2024 Annual Report

Annual Report for the year ended 30 June 2024

InvestSMART Group Limited
ABN 62 111 772 359

INVESTSMART

www.investsmart.com.au
1300 880 160

OUR VISION

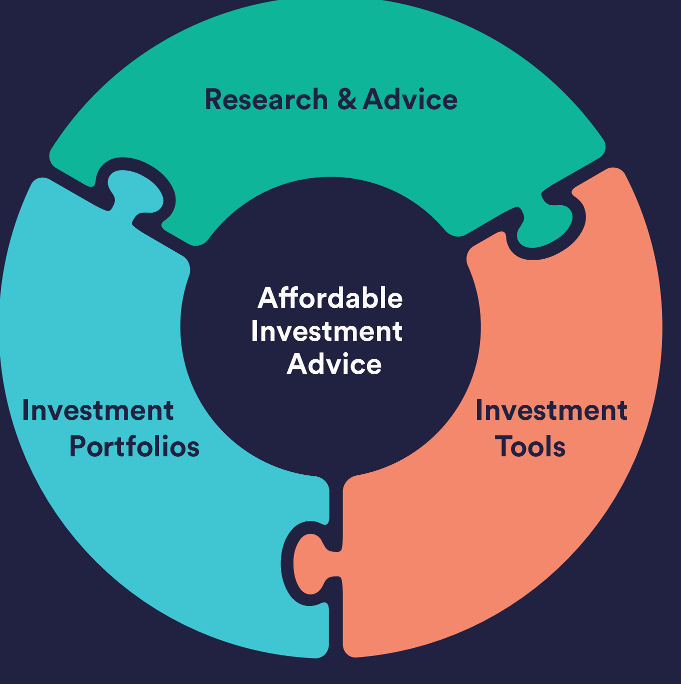
To help all Australians grow and protect their wealth.

WHY?

Because we believe people should be able to take control of their financial future. And it shouldn't be hard or expensive to do so.

HOW?

By providing innovative tools, research and advice that people can trust, empowering them to make better investing decisions.



One Digital Platform

Our proprietary wealth platform operates within a content and tools ecosystem

- Self select, transact and manage multiple products and services
- Product & service delivery
- Administration and tax reporting

Investment products

InvestSMART
Professionally Managed Accounts
Capped fees

Diversified ETF portfolios
Conservative, Balanced, Growth, High Growth, Ethical Growth

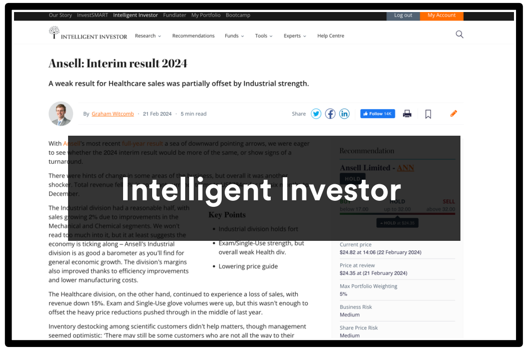
Single Asset Class ETF portfolios
International, Interest Income, Hybrid Income, Property and Infrastructure, Australian Equities

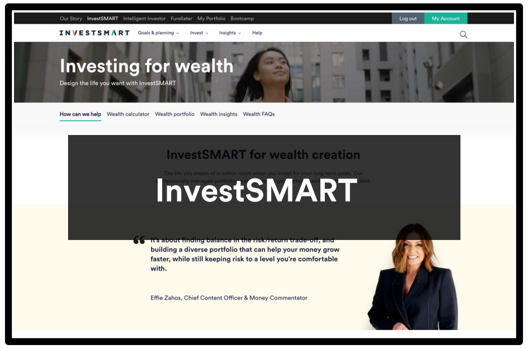
Fundlater
Lending service
+
White label
Variable fees

Intelligent Investor
Active ETFs – ASX-listed
Variable fees

Australian Equity Income Fund (ASX: INIF)
Australian Equity Growth Fund (ASX: IIGF)
Ethical Share Fund (ASX: INES)
Select Value Fund incl. International (ASX: IISV)

Content and tools ecosystem





Well recognised and active ambassadors in the Board and executive

Paul Clitheroe AM
Chairman

Effie Zahos
Chief Content Officer

Alan Kohler AM
Founding editor

INVESTSMART

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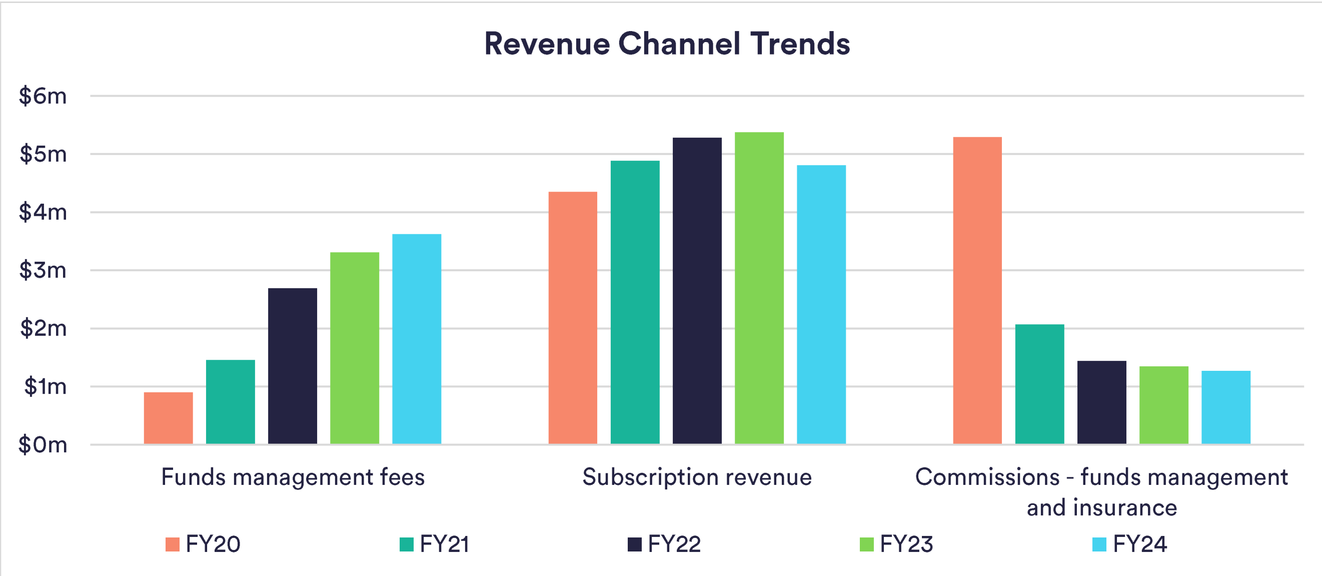
CHAIRMAN AND MANAGING DIRECTOR'S REPORT

Dear Shareholders,

The vision of InvestSMART is to "help all Australians grow and protect their wealth." The strategic goal to achieve this vision is to be Australia's #1 digital wealth platform. The Board made a strategic decision many years ago to deliver our own managed funds to provide ongoing annuity revenue. It is worth pausing to reflect on the progress made on this journey over the past five years:

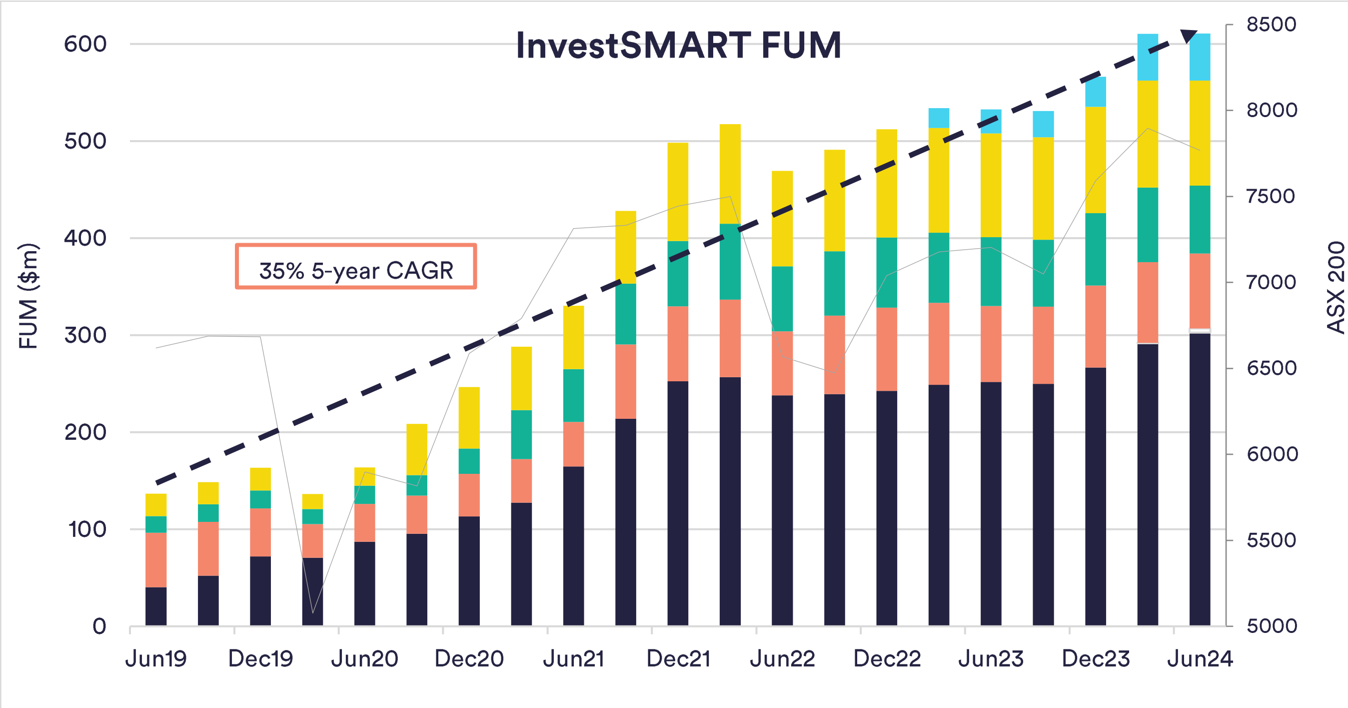


Fees from our funds management products have grown every year over the past five years driven by our Intelligent Investor Active ETF products and our portfolios of passive ETFs. We believe that there is a large addressable market of underserviced retail clients who will benefit from a digital product to help grow their wealth. We have purposefully chosen portfolios of ETFs to deliver that solution at scale.

Revenue from our subscription products is 10% higher than five years ago (FY20). We have consistently communicated our goal of growing this revenue by low single digits annually. Whilst we were pleased by the larger growth in FY21 and FY22, FY24 represents a normalisation of this revenue line and we continue to strive for low single digit growth. Subscription products and free content also crucially deliver search engine optimisation and trust.

The sharp decline in commissions from FY20 and (partially) FY21 to FY22 was due to the banning of ongoing commissions from distributing external funds management products from 1 January 2021 as part of the legislation stemming from the Hayne Royal Commission. Insurance commissions remain unaffected. With the passing of time the shock that this gave our business reinforces two important points 1. It is preferable to build revenue lines that are annuity like and sustainable; 2. We have the ability to generate new revenue from our digital services.

At times the growth of funds under management (FUM) to deliver funds management fees has pleased and frustrated us. Looking forward we have seen a small uptick in growth and positive sentiment during FY24 as we emerge from a period of increasing interest rates and cost of living pressures. We don't know when the next surge in growth will be, but we know that we have built the tools, technology, infrastructure, governance and trust to capitalise. Moving forward recent drafted regulations stemming from the Quality of Advice review (or Levy review) encourages and enables the delivery of digital advice. Growing FUM is our key revenue driver and we have delivered a 35% 5-year compound annual growth rate in FUM:



PMA Capped Fee FUM = InvestSMART: 11 ETF portfolios (single and diversified across asset classes) which hold passive exchange traded funds
Equity Income Fund managed by Intelligent Investor and listed on the ASX (ASX: INIF)
Ethical Fund managed by Intelligent Investor and listed on the ASX (ASX: INES)
Growth Fund managed by Intelligent Investor and listed on the ASX (ASX: IIGF)
Select Value Fund (incorporates international stocks) managed by Intelligent Investor and listed on the ASX (ASX: IISV)
Small white bar = White label launched in March 2024 – InvestSMART technology, PMA structure and RE utilised for managers with digital audience
ASX200 (line)

RESULTS FY24

	2024	2023
	$	$
Management fees - funds	3,390,763	3,150,693
Performance fees - funds	233,236	160,557
Subscription income	4,806,519	5,375,493
Commissions income - insurance	1,272,143	1,349,487
Other Income	24,970	16,389
Total Operating Income	9,727,631	10,052,619
Commission rebates	375,870	395,632
Employee costs	5,824,824	5,922,906
Marketing costs	656,148	1,175,723
Other operating expenses	3,266,974	3,185,766
Total Operating Expenses	10,123,816	10,680,027
Operating Profit/(Loss)^	(396,185)	(627,408)

^Operating profit excludes interest income, government grants, employee benefits expense, amortisation of intangibles, restructure costs and income tax benefit. Please refer to a reconciliation of operating profit to statutory profit and loss in the directors' report and ASX App4E release.

We are well capitalised and debt free with $7.7m in cash at bank and Net Tangible Assets of $4.1m at 30 June 2024.

Management fees from funds grew by 8% in FY24 compared to FY23. Total FUM increased by 15% over the course of FY24 to $611 million at 30 June 2024. We also achieved growth in our performance fee of 45% compared to FY24. This growth was offset by a decline in subscriptions income and, to a lesser extent, insurance commissions income. Subscription income declined by 10% compared to FY23 with total paying subscribers declining to 8,331 at 30 June 2024 compared to 9,230 at 30 June 2023. We announced a 12% increase in subscription prices from 1 July 2024 in June 2024 with the ability to renew in advance for 1 year. We were particularly pleased by responses by subscribers to this price increase (see Why we're increasing our prices). Insurance income declined by 6%. We continue to expect legacy insurance income to decrease by approximately 8% annually. Commissions on insurance income remain allowable after the first round of legislation from the Delivery Better Financial Outcomes review (aka Levy Review) was released. We continue to have the infrastructure to distribute life insurance to new clients, however we have decided to continue to focus our efforts on growing FUM for the foreseeable future.

We reduced our total staff from 41 at 30 June 2023 to 33 at 30 June 2024. We believe that we have found the right balance. With automation at the core of many functions staff growth in the future should be dictated by servicing a growth in clients where automation cannot deliver.

Marketing costs decreased by 44% as we made the decision to focus marketing on content. Over many years of marketing financial products digitally we believe our key competitive advantage is original quality content, which forms the base for search engine optimisation, digital retargeting and media coverage through our key spokespeople.

OPERATING LEVERAGE

Reflecting on the profit and loss and strategy it is apparent that the financial case for the business remains lucrative. We have built plug and play technology infrastructure for promotion, engagement and operations. Our largest current variable costs are the cost of administrative and tax services for our Professionally Managed Accounts and Intelligent Investor Active ETFs. With a stable, largely fixed cost base increasing FUM can deliver large future profits. Our current average fee as a percentage of FUM is 0.6%. Using the past as a yardstick for the future, for every $100 million of FUM we add we gain $600k in revenue (ceteris paribus).

UNIQUE ECOSYSTEM

Over several years we worked hard to integrate several assets into one unique ecosystem. The content, calculators and expertise in these businesses creates an ecosystem that attracts people to our website and engagement to help them improve their financial future. In addition to the integrated businesses we have developed several additional tools including a bootcamp course, digital statement of advice and a referral programme. A digital ecosystem is complex, however we believe that we have the architecture, expertise, user experience, products, tools and ambassadors to simplify the complex.

The InvestSMART website was relaunched in January 2024 to facilitate a goals-based advice journey. The Final Government Response to the Quality of Advice Review advocates legislation which facilitates a "more fit-for-purpose, principles-based, advice record…" In response we are on the front foot with architecture to fit the proposed incoming legislation and a content-based marketing approach. We have focussed on the conversion of new unique website visitors to free sign ups. The June 2024 quarter averaged a conversion rate of 0.87% compared to the March 2024 quarter of 0.66% and the December 2023 quarter of 0.51%. The number of completed digital statements of advice has increased exponentially. The Hayne Royal Commission increased the barriers for millions of Australians to obtain independent, low-cost advice. The Covid-19 pandemic accelerated the availability and use of technology to deliver solutions. The outcomes of Delivering Better Financial Outcomes package should galvanise the finance industry to deliver what millions of investors want but haven't previously been able to get - independent, low-cost financial advice and products.

As a digital-first company with a unique, developed ecosystem and hundreds of thousands of do-it-yourself investors, we have a head start in the race. In FY24 we had 13.5 million website pageviews with 6.5 million visits. New free sign ups to InvestSMART and Intelligent Investor grew to an average of 1,300 per month. We have 142,000 free portfolio manager accounts monitoring over to $36 billion in assets. InvestSMART is at the forefront of digital advice.

FUNDS UNDER MANAGEMENT

The InvestSMART Professionally Managed Accounts investment platform (PMA) was launched in 2018 and contains many innovative features. PMA investment accounts focus on investing into our selection of preferred ETFs which provide a balance between performance returns, cost efficiency and risk diversification. The investor portfolio is registered under the investor's name in a unique HIN, giving the investor legal and beneficial ownership of the underlying securities. PMA fees are capped at $550 per annum, a unique feature in a wide product landscape. The simplicity of the product and technology have allowed us to cap fees. The number of PMA accounts at year end is 2,671, a 7% increase compared to the prior year end.

We came to realise that our technology and governance infrastructure could be offered to external managers for a fee. We launched our white label online investing platform in March 2024 with the appointment of our first external investment manager, The Rask Group Pty Ltd (Rask Invest). Under the arrangement, Rask Invest clients will have their funds professionally managed by Rask Invest in one of three Rask investment portfolios within the InvestSMART Professionally Managed Accounts. InvestSMART will provide the back-end administrative, compliance and technological platform utilising InvestSMART's proprietary digital solutions. White label FUM is $4.2 million at 30 June 2024.

Rounding out our offering we have Australian active funds managed by Intelligent Investor including Income, Growth, Ethical and Select Value Funds. These funds are offered as active exchange traded funds on the ASX and provide low-cost access to managed funds for investors on the ASX CHESS platform with low minimum investment requirements, enhanced transparency (ongoing quotation) and simplicity (application and redemption process is through the ASX CHESS platform). We conduct secondary offerings for each fund on an annual basis to our growing community of investors. Our universe has been constrained by the size of the Australian market for Income, Growth and Ethical products (Select Value invests in international and domestic shares). We amended the pds for our Ethical Fund to allow investment of up to 30% of the portfolio in international shares from 1 July 2024. Total Funds Under Management for these funds was $305m at 30 June 2024, 8% higher than a year earlier.

SUBSCRIPTIONS

Intelligent Investor and *Eureka Report* continue to deliver original, relevant, expert, timely commentary and financial recommendations. In November we made the decision to merge the publications publishing under the Intelligent Investor brand. The merger is designed to ensure a more coherent and streamlined reader experience for members. It will also have the added benefit of reducing the administrative burden on our developers and focus marketing efforts on one subscription product. Subscriptions are an important element in the InvestSMART ecosystem, generating valuable cash flow, search engine optimisation and, critically, trust.

Retention for all products remains stable with an annual churn rate of 25% at 30 June 2024. We expect churn rates to remain stable as evidenced by the number of subscribers who chose to renew in advance before 30 June and the response we received to increasing prices by 12% from 1 July 2024. Unfortunately, we have not been able to attract the same volume of new members to our products through FY23 and FY24. Our long-term expectation for subscriptions remains low single digit growth in revenue and number of subscribers.

CORPORATE GOVERNANCE

Please refer to the Corporate Governance Statement in this report and the required Appendix 4G for detail on how we meet our corporate governance requirements and standards. During the year Effie Zahos resigned as a non-executive director role to transition into a role as our Chief Content Officer. We have not replaced that seat as we believe that we have the correct mix of independence and skills for the size and complexity of the Group. The Board and its sub-committees meet regularly and, in addition, there are other sub-committees within the Group for oversight and governance, for example the Investment Committee and the Responsible Entity Compliance Committee. Regular Board meetings include standing items on strategy, performance, compliance and cybersecurity.

OUTLOOK

With a fully developed product suite and a unique ecosystem, our focus is to accelerate the growth of funds management income. Making it easier for our clients to invest with us by providing better online experiences with fewer manual processes is central to that goal. InvestSMART provides ideal low-cost solutions for the majority of Australians.

The Board remains confident in InvestSMART's long term strategy to be Australia's #1 digital wealth platform for all Australians looking to take control of their investments to meet their financial goals.

The Board would like to thank our staff, shareholders, and clients for their continued contribution to the ongoing success of our business. We look forward to realising the full potential of our business over coming years and celebrating with you our future success.

Paul Clitheroe
Chairman

Ron Hodge
Managing Director

CORPORATE GOVERNANCE STATEMENT

The InvestSMART Board is committed to achieving and demonstrating best practice standards of corporate governance with the Australian Stock Exchange (ASX) regulations. Our goal is to ensure we protect the rights and interests of all stakeholders and ensure the company is properly managed through the implementation of sound strategies and action plans.

We achieve this through good management and by supervising an integrated framework of controls over the company's resources to ensure our commitment to high standards of ethical behaviour. In developing corporate governance policies and practices for the Group, the Company takes into account the Constitution of the Company (Constitution) and applicable legislation and standards, including:

- Corporations Act 2001 (Cth) (Corporations Act);
- Australian Securities Exchange Listing Rules (Listing Rules);
- Corporate Governance Principles and Recommendations, 4th Edition published by the ASX Corporate Governance Council (ASXCGC); and
- legislation governing Australian Financial Services Licences and other licences held by members of the Group.

A description of the company's corporate governance practices is set out in the Company's corporate governance statement which can be viewed at https://www.investsmart.com.au/shareholder-centre/governance. The 2024 corporate governance statement is dated 28 August 2024 and is approved by the Board. The statement reflects the corporate governance practices in place throughout the 2024 financial year.

Our remuneration report is enclosed in the annual report and outlines group remuneration policies, Board performance and the senior executive remuneration policies and compensation.

DIRECTORS' REPORT

The Directors present their report on InvestSMART Group Limited (the Company) and its subsidiaries (collectively the Group) for the financial year ended 30 June 2024.

Review of operations

The table below shows the consolidated performance of the Group for the years ended 30 June 2024 and 30 June 2023. This information is presented to show the relative changes in operating income over the period.

	2024	2023
	$	$
Management fees - funds	3,390,763	3,150,693
Performance fees - funds	233,236	160,557
Subscription income	4,806,519	5,375,493
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Employee costs	5,824,824	5,922,906
Marketing costs	656,148	1,175,723
Other operating expenses	3,266,974	3,185,766
Total Operating Expenses	10,123,816	10,680,027
Operating Profit/(Loss)	(396,185)	(627,408)
Interest income	255,331	144,989
Government grants	113,856	58,600
Employee benefit expense and contingent payments	(102,551)	(148,379)
Amortisation of intangibles	(541,692)	(570,688)
Restructure costs	(230,982)	-
Profit/(loss) before income tax	(902,223)	(1,142,886)
Income tax benefit	137,877	168,321
Profit/(loss) for the period	(764,346)	(974,565)

Total operating income decreased by 3% compared to the prior year. Management fees - funds increased by 8% compared to the prior year. Total funds under management increased from $533 million at 30 June 2023 to $611 million at 30 June 2024. Funds under management consists of Professionally Managed Accounts (portfolios of exchange traded funds under a capped fee model on the InvestSMART platform) and Intelligent Investor ASX listed Active Exchange Traded Funds. Subscription income declined by 11% compared to the prior year. Total subscribers declined by 10% from 9,230 subscribers at 30 June 2023 to 8,331 subscribers at 30 June 2024. Funds management fees and subscription income are the focus areas of the business moving forward.

Employee costs decreased by 2% compared to the prior year. Total staff decreased from 41 at 30 June 2023 to 33 at 30 June 2024. Marketing costs decreased by 44% compared to the prior year. Marketing is focussed on content which underpins distribution through SEO, PR and many other avenues. Expenditure on above the line and digital advertising decreased during the year ended 30 June 2024.

Restructure costs relates to the cost of redundancy notice periods in-lieu and redundancy pay which was substantially enacted in March 2024.

Cash and cash equivalents is $7.74 million at 30 June 2024 compared to $7.81 million at 30 June 2023.

The Net Tangible Assets of the Group is 3.69c per fully paid ordinary share at 30 June 2024 (2023: 3.92c).

The Group has substantial realised capital tax losses that have not been recognised in the financial statements as the Directors believe there are negligible opportunities to utilise those losses in the medium term.

Significant Changes in State of Affairs
There were no significant changes in the Group's state of affairs during the period.

Principal Activities
The principal activities of the Group during the year were the provision of financial services and products to retail investors in particular in the areas of funds management, wealth management and personal insurance.

Events Subsequent to Balance Date
There have been no significant events since 30 June 2024 up to the date of this report.

Business strategies and prospects
The Group will continue to focus on increasing the conversion of users of free products on its website and mobile application to new subscribers and investors in its fund management products. The Group continues to offer free portfolio management services, free content, calculators, education and tools as part of the conversion and trust building process. The Group will continue to focus marketing efforts on our products through targeted campaigns, digital advertising, search engine optimisation and media coverage.

Attrition rates for insurance commissions are expected to continue.

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

Dividends
No dividend has been declared, recommended or paid for the financial year ended 30 June 2024 (2023: nil).

Earnings/loss per share
Basic loss per share and diluted loss per share is 0.69 cents (2023: 0.88c).

Business Risks
The Group accepts that it is exposed to risks inherent in the services provided. The Group has adopted an enterprise risk management model to mitigate the likelihood of these risks occurring. The Audit, Risk and Compliance Committee appointed by the Board of InvestSMART Group Limited has oversight of the Risk Management Policy, Risk Register and the risk management process. In summary The Group is exposed to the following risks:

- Market and Investment – market conditions, volatility and counterparty risk
- Operational – Outsourcing, fraud and valuation of assets
- Financial – capital management and liquidity
- Technology – data, cyber security and malicious activity
    - Loss of personal data may result in compensation, regulatory notification and reputational damage
    - Denial of service attacks may result in an inability to provide services for a period of time

  The Group continually reviews its cyber resilience including, but not limited to, protection, detection, response and recovery.
- Human Resources – loss of key personnel and employee misconduct
- Strategic – execution of strategy and competition

- Regulatory – adverse regulatory change and non-compliance with laws and regulations
- Reputational
- Governance

The Treasury Laws Amendment (Responsible Buy Now Pay Later and Other Measures) Bill 2024 (Cth) is before the Senate. Legislation may result in regulation of the Fundlater product under the National Consumer Credit Protection Act 2009 (Cth) by extending the application of the Credit Code to buy now, pay later contracts. InvestSMART Advice Pty Ltd, a subsidiary within the Group, holds an Australian Credit Licence. The effect, if any, on future Fundlater activity is under review at the date of this report.

Directors

The names and details of the Directors of the Company who held office during the year and at the date of this report (unless otherwise specified) are:

Paul Clitheroe AM *(Appointed Non-Executive Chairman 26 November 2014, appointed Executive Chairman 31 March 2015, reappointed Non-Executive Chairman 24 February 2016)*
Non-executive Chairman
Bachelor of Arts (UNSW), SNF Fin, CFP
Age 69

Paul Clitheroe was a founding director of leading financial planning firm ipac and has been involved in the investment industry since he graduated from the University of New South Wales in the late 1970s. From 1993 to 2002 Paul hosted the popular Channel 9 program *Money.* Since 1999 he has been the chairman and chief commentator of *Money* magazine. He writes personal finance columns for metropolitan, suburban and regional newspapers across Australia. Paul has been a media commentator and conference speaker for more than 30 years and is regarded as one of Australia's leading experts in the field of personal investment strategies and advice.

Paul is Chairman of the Ensemble Theatre Foundation, Chairman of Ecstra (formerly Financial Literacy Australia) and Chairman of the youth anti-drink driving body, RADD. In 2012, Macquarie University appointed Paul as Chair of Financial Literacy. He is a Professor with the School of Business and Economics.

Paul was previously Chairman of Monash Absolute Investment Company Ltd (commenced: January 2016, ceased: September 2022) and a Director of Wealth Defender Equities Ltd, both ASX-listed investment companies.

Michael Shepherd AO *(Appointed 1 March 2014)*
Lead Independent Non-Executive Director
Chairman of the Audit, Risk and Compliance Committee
Chairman of the Nomination and Remuneration Committee
SF Fin, MAICD
Age 74

Michael Shepherd has had a successful career in financial services over more than 40 years. He was a director of ASX Limited and group between 1988 and 2007, including a term as Vice-Chairman between 1993 and 2007. Michael was also Chairman of the ASX Derivatives Board and Chairman of the ASX Market Rules Committee.

Michael is currently Chairman of Navigator Global Investments Limited (a listed investment management company, commenced 16/12/2009) and a member of the Responsible Entity Compliance Committee of UBS Global Asset Management (Australia) Limited. He is also a Senior Fellow and Life Member, Financial Services

Institute of Australasia, after being a director of that body between 2001 and 2009, including 2 years as National President.

Peter Ronald Hodge *(Appointed 1 September 2015, appointed Managing Director 24 February 2016)*
Managing Director
BCom, BEcon, MSc, FFin, GAICD
Age 53

Ron Hodge was the founder of InvestSMART in 1999. Mr Hodge later sold this business to Fairfax Media in October 2007 where he continued as General Manager. He has worked in financial services for over 25 years, including at UBS in Singapore and Bell Commodities in Sydney. Ron holds a Masters degree in Computer Science, Bachelors Degree in Commerce, Bachelors Degree in Economics, a Graduate Diploma in Applied Finance and Investments and is a Graduate of the Australian Institute of Company Directors.

Effie Zahos *(Appointed 11 November 2020, resigned 13 December 2023)*
Independent Non-executive Director
BEcon
Age 54

Effie Zahos is one of Australia's leading personal finance commentators with more than two decades of experience helping Australians make the most of their money. A regular money expert on Channel 9's Today Show and on radio around Australia, Effie is also the author of The Great $20 Adventure, A Real Girl's Guide to Money and Ditch the Debt and Get Rich.

Effie resigned from the Board in December 2023 to commence a role within the Group as Chief Content Officer. Effie was editor of Money magazine until 2019, having helped establish it in 1999 and Editor-at-Large of Canstar. Passionate about financial literacy, Effie sits on the board of directors for Ecstra, a not-for-profit organisation committed to building the financial capability of all Australians.

Effie holds a Bachelor of Economics Degree from the University of Queensland.

Company Secretary
Catherine Teo was appointed Company Secretary and General Counsel on 12 February 2019. Catherine is a qualified lawyer, admitted in the Supreme Court of New South Wales and the High Court of Australia and has over ten years' experience as a corporate lawyer. Catherine resigned as Company Secretary on 25 February 2021 to commence maternity leave. Catherine was reappointed as company secretary on 31 January 2022.

Meetings of Directors

The number of Directors' Meetings (including Meetings of Committees of Directors) and number of Meetings attended by each of the Directors of the Company during the 2024 financial year were:

	Directors' Meetings		Meetings of Audit, Risk and Compliance Committee		Meetings of Nomination and Remuneration Committee		Meetings of Investment Committee	
	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended	Meetings eligible to attend	Meetings attended
Paul Clitheroe	7	6	5	4	1	-	4	4
Ron Hodge	7	7	-	-	-	-	4	4
Michael Shepherd	7	6	5	4	1	1	-	-
Effie Zahos	3	3	3	3	1	1	4	4

Interests in the Securities of the Company

The relevant interests of each Director in the securities of the Company shown in the Register of Directors' Shareholdings as at the date of this report are:

Director	Ordinary Shares
Paul Clitheroe	5,000,000
Michael Shepherd	600,000
Peter Ronald Hodge	14,901,760

Directors are not required under the Company's constitution to hold any shares, options or any other securities in the Company.

Interests in Contracts or Proposed Contracts with the Company

Paul Clitheroe and Ron Hodge have received loans from the company as part of the Employee and Directors Share Plan (EDSP) as detailed below.

Paul Clitheroe and related parties held three Fundlater loans during the year. Ron Hodge and related parties held two Fundlater loans at the beginning of the year. During the year these loans were repaid in full. Subsequently Ron Hodge and related parties received two further Fundlater loans during the year of $6,000 each. The Fundlater loans were issued by InvestSMART Financial Services Pty Ltd. The loans were sold to Eureka Asset-Backed Loan Fund, a Fund issued by InvestSMART Funds Management Limited.

Other than as noted above, none of the Directors have an interest in, or proposed interests in, contracts with the Group.

Unitholdings in Funds
The number of units held during the year by each Director in funds for which InvestSMART Funds Management Ltd acts as Responsible Entity:

	Balance at 30 June 2023	Units acquired	Units disposed	Balance at 30 June 2024
Intelligent Investor Australian Equity Growth Fund				
Paul Clitheroe	49,509	2,848	-	52,357
Michael Shepherd	12,602	724	-	13,326
Intelligent Investor Select Value Share Fund				
Ron Hodge	20,000	-	-	20,000
Professionally Managed Accounts				
Paul Clitheroe	3	-	-	3
Ron Hodge	3	1	1	3
Eureka Asset-Backed Loan Fund				
Ron Hodge	290,000	-	55,000	235,000

Remuneration Report (Audited)

The Group's remuneration policy is designed to offer a remuneration structure that aligns management incentives with the interests of shareholders and attracts and retains employees and Directors who have extensive experience in the financial services industry and are knowledgeable in investment management best practice. Remuneration is reviewed at least annually by the Nomination and Remuneration committee, which consists of non-executive directors.

All Directors must have a commitment to good corporate governance. The primary role of the non-executive Directors is the protection and enhancement of sustainable shareholder value through:
(a) ensuring the control and accountability framework is in place so that all significant issues relating to the operation and performance of the Company and its subsidiary entities are brought to the attention of the Board;
(b) monitoring governance policies, practices and systems to ensure they are effective and appropriate; and
(c) monitoring risk policies, practices and systems to ensure they are effective and appropriate.

The Directors agree the remuneration each Director receives (other than any Managing Director or Director who is a salaried officer), subject to the sum determined by the Company in general meeting. No option or bonus plans are in place for Directors other than those listed below.

Under ASX Listing Rule 10.17, the maximum fees payable to Directors may not be increased without prior approval from the Company at a general meeting. Directors will seek approval from time to time as deemed appropriate.

The Directors will be entitled to receive the following benefits:
(a) the maximum total remuneration of the Directors of the Company (excluding the Managing Director) has been approved by shareholders at $400,000 per annum to be divided amongst them in such proportions as they agree. Directors are not required to allocate the entire amount.
(b) Paul Clitheroe is eligible to participate in the EDSP and received 4,000,000 shares divided into three equal tranches and a corresponding limited recourse loan on 9 December 2020, as approved by shareholders at the Annual General Meeting on 11 November 2020. The EDSP shares replaced the 4,000,000 LTIP shares previously issued. Paul's shares have no performance conditions. The first tranche is issued at 15 cents and vested immediately. The second tranche is issued at 20 cents and vested on 30 November 2021. The third tranche is issued at 30 cents and vested on 30 November 2022. The loan relating to each tranche is repayable 5 years after each tranche vests.

(c) Ron Hodge, as Managing Director, is eligible to participate in the EDSP and received 4,566,665 shares divided into three equal tranches and a corresponding limited recourse loan on 9 December 2020, as approved by shareholders at the Annual General Meeting on 11 November 2020. The EDSP shares replaced the 4,566,665 LTIP and ESOP shares previously issued. Ron's shares have no performance conditions. The first tranche is issued at 15 cents and vested immediately. The second tranche is issued at 20 cents and vested on 30 November 2021. The third tranche is issued at 30 cents and vested on 30 November 2022. On 8 December 2021 Ron received 210,000 EDSP shares at a price of 25c in lieu of cash as part of the Group's short-term incentive plan (STI) as approved by shareholders at the Annual General Meeting on 17 November 2021. The shares vested immediately. On 8 December 2022 Ron received 120,000 EDSP shares at a price of 34c in lieu of cash as part of the Group's short-term incentive plan (STI) as approved by shareholders at the Annual General Meeting on 23 November 2022. The shares vested immediately. On 6 December 2023 Ron received 166,667 EDSP shares at a price of 14.5c in lieu of cash as part of the Group's short-term incentive plan (STI) as approved by shareholders at the Annual General Meeting on 22 November 2023. The shares vested immediately. The loan relating to each tranche of shares is repayable 5 years after each tranche vests.

Key management personnel may receive fixed remuneration as cash, shares through the Group's EDSP and cash or shares through the Group's short-term incentive plan (STI). Fixed remuneration is reviewed at least annually. The Group aims to position executives and staff at or near the median for comparable roles in a similar industry. Consideration is also given to capability, experience, performance and other elements of remuneration.

All staff and executives are entitled to participate in the STI scheme as part of their total remuneration subject to Group and employee specific indicators. The Group performance indicator is budgeted revenue for the financial year. The total STI pool is determined by the Group's relative performance against budget. The total value of the STI pool increases at a predetermined rate as outperformance against budget increases. Executives and employees receive an STI from this bonus pool where they achieve individual key performance indicators. The STI may be received in cash or shares, subject to restrictions of a cap on cash amount and availability of shares to be issued. The performance conditions were chosen to incorporate overall performance of the company against budget and individual qualitative and quantitative assessments.

The Group has linked performance with compensation in relation to the performance of the InvestSMART Group share price through the Group's Employee and Director Share Plan (EDSP), which is an equity-settled share-based payment to employees and Directors. On 9 December 2020 all shares issued under the company's previous equity-settled share-based payment plans, the Long-Term Incentive Plan (LTIP) and the Employee Share Ownership Plan (ESOP) were bought back and new shares issued under the new EDSP plan. The market price of InvestSMART Group on this date was 9.1 cents. The value of any benefits given to Directors or key management personnel (KMP) is detailed below.

The table below reflects results and measurements recommended by the Corporations Act for discussion of the relationship between company performance and remuneration.

	2024	2023	2022	2021	2020
Revenue ($)	10,104,491	10,266,019	9,702,468	8,680,504	10,613,052
Total comprehensive profit/(loss) ($)	(764,346)	(974,565)	(740,176)	35,778	(1,335,658)
Share price ($)	0.100	0.170	0.240	0.215	0.074
Dividends declared and paid ($)	-	-	-	-	-
Shares bought back on market	10,000	-	-	377,823	-

The Group continues to focus on consistently growing revenue in funds management to add shareholder value. Funds management commissions on new products were abolished in 2014 with existing commissions arrangements grandfathered. This meant that this revenue source would decline consistently. This revenue source was permanently banned from 1 January 2021. In 2022 and 2023 the Group grew revenue. In 2024 the loss of some subscribers and the continued attrition of insurance commissions resulted in a revenue decline of 1.6%. The Group's earnings have been negative in some years due to the strategic plan of the business. The table below shows the decline in commissions revenue and progress growing funds management and subscriptions revenue:

	2024	2023	2022	2021	2020
Funds management fees ($)	3,623,999	3,311,250	2,690,468	1,456,246	900,213
Subscription revenue ($)	4,806,519	5,375,493	5,278,786	4,883,208	4,350,653
Commissions on funds management and insurance ($)	1,272,143	1,349,487	1,439,998	2,071,280	5,295,069

The Directors' remuneration for the year ended 30 June 2024 is detailed in the following table:

		Short-term benefits			Post-employment benefits	Long-term benefits	Share based payments^	
Name of Director		Base remuneration	Cash bonus	Annual Leave*	Super-annuation	Long Service Leave*	Equity settled	Total
		$	$	$	$	$	$	$
Paul Clitheroe	FY24	82,192	-	-	9,041	-	-	91,233
	FY23	82,192	-	-	8,630	-	1,475	92,297
Michael Shepherd	FY24	82,192	-	-	9,041	-	-	91,233
	FY23	82,192	-	-	8,630	-	-	90,822
Ron Hodge	FY24	272,727	-	3,051	30,000	4,553	11,023	321,354
	FY23	272,727	-	(4,500)	28,636	4,543	19,361	320,767
Effie Zahos#	FY24	25,000	-	-	-	-	-	25,000
	FY23	60,000	-	-	-	-	-	60,000
TOTAL	FY24	462,111	-	3,051	48,082	4,553	11,023	528,820
	FY23	497,111	-	(4,500)	45,896	4,543	20,836	563,886

^ Share-based payments consists of apportioned expense under AASB 2 – Share-based payments for EDSP shares issued
* The movement in annual leave and long service leave entitlements accrued during the year
# Effie resigned from the Board in December 2023 to commence a role within the Group as Chief Content Officer. Remuneration in this table is for Effie's role as a Director.

No Director of the Company has received or become entitled to receive a benefit, other than a remuneration benefit as disclosed in the notes to the financial statements, by reason of a contract made by the Company or a related entity with the Director or with a firm of which they are a member, or with a Company in which they have a substantial interest. Paul Clitheroe and related parties held three Fundlater loans during the year. Ron Hodge and related parties held two Fundlater loans at the beginning of the year. During the year these loans were repaid in full. Subsequently Ron Hodge and related parties received two further Fundlater loans during the year of $6,000 each. The Fundlater loans were issued by InvestSMART Financial Services Pty Ltd. The loans were sold to Eureka Asset-Backed Loan Fund, a Fund issued by InvestSMART Funds Management Limited.

Key Management Personnel

Ron Hodge (Managing Director), Nigel Poole (Chief Technology Officer), Alastair Davidson (Head of Funds Management) and Andrew Ward (Chief Financial Officer) were considered to be Key Management Personnel ("KMP") for the year ended 30 June 2024. All of the KMP are on ongoing contracts which require from the KMP 3 months' written notice of intention to terminate employment. The Board may terminate the employment of a KMP with 6 months' written notice, if without cause.

The remuneration of the key management personnel who were not Directors for the year to 30 June 2024 is shown below.

		Short-term benefits			Post-employment benefits	Long-term benefits	Share based payments^	
Name of KMP		Base remuneration	Cash bonus	Annual Leave*	Super-annuation	Long Service Leave*	Equity settled	Total
		$	$	$	$	$	$	$
Nigel Poole	FY24	243,053	8,985	(7,184)	27,526	5,287	-	277,667
	FY23	237,613	16,290	(432)	26,660	4,726	1,647	286,504
Alastair Davidson	FY24	169,986	-	(222)	18,698	2,833	4,587	195,882
	FY23	204,377	-	3,215	21,460	4,320	16,428	249,800
Andrew Ward#	FY24	224,727	-	(1,941)	24,720	3,754	14,219	265,479
	FY23	223,636	-	3,494	23,482	4,324	10,040	264,976

^ Share-based payments consists of apportioned expense under AASB 2 – Share-based payments for EDSP shares issued

* The movement in annual leave and long service leave entitlements accrued during the year

#Andrew Ward is recognised as a KMP from 1 July 2023. Prior year information is shown to disclose comparative information

Shares held by Key Management Personnel and Directors

Security	Balance at 30 June 2022	Shares acquired during the year	Balance at 30 June 2023	Shares acquired during the year	Balance at 30 June 2024	Approval or issue date	Value at issue date	Estimated or actual vesting date	Vested balance at 30 June 2022	Shares vested during the year	Vested Balance at 30 June 2023	Shares vested during the year	Vested balance at 30 June 2024
Paul Clitheroe	**5,000,000**	**-**	**5,000,000**	**-**	**5,000,000**				**2,666,666**	**1,333,334**	**4,000,000**	**-**	**4,000,000**
Fully Paid Issued Capital	1,000,000	-	1,000,000	-	1,000,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EDSP 1	1,333,333	-	1,333,333	-	1,333,333	9/12/2020	0.019	9/12/2020	1,333,333	-	1,333,333	-	1,333,333
EDSP 2	1,333,333	-	1,333,333	-	1,333,333	9/12/2020	0.018	30/11/2021	1,333,333	-	1,333,333	-	1,333,333
EDSP 3	1,333,334	-	1,333,334	-	1,333,334	9/12/2020	0.014	30/11/2022	-	1,333,334	1,333,334	-	1,333,334
Michael Shepherd	**600,000**	**-**	**600,000**	**-**	**600,000**								
Fully Paid Issued Capital	600,000	-	600,000	-	600,000	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ron Hodge	**14,415,093**	**270,000**	**14,685,093**	**216,667**	**14,901,760**				**3,254,442**	**1,642,223**	**4,896,665**	**166,667**	**5,063,332**
Fully Paid Issued Capital	9,638,428	150,000	9,788,428	50,000	9,838,428	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EDSP 1	1,522,221	-	1,522,221	-	1,522,221	9/12/2020	0.019	9/12/2020	1,522,221	-	1,522,221	-	1,522,221
EDSP 2	1,522,221	-	1,522,221	-	1,522,221	9/12/2020	0.018	30/11/2021	1,522,221	-	1,522,221	-	1,522,221
EDSP 3	1,522,223	-	1,522,223	-	1,522,223	9/12/2020	0.014	30/11/2022	-	1,522,223	1,522,223	-	1,522,223
EDSP 4	210,000	-	210,000	-	210,000	8/12/2021	0.089	8/12/2021	210,000	-	210,000	-	210,000
EDSP 5	-	120,000	120,000	-	120,000	8/12/2022	0.147	8/12/2022	n/a	120,000	120,000	-	120,000
EDSP 9	-	-	-	166,667	166,667	6/12/2023	0.066	6/12/2023	n/a	n/a	n/a	166,667	166,667
Nigel Poole	**4,466,666**	**-**	**4,466,666**	**-**	**4,466,666**				**2,977,777**	**1,488,889**	**4,466,666**	**-**	**4,466,666**
EDSP 1	1,488,888	-	1,488,888	-	1,488,888	9/12/2020	0.019	9/12/2020	1,488,888	-	1,488,888	-	1,488,888
EDSP 2	1,488,889	-	1,488,889	-	1,488,889	9/12/2020	0.018	30/11/2021	1,488,889	-	1,488,889	-	1,488,889
EDSP 3	1,488,889	-	1,488,889	-	1,488,889	9/12/2020	0.014	30/11/2022	-	1,488,889	1,488,889	-	1,488,889

Security	Balance at 30 June 2022	Shares acquired during the year	Balance at 30 June 2023	Shares acquired during the year	Balance at 30 June 2024	Approval or issue date	Value at issue date	Estimated or actual vesting date	Vested balance at 30 June 2022	Shares vested during the year	Vested Balance at 30 June 2023	Shares vested during the year	Vested balance at 30 June 2024
Alastair Davidson	**5,792,604**	**120,000**	**5,912,604**	**243,623**	**6,156,227**				**3,147,777**	**1,608,889**	**4,756,666**	**83,333**	**4,839,999**
Fully Paid Issued Capital	1,155,938	-	1,155,938	160,290	1,316,228	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EDSP 1	1,488,888	-	1,488,888	-	1,488,888	9/12/2020	0.019	9/12/2020	1,488,888	-	1,488,888	-	1,488,888
EDSP 2	1,488,889	-	1,488,889	-	1,488,889	9/12/2020	0.018	30/11/2021	1,488,889	-	1,488,889	-	1,488,889
EDSP 3	1,488,889	-	1,488,889	-	1,488,889	9/12/2020	0.014	30/11/2022	-	1,488,889	1,488,889	-	1,488,889
EDSP 4	170,000	-	170,000	-	170,000	1/09/2021	0.089	1/09/2021	170,000	-	170,000	-	170,000
EDSP 5	-	120,000	120,000	-	120,000	21/09/2022	0.123	21/09/2022	n/a	120,000	120,000	-	120,000
EDSP 9	-	-	-	83,333	83,333	4/09/2023	0.055	4/09/2023	n/a	n/a	n/a	83,333	83,333
Andrew Ward	**1,050,000**	**120,000**	**1,170,000**	**633,333**	**1,803,333**				**750,000**	**420,000**	**1,170,000**	**133,333**	**1,303,333**
EDSP 1	300,000	-	300,000	-	300,000	9/12/2020	0.019	9/12/2020	300,000	-	300,000	-	300,000
EDSP 2	300,000	-	300,000	-	300,000	9/12/2020	0.018	30/11/2021	300,000	-	300,000	-	300,000
EDSP 3	300,000	-	300,000	-	300,000	9/12/2020	0.014	30/11/2022	-	300,000	300,000	-	300,000
EDSP 4	150,000	-	150,000	-	150,000	1/09/2021	0.089	1/09/2021	150,000	-	150,000	-	150,000
EDSP 5	-	120,000	120,000	-	120,000	21/09/2022	0.123	21/09/2022	n/a	120,000	120,000	-	120,000
EDSP 9	-	-	-	133,333	133,333	4/09/2023	0.055	4/09/2023	n/a	n/a	n/a	133,333	133,333
EDSP 10	-	-	-	166,666	166,666	4/09/2023	0.046	19/09/2024	n/a	n/a	n/a	-	-
EDSP 11	-	-	-	166,667	166,667	4/09/2023	0.045	19/09/2025	n/a	n/a	n/a	-	-
EDSP 12	-	-	-	166,667	166,667	4/09/2023	0.045	19/09/2026	n/a	n/a	n/a	-	-

EDSP 1, 2 and 3 shares were approved by shareholders at the Annual General Meeting on 11 November 2020. Maturity dates are 30 November 2025 for EDSP 1, 30 November 2026 for EDSP 2 and 30 November 2027 for EDSP 3. Issue prices are 15c (EDSP 1), 25c (EDSP 2) and 30c (EDSP 3). EDSP 4 shares were issued in lieu of cash bonus in September 2021, vest immediately and have an issue price of 25c. EDSP 5 shares were issued in lieu of cash bonus in September 2022, vest immediately and have an issue price of 34c. EDSP 9 shares were issued lieu of cash bonus in September 2023, vest immediately and have an issue price of 14.5c. Maturity dates are 5 years post issuance. Ron Hodge's EDSP 4, 5 and 9 shares were approved at the Annual General Meeting in November of the year in which they were issued. The EDSP shares have no performance conditions in order to vest. The directors believed that the issue prices for the EDSP shares better aligned the interests of Paul Clitheroe and key management personnel with the shareholders.

The EDSP shares issued are dependent on the relevant director or employee not resigning or being dismissed for cause before each tranche vests.

Key management personnel transactions concerning dividends and ordinary shares are on the same terms and conditions applicable to ordinary shareholders.

This concludes the Remuneration Report which has been audited.

Insurance of Directors

During the financial year, the Company has given indemnity and paid insurance premiums to insure Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Directors or officers of the Company or subsidiaries, other than conduct involving a wilful breach of duty in relation to the Company or subsidiaries. Details of the nature of the liabilities covered and the amount of premiums paid have not been disclosed as disclosure is prohibited under the terms of the contract.

Indemnification of auditors

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

Non-Audit Services

A network firm, BDO Services Pty Ltd, received $40,238 for non-audit services (taxation services). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act. No other non-audit services have been provided by the auditor or by another person on the auditor's behalf during the year. This statement has been made in accordance with advice provided by the Company's audit committee and has been endorsed by a resolution of that committee.

Proceedings on behalf of the Group

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the Corporations Act 2001.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on page 20.

The annual directors' report is signed in accordance with a resolution of the Directors.

Ron Hodge
Managing Director and CEO
Dated this 28th day of August 2024 at Sydney

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Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF INVESTSMART GROUP LIMITED

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

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

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

Tim Aman
Director

BDO Audit Pty Ltd
Sydney
28 August 2024

Consolidated Statement of Comprehensive Income

	Notes	2024 $	2023 $
Management fees - funds		3,390,763	3,150,693
Performance fees - funds		233,236	160,557
Subscription income		4,806,519	5,375,493
Commission income - insurance		1,272,143	1,349,487
Other income	3	398,092	229,433
Net gain on financial instruments at fair value through profit and loss	4	3,738	356
Total Income		**10,104,491**	**10,266,019**
Accounting and administrative costs		779,535	664,947
Audit fees	23	192,869	174,994
Business insurance		329,971	322,240
Commission rebates		375,870	395,632
Directors' fees		207,466	241,644
Employee costs		6,046,502	5,974,705
Legal and statutory expenses		88,777	90,331
Marketing and advertising		656,148	1,175,723
Other expenses		397,332	433,127
Software and website costs		1,058,638	1,036,516
Depreciation and amortisation		771,055	802,466
Employee benefit expense	16	102,551	96,580
Total expenses		**11,006,714**	**11,408,905**
Profit/(loss) before income tax		**(902,223)**	**(1,142,886)**
Income tax benefit	7	137,877	168,321
Profit/(loss) for the year		**(764,346)**	**(974,565)**
Other comprehensive income, net of income tax		-	-
Total comprehensive profit/(loss) for the year		**(764,346)**	**(974,565)**
Basic earnings/(loss) per share (cents per share)	20	(0.69)	(0.88)
Diluted earnings/(loss) per share (cents per share)	20	(0.69)	(0.88)

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

Consolidated Statement of Financial Position

	Notes	2024 $	2023 $
ASSETS			
Cash and cash equivalents	19	7,736,213	7,812,215
Trade and other receivables	8	1,036,710	827,546
Prepayments and deposits		428,064	215,664
Financial assets at fair value through profit and loss	5	63,393	39,255
Loans receivable	6	167,850	41,600
Fixed assets, including software	12	72,422	92,703
Right of use asset	9	398,335	595,633
Deferred tax asset	7	363,944	410,814
Intangibles	11	260,489	802,181
Total assets		**10,527,420**	**10,837,611**
LIABILITIES			
Trade and other payables	13	840,398	806,504
Trail commissions to rebate		226,367	241,988
Subscriptions received in advance		3,509,142	2,788,805
Provisions	14	799,803	801,522
Lease liability	9	440,482	639,822
Deferred tax liability	7	164,706	349,453
Total liabilities		**5,980,898**	**5,628,094**
Net assets		**4,546,522**	**5,209,517**
EQUITY			
Issued capital	17	58,561,295	58,562,495
Employee Benefit reserve	16	2,433,725	2,331,174
Retained losses		(56,448,498)	(55,684,152)
Total equity		**4,546,522**	**5,209,517**

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

Consolidated Statement of Changes in Equity

	Notes	Issued Capital $	Retained losses $	Employee Benefit Reserve $	Total Equity $
Balance at 30 June 2022		58,541,495	(54,709,587)	2,234,594	6,066,502
Comprehensive loss for the year		-	(974,565)	-	(974,565)
Employee benefit share reserve	16	-	-	96,580	96,580
Payment of Employee Share Plan Loans		21,000	-	-	21,000
Balance at 30 June 2023		58,562,495	(55,684,152)	2,331,174	5,209,517
Comprehensive loss for the year		-	(764,346)	-	(764,346)
Employee benefit share reserve	16	-	-	102,551	102,551
Buyback of issued capital - on market		(1,200)	-	-	(1,200)
Balance at 30 June 2024		58,561,295	(56,448,498)	2,433,725	4,546,522

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

Consolidated Statement of Cash Flows

		2024	2023
Cash flows from operating activities	Notes	$	$
Receipts from customers		10,235,065	10,133,643
Payments to suppliers and employees		(10,328,954)	(10,349,086)
Interest received		255,331	144,989
Government grants and tax incentives		121,530	68,411
Net cash provided by/(used in) operating activities	19(a)	**282,972**	**(2,043)**
Cash flows from investing activities			
Purchase of investments		(20,400)	(30,000)
Issue of fundlater loans		(1,009,850)	(908,500)
Receipts from repayments of fundlater loans		150,086	150,761
Sale of fundlater loans		733,514	722,350
Purchase of fixed assets		(11,784)	(32,519)
Net cash used in investing activities		**(158,434)**	**(97,908)**
Cash flows from financing activities			
Principal payments for leases		(199,340)	(188,953)
Proceeds from employee share plan loans		-	21,000
Share buy-back		(1,200)	-
Net cash used in financing activities		**(200,540)**	**(167,953)**
Net decrease in cash and cash equivalents		**(76,002)**	**(267,904)**
Cash and cash equivalents at beginning of the year		7,812,215	8,080,119
Cash and cash equivalents at the end of the year	19(b)	**7,736,213**	**7,812,215**

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

Notes to the Consolidated Financial Statements

1. Reporting Entity

InvestSMART Group Limited (the "***Company***") is domiciled in Australia and is the parent entity of the group which includes the entities listed in Note 10 (the "***Group***") and is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. The consolidated financial statements of the Group are presented for the year ended 30 June 2024. The Group is primarily involved in operating businesses delivering financial services to retail investors in Australia, primarily in wealth and funds management.

2. Summary of material accounting policies

Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial report has been prepared on an accruals basis, and is based on historical cost, with the exception of the valuation of financial assets as described below.

The financial statements were authorised for issue by the Directors on the date the Directors' declaration was signed. The directors and shareholders have the power to amend these financial statements after issue.

The following material accounting policies have been adopted in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Adoption of New and Revised Accounting Standards

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

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

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

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

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

Current versus non-current classification
The Group presents assets and liabilities in the Statement of Financial Position based on liquidity and not on a current versus non-current classification. The expected period of recovery or settlement of amounts are disclosed in the relevant notes.

Revenue Recognition

Revenue from contracts with customers

Under *AASB 15 Revenue from Contracts with Customers* an entity recognises revenue by applying the following steps:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group derives revenue from retail customers in Australia. Contract duration is long-term except for subscription revenue which is typically between one month and one year.

The Group has a performance obligation to service customers who have purchased subscriptions in advance and recognises revenue when that subscription service has been delivered. Where a transfer of services has not occurred a contract liability is recognised for subscriptions in advance.

Commission income is derived from trailing commissions on insurance products under a contract to distribute products to the InvestSMART client base. Commissions are recognised when the Group has satisfied its performance obligations, which occurs when control of the goods or services are transferred to the customer. When the performance obligation has been satisfied, the Group will recognise as revenue the amount of the transaction price that is allocated to the performance obligation after excluding any estimates of variable consideration that are constrained.

Management fees – funds are recognised based on net assets under management at the end of each day. Revenue is recognised as the performance obligation is satisfied. Performance fees - funds are recognised when the right to receive payment has been established. The Group's entitlement to a performance fee is dependent on outperformance of the Intelligent Investor Select Value Share Fund over the S&P ASX 200 Accumulation Index and the RBA cash rate over each 12-month period ending 30 June subject to a high-water mark. The high-water mark is the net asset value per Unit at the end of the most recent Calculation Period where there was an entitlement to a performance fee, less any intervening income or capital distribution.

Management and performance fees are variable consideration and are not recognised unless the Group assesses it is probable that a significant reversal in the cumulative amount of revenue will not occur. The performance fee measurement period is the year ending 30 June each year.

Investment and interest revenue

Fundlater fees are recognised in the Consolidated Statement of Comprehensive Income using the effective interest method. Fundlater clients are provided with a non-recourse loan repayable over a fixed period at fixed rate instalments. An effective interest method adjustment is calculated to recognise fees from the date a Fundlater loan is granted to the final instalment at the rate that discounts estimated future cash receipts.

Realised and unrealised gains on investments measured at fair value through profit and loss are recognised in the Statement of Comprehensive Income. Realised gains and losses are calculated as the difference between the consideration received and the fair value at the previous period end.

Dividends and distributions are recognised on the applicable ex-dividend date.

Interest income is recognised as it accrues.

Other income

Other income is recognised when it is received or the right to receive payment is established. Government grants are recognised once all conditions of the grant have been met.

Investments at Fair Value

The Group's investments are all measured at fair value in accordance with AASB 13: Fair Value Measurement.

The fair values of the Group's listed investments are determined from the amount quoted on the primary exchange of the country of domicile. If a listed investment is measured at fair value and has a bid price and an ask price, fair value is based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread.

Changes in the fair value of investments are recognised in the Statement of Comprehensive Income. Transaction costs directly attributable to the acquisition of the investments are expensed in the Statement of Comprehensive Income as incurred.

Loans receivable

Loans receivable consist of Fundlater loans. Fundlater clients are provided with a non-recourse loan repayable over a fixed period at fixed rate instalments consisting of principal and facility fee payments. At initial recognition loans are measured at fair value which is the transaction price.

Subsequently loans are measured at fair value through other comprehensive income (FVOCI) where loans are held within a business model whose objective is achieved by both collecting contractual flows and selling the assets. Loans are measured at amortised cost where loans are held solely to collect contractual cash flows of principal and facility fees. An effective interest method adjustment is calculated to recognise loans receivable at the rate that discounts estimated future cash receipts.

Loss allowances under FVOCI are determined using an allowance for expected credit losses (refer to the accounting policy for impairment of financial assets).

Fundlater fees are recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

When loans receivable at FVOCI are derecognised the cumulative gain or loss recognised in other comprehensive income is reclassified to Other Income in the Statement of Comprehensive Income. Loans receivable are derecognised only when the Group assess that it has transferred the contractual rights to receive cash flows for the asset and substantially all the risks and rewards of ownership of the loan have been transferred.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 30 June 2024 and the results of all subsidiaries for the period from 1 July 2023 to 30 June 2024. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Subsidiaries are all entities (including special purpose entities) over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group, or when they are established.

Associates

An associate is an entity over which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. Investments in associates are accounted for using the equity method of accounting. The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Dividends or distributions received or receivable from an associate reduce the carrying value of the investment. Where an associate was previously a controlled entity of the Group, the deemed cost for applying the equity method is the fair value on the date that the Group ceased to have a controlling interest.

Intercompany transactions and balances

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. 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.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss as the expense category that is consistent with the function of the intangible assets.

Impairment of financial assets

The Group assesses at each reporting date an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Under the general approach for credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Trade receivables consist of commissions, funds management fees receivable and subscription fees due from merchants which are generally received in the month following recognition.

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Share-based Payments to Employees and Directors

Employees (including executive directors) of the Group may receive remuneration in the form of share-based payments, where employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled in the employee benefits reserve.

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. This cost is reversed in the event that an employee forfeits any share-based payment, when leaving the Group or other circumstances.

The expense in the consolidated statement of comprehensive income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Income Tax

The Group has formed a tax consolidated group and has executed tax-sharing agreements with each controlled entity. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the Group also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. The income tax expense (revenue) for the year comprises current income tax expense and deferred tax expense or benefit.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities are measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year. Current and deferred income tax expense is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit and loss. No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised only to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective assets and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with bank and term deposits which are convertible to a known amount of cash within 3 months and subject to insignificant risk of changes in value.

Long service and Annual leave provisions
The Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period for long service leave which has qualified for utilisation and annual leave. However, the Group does not expect its long service leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method.

Expenses
The Group records all expenses on an accruals basis. This includes accounting, audit, legal and administrative fees, management fees, employee costs, marketing and advertising costs, director's fees, travel and accommodation expense, rent expenses, commission rebates, other expenses, market data costs, software and website costs.

Property, Plant and Equipment
All property, plant and equipment is carried at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred. Depreciation on assets is calculated using the straight-line method to allocate their cost, net of residual value, over the estimated useful lives as follows:

Computer and office equipment	2-4 years
Network and production equipment	3-4 years
Leasehold improvements	shorter of the expected fitout life or lease term (approximately 3-5 years)

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST where the receivable or payable has been invoiced before year end.

Earnings/loss per share
Basic earnings/loss per share is calculated by dividing profit/(loss) attributable to members of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for any bonus element. Diluted earnings/(loss) per share is calculated by dividing profit attributable to members of the Company by the total number of ordinary shares that would be outstanding if all the EDSP shares had vested.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Functional and presentation currency
The functional and presentation currency of the Group is Australian dollars.

Leases
At the commencement of a contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For identified leases the Group

recognises a right-of-use asset and a lease liability at the lease commencement date. No assets or liabilities are recognised if the lease is short term (less than 12 months) or of low value.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments) and includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease. Interest expense on the lease liability and depreciation expense (using the straight-line method) on the right-of-use asset is recognised in the statement of profit or loss.

Comparatives
Where necessary, comparative information has been reclassified to be consistent with the current reporting period.

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

The Group has not recognised deferred tax assets relating to carried forward realised capital and revenue losses on the basis that it does not expect to derive sufficient future capital gains to utilise the current losses within a 3 to 5-year time period.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.8%. Refer to Note 9 for further information.

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

3. Other income

	2024	2023
	$	$
Government grants	121,530	68,411
Education - Bootcamp	14,306	11,713
Fundlater Fees	6,925	4,320
Interest	255,331	144,989
	398,092	229,433

Government grants consists of research and development incentives.

4. Change in fair value of financial assets at fair value through profit and loss

	2024	2023
	$	$
Net unrealised gain on investments	3,738	356

5. Financial assets held at fair value

	2024	2023
	$	$
Investments in Professionally Managed Accounts	63,393	39,255

Further information on the fair value determination and the risk exposures of financial assets held at fair value is provided in Note 15.

6. Loans receivable

	2024	2023
	$	$
Loans receivable	167,850	41,600

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

Loans receivable are measured at fair value through other comprehensive income (FVOCI) at 30 June 2024 as the loans are held to collect contractual flows and sell the assets. The Eureka Asset-Backed Loan Fund (EABL) purchases loans from the Group on a regular basis. EABL is issued by InvestSMART Funds Management Limited. The fair value of the loans which were sold to EABL that the Group has derecognised and has continuing involvement in is $434,521 at 30 June 2024.

The Group may be required to repurchase Fundlater loans where they are delinquent within one month of sale to EABL. The fair value at 30 June 2024 of loans that were sold within one month of 30 June 2024 is $116,105 (2023: $53,279). This amount represents the Group's maximum exposure to loss from its continuing involvement in derecognised loans and the undiscounted cash flows that would be required to repurchase the loans. The amount was determined by summing all loans that were sold within one month of 30 June 2024. The maturity of the undiscounted cash flows that would be required to repurchase the derecognised loans is less than 1 month from 30 June 2024.

The greatest amount of transfers of loans that took place during the reporting period is loans with a fair value of $82,175 transferred in August 2023. The proceeds from transfers during August 2023 was $121,300.

The Group assesses at each reporting date an allowance for expected credit losses (ECLs). The allowance for ECLs at origination and at 30 June 2024 is assessed as zero. The equity within client's accounts (the $4,000 deposit and subsequent principal repayments) is considered adequate to cover outstanding payments if a client closes their account. Based on a range of possible outcomes the probability that a clients account will be closed with insufficient equity to cover outstanding repayments is remote.

The $25 administration fee is recognised in the Consolidated Statement of Profit and Loss under Other Income and within Other Income as Fundlater Fees (Refer Note 3). The $25 administration fee is adjusted for the requirements of AASB 9 to be recognised under the effective interest method.

7. Income tax

(a) Income tax benefit recognised in the Statement of Comprehensive Income

	2024	2023
The components of income tax benefit:	$	$
Current income tax expense	-	-
Deferred tax income relating to the origination and reversal of temporary differences	137,877	168,321
Total income tax benefit	137,877	168,321

(b) Income tax benefit

A reconciliation of income tax benefit applicable to accounting profit before income tax at the statutory income tax rate to income tax benefit at the entity's effective income tax rate for the years ended 30 June 2024 and 30 June 2023 is as follows:

	2024	2023
	$	$
Prima facie income tax benefit calculated at 25% on operating loss	225,556	285,722
Add/(Less) tax effect of:		
Expenditure not deductible in current year	(34,647)	(50,005)
Income not taxable	30,382	17,103
Losses carried forward not recognised	(82,801)	(83,701)
Adjustments for prior years	(613)	(798)
Income tax benefit	137,877	168,321

(c) Deferred tax assets and liabilities

Deferred tax assets

The deferred tax asset balance comprises temporary differences recognised as follows:

	2024	2023
	$	$
Accruals and provisions not deductible in this period	251,725	247,098
Lease liability	110,121	159,956
Deductible capital expenditure	2,098	3,760
Tax losses carried forward	-	-
Closing balance	363,944	410,814
Movements in deferred tax assets		
Opening balance	410,814	435,579
Benefit/(charge) in the income statement	(46,870)	(24,765)
	363,944	410,814

Deferred tax liabilities

The deferred tax liability balance comprises temporary differences recognised as follows:

	2024	2023
	$	$
Future tax expense for intangibles acquired	65,122	200,545
Right-of-use assets	99,584	148,908
	164,706	349,453

Movements in deferred tax liabilities		
Opening balance	349,453	542,539
Benefit in the income statement	(184,747)	(193,086)
	164,706	349,453

A tax rate of 25% was applied for the year ending 30 June 2024 as the Group is classified as a small business for tax purposes. The Group expects to continue to be classified as a small business for tax purposes.

The Group has not recognised deferred tax assets relating to carried forward tax losses as it is not considered probable that future taxable profit will be available against which the unused tax losses can be utilised. The potential deferred tax asset that could be realised at 30 June 2024 is $4,024,512 (2023: $4,030,124), of which $3,916,973 is realised capital losses (2023: $3,921,685).

8. Trade and other receivables

	2024	2023
	$	$
Trade receivables	978,200	762,076
GST receivable	58,510	65,470
	1,036,710	827,546

9. Leases

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position at the date of initial application is 4.8%. Leases recognised as right-of-use assets and lease liabilities consist of office premises.

The total cash outflow for lease payments for leases recognised as right of use assets for the year ended 30 June 2024 is $226,009 (2023: $224,052). The interest expense on lease liabilities for the year ended 30 June 2024 is $26,669 (2023: $35,152).

Right-of-use assets	2024	2023
	$	$
Balance at the beginning of the year	595,633	797,289
Depreciation charge	197,298	201,656
Balance at the end of the year	398,335	595,633
Number of right-of-use assets leased	1	2
Range of remaining term	2.7 years	0.9 - 3.7 years
Average remaining lease term	2.7 years	2.3 years
Number of leases with extension options	Nil	1
Number of short-term leases	1	Nil
Expense for short-term leases	4,620	Nil

Lease liabilities

Maturity analysis of lease liability	2024	2023
	$	$
Up to 12 months	145,740	189,820
Between 1 and 5 years	294,742	450,002
Total	440,482	639,822

10. Controlled entities and investments in associates

(a) Controlled entities

The company exercised control over the below entities during the period:

	% owned at	
	30-Jun-24	30-Jun-23
Intelligent Investor Holdings Pty Ltd	100%	100%
The Intelligent Investor Distribution Pty Ltd	100%	100%
InvestSMART Financial Services Pty Ltd	100%	100%
InvestSMART Funds Management Ltd	100%	100%
InvestSMART Advice Pty Ltd	100%	100%
Yourshare Financial Services Pty Ltd	100%	100%
InvestSMART Insurance Pty Ltd	100%	100%
van Eyck Group Holdings Pty Ltd	100%	100%
Eureka Report Pty Ltd	100%	100%
Kohler and Company Pty Ltd	100%	100%

(b) Investments in associates

InvestSMART Funds Management Ltd is the Responsible Entity and issuer of Professionally Managed Accounts and is deemed to have significant influence over the financial and operating policy decisions of the fund. The fund is domiciled and has its principal place of business in Australia. The Group's ownership in the fund was classified as an investment in associate and accounted for using the equity method. The Group held 3 units in the fund during the year and has a unitholding of 0.12% of Professionally Managed Accounts at 30 June 2024 (2023: 1 unit, 0.04%).

Summarised financial information for all associates:

	2024	2023
	$	$
Aggregate carrying amount	3	1
Aggregate profit/(loss) from continuing operations	-	-
Aggregate total comprehensive income	-	-

11. Intangible Assets

	Fund distribution contracts	Subscriber lists	Total
	$	$	$
Balance at 30 June 2022	1,302,449	70,419	1,372,868
Amortisation	520,980	49,707	570,687
Balance at 30 June 2023	781,469	20,712	802,181
Amortisation	520,980	20,712	541,692
Balance at 30 June 2024	260,489	-	260,489

Fund distribution contracts were acquired as intangible assets under a business combination on 1 January 2015. Whilst they have no expiry date, it is expected that customers on which the distribution fees are earned will leave over 6 - 10 years. Subscriber lists were acquired as intangible assets on acquisition of The Constant Investor in December 2018. Amortisation rates are based on the Group's historical experience and are amortised on a straight-line basis. The Constant Investor subscriber lists are assumed to have a 5-year life.

12. Fixed assets including software

	Plant and equipment $	Software $	Total $
Cost at 30 June 2022	334,096	115,235	449,331
Additions	32,519	-	32,519
Cost at 30 June 2023	366,615	115,235	481,850
Additions	23,816	-	23,816
Disposals	76,365	-	76,365
Cost at 30 June 2024	314,066	115,235	429,301
Accumulated depreciation at 30 June 2022	243,843	115,235	359,078
Depreciation charge for the period	30,069	-	30,069
Accumulated depreciation at 30 June 2023	273,912	115,235	389,147
Depreciation charge for the period	31,951	-	31,951
Disposals	64,219	-	64,219
Accumulated depreciation at 30 June 2024	241,644	115,235	356,879
Net book value at 30 June 2023	92,703	-	92,703
Net book value at 30 June 2024	72,422	-	72,422

13. Trade and other payables

	2024 $	2023 $
Trade payables and accruals	475,005	510,406
PAYG and superannuation	41,574	44,370
GST	323,819	251,728
	840,398	806,504

Trade payables are non-interest bearing and unsecured. Payment duration is disclosed in Note 15.

14. Provisions

	2024 $	2023 $
Annual leave	253,197	253,547
Long service leave	426,927	386,951
Short-term incentive plan	84,875	126,220
Other	34,804	34,804
	799,803	801,522

15. Financial risk management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

AASB 7 Financial Instruments: Disclosures identifies three types of risk associated with financial instruments (i.e. the Group's investments, receivables and payables).

(i) Credit risk

AASB 7 defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. 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. There are no other material amounts of collateral held as security at 30 June 2024.

Receivables are non-interest bearing and unsecured and will be received within 3 months. The credit risk exposure of the Group in relation to receivables is the carrying amount. The credit risk exposure of the Group in relation to cash is the carrying amount and any accrued unpaid interest. Cash investments are held with a number of banks all of which are rated AA- by Standard and Poor's. None of these assets are over-due or considered to be impaired.

(ii) Liquidity risk

AASB 7 defines this as the risk that an entity will encounter difficulty in meeting obligations associated with liabilities. Senior management monitors the Group's cash-flow requirements daily taking into account upcoming dividends, tax payments and investment activity.

The Group's inward cash-flows depend upon the level of funds management fees, subscription revenue and commissions received. If these decrease by a material amount, the Group will amend its outward cash-flows accordingly. As the Group's major cash outflows are the cost of employees and rebates of trail commissions, the level of both of these is managed by the Board and senior management. The tangible assets of the Group are largely in the form of cash and short-term receivables.

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

	On-demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
At 30 June 2024:	$	$	$	$	$
Undiscounted cash flows					
Trade and other payables	-	687,406	139,465	13,527	840,398
Trail commissions due to customers	-	82,708	143,659	-	226,367
Lease liabilities	-	42,602	130,962	309,620	483,184
	-	812,716	414,086	323,147	1,549,949
Undiscounted services to be delivered					
Subscriptions received in advance	-	997,916	2,019,791	491,435	3,509,142
At 30 June 2023:					
Undiscounted cash flows					
Trade and other payables	-	704,668	94,365	23,527	822,560
Trail commissions due to customers	-	86,733	155,255	-	241,988
Lease liabilities	-	57,300	168,709	483,184	709,193
	-	848,701	418,329	506,711	1,773,741
Undiscounted services to be delivered					
Subscriptions received in advance	-	1,027,079	1,656,243	105,483	2,788,805

(iii) Market risk

AASB 7 defines market risk as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Movements in the ASX All Ords have been used to calculate a "reasonably possible" change in market prices as the data is readily observable.

A general fall in market prices of 7.5 per cent and 15 per cent would lead to a reduction in the Group's equity and increase the reported loss by $4,754 and $9,509 respectively (2023: $2,944 and $5,888 respectively). The sensitivity analysis assumes all investments have a delta of 1 and are spread evenly across all investments.

The Group is not directly exposed to currency risk as all its operations are conducted in Australian dollars. The Group is engaged in activities conducted solely in Australia.

Interest rate risk

The Group's cash balances and term deposits expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Sensitivity analysis - interest rate risk

An increase of 75 basis points in interest rates at year end would have increased the Group's profit by $52,531 (2023: $57,670). A decrease of 75 basis points would have an equal but opposite effect.

At 30 June 2024, the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and liability is set out in the table below:

	Weighted average interest rate	Floating interest rate	Non-interest bearing	Total
Financial assets	(% pa)	$	$	$
Cash assets	3.8%	7,239,256	496,957	7,736,213
Trade and other receivables		-	1,036,710	1,036,710
Prepayments and deposits		-	428,064	428,064
Loans receivable		-	167,850	167,850
Financial assets at fair value through profit and loss		-	63,393	63,393
		7,239,256	2,192,974	9,432,230
Financial liabilities				
Trade and other payables		-	840,398	840,398
Trail commissions due to customers		-	226,367	226,367
Lease liabilities		-	440,482	440,482
		-	1,507,247	1,507,247

At 30 June 2023, the Group's exposure to interest rate risk and the effective weighted average interest rate for each class of asset and liability is set out in the table below:

	Weighted average interest rate	Floating interest rate	Non-interest bearing	Total
Financial assets	(% pa)	$	$	$
Cash assets	3.0%	6,332,656	1,479,559	7,812,215
Trade and other receivables		-	827,546	827,546
Prepayments and deposits		-	215,664	215,664
Loans receivable		-	41,600	41,600
Financial assets at fair value through profit and loss		-	39,255	39,255
		6,332,656	2,603,624	8,936,280
Financial liabilities				
Trade and other payables		-	806,504	806,504
Trail commissions due to customers		-	241,988	241,988
Lease liabilities		-	639,822	639,822
		-	1,688,314	1,688,314

Fair value hierarchy

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

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

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

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

The table below sets out the Group's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2024. Financial assets are separated between those classified as Fair Value through Profit and Loss (FVTPL) and those classified as Fair Value through Other Comprehensive Income according to AASB 9.

At 30 June 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets held at FVTPL				
Investment in Professionally Managed Account	63,393	-	-	63,393
Financial assets held at FVOCI				
Loans receivable	-	167,850	-	167,850
At 30 June 2023				
Financial assets held at FVTPL				
Investment in Professionally Managed Account	39,255	-	-	39,255
Financial assets held at FVOCI				
Loans receivable	-	41,600	-	41,600

During the reporting period ending 30 June 2024 there were no transfers between Level 1 and Level 2 fair value measurements.

Financial instruments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities, certain unlisted unit trusts and exchange traded derivatives.

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

16. Employee benefit reserve

Employee benefit shares are issued under the Employee and Director Share Plan (EDSP). The majority of EDSP shares (EDSP tranches 1, 2 and 3) were approved at the company's AGM on 11 November 2020, replacing the Long-Term Incentive Plan and Employee Share Option Plan.

The number of shares outstanding and employee benefit reserve at the beginning and the end of the year ended 30 June 2024 is as follows:

For the year ended 30 June	2024		2023	
	Shares	$	Shares	$
Balance at the beginning of the year	30,326,664	2,331,174	28,391,664	2,234,594
EDSP shares granted	1,461,283	-	2,075,000	-
EDSP shares cancelled	-	-	-	-
Payment of employee incentive scheme loans	-	-	(140,000)	-
Employee benefit expense for the year	-	102,551	-	96,580
Balance at the end of the year	31,787,947	2,433,725	30,326,664	2,331,174

The terms of each tranche of EDSP on issue at year end are:

Type	Issue date	Issue price	Vesting date	Maturity date	Shares
EDSP1	9/12/2020	$0.15	9/12/2020	30/11/2025	9,014,999
EDSP2	9/12/2020	$0.20	9/12/2021	30/11/2026	9,179,999
EDSP3	9/12/2020	$0.30	9/12/2022	30/11/2027	9,146,666
EDSP4	^	$0.25	1/09/2021	1/09/2026	910,000
EDSP5	^^	$0.34	^^	^^	575,000
EDSP6	16/03/2023	$0.45	16/03/2024	16/03/2029	500,000
EDSP7	16/03/2023	$0.60	16/03/2025	16/03/2030	500,000
EDSP8	16/03/2023	$0.75	16/03/2026	16/03/2031	500,000
EDSP9	^^^	$0.145	^^^	^^^	961,283
EDSP10	19/09/2023	$0.265	19/09/2024	19/09/2029	166,666
EDSP11	19/09/2023	$0.33	19/09/2025	19/09/2030	166,667
EDSP12	19/09/2023	$0.40	19/09/2026	19/09/2031	166,667
					31,787,947

^700,000 EDSP4 shares were issued to employees on 1 September 2021 in lieu of a cash bonus. 210,000 shares were issued to Ron Hodge in lieu of a cash bonus on 8 December 2021 as approved at the company's AGM on 17 November 2021.
^^455,000 EDSP5 shares were issued to employees on 21 September 2022 in lieu of a cash bonus and mature on 21 September 2027. 120,000 shares were issued to Ron Hodge in lieu of a cash bonus on 8 December 2022 as approved at the company's AGM on 22 November 2022. Ron's shares mature on 8 December 2027. All EDSP5 shares granted vested immediately.
^^^794,616 EDSP9 shares were issued to employees on 4 September 2023 in lieu of a cash bonus and mature on 4 September 2028. 166,667 shares were issued to Ron Hodge in lieu of a cash bonus on 6 December 2023 as approved at the company's AGM on 22 November 2022. Ron's shares mature on 6 December 2028. All EDSP9 shares granted vested immediately.

EDSP 9 shares were issued during the year under the employee short-term incentive plan in lieu of a cash bonus.

EDSP 10, 11 and 12 shares were issued during the year to Andrew Ward.

A non-recourse loan is provided to participants to acquire the shares at the respective prices issued. The loans for EDSP shares on issue have not been repaid and are not included in fully paid ordinary share capital.

Loans for EDSP shares include 4,000,000 shares issued to Paul Clitheroe (Chairman), 5,063,332 shares issued to Ron Hodge (Managing Director/member of Key Management Personnel), 4,839,999 shares issued to Alastair Davidson (member of Key Management Personnel), 4,466,666 shares issued to Nigel Poole (member of Key Management Personnel) and 1,803,333 shares issued to Andrew Ward (member of Key Management Personnel).

The fair value at grant date of EDSP shares is determined using a Binomial model. The inputs used include:

- the share price at grant date
- vesting price
- vesting period
- expected volatility (55%)
- expected dividends (1% yield)
- risk free interest rate (3.86%)
- expected life of the option

Expected volatility is based on historic volatility and the implied volatility of comparable exchange traded options. The cost of the EDSP shares is recognised over the applicable vesting period through the statement of comprehensive income. The company estimated the fair value of this share benefit was $54,765 at grant date for EDSP 5 shares and $22,493 for EDSP 10, 11 & 12 shares.

The cost of EDSP shares issued are amortised over the applicable vesting period through the statement of comprehensive income.

17. Issued capital

	2024		2023	
Fully paid ordinary share capital	Shares	$	Shares	$
Balance at the beginning of the year	110,892,537	58,562,495	110,752,537	58,541,495
On-market share buyback	(10,000)	(1,200)	-	-
Payment of employee incentive scheme loans	-	-	140,000	21,000
Balance at the end of the year	110,882,537	58,561,295	110,892,537	58,562,495

An additional 31,787,947 shares are issued, as part of the EDSP detailed in Note 16 and the Directors Report. The shares have a non-recourse loan outstanding.

Under the EDSP, the director or employee can repay the loan by forfeiting the shares issued under the plan. The shares vest after certain time periods and may be forfeited prior to the loan repayment date and have therefore not been included in the issued share capital total.

All shares have no par value.

(a) Terms and conditions

The Company has ordinary shares on issue. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

(b) Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor and market confidence. To achieve this the Directors monitor the monthly performance of the operating entities, the Group's management expenses, and share price movements. Capital relates to equity attributable to investors. The Group maintains liquid capital to meet its responsibilities as a responsible entity.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust any dividend payment to investors, capital returns or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2024 and 30 June 2023.

18. Related party information

Aggregate remuneration paid to Directors and other key management personnel (KMP) by the Group in connection with the management of the affairs of the Group were:

	Short-term Employee Benefit Cash Salary & Fees $	Employment Benefit Superannuation $	Accrued Annual Leave $	Accrued Long Service Leave $	Employee Share Benefit $	Total $
2024	1,108,862	119,026	(6,297)	16,427	29,829	1,267,847
2023	955,391	94,016	(1,717)	13,589	32,458	1,093,737

Andrew Ward was added as a key management personnel on 1 July 2023. Andrew's prior year remuneration is not included in the above table.

Detailed remuneration disclosures are provided in the remuneration report contained in the Directors' Report.

The Directors' remuneration excludes insurance premiums paid and payable by the Group in respect of Directors' liability insurance. Apart from the details disclosed in this note and the Directors' Report, no key management personnel have entered into a material contract with the Group during the financial year.

The Directors of InvestSMART Group Limited are responsible for determining and reviewing compensation arrangements for the Managing Director and key management personnel. The Directors also assess the appropriateness of the nature and amount of emoluments of each Director on a periodic basis by reference to workload and market conditions. The overall objective is to ensure maximum stakeholder benefit from the retention of a high-quality board whilst constraining costs.

Paul Clitheroe and related parties held three Fundlater loans during the year. Ron Hodge and related parties held two Fundlater loans at the beginning of the year. During the year these loans were repaid in full. Subsequently Ron Hodge and related parties received two further Fundlater loans during the year of $6,000 each. The Fundlater loans were issued by InvestSMART Financial Services Pty Ltd. The loans were sold to Eureka Asset-Backed Loan Fund, a Fund issued by InvestSMART Funds Management Limited.

Eureka Asset-Backed Loan Fund commenced operations on 6 April 2022. The Fund is issued by InvestSMART Funds Management Limited, a subsidiary of InvestSMART Group Ltd. The assets of the Fund consisted of Fundlater loans receivable at 30 June 2024. During the year Eureka Asset-Backed Loan Fund purchased loans of $733,514 (2023: $722,350) from the Group at fair value.

Investments in associates are disclosed in Note 10 (b). The Group owned 3 units in Professionally Managed Accounts, a scheme issued by InvestSMART Funds Management Limited, at 30 June 2024. The Group received management fees from managed investment schemes classified as investments in associates of $609,222 for the year ended 30 June 2024 (2023: $596,673). The Group held receivables for management fees from managed investment schemes classified as investments in associates at 30 June 2024 of $53,626 (2022: $48,301).

19. Statement of Cash Flows

(a) Reconciliation of net profit from ordinary activities after income tax to net cash used in operating activities

	2024 $	2023 $
Profit/(Loss) for the year	(764,346)	(974,565)
Adjustments to reconcile profit after tax to net cash flows:		
Net (gain)/loss on financial instruments at fair value through profit and loss	(3,738)	(356)
Employee benefit expense	102,551	96,580
Depreciation and amortisation	771,055	802,466
Decrease in deferred tax asset	46,870	24,765
Decrease in deferred tax liability	(184,747)	(193,086)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(209,164)	(237,307)
(Increase)/decrease in prepayments	(212,400)	40,701
Increase in subscriptions received in advance	720,337	318,687
Increase in trade and other payables	16,554	120,072
Net cash provided by/(used in) operating activities	282,972	(2,043)

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

	2024 $	2023 $
Cash at bank	7,736,213	7,812,215

The credit risk exposure of the group in relation to cash is the carrying amount and any accrued unpaid interest. Cash investments are held with a number of banks all of which are rated AA- by Standard and Poor's.

20. Earnings/(loss) per share

	2024 cents	2023 cents
Basic earnings/(loss) per share (cents per share)	(0.69)	(0.88)
Diluted earnings per share (cents per share)	(0.69)	(0.88)
Earnings/(loss) as per Statement of Consolidated Income	(764,346)	(974,565)
Weighted average number of ordinary shares outstanding during the year used in calculating basic earnings per share	110,892,291	110,846,455
Weighted average number of ordinary shares outstanding during the year used in calculating diluted earnings per share if all EDSP shares vest and non-recourse loans are repaid	142,321,320	139,998,420

As the Group is in a loss position in 2024 share based incentive plans do not affect the diluted earnings per share calculation as potential ordinary shares shall be treated as dilutive when their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

21. Contingent liabilities and commitments

At 30 June 2024 the Group has the following contingent liabilities:

	2024 $	2023 $
Guarantees for office rentals	97,106	97,106
Guarantees for intermediary facilities	150,000	401,000
	247,106	498,106

InvestSMART Financial Services Pty Ltd, a subsidiary of InvestSMART Group Ltd, may be required to repurchase Fundlater loans where they are delinquent within one month of sale to Eureka Asset-Backed Loan Fund (EABL). Since the inception of EABL zero loans have been repurchased. The estimate of reimbursement of loans purchased at 30 June 2024 is $nil. Loans sold to EABL within one month of 30 June 2024 total $116,105 (2023: 52,945). Any reimbursement would result in a repurchase of the loan at fair value and closure of the loan account if repayment terms are not met. The provision for expected credit losses for Fundlater loans has been assessed as $nil.

22. Franking Account

	2024 $	2023 $
Opening balance of franking account	2,647,303	2,715,701
Adjustment for franking credits received in prior years	98	13
Adjustments for tax refundable in respect of the prior year's profits	(120,012)	(68,411)
Adjusted franking account balance	2,527,389	2,647,303

23. Auditors remuneration

BDO Audit Pty Ltd received $192,869 for audit and review fees (2023: $174,994).

Audit and review fees include fees for:
- Auditing and reviewing the statutory financial report of the parent entity covering the group
- Auditing the statutory financial report of Australian Financial Services Licensees which are controlled entities
- Assurance services required by legislation to be provided by the auditor (reporting to ASIC for the purposes of Form FS 71 for AFS licensees)
- Auditing and reviewing schemes issued by InvestSMART Funds Management Limited
- Audit of compliance plans of schemes issued by InvestSMART Funds Management Limited

Fees for other services performed by audit and network firms:

	2024 $	2023 $
BDO Services Pty Ltd - taxation services	40,238	29,481

The nature of taxation services in the current year comprises:
- Review and lodgement of income tax returns for the Group and schemes issued by InvestSMART Funds Management Limited.
- Review and lodgement of government grants

24. Parent entity information

	2024 $	2023 $
Statement of Financial Position		
Assets		
Current assets	99,051	98,219
Non-current assets	5,731,046	5,732,246
Total Assets	5,830,097	5,830,465
Liabilities		
Current liabilities	-	-
Total Liabilities	-	-
Net Assets	5,830,097	5,830,465
Equity		
Contributed Equity	58,561,295	58,562,495
Employee benefit reserve	2,433,725	2,331,174
Retained earnings	(55,164,923)	(55,063,204)
Total Equity	5,830,097	5,830,465
Statement of Profit or Loss and other Comprehensive Income		
Net loss for the year after income tax expense	101,718	147,888
Total Comprehensive loss for the year	101,718	147,888

At 30 June 2024 InvestSMART Group Ltd has a contingent liability for guarantees for office rentals of $97,106 (2023: $97,106). The accounting policies of the parent entity, InvestSMART Group Limited, used in determining the financial information shown above, are the same as those applied in the Group's consolidated financial statements, as detailed in Note 2.

25. Segment information

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

26. Events occurring after reporting date

There have been no significant events since 30 June 2024 up to the date of this report.

27. Company details

The registered office and principal place of business of the Company and subsidiaries is:
Suite 2, Level 2, 66 Clarence St
Sydney NSW 2000

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

The company exercised control of the below entities during the period. All entities are body corporates incorporated and tax resident in Australia.

	% owned at	
	30-Jun-24	30-Jun-23
Intelligent Investor Holdings Pty Ltd	100%	100%
The Intelligent Investor Distribution Pty Ltd	100%	100%
InvestSMART Financial Services Pty Ltd	100%	100%
InvestSMART Funds Management Ltd	100%	100%
InvestSMART Advice Pty Ltd	100%	100%
Yourshare Financial Services Pty Ltd	100%	100%
InvestSMART Insurance Pty Ltd	100%	100%
van Eyck Group Holdings Pty Ltd	100%	100%
Eureka Report Pty Ltd	100%	100%
Kohler and Company Pty Ltd	100%	100%

Directors' declaration

In accordance with a resolution of the Directors of InvestSMART Group Limited, I state that:

1. In the opinion of the Directors:

   (a) The financial statements, notes and the additional disclosures included in the Director's Report designated as audited, of the Company are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the financial position of the Company as at 30 June 2024 and of its performance for the year ended on that date.

      (ii) complying with Australian Accounting Standards, International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, as disclosed in Note 2 and Corporations Regulations 2001.

   (b) The consolidated entity disclosure statement is true and correct.

   (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

On behalf of the Board

Ron Hodge
Managing Director and CEO
Dated this 28th day of August 2024 at Sydney

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of InvestSMART Group Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for opinion

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

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

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

Key audit matters

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

Valuation of Share-based Payments

Key audit matter	*How the matter was addressed in our audit*
Note 16 to the financial report discloses an employee benefits expense in relation to share-based payments. The valuation of the share-based payments is a key audit matter due to the complexity in the technical accounting treatment and the degree of judgement and estimation in the inputs for the fair value of the option.	To address the matter, our audit procedures included, amongst others: • Reviewed the appropriateness of the accounting treatment in accordance with AASB 2; • Reviewed minutes of meetings and Group announcements to ensure completeness of information considered in the calculations; • Verified instruments to supporting agreements and contracts, where available; and • Ensured the adequacy of the disclosures relating to the share-based payments within the financial report and within Australian Accounting Standards.

Other information

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

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

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

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

Responsibilities of the directors for the Financial Report

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the Financial Report

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

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

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 18 of the directors' report for the year ended 30 June 2024.

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

Responsibilities

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

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney 28 August 2024

ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Listing Rules is set out below.

The security holder information set out below was current as at 6 August 2024.

There were 141,219,201 ordinary shares held by 1,047 shareholders, all of which were quoted on the Australian Securities Exchange. There are no restricted shares on issue. There are no unquoted shares on issue.

Distribution of shareholders

Holdings Ranges	Holders	Total Shares	%
1-1,000	320	55,662	0.04%
1,001-5,000	227	949,168	0.67%
5,001-10,000	135	1,162,473	0.81%
10,001-100,000	209	8,653,364	6.07%
100,001 and over	120	131,849,817	92.42%
Totals	1,011	142,670,484	100.00%

The number of shareholders holding less than a marketable parcel of fully paid ordinary shares is 404.

Top 20 Shareholders:

Shareholder name	Number of shares held	%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	18,387,869	12.89%
MRS ROBIN ANNE OWLES & MR PETER RONALD HODGE <HODGE FAMILY SUPER FUND A/C>	9,838,427	6.90%
VADINA PTY LIMITED <JORDAN SUPER FUND A/C>	4,940,000	3.46%
ROBIN ANNE OWLES & RON PETER HODGE <HODGE FAMILY NO 2 A/C>	4,566,666	3.20%
HARRIETTE & CO PTY LTD <HARRIETTE INVESTMENT A/C>	4,100,000	2.87%
MR PAUL HUGH CLITHEROE	4,000,000	2.80%
TORONTO COVE PTY LTD	4,000,000	2.80%
CAMERON RICHARD PTY LTD <CAMERON RICHARD SUPER A/C>	3,907,881	2.74%
BELIKE NOMINEES PTY LIMITED <SHARE PLAN A/C>	3,760,765	2.64%
MYALL RESOURCES PTY LTD <MYALL GROUP SUPER FUND A/C>	3,587,029	2.51%
NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	3,125,747	2.19%
S M & R W BROWN PTY LTD <ROBERT & SALLY BROWN SF A/C>	3,091,000	2.17%
MRS ANTONIA CAROLINE COLLOPY	3,017,928	2.12%
ALASTAIR JOHN DAVIDSON & ELIZABETH JANE DENNING <DAVIDSON HOLDING A/C>	3,000,000	2.10%
MR PETER RAYMOND DAVIES	2,888,335	2.02%
POOLE FAMILY PTY LTD <POOLE FAMILY SMSF A/C>	2,777,778	1.95%
LEYLAND PRIVATE ASSET MANAGEMENT PTY LTD	2,750,000	1.93%
PENDEX PTY LTD <PATCAIELITRUST A/C>	2,301,991	1.61%
FROHSHIBER PTY LTD	2,268,326	1.59%
STUART ANDREW PTY LTD <CAMPASPE FAMILY A/C>	2,124,660	1.49%
Totals	**88,434,402**	**61.99%**
Total securities on issue	**142,670,484**	**100.00%**

Voting rights

At a general meeting, shareholders are entitled to one vote for each fully paid share held. On a show of hands, every shareholder present in person or by proxy shall have one vote and upon a poll, every shareholder so present shall have one vote for every fully paid share held.

Substantial shareholders

The Company has been notified of three shareholders who hold relevant interests of in excess of 5% of the Company's ordinary shares:

Name	Date of Interest	No of shares[1]	Percentage[2]
Leyland Private Asset Management Pty Ltd	15 November 2017	25,138,492	18.94%
Perpetual Limited	17 November 2021	16,276,418	11.70%
Ron Hodge	1 June 2021	13,704,969	9.898%

[1] As disclosed in the last notice lodged with the Australian Securities Exchange by the substantial shareholder.
[2] The percentage set out in the notice lodged with the Australian Securities Exchange is based on the total issued capital of the Company at the date of the interest.

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

On-market buyback

An on-market buy-back was announced on 29 February 2024 for up to 5% of issued share capital. As at 6 August 2024 10,000 shares have been bought back on-market.

Directory

Registered Office

Suite 2, Level 2
66 Clarence Street
Sydney NSW 2000

Telephone: 1300 880 160

Directors

Paul Clitheroe AM (Chairman)
Ron Hodge (Managing Director)
Michael Shepherd AO (Lead Independent Non-Executive Director)

Company Secretary

Catherine Teo

Share Registry

Automic Pty Ltd
Level 5
126 Phillip Street,
Sydney NSW 2000

Shareholder Enquiries

Telephone: 1300 288 664 (within Australia); +61 2 9698 5414 (outside Australia)
Email: hello@automicgroup.com.au
Website: https://investor.automic.com.au

Auditors

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