constant.

NOTE 16. TRADE AND OTHER PAYABLES

	Consolidated	
	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	553,676	1,875,653
Accrued expenses	5,843,605	6,225,526
Security and service bonds	-	1,000
Other payables	413,172	1,955,036
	6,810,453	10,057,215

Refer to note 25 for further information on financial instruments.

NOTE 17. CONTRACT LIABILITIES AND DEFERRED REVENUE

	Consolidated	
	2024 \$	2023 \$
<i>Current liabilities</i>		
Contract liabilities - deferred revenue	3,336,304	4,504,747
<i>Non-current liabilities</i>		
Contract liabilities - deferred revenue	1,157,669	1,305,390
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	5,810,137	12,449,311
Net transfers to revenue	(1,316,164)	(6,639,174)
Closing balance	4,493,973	5,810,137

Contract liabilities - deferred revenue relate primarily to structured product revenues. The revenue is deferred due to recognition requirements where the revenue and cost are spread over the product life.

Changes in contract assets and liabilities reflect both:

- (a) the release of deferred revenues and costs to the profit or loss through the performance of a contract; and
- (b) new receipts and prepayments for contracts that are yet to be performed.

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$4,493,973 as at 30 June 2024 (\$5,810,137 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2024 \$	2023 \$
1 year or less	3,336,304	4,504,747
Between 1 and 2 years	607,655	1,179,870
Between 2 and 3 years	481,768	125,520
Between 3 and 4 years	68,246	-
	4,493,973	5,810,137

Revenue recognition is calculated on the product term remaining up to the maturity date.

NOTE 18. INTEREST BEARING LOANS AND BORROWINGS

	Consolidated	
	2024 \$	2023 \$
<i>Current liabilities</i>		
Other unsecured loans	-	495,593
<i>Non-current liabilities</i>		
Bank loans	-	1,750,000

Refer to note 25 for further information on financial instruments.

All loans and borrowings were repaid during the financial year.

The loan amount drawn for \$1,750,000 was fully repaid during the financial year ended 30 June 2024. As at 30 June 2024, the ANZ financing facility consisted of an uncommitted and undrawn loan facility (with no redraw) of \$13,250,000, of which none was utilised, and a standby letter of guarantee of \$700,000. The standby letter continues to be used as bank guarantees for office leases. The uncommitted and undrawn loan facility is due to mature on 1 October 2024.

NOTE 19. CONSIDERATION IN ADVANCE

	Consolidated	
	2024 \$	2023 \$
<i>Current liabilities</i>		
Consideration in advance	-	25,041,572
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	25,041,572	-
Divestment of Morrison Securities Pty Ltd	-	25,041,572
Disposal of Morrison Securities Pty Ltd	(25,041,572)	-
Closing balance	-	25,041,572

NOTE 20. CONTINGENT CONSIDERATION

	Consolidated	
	2024 \$	2023 \$
<i>Current liabilities</i>		
Contingent consideration	2,124,728	2,205,244
<i>Non-current liabilities</i>		
Contingent consideration	450,000	-

Contingent consideration relates to future instalment payments mainly for the acquisition of the Informed Investor group, purchased last financial year, and client books purchased during the financial year. Refer to note 26 for further information on fair value measurement.

NOTE 21. ISSUED CAPITAL

	Consolidated			
	2024 Shares	2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	130,252,366	135,054,525	51,593,730	53,867,905

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	01 July 2022	136,279,689		54,491,225
Share buy-back	05 September 2022	(50,000)	\$0.5750	(28,750)
Share buy-back	08 September 2022	(164)	\$0.5750	(94)
Share buy-back	12 September 2022	(3,441)	\$0.5750	(1,979)
Share buy-back	26 September 2022	(46,559)	\$0.5700	(26,771)
Share buy-back	27 September 2022	(50,000)	\$0.5475	(28,500)
Share buy-back	27 September 2022	(100,000)	\$0.5475	(54,750)
Share buy-back	17 October 2022	(175,000)	\$0.5286	(92,500)
Share buy-back	24 November 2022	(800,000)	\$0.4875	(389,976)
Balance	30 June 2023	135,054,525		53,867,905

NOTE 21. ISSUED CAPITAL (CONTINUED)

Details	Date	Shares	Issue price	\$
Balance	01 July 2023	135,054,525		53,867,905
Share buy-back	07 July 2023	(562,094)	\$0.5417	(304,509)
Share buy-back	18 September 2023	(694,000)	\$0.5130	(356,060)
Share buy-back	20 September 2023	(150,000)	\$0.4900	(73,500)
Share buy-back	25 September 2023	(1)	\$0.5000	(1)
Share buy-back	27 September 2023	(310,817)	\$0.4911	(152,653)
Share buy-back	29 September 2023	(47,086)	\$0.4900	(23,072)
Performance right options converted to shares	29 September 2023	100,000	\$0.4850	48,500
Share buy-back	03 October 2023	(128,368)	\$0.4890	(62,769)
Share buy-back	04 October 2023	(73,728)	\$0.4850	(35,758)
Share buy-back	05 October 2023	(21,731)	\$0.4850	(10,540)
Share buy-back	06 October 2023	(38)	\$0.4850	(18)
Share buy-back	10 October 2023	(147,361)	\$0.4827	(71,124)
Share buy-back	11 October 2023	(30,870)	\$0.4800	(14,818)
Share buy-back	13 October 2023	(75,000)	\$0.4750	(35,625)
Share buy-back	18 October 2023	(38,409)	\$0.4800	(18,436)
Share buy-back	20 October 2023	(11,591)	\$0.4800	(5,564)
Share buy-back	24 October 2023	(10,000)	\$0.4750	(4,750)
Share buy-back	25 October 2023	(40,000)	\$0.4850	(19,400)
Share buy-back	27 October 2023	(100,000)	\$0.4775	(47,750)
Share buy-back	31 October 2023	(275,000)	\$0.4800	(132,000)
Share buy-back	01 November 2023	(300,000)	\$0.4800	(144,000)
Share buy-back	02 November 2023	(200,000)	\$0.4800	(96,000)
Share buy-back	03 November 2023	(100,000)	\$0.4800	(48,000)
Share buy-back	23 February 2024	(99,980)	\$0.4800	(47,990)
Share buy-back	26 February 2024	(310,660)	\$0.4797	(149,010)
Share buy-back	27 February 2024	(20,000)	\$0.4700	(9,400)
Share buy-back	12 March 2024	(139,406)	\$0.4700	(65,521)
Share buy-back	13 March 2024	(10,594)	\$0.4700	(4,979)
Exercise of options	30 April 2024	250,000	\$0.5771	144,269
Exercise of options	27 May 2024	100,000	\$0.6126	61,261
Exercise of options	29 May 2024	500,000	\$0.5771	288,538
Share buy-back	05 June 2024	(126,050)	\$0.4990	(62,895)
Share buy-back	06 June 2024	(223,950)	\$0.4950	(110,855)
Share buy-back	07 June 2024	(100,000)	\$0.4950	(49,500)
Share buy-back	11 June 2024	(100,000)	\$0.4900	(49,000)
Share buy-back	12 June 2024	(229,600)	\$0.4815	(110,560)
Share buy-back	17 June 2024	(220,400)	\$0.4750	(104,690)
Share buy-back	19 June 2024	(250,000)	\$0.4700	(117,500)
Share buy-back	21 June 2024	(605,425)	\$0.4600	(278,496)
Balance	30 June 2024	<u>130,252,366</u>		<u>51,593,730</u>

NOTE 21. ISSUED CAPITAL (CONTINUED)

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a poll, whether in attendance or by proxy, each share shall have one vote.

Share buy-back

On 22 May 2024, the directors proposed a further extension to the existing on-market buy-back (proposed on 4 May 2022) of shares from eligible shareholders. The extension is until 23 May 2025. As at 30 June 2024, 5,752,159 shares had been bought-back at a cost of \$2,816,743 (2023: 1,225,164 shares at a cost of \$623,320).

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional capital raises as it continues to integrate and grow its existing businesses in order to maximise synergies.

As per ASX listing rules, the Group also has the ability to raise capital, in line with the placement capacity. This is broadly 15% of its fully paid ordinary issued capital, within a 12 month period.

The capital risk management policy remains unchanged from prior years.

NOTE 22. RESERVES

	Consolidated	
	2024 \$	2023 \$
Financial assets at fair value through other comprehensive income reserve	548,118	548,147
Share-based payments reserve	-	261,885
	548,118	810,032

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

NOTE 23. RETAINED PROFITS/(ACCUMULATED LOSSES)

	Consolidated	
	2024 \$	2023 \$
Accumulated losses at the beginning of the financial year	(11,635,741)	(6,833,409)
Profit/(loss) after income tax expense for the year	23,992,502	(2,630,431)
Transfer from share-based payments reserve	160,349	-
Dividends paid	(7,983,853)	(2,171,901)
Retained profits/(accumulated losses) at the end of the financial year	4,533,257	(11,635,741)

NOTE 24. DIVIDENDS

Details of dividends ⁽¹⁾	Cents per share	\$
2023 Special dividend (paid 29 September 2023) ⁽²⁾	4.00	5,355,699
2024 Interim dividend (paid 29 March 2024) ⁽³⁾	2.00	2,628,154
2024 Final dividend declared ⁽⁴⁾	2.50	3,256,309 ⁽⁵⁾
2024 Special dividend declared ⁽⁴⁾	2.50	3,256,309 ⁽⁵⁾

(1) All dividends are fully franked

(2) 2023 Special dividend comprised of a cash dividend on completion of divestment of Morrison Securities.

(3) 2024 Interim dividend comprised of a cash dividend.

(4) Record date for determining entitlement to the 2024 Final and Special dividends is 3 September 2024, and is to be paid on 11 September 2024.

(5) Estimated total dollar value based on shares at 30 June 2024.

Franking credits

	Consolidated	
	2024 \$	2023 \$
Franking credits available for subsequent financial years based on a tax rate of 30%	21,083,383	14,626,517

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

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

NOTE 25. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, derivative assets and liabilities, investments in shares and loans payable.

This note provides details of the Group's financial risk management objectives and policies and

NOTE 25. FINANCIAL INSTRUMENTS (CONTINUED)

describes the methods used by management to control risk. In addition, this note includes a discussion of the extent to which financial instruments are used, the associated risks and the business purpose served.

One of the Group's main activities is to issue investments to its product holders which provide returns based on the performance of an underlying reference asset, typically a single index or a single listed equity. Different underlying reference assets, with varying features are issued in separate series. The series are exposed to securities listed on global or local exchanges. The products issued to the product holders have a maturity of between 18 months and 48 months from the date of issue. On maturity, if the investment has performed sufficiently, the product holder has the option to contribute in cash the notional value of the investment on issue date to receive a delivery asset (a liquid security on the ASX) equal to the value of the underlying reference asset or the value in cash of the financial liability. The Group enters into a financial instrument with an investment bank, which hedges each series that is offered to its product holders. The Group ensures that the notional exposure across all its products are covered via the arrangement, and as such mitigates its risk in this fashion.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk.

The Board of Directors monitor and manage financial risk exposures of the Group. The Board of Directors monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to financing risk and interest rate risk.

	Consolidated	
	2024 \$	2023 \$
Financial assets		
Cash and cash equivalents	16,832,354	9,392,306
Trade and other receivables	8,914,681	9,311,594
Investment in shares	5,158,684	1,514,565
Derivative assets	2,673,531	4,156,474
Investments accounted for using the equity method	10,654,503	500,000
Other financial assets	-	17,891,572
Total financial assets	44,233,753	42,766,511
Financial liabilities		
Trade and other payables	6,810,453	10,057,215
Interest bearing loans and borrowings	-	1,750,000
Other loans	-	495,593
Lease liabilities	704,641	1,938,241
Derivative liabilities	2,673,531	4,156,474
Contingent consideration	2,574,728	2,205,244
Consideration in advance	-	25,041,572
Total financial liabilities	12,763,353	45,644,339

NOTE 25. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Group issues a structured product to the product holder that is hedged with the financial instrument that it purchases from an investment bank. The details of the financial instruments are such that the future cash flows from the financial assets offset the cash flows needed to settle the financial liabilities. The Group uses this arrangement to mitigate the market risks below, except for credit risk.

Price risk

Price risk arises from changes in underlying investments designated in the financial instruments held by the Group for which values in the future are uncertain.

The Group mitigates the above price risk by ensuring that price risk in the financial instruments is offset with one another. The difference in fair value between the financial asset and liability held through profit or loss is as a result of the premium associated with the financial liability arising from being issued in the retail market. The Group does not monitor the price risk associated with the premium, as price risk would only result if the Group were to transfer the liability, and since the Group has no intention of transferring the financial liability, no disclosures regarding the sensitivity to price risk have been made.

The Group is, therefore, not exposed to any significant price risk in relation to issued structured products.

The Group has an exposure to price risk on its listed and unlisted equity investments and, as at year end, a 20% increase or decrease in price would affect the shareholding value by approximately \$1,032,000.

Interest rate risk

Interest rate risk is the risk that the value of the Group's financial instruments will fluctuate due to changes in market interest rates.

The Group's cash and cash equivalents are exposed to interest rate risk, however the Directors of the Group manage financial instruments to ensure that interest rate risk remains hedged and is therefore offsetting.

The Group is not exposed to any significant interest rate risk.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Generally, trade receivables are written off when there is no reasonable expectation of recovery.

NOTE 25. FINANCIAL INSTRUMENTS (CONTINUED)

Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Board of Directors has otherwise cleared as being financially sound. Where the Group is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, the risk may be further managed by obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

The financial products issued by Sequoia Specialist Investments Pty Ltd ('Issuer') are secured obligations of the Issuer. Investors are granted a charge which is held on trust by the security trustee. If the Issuer fails to (i) make a payment or delivery on its due date; or (ii) meet any other obligation and in the Security Trustee's opinion, the failure is materially adverse to the investors and cannot be remedied (or has not been remedied within 5 business days of written notice), the Security Trustee may enforce the charge. In this case the investors are unsecured creditors of the provider of the hedge assets. Investors' rights of recourse against the Issuer on a default are limited to the assets subject to the charge. This structure has the effect of passing through the credit rating of the provider of the hedge asset and protecting different financial product series from cross-liability issues (other than on an insolvency of either the Issuer or the provider of the hedge asset). The Issuer will only deal with an investment-grade (or better) bank or a subsidiary of an investment-grade (or better) bank.

Investments grades are a rating or indicator of particular debt obligations which have a low risk of default. Various rating agencies rate an investment bank's creditworthiness. Different rating firms use different designations. Sequoia Specialist Investments Pty Ltd hedge providers are considered "investment grade" and the credit worthiness of our investment bank hedge contracts providers are between high credit quality ('AAA' and 'AA') and medium credit quality ('A' and 'BBB'). Therefore, the risk of default of the selected hedge providers are considered low. In addition, if the investment bank were to unexpectedly default the resulting financial risk would be ultimately borne by the end investor, due to the pass through of the credit risk of the hedge provider to the end investor.

The following tables detail the Group's potential exposure, should the counterparties be unable to meet their obligations:

Consolidated - 2024	Fair value \$	Notional value \$
Derivative assets	2,673,531	135,799,431

Consolidated - 2023	Fair value \$	Notional value \$
Derivative assets	4,156,474	160,356,879

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's maturity for its financial instrument liabilities. The tables have been

NOTE 25. FINANCIAL INSTRUMENTS (CONTINUED)

drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

Consolidated - 2024	1 year or less \$	Between 1 and 5 years \$	Remaining contractual maturities \$
Non-derivatives			
<i>Non-interest bearing</i>			
Trade payables	553,676	-	553,676
Other payables	413,172	-	413,172
Contingent consideration	2,124,728	450,000	2,574,728
Total non-derivatives	3,091,576	450,000	3,541,576
Derivatives			
Value hedges, net settled	1,431,703	1,241,828	2,673,531
Total derivatives	1,431,703	1,241,828	2,673,531

Consolidated - 2023	1 year or less \$	Between 1 and 5 years \$	Remaining contractual maturities \$
Non-derivatives			
<i>Non-interest bearing</i>			
Trade payables	1,875,653	-	1,875,653
Other payables	1,576,564	378,472	1,955,036
Contingent consideration	2,205,244	-	2,205,244
<i>Interest-bearing - variable</i>			
Loan facility	-	1,750,000	1,750,000
Other loans	495,593	-	495,593
Total non-derivatives	6,153,054	2,128,472	8,281,526
Derivatives			
Value hedges, net settled	2,461,708	1,694,766	4,156,474
Total derivatives	2,461,708	1,694,766	4,156,474

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

NOTE 26. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Listed ordinary shares	5,138,684	-	-	5,138,684
Unlisted ordinary shares	-	-	20,000	20,000
Derivative financial instruments	-	2,673,531	-	2,673,531
Total assets	5,138,684	2,673,531	20,000	7,832,215
<i>Liabilities</i>				
Derivative financial instruments	-	2,673,531	-	2,673,531
Contingent consideration	-	-	2,574,728	2,574,728
Total liabilities	-	2,673,531	2,574,728	5,248,259

Consolidated - 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>				
Listed ordinary shares	1,494,565	-	-	1,494,565
Unlisted ordinary shares	-	-	20,000	20,000
Derivative financial instruments	-	4,156,474	-	4,156,474
Total assets	1,494,565	4,156,474	20,000	5,671,039
<i>Liabilities</i>				
Derivative financial instruments	-	4,156,474	-	4,156,474
Contingent consideration	-	-	2,205,244	2,205,244
Total liabilities	-	4,156,474	2,205,244	6,361,718

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables, trade and other payables and other financial liabilities approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Financial instruments that are not traded in an active market are determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is

NOTE 26. FAIR VALUE MEASUREMENT (CONTINUED)

available and relies as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Unquoted investments have been valued using prices evident in recent third party transactions.

The valuation process is managed by the Chief Operating Decision Makers ('CODM') of the Group who perform and validate valuations of non-property assets required for financial reporting purposes (including level 3 fair values). Discussion on valuation processes and outcomes are held between the CODM, CFO and Audit committee every six months.

Level 3 assets and liabilities

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

Consolidated	Assets	Liabilities	Totals
	Unlisted ordinary shares \$	Contingent consideration \$	
Balance at 1 July 2022	62,302	(3,140,182)	(3,077,880)
Additions	-	(15,062)	(15,062)
Disposals	(42,302)	-	(42,302)
Amounts paid	-	750,000	750,000
Consideration deemed non-payable	-	200,000	200,000
Balance at 30 June 2023	20,000	(2,205,244)	(2,185,244)
Additions	-	(1,420,000)	(1,420,000)
Amounts paid	-	716,259	716,259
Write-back to profit or loss for consideration not payable	-	334,257	334,257
Balance at 30 June 2024	20,000	(2,574,728)	(2,554,728)

The contingent consideration includes \$1,090,000 which relates to the purchase of the Castle Corporate customer list. If annual revenue of \$2.0m is not reached in the second year after acquisition, the final tranche payment of \$450,000 will not be paid.

The remaining contingent consideration relates to a prior year acquisition. Refer to note 37 for further information.

NOTE 27. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2024 \$	2023 \$
Short-term employee benefits	1,228,503	1,020,569
Long-term benefits	37,947	24,326
Post-employment benefits	73,531	60,129
Share-based payments	30,988	66,412
	<u>1,370,969</u>	<u>1,171,436</u>

Refer to the 'Remuneration report (audited)' section of the Directors' report for a detailed breakdown.

NOTE 28. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	Consolidated	
	2024 \$	2023 \$
<i>Audit services - William Buck Audit (Vic) Pty Limited</i>		
Audit or review of the financial statements*	239,053	192,588
<i>Other services - William Buck (Vic) Pty Limited</i>		
Tax services	18,800	15,818
Other services	21,283	16,991
	<u>40,083</u>	<u>32,809</u>
	<u>279,136</u>	<u>225,397</u>

* The increase in cost is mainly due to the timing of when invoices were received from William Buck.

NOTE 29. CONTINGENT LIABILITIES

As part of the ANZ financing facility, the Group has given bank guarantees as at 30 June 2024 of \$600,297 (30 June 2023: \$677,238) in relation to rental bonds. No term deposit was required for the ANZ bank guarantees.

The Group's legal counsel is currently acting on several matters referred to the Australian Financial Complaints Authority ('AFCA') relating to the provision of financial services to its retail clients. The Group has assessed any potential obligations relating to these complaints after pursuing a recourse from the advisers in the following manner:

- Those complaints for which there is a probable likelihood of restitution being paid, have been accrued in these financial statements, together with any associated legal costs and net of any available insurance cover; and

NOTE 29. CONTINGENT LIABILITIES (CONTINUED)

- The Directors have assessed complaints for which there is less than a probable likelihood of restitution (including the impact of legal costs and insurance), and have chosen not to disclose the likely amount as they are still subject to proceedings with AFCA and potential recourse from the advisers, and the disclosure of such amounts is likely to prejudice those proceedings.

The Group is not aware of any other contingent liabilities that were materially significant to these financial statements.

NOTE 30. RELATED PARTY TRANSACTIONS

Parent entity

Sequoia Financial Group Limited is the parent entity.

Associates

Interests in associates are set out in note 33.

Joint ventures

Interests in joint ventures are set out in note 34.

Key management personnel

Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the directors' report.

Transactions with related parties

During the financial year, \$18,521 (30 June 2023: \$80,933) was paid or payable for services provided by Cooper Grace Ward, a related party entity of director, Charles Sweeney. This is not deemed personal remuneration.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 31. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024 \$	2023 \$
Profit after income tax	34,824,753	2,722,116
Total comprehensive income	34,824,753	2,722,116

NOTE 31. PARENT ENTITY INFORMATION (CONTINUED)

Statement of financial position

	Parent	
	2024 \$	2023 \$
Total current assets	13,468,963	360,760
Total assets	79,720,572	91,114,092
Total current liabilities	2,840,339	8,201,875
Total liabilities	52,392,887	63,350,888
Equity		
Issued capital	87,526,850	89,801,025
Financial assets at fair value through other comprehensive income reserve	46,070	46,070
Share-based payments reserve	-	261,885
Accumulated losses	(60,245,235)	(62,345,776)
Total equity	27,327,685	27,763,204

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries.

Contingent liabilities

The parent entity has considerations payable relating to the acquisitions of the Informed Investor group and a client book purchased during the last financial year.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

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

NOTE 32. INTERESTS IN SUBSIDIARIES

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

Wholly owned subsidiaries

Name		Principal place of business / Country of incorporation	Parent	
			Ownership interest 2024 %	Ownership interest 2023 %
The Cube Financial Group Pty Ltd	(a)	Australia	100.0%	100.0%
Trade Dealer Online Pty Ltd	(a)	Australia	100.0%	100.0%
Sequoia Group Holdings Pty Ltd	(a)	Australia	100.0%	100.0%
My Own Super Fund Pty Ltd	(a)	Australia	100.0%	100.0%
Sequoia Wealth Group Pty Ltd	(a)	Australia	100.0%	100.0%
Docscentre Pty Ltd	(a)	Australia	100.0%	100.0%
Informed Investor Pty Ltd	(a)	Australia	100.0%	100.0%
Sequoia Insurance Brokers Pty Ltd	(a)(3)	Australia	100.0%	100.0%
Sequoia Premium Funding Pty Ltd	(a)	Australia	100.0%	100.0%
Sequoia Lending Pty Ltd	(b)	Australia	100.0%	100.0%
Acacia Administrative Services Pty Ltd	(b)(1)	Australia	100.0%	100.0%
Sequoia Direct Pty Ltd	(b)(2)	Australia	100.0%	100.0%
Sequoia Specialist Investments Pty Ltd	(b)	Australia	100.0%	100.0%
Sequoia Asset Management Pty Ltd	(b)	Australia	100.0%	100.0%
Finance TV Pty Ltd	(b)	Australia	100.0%	100.0%
Corporate Connect Research Pty Ltd	(b)	Australia	100.0%	100.0%
ShareCafe Pty Ltd	(b)	Australia	100.0%	100.0%
Morsec Nominees Pty Ltd	(c)(5)	Australia	-	100.0%
Sequoia Nominees No.1 Pty Ltd	(d)	Australia	100.0%	100.0%
Sequoia Home Loans Pty Ltd	(e)	Australia	100.0%	100.0%
Sequoia Family Office Pty Ltd	(f)	Australia	100.0%	100.0%
Sequoia Wealth Management Pty Ltd	(f)	Australia	100.0%	100.0%
Sequoia Corporate Finance Pty Ltd	(f)	Australia	100.0%	100.0%
Libertas Financial Planning Pty Ltd	(f)(4)	Australia	100.0%	100.0%
InterPrac Financial Planning Pty Ltd	(f)	Australia	100.0%	100.0%
Sage Capital Group Pty Ltd	(f)	Australia	100.0%	100.0%
Interprac Securities Pty Ltd	(f)	Australia	100.0%	100.0%
Australian Business Structures Pty Ltd	(g)	Australia	100.0%	-
Australian Practical Superannuation Fund Pty Ltd	(g)	Australia	100.0%	100.0%
Tax Engine Pty Ltd	(g)	Australia	100.0%	100.0%
PantherCorp CST Pty Ltd	(g)	Australia	100.0%	100.0%
Docscentre Legal Pty Ltd	(g)	Australia	100.0%	100.0%
Sequoia Superannuation Pty Ltd	(h)	Australia	100.0%	100.0%
SMSF Engine Pty Ltd	(h)	Australia	100.0%	100.0%
Interprac General Insurance Pty Ltd	(i)(3)	Australia	100.0%	100.0%
Bourse Data Pty Ltd	(j)	Australia	100.0%	100.0%
Yieldreport Pty Ltd	(5)	Australia	-	100.0%

NOTE 32. INTERESTS IN SUBSIDIARIES (CONTINUED)

- (a) Subsidiary of Sequoia Financial Group Limited
- (b) Subsidiary of Sequoia Group Holdings Pty Ltd
- (c) Subsidiary of Morrison Securities Pty Ltd
- (d) Subsidiary of Sequoia Specialist Investments Pty Ltd
- (e) Subsidiary of Sequoia Asset Management Pty Ltd
- (f) Subsidiary of Sequoia Wealth Group Pty Ltd
- (g) Subsidiary of Docscentre Pty Ltd
- (h) Subsidiary of My Own Super Fund Pty Ltd
- (i) Subsidiary of Sequoia Insurance Brokers Pty Ltd
- (j) Entity has been deregistered

(1) Acacia Administrative Services Pty Ltd acts as a service entity for the Group with all employees engaged under this entity

(2) In process of being deregistered

(3) Held for sale

(4) In process of liquidation

(5) Company was sold

NOTE 33. INTERESTS IN ASSOCIATES

Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Morrison Securities Pty Ltd	Australia	20.00%	49.90%
Euree Asset Management Pty Ltd	Australia	20.00%	20.00%

NOTE 33. INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information

	Morrison Securities	
	2024 \$	2023 \$
<i>Summarised statement of financial position</i>		
Current assets	62,056,086	42,696,842
Non-current assets	211,551	191,148
Total assets	62,267,637	42,887,990
<i>Current liabilities</i>		
Non-current liabilities	47,644,632	28,696,255
Total liabilities	1,559,615	2,369,045
Net assets	49,204,247	31,065,300
	13,063,390	11,822,690
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	31,237,804	28,310,564
Expenses	(29,465,387)	(26,624,549)
Profit before income tax	1,772,417	1,686,015
Income tax expense	(531,716)	(508,095)
Profit after income tax	1,240,701	1,177,920
Other comprehensive income	-	-
Total comprehensive income	1,240,701	1,177,920
<i>Reconciliation of the Group's carrying amount</i>		
Opening carrying amount	-	-
Share of profit after income tax	195,996	-
Fair value at time of disposal	10,000,000	-
Closing carrying amount	10,195,996	-

NOTE 34. INTERESTS IN JOINT VENTURES

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
Taking Control Pty Ltd	Australia	50.00%	50.00%

NOTE 35. CASH FLOW INFORMATION

Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated	
	2024 \$	2023 \$
Profit/(loss) after income tax expense for the year	23,992,502	(2,630,431)
Adjustments for:		
Depreciation and amortisation	3,780,616	3,608,827
Impairment of goodwill	6,383,412	-
Net fair value loss on investments	378,828	3,876,097
Net fair value gain on retained investment	(6,880,593)	-
Share of profit - associates	(154,503)	-
Gain on disposal of business	(28,622,959)	-
Share-based payments	38,246	92,640
Dividends/interest on investments declared not received	(36,307)	(7,675)
Consideration deemed non-payable	-	(200,000)
Interest for lease accounting	58,099	87,802
Change in operating assets and liabilities:		
Increase in trade and other receivables	(103,431)	(21,887,313)
(Increase)/decrease in client related receivables	(7,147,287)	6,329,693
Decrease in contract assets and deferred costs	1,127,421	4,925,738
Decrease in inventories	-	30,499
Decrease/(increase) in deferred tax assets	7,261,042	(4,120,847)
Decrease/(increase) in prepayments	173,661	(349,354)
(Increase)/decrease in other operating assets	(583,155)	643,276
(Decrease)/increase in trade and other payables	(552,755)	61,965
Increase/(decrease) in client related payables	6,312,357	(13,345,385)
Decrease in contract liabilities and deferred revenue	(1,316,165)	(6,639,173)
(Decrease)/increase in provision for income tax	(6,072,684)	5,821,465
Decrease in deferred tax liabilities	(1,267,923)	(1,989,124)
Decrease in employee benefits	(271,472)	(219,779)
(Decrease)/increase in other operating liabilities	(1,319,240)	20,318,180
Net cash used in operating activities	(4,822,290)	(5,592,899)

NOTE 35. CASH FLOW INFORMATION (CONTINUED)

Changes in liabilities arising from financing activities

Consolidated	Bank loan \$	Capital finance and other loans \$	Lease liability \$	Total \$
Balance at 1 July 2022	-	490,777	2,436,915	2,927,692
Net cash from/(used in) financing activities	1,750,000	4,816	(1,038,370)	716,446
Additions	-	-	442,736	442,736
Interest on lease liability	-	-	87,802	87,802
Other changes	-	-	9,158	9,158
Balance at 30 June 2023	1,750,000	495,593	1,938,241	4,183,834
Net cash used in financing activities	(1,750,000)	(495,593)	(1,048,439)	(3,294,032)
Liability held for sale	-	-	(243,260)	(243,260)
Interest on lease liability	-	-	58,099	58,099
Balance at 30 June 2024	-	-	704,641	704,641

NOTE 36. EARNINGS PER SHARE

Consolidated

2024
\$

2023
\$

Earnings per share for loss from continuing operations

Loss after income tax attributable to the owners of Sequoia Financial Group Limited

(3,142,515) (3,948,032)

Number

Number

Weighted average number of ordinary shares used in calculating basic earnings per share

132,405,204 135,483,329

Weighted average number of ordinary shares used in calculating diluted earnings per share

132,405,204 135,483,329

Cents

Cents

Basic earnings per share

(2.373) (2.914)

Diluted earnings per share

(2.373) (2.914)

Consolidated

2024
\$

2023
\$

Earnings per share for profit from discontinued operations

Profit after income tax attributable to the owners of Sequoia Financial Group Limited

27,135,017 1,317,601

NOTE 36. EARNINGS PER SHARE (CONTINUED)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	132,405,204	135,483,329
Weighted average number of ordinary shares used in calculating diluted earnings per share	132,405,204	135,483,329
	Cents	Cents
Basic earnings per share	20.494	0.973
Diluted earnings per share	20.494	0.973
	Consolidated	
	2024	2023
	\$	\$
Earnings per share for (loss)/profit		
Profit/(loss) after income tax attributable to the owners of Sequoia Financial Group Limited	23,992,502	(2,630,431)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	132,405,204	135,483,329
Weighted average number of ordinary shares used in calculating diluted earnings per share	132,405,204	135,483,329
	Cents	Cents
Basic earnings per share	18.121	(1.942)
Diluted earnings per share	18.121	(1.942)

NOTE 37. EVENTS AFTER THE REPORTING PERIOD

Sale of Sequoia Insurance Brokers and InterPrac General Insurance

On 1 July 2024, the Group sold 100% of its general insurance broking businesses to WIB Corporate Pty Ltd. The total consideration price is in the range \$4.40m to \$5.00m for the sale of Sequoia Insurance Brokers Pty Ltd and InterPrac General Insurance Pty Ltd. The Group has received initial cash consideration paid of \$1.05m for the sale in the subsequent period. The second tranche of \$1.00m is payable by 31 October 2024, with the final tranche payable in October 2025 subject to specific performance hurdles being achieved.

Restructure of operating segments

The Group announced the restructure of the operating segments, effective from 1 July 2024, which are used in assessing performance and in determining the allocation of resources. This restructure reduces the existing four operating segments down to two. The Head Office segment remains unchanged.

The two operating segments are as follows:

(1) Licensee and Adviser Services - Provide licensee services to financial planners and advisors, provide financial planning personal and general advice to wholesale and retail investors, and provide listed and private companies with equity capital markets support, M&A advice, corporate access and investor relations.

NOTE 37. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

(2) Legal and Administration Services - Act as service provider to accountancy firms, dealer groups, financial planning, law firms and direct trustees.

Appointment of Non-Executive Chairman

On 7 August 2024, the Group announced the appointment of Mike Ryan as the new Chairman of the Board. The acting Chairman, Charles Sweeney (resigned on 7 August 2024), will continue in his role as non-executive director and Chair of the Risk and Compliance Committee.

Legal proceedings for and against Tim McGowen update

The Company and Tim McGowen have agreed to settle at an undisclosed amount and, on 15 August 2024, executed a deed of release.

No other matter or circumstance has arisen since 30 June 2024 that has 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.



Entity name	Entity type ⁽¹⁾	Place formed / Country of incorporation	Ownership interest %	Tax residency ⁽²⁾
Sequoia Financial Group Limited	Body corporate	Australia		Australian
The Cube Financial Group Pty Ltd	Body corporate	Australia	100.0%	Australian
Trade Dealer Online Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Group Holdings Pty Ltd	Body corporate	Australia	100.0%	Australian
My Own Super Fund Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Wealth Group Pty Ltd	Body corporate	Australia	100.0%	Australian
Docscentre Pty Ltd	Body corporate	Australia	100.0%	Australian
Informed Investor Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Insurance Brokers Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Premium Funding Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Lending Pty Ltd	Body corporate	Australia	100.0%	Australian
Acacia Administrative Services Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Direct Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Specialist Investments Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Asset Management Pty Ltd	Body corporate	Australia	100.0%	Australian
Finance TV Pty Ltd	Body corporate	Australia	100.0%	Australian
Corporate Connect Research Pty Ltd	Body corporate	Australia	100.0%	Australian
ShareCafe Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Nominees No.1 Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Home Loans Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Family Office Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Wealth Management Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Corporate Finance Pty Ltd	Body corporate	Australia	100.0%	Australian
Libertas Financial Planning Pty Ltd	Body corporate	Australia	100.0%	Australian
InterPrac Financial Planning Pty Ltd	Body corporate	Australia	100.0%	Australian
Sage Capital Group Pty Ltd	Body corporate	Australia	100.0%	Australian
Interprac Securities Pty Ltd	Body corporate	Australia	100.0%	Australian
Australian Business Structures Pty Ltd	Body corporate	Australia	100.0%	Australian
Australian Practical Superannuation Fund Pty Ltd	Body corporate	Australia	100.0%	Australian
Tax Engine Pty Ltd	Body corporate	Australia	100.0%	Australian
PantherCorp CST Pty Ltd	Body corporate	Australia	100.0%	Australian
Docscentre Legal Pty Ltd	Body corporate	Australia	100.0%	Australian
Sequoia Superannuation Pty Ltd	Body corporate	Australia	100.0%	Australian
SMSF Engine Pty Ltd	Body corporate	Australia	100.0%	Australian
Interprac General Insurance Pty Ltd	Body corporate	Australia	100.0%	Australian

(1) None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

(2) All entities are Australian tax residents, there are no foreign tax jurisdictions of tax residency.



BASIS OF PREPARATION

This consolidated entity disclosure statement ('CEDS') has been prepared in accordance with subsection 295(3A)(a) of the Corporations Act 2001. The entities listed in the statement are Sequoia Financial Group Limited and all the entities it controls as at 30 June 2024 in accordance with AASB 10 'Consolidated Financial Statements'.



Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

A handwritten signature in black ink, appearing to read "Mike Ryan", written over a horizontal line.

Mike Ryan
Chairman

26 August 2024
Sydney

WilliamBuck

ACCOUNTANTS & ADVISORS

Independent auditor's report to the members of Sequoia Financial Group Limited

Report on the audit of the financial report

Our opinion on the financial report

In our opinion, the accompanying financial report of Sequoia Financial Group Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

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

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2024,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

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

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

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WilliamBuck

ACCOUNTANTS & ADVISORS

Key audit matters

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

ACCOUNTING FOR THE DIVESTMENT OF MORRISON SECURITIES PTY LIMITED	Area of focus (refer also to notes 2, 3 & 8)	How our audit addressed the key audit matter
	<p>During the year ended 30 June 2023, the group entered into a share purchase agreement for the disposal of 80% of the issued share capital of Morrison Securities Pty Limited ('Morrison'), a 100% controlled entity of Sequoia Financial Group.</p> <p>The executed sale agreement included the disposal of the issued share capital in two tranches:</p> <ul style="list-style-type: none"> — a first tranche as at 6 June 2023 of 50.1% for consideration of \$25.5m in cash; and — a second tranche of 29.9% for consideration of \$15.0m in cash by 31 August 2023. <p>During the transition period from 6 June 2023 until fulfilment of tranche 2, Sequoia Financial Group retained specific roles and responsibilities with respect to the management and control of Morrison.</p> <p>Following fulfilment of the settlement terms, a net gain on disposal of \$27.0m was recognised in the year to 30 June 2024, with Morrison disclosed as a 'discontinued operation' as per AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>.</p> <p>Morrison was deconsolidated from the Group on 31 August 2023 and based on the remaining 20% shareholding and significant influence over Morrison in accordance with AASB 128 <i>Investment in Associates</i>, the fair value of the investment was determined and recognised on 31 August 2023.</p> <p>This is a key audit matter due to the material nature of the transaction and the accounting judgements required by the Group including assessing its control and significant influence of Morrison as at 30 June 2024.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Reviewing the terms and conditions of the Sale Agreement between Sequoia Financial Group and the buyer; — Agreeing the tranche 2 cash proceeds received and transfer of the issued 80% share capital to the buyer to supporting evidence; — Agreeing the net gain of \$27.0m to underlying records including carrying value of Morrison net assets as at 31 August 2023; — Assessing the accuracy of the values presented as discontinued operations in accordance with AASB 5 of the Morrison entity during the period; — Assessing that significant influence in Morrison is maintained by Sequoia Financial Group Limited as at 30 June 2024; — Verifying the fair value of the investment in Morrison as at 31 August 2023, and the movement to 30 June 2024 being accounted for under the equity method of accounting; <p>We assessed the reasonableness of the note disclosures with respect to AASB 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i> and AASB 128 <i>Investment in associates</i>.</p>

WilliamBuck

ACCOUNTANTS & ADVISORS

REVENUE RECOGNITION FOR SEQUOIA SPECIALIST INVESTMENTS PRODUCTS

Area of focus (refer also to notes 2, 5, 25 & 26)

The Sequoia Specialist Investments (SSI) entity operating in the Sequoia Equity Markets Group segment represents a portion of the revenues and profitability of the Group. SSI earns revenue by issuing structured financial products principally being commodities, foreign exchange and equities. SSI effectively on-sells the financial exposure it has with its clients to Tier 1 investment banks with derivative contracts that completely match that derivative exposure.

The revenue margin it earns from this arrangement is priced separately and is deferred (together with direct costs) on a straight-line basis over the course of each contract on a gross basis in the financial statements (deferred costs and deferred revenue). The derivative positions are held at fair value on the statement of financial position.

The key risks for this arrangement include the following matters:

- The risk that client-driven derivative exposures are not matched 1-for-1 with wholesale contracts;
- The risk of credit default by the investment banks providing wholesale derivative hedge positions; and
- The potential for revenue to be recognised in advance of the services provided to the client, including other revenues related with SSI including non-refundable application fees, which are earned up-front and at-risk coupon fees, which are earned at the close of each contract.

This matter was considered a key audit matter due to the significance of the balance and the complexity of contractual arrangements.

How our audit addressed the key audit matter

Our audit procedures included:

- For a sample of current year issued structured products, we agreed the terms and conditions, including but not limited to, interest rates, notional hedged units, product maturity, trade dates and hedge premiums paid to supporting documents, including Product Disclosure Statements, Market-to-Market (MTM) valuations, Market registry allotment reports and bank statements to agree monetary amounts received and paid.
- We confirmed the valuations of the derivative financial instruments at year end through to supporting valuations obtained directly from relevant investment banks.
- Performed an assessment for the appropriateness of management's product model to recognise deferral and recognition of revenue and costs;
- An assessment of the credit worthiness of the investment banks;
- We tested a sample of application fees and coupon fees and vouched that they were accrued to the appropriate accounting period; and
- We tested the reasonableness of the current and non-current classification of deferred revenue and deferred costs to underlying support.

We assessed the reasonableness of the Group's financial statement disclosures in relation to revenue recognition and reported segments in accordance with AASB 8 *Operating Segments*.

WilliamBuck

ACCOUNTANTS & ADVISORS

ASSESSMENT OF CARRYING VALUE OF GOODWILL AND INTANGIBLE ASSETS

Area of focus (refer also to notes 2, 3 & 15)

The Group's non-current assets include a significant carrying value attributed to goodwill and intangible assets, the majority of which have originated from acquisitions.

There is a risk that the entities in the Group may not trade in line with financial forecasts, resulting in the carrying amount of goodwill and intangible assets exceeding the recoverable amount and therefore requiring impairment.

As required by Accounting Standards, goodwill and indefinite life intangibles are tested for impairment at least annually, with the recoverable amounts of the identified four cash generating units (CGUs) assessed in accordance with AASB 136 *Impairment of Assets*. These recoverable amounts used a discounted cash flow model to estimate the value-in-use of the CGUs. The forecasts used to measure the value-in-use required management and the Directors to make judgements which existed as at 30 June 2024 over certain key inputs, for example but not limited to revenue growth, discount rates applied, long term growth rates and inflation rates.

Following assessment of the CGUs recoverable amounts, the Group recorded a total impairment charge of \$6.4 million in respect of excess carrying value recognised against goodwill specific to two CGUs, being Sequoia Direct Investment Group and Sequoia Equity Markets Group.

Overall due to the high level of judgement involved, and the material carrying amounts involved, we determined that this is a key judgemental area that our audit concentrated on.

How our audit addressed the key audit matter

Our audit procedures included:

- Assessment of the Group's determination of CGUs. This included reviewing internal management reporting, comparison to our knowledge and understanding of Group's operations and confirming CGUs are no larger than operating segments;
- A detailed evaluation of the Group's budgeting procedures upon which the forecasts are based and testing the principles and enquiries of management to consider the reasonableness of the discounted future cash flow models;
- Testing the mathematical accuracy of the calculation derived from each cash flow forecast model and we assessed key inputs in the calculations such as revenue growth, discount rates and working capital assumptions, by reference to the Board approved forecasts, data external to the Group and our own views;
- Performing an assessment surrounding the applicable discount rate and other key input assumptions used in measuring the value-in use calculations; and
- Performing sensitivity analysis in respect of the key assumptions noted above to ascertain the extent of changes in those assumptions which would materially impact the recoverable amount of the CGUs.

We assessed the appropriateness of the Group's financial reporting disclosures in relation to the impairment testing approach and input assumptions.

WilliamBuck

ACCOUNTANTS & ADVISORS

Other information

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

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

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

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

Responsibilities of the directors for the financial report

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

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and
- for such internal control as the directors determine is necessary to enable the preparation of:
- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

WilliamBuck

ACCOUNTANTS & ADVISORS

Report on the Remuneration Report

Our opinion on the Remuneration Report

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

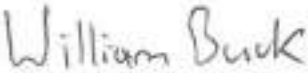
What was audited?

We have audited the Remuneration Report included in pages 15 to 20 of the directors' report for the year ended 30 June 2024.

Responsibilities

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

Yours faithfully



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



R. P. Burt
Director
Melbourne, 26 August 2024

In accordance with the ASX listing rule 4.10, the Company provides the following information to shareholders not disclosed elsewhere in this Annual Report. The information is current as at 14 August 2024 ('reporting date').

DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	84	0.03
1,001 to 5,000	130	0.28
5,001 to 10,000	65	0.40
10,001 to 100,000	220	6.99
100,001 and over	134	92.30
	633	100.00
	90	0.03

The number of holders of less than a marketable parcel of ordinary shares as at the reporting date (less than \$500, based on the share price of \$0.415) is:

VOTING RIGHTS

The only class of equity securities on issue in the Company that carries voting rights is ordinary shares.



EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

The Company has only one class of quoted securities, being ordinary shares. The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
UNRANDOM PTY LTD (UNRANDOM A/C)	10,000,000	7.87
MR GARRY CROLE	9,215,635	7.26
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	8,611,778	6.78
COJONES PTY LTD (JONES FAMILY NO 2 A/C)	6,638,972	5.23
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,456,447	5.08
CITICORP NOMINEES PTY LIMITED	4,374,052	3.44
TOCLO INVESTMENTS PTY LTD (TLC INVESTMENT A/C)	3,564,894	2.81
SANDHURST TRUSTEES LTD (JMFG CONSOL A/C)	3,022,861	2.38
VONETTA PTY LTD (TRBC S/F A/C)	2,240,000	1.76
COJONES PTY LTD (JONES FAMILY NO 2 A/C)	2,160,091	1.70
DMX CAPITAL PARTNERS LIMITED	2,100,000	1.65
MR NEIL CLIFFORD DUNCAN	1,947,472	1.53
BNP PARIBAS NOMS PTY LTD	1,934,328	1.52
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT)	1,830,048	1.44
VANWARD INVESTMENTS LIMITED	1,808,561	1.42
Mr PETER STIRLING + Mrs ROS STIRLING	1,800,000	1.42
TIBARRUM PTY LTD (PAUL ROBINSON FAM S/F A/C)	1,698,000	1.34
NETWEALTH INVESTMENTS LIMITED (SUPER SERVICES A/C)	1,605,247	1.26
Mr ANTHONY CHRISTOPHER JONES	1,549,952	1.22
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,518,131	1.20
	74,076,469	58.31

SUBSTANTIAL HOLDERS

As at the reporting date, the names of the substantial holders in the Company as disclosed in the substantial holding notices given to the Company are as follows:

	Number of ordinary shares disclosed
Associated holders: Anthony Christopher Jones, Tarakita Pty Ltd, Cojones Pty Ltd, Toclo Investments Pty Ltd, Vonetta Pty Ltd, Attenov Pty Ltd (Notice dated 05/06/2024)	17,022,156
Mr Garry Crole (Notice dated 04/11/2022)	11,401,500
Acorn Capital Ltd (Notice dated 26/07/2018)	10,421,640
DMX Asset Management Ltd (Notice dated 26/07/2024)	6,566,657



OTHER INFORMATION

On 24 May 2024, the Company extended the on-market buy-back to 23 May 2025.

There are no issues of securities approved for the purpose of item 7 of section 611 of the Corporations Act, which have not yet been completed.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.



Corporate directory

Directors	Garry Crole Mike Ryan Charles Sweeney Kevin Pattison
Company Secretaries	Lizzie Tan Sally McDow
Notice of annual general meeting	The Company advises that its Annual General Meeting will be held on or around 21 November 2024. The time and other details relating to the meeting will be advised in the Notice of Meeting to be sent to all shareholders and released to the ASX immediately after dispatch. In accordance with the ASX Listing Rules, valid nominations for the position of Director are required to be lodged at the registered office of the Company by 5:00pm (AEST) on 30 October 2024.
Registered office	Suite 7.01, Level 7 1 Castlereagh Street Sydney NSW 2000 Telephone: + 61 2 8114 2222 Facsimile: + 61 2 8114 2200
Principal place of business	Level 8 525 Flinders Street Melbourne VIC 3000
Share registry	Registry Direct Level 6 2 Russell Street Melbourne VIC 3000 Telephone: 1300 556 635 Facsimile: + 61 3 9111 5652
Auditor	William Buck Level 20 181 William Street Melbourne VIC 3000



Corporate directory

Bankers

Westpac Australia Bank
Royal Exchange, Cnr Pitt & Bridge Streets
Sydney NSW 2000

Maldon & District Community Bank® Branch of Bendigo Bank
81 High Street
Maldon VIC 3463

Macquarie Bank Limited
Level 32, South Tower
80 Collins Street
Melbourne VIC 3000

Australia and New Zealand Banking Group Limited
388 Collins Street
Melbourne VIC 3000

Stock exchange listing

Sequoia Financial Group Limited shares are listed on the Australian Securities Exchange (ASX code: SEQ)

Website

www.sequoia.com.au

Corporate Governance Statement

The Board of Directors of Sequoia Financial Group Limited is committed to maintaining high standards of Corporate Governance. This Corporate Governance Statement discloses the extent to which the Company has followed the 4th Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('ASX Principles and Recommendations').

The Corporate Governance Statement has been adopted by the Board and is current as at 26 August 2024. In accordance with ASX Listing rules 4.10.3 and 4.7.4, the corporate governance statement will be available for review on the Company's website, www.sequoia.com.au/about-sequoia/corporate-governance/, and will be lodged together with an Appendix 4G with the ASX at the same time that this Annual Report is lodged with the ASX.