

Associate Global Partners Limited and Controlled Entities

ACN 080 277 998

Financial report for the year ended 30 June 2023

APPENDIX 4E – FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Results for Announcement to the Market

Results 30 June 2023		\$'000	%		2023 \$'000	2022 \$'000
Revenue from ordinary activities	Down	548	8.8	to	5,662	6,210
Loss from ordinary activities after tax attributable to members	Up	1,343	209.2	to	(1,985)	(642)
Net loss for the period attributable to members	Up	1,343	209.2	to	(1,985)	(642)

Dividends Paid and Proposed

	Amount per Security	Franked Amount per Security at 25% of Tax
Ordinary shares:		
Final Dividend – no dividend proposed	Nil	Nil
Interim Dividend – no dividend proposed	Nil	Nil

Record date for determining entitlements to the final dividend on ordinary shares:	N/A
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On 9 November 2022 Contango Asset Management Limited changed its name to Associate Global Partners Limited (**AGP**) and adopted the new ASX code, APL (formerly CGA). All references in this document to Associate Global Partners Limited, AGP or ASX: APL can be read as references to the former Contango Asset Management Limited or ASX: CGA, where relevant.

Explanation of Key Information and Dividends

Refer to the accompanying Managing Director's Report in the Consolidated Financial Statements for the year ended 30 June 2023 (**Consolidated Financial Statements**) for commentary on the results.

Financial Report

This report is based on the Consolidated Financial Statements and has been audited by Ernst & Young.

Associate Global Partners Limited and Controlled Entities

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Financial report for the year ended 30 June 2023

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Dividend Reinvestment Plan

There was no dividend reinvestment plan in operation during the financial year.

NTA Backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary share (cents)	2.3 cents	8.5 cents

Gain of control of subsidiaries	Brookvine Pty. Limited and its related entities
Date of gain of control	6 April 2023
Loss of control of subsidiaries	N/A

Commentary on the Results for the Period

Refer to the commentary on the results for the period contained in the Managing Director's Report included in the Consolidated Financial Statements.

Status of Audit

The Consolidated Financial Statements and accompanying Notes for Associate Global Partners Limited and its Controlled Entities have been audited and are not subject to any disputes or qualifications. Refer to page 58 of the accompanying Consolidated Financial Statements for a copy of the Auditor's Report.

Associate Global Partners Limited and Controlled Entities

ACN: 080 277 998

Consolidated Financial Statements

For the Year Ended 30 June 2023

Associate Global Partners Limited and Controlled Entities

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Associate Global Partners Limited and Controlled Entities

ABN 56 080 277 998

Corporate Information

This financial report covers the consolidated entity comprising Associate Global Partners Limited and its controlled entities (**the Group**) for the financial year ended 30 June 2023.

The functional and presentation currency of the Group is Australian Dollars (\$).

DIRECTORS

Nerida Campbell (Non-Executive Chair)
Martin Switzer (Managing Director & Chief Executive Officer)
Jason Billings (Non-Executive Director)
Ken Poutakidis (Non-Executive Director)

COMPANY SECRETARY

Mark Licciardo

REGISTERED OFFICE

Level 12
2 Chifley Square
Sydney NSW 2000

Telephone: 1300 052 054

PRINCIPAL PLACE OF BUSINESS

Level 12
2 Chifley Square
Sydney NSW 2000

Telephone: 1300 052 054

AUDITORS

Ernst & Young
200 George Street
Sydney NSW 2000

SHARE REGISTRAR

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000

Ph: +61 2 8280 7111

STOCK EXCHANGE LISTING

The Company is listed on the
Australian Securities Exchange
ASX Code – APL (previously CGA)

WEBSITE

www.associateglobal.com

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement for APL can be found at the Shareholder Centre at www.associateglobal.com.

Associate Global Partners Limited and Controlled Entities

Corporate Governance Statement

For the Year Ended 30 June 2023

The Board and management of Associate Global Partners Limited (**the Company**) are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and has complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (**Recommendations**) to the extent appropriate to the size and nature of the Group's operations.

The Company has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed and provides reasons for not following such Recommendations (**the Corporate Governance Statement**).

The Corporate Governance Statement is accurate and up to date as at 21 August 2023 and has been approved by the Board.

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement is available for review on the Company's website (www.associateglobal.com) and will be lodged together with an Appendix 4G on the ASX.

The Appendix 4G will identify each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on the Company's website www.associateglobal.com.

Associate Global Partners Limited and Controlled Entities

Managing Director's Report For the Year Ended 30 June 2023

Dear Shareholder,

I am pleased to present this report for Associate Global Partners Limited and its Controlled Entities (**the Group or AGP**) for the year ended 30 June 2023 (**FY2023**).

Overview of AGP

AGP is an independent, multi-boutique asset management firm that partners with, and promotes, high quality fund managers in the Australian managed investments industry.

AGP has developed a distribution platform that provides investment managers with an end-to-end distribution solution which promotes their brand and grows funds under management (**FUM**). AGP's platform consists of an experienced distribution team and access to the highly sought-after direct channel through its unique investor database.

After the Group's successful transition from product manufacturer to a marketing and distribution platform, AGP's objective has been, through its scalable operating structure and business model, to grow FUM and reach profitability in the near term.

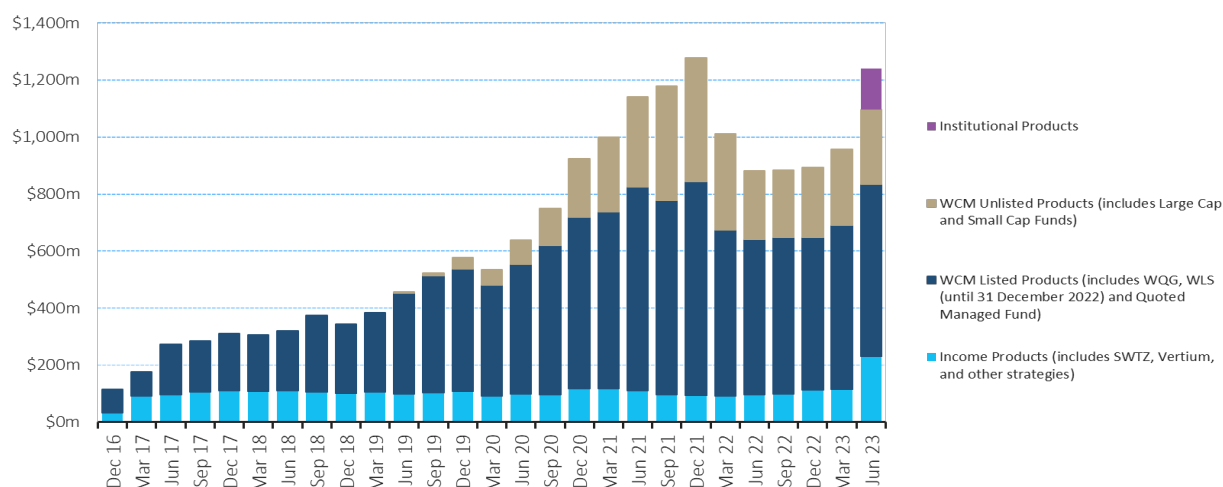
Funds Under Management

The Group's FUM was \$1.239 billion as at 30 June 2023 which grew by \$347 million during FY2023 (30 June 2022: \$892 million). As at 23 August 2023, total FUM was \$1.211 billion. The substantial increase in FUM was largely due to the acquisition of Brookvine Pty. Ltd (**Brookvine**) announced on 6 April 2023, a new distribution agreement with Vertium Asset Management Pty Ltd (**Vertium**) executed on 28 June 2023 and improved market conditions in the last six months.

Global market conditions were broadly challenging for the financial year, with markets continuing to navigate economic hurdles, including rising inflation and the effects of tightening monetary policies by central banks. Whilst the volatility has remained, market conditions improved since the start of calendar year 2023, especially for global equities, which was seen through improved performance in the WCM Large and Small Cap portfolios.

Additionally, positive FUM growth has continued during the reporting period for the Woodbridge Private Credit Fund, managed by Woodbridge Capital Pty Ltd (**Woodbridge**), capitalising on the increased interest in private credit strategies in the market.

The chart below illustrates the quarterly movement in FUM since 31 December 2016 to 30 June 2023:



*NB: Excludes Contango Microcap management rights reassigned in October 2017.
Excludes FUM associated with the Vantage distribution initiative.*

Associate Global Partners Limited and Controlled Entities

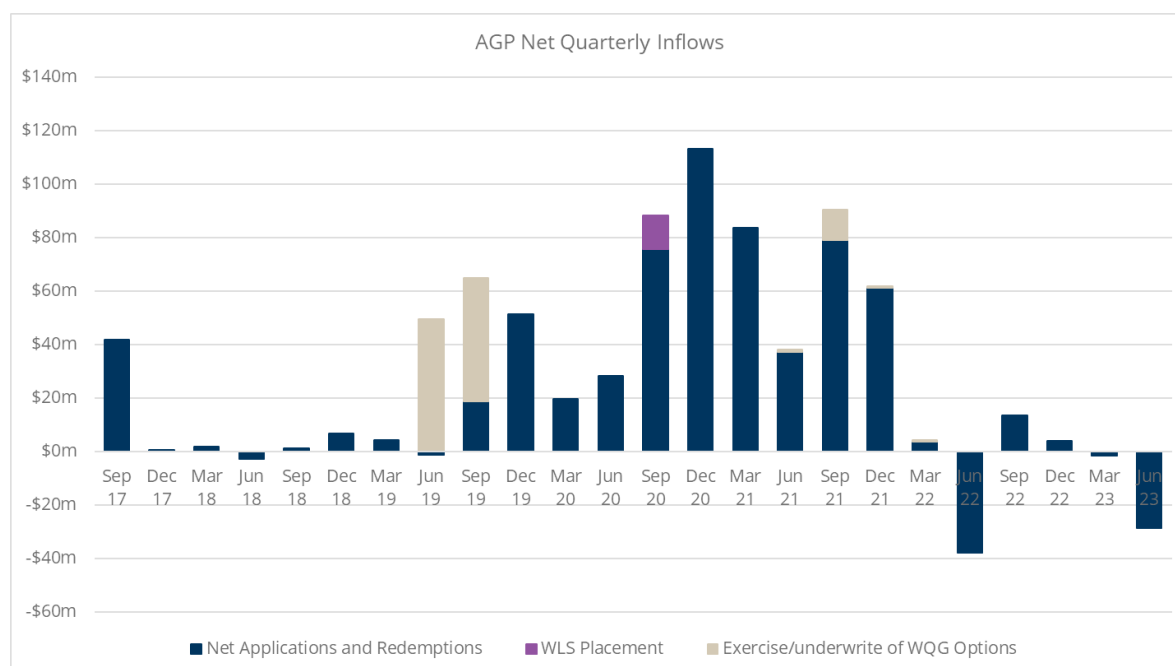
Managing Director's Report For the Year Ended 30 June 2023

Notwithstanding the increase in FUM through the acquisition of Brookvine and the new partnership with Vertium, volatile market conditions especially for global equities meant that organic growth was flat for the reporting period. For the financial year, net outflows were \$12.1 million.

The total net outflows were affected during the reporting period by redemptions due to the closure of the Switzer Higher Yield Fund (Managed Fund) (SHYF), net outflows of \$10.7 million, and from WCM Quality Global Growth Fund (Quoted Managed Fund) (WCMQ), net outflows of \$5.2 million, following the restructure and closure of WCM Global Long Short Limited (WLS) whereby WLS shareholders exchanged their shares in WLS for units in WCMQ. Both were important initiatives as they enabled the Group to rationalise its product suite, lower costs and refocus efforts on established managers and new partnerships in the new financial year.

Pleasingly, excluding the above initiatives, the Group delivered a small total net inflow for the full financial year, highlighting the strength and importance of AGP's relationships with financial advisers and investors in the market, especially during the period of severe markets stress.

The following chart illustrates the quarterly net inflows and outflows since September 2017 to 30 June 2023:



Overview of Results and Operations

The Group's total revenue for FY2023 was down 8.8% to \$5,662,000 (FY2022: \$6,210,000), while the net loss after tax is reported as \$1,985,000 (FY2022: net loss after tax of \$642,000).

The Group's investment management, performance and service fees in FY2023 totalled \$5,510,000 (FY2022: \$6,100,000). This represented a decrease of 9.7% from the previous reporting period. However, due to improved operating conditions and the inclusion of Brookvine and Vertium, fees earned during the second half of the financial year increased by 22.7% compared with the first half. The strong rebound in the second half of the financial year was due in part to better performance of the WCM Large and Small Cap products and the ongoing FUM growth in the Woodbridge Private Credit Fund.

During the reporting period, the Group also undertook several strategic initiatives designed to rationalise the existing product suite, as well as invest in acquisitions, partnerships and the enhancement of its marketing and distribution capabilities. These important initiatives will help grow FUM and increase the Group's investor base. Due to these initiatives, total expenses in FY2023 totalled \$7,647,000 (FY2022: \$6,852,000).

The Group is well positioned to benefit from the continued rebound in markets, especially with a more rationalised and diversified product suite in the future.

As at 30 June 2023, the Group had cash of \$4,054,000 and debt of \$1,407,000.

Associate Global Partners Limited and Controlled Entities

Managing Director's Report For the Year Ended 30 June 2023

Partnership with WCM

WCM Investment Management, LLC (**WCM**) is a global and international equities specialist with total FUM of over A\$117 billion¹. Based in Laguna Beach, California, WCM's investment process is based on the belief that corporate culture is the biggest influence on a company's ability to grow its competitive advantage or 'moat'. This investment process has resulted in the WCM Quality Global Growth Equity Strategy Composite outperforming the MSCI World Index by 3.82% per annum since its inception on 31 March 2008.

AGP has an exclusive retail distribution arrangement to distribute WCM's investment strategies into the Australian market. WCM's investment performance has contributed to the Group's growth in FUM over recent years. Since partnering with AGP in June 2017, WCM now has \$860 million² in FUM in Australia across its suite of retail and wholesale products.

Given less favourable conditions for the global equities over the reporting period, significant effort has been spent working with existing advisers and clients on how to navigate the current market. In addition to this, the Group has continued to build WCM's global equities brand in Australia in both the direct and financial advisory markets.

Activities that have been undertaken by AGP to achieve this include:

- implementing targeted investor and advisor engagement strategies through:
 - continued involvement in key investment conferences;
 - co-ordination of live-streamed events;
- hosting regular investor and advisor webinars with key WCM investment personnel;
- engaging with industry participants such as consultants, research houses and wealth platforms;
- enhancing ongoing digital communication with investors and advisers; and
- individual manager roadshows targeted at the advisor and broker channels.

Whilst market conditions have dictated a style shift from growth to value investing in the last 12 months, WCM remains focused on executing its strategy to generate excess returns over the long term: being disciplined in its approach and only choosing the highest-quality companies that have expanding competitive advantages, supported by well-aligned cultures. The impact of this disciplined approach is evident in the significant improvement in the Large and Small cap strategy performance since the start of calendar year 2023.

Global Equities Update

The WCM "large cap" and "small cap" strategies have continued to deliver favourable investment returns in the longer term, notwithstanding the market rotation away from growth towards value investment during the reporting period. However, on a positive note since the beginning of calendar year 2023, there has been significant improvement in the performance of both the Large and Small Cap portfolios.

WCM Quality Global Growth Equity Strategy Composite

WCM Quality Global Growth Equity Strategy Composite is WCM's "large cap" strategy and delivered a return of 22.71% over the reporting period, outperforming its benchmark, the MSCI All Country World Index, which delivered 21.00%.

In the six months to start calendar year 2023, the large cap strategy significantly outperformed its benchmark, delivering 19.09% versus 16.41%. The strategy has delivered returns in excess of its benchmark over three and six months, one year, five and 10-years and since inception.

The WCM Quality Global Growth Equity Strategy (ex-Australia) is accessible to Australian retail investors through the Group's three investment products, being:

- WCM Global Growth Limited (ASX:WQG), a listed investment company;
- WCM Quality Global Growth Fund (Quoted Managed Fund) (ASX:WCMQ), an exchange-traded managed fund; and
- WCM Quality Global Growth Fund (Managed Fund), an unlisted managed fund offering both hedged and unhedged units.

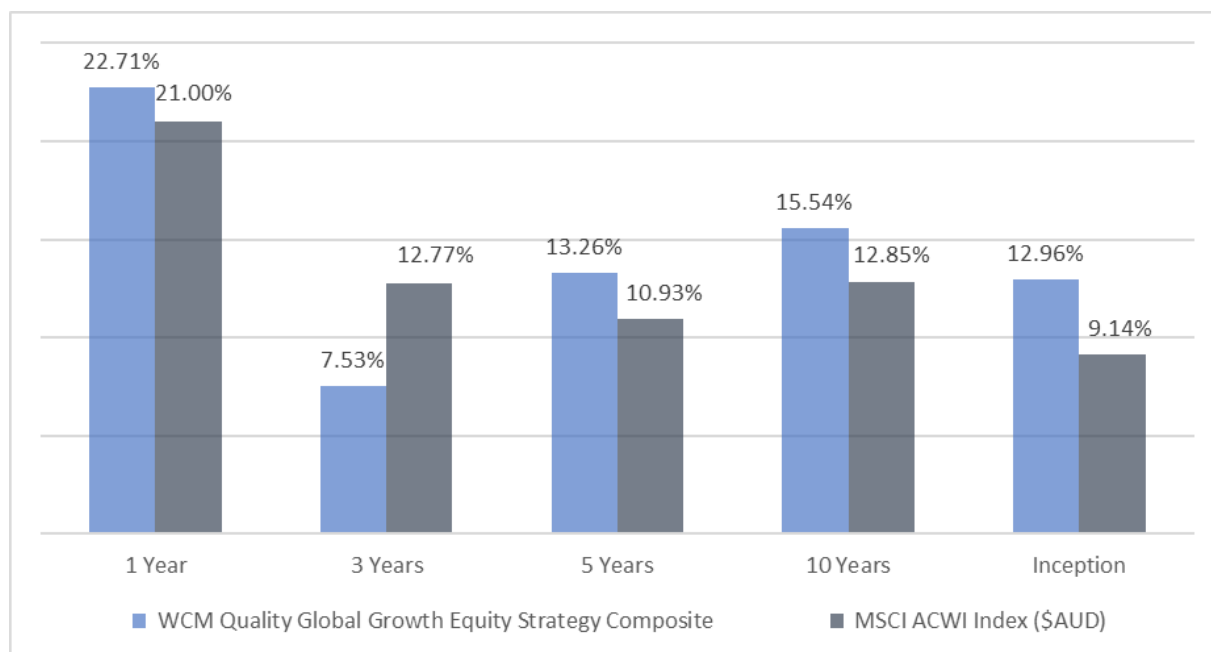
¹ As at 30 June 2023. Source: WCM Investment Management.

² As at 31 July 2023. Source: NAB Asset Servicing.

Associate Global Partners Limited and Controlled Entities

Managing Director's Report For the Year Ended 30 June 2023

Each investment product provides exposure to the same underlying portfolio of quality global companies, excluding Australia. Annualised returns of the WCM Quality Global Growth Equity Strategy Composite³ versus its benchmark are shown below:



WCM Global Growth Limited (WQG)

WQG is an ASX listed investment company. Since WQG listed in June 2017, AGP has worked in conjunction with the WQG Board to develop strategies to enhance shareholder value and grow the company.

During the reporting period, the WQG Board enhanced the progressive dividend policy with the commencement of quarterly dividends. Following the payment of an increased FY2023 fully franked interim dividend of 3.25 cents per share on 31 March 2023, the first quarterly dividend payment of 1.64 cents per share was paid on 30 June 2023. WQG's dividend reinvestment plan continues to enjoy strong shareholder participation.

In addition to the payment of progressive quarterly dividends, WQG has also been undertaking an on-market buy-back of shares as another shareholder initiative designed to reduce the share price discount to net tangible assets. As at 30 June 2023, WQG has bought back 2,406,116 shares, representing 1.3% of issued capital, at a value of \$2.83 million.

As at 30 June 2023, WQG's FUM was \$273.34 million.

WCM Quality Global Growth Fund (Quoted Managed Fund) (WCMQ)

WCMQ is an exchange-traded managed fund that is well supported in the direct and intermediary channels and is approved for use on several leading wealth platforms.

At 30 June 2023, WCMQ's FUM was \$329.94 million.

WCM Quality Global Growth Fund (Managed Fund)

The WCM Quality Global Growth Fund (Managed Fund) is available to retail investors through several of Australia's market leading wealth platforms and is included in several model portfolios with various financial planning groups.

³ Data as at 30 June 2023. Performance is in AUD, net of fees and includes the reinvestment of all income. Past performance is not indicative of future performance. WCM applies the same investment principles, philosophy and execution approach of its WCM Quality Global Growth Equity Strategy Composite (QGG), which was created on 31 March 2008, to WCM Global Growth Limited, the WCM Quality Global Growth Fund (Quoted Managed Fund) and the WCM Quality Global Growth Fund (Managed Fund). It should be noted that due to certain factors, there may be variances between the investment returns demonstrated by each portfolio in the future. The benchmark for QGG is the MSCI All Country World Index (MSCI ACWI). For further information please refer to associateglobal.com.

Associate Global Partners Limited and Controlled Entities

Managing Director's Report For the Year Ended 30 June 2023

At 30 June 2023, the unhedged Class A units had FUM of approximately \$85.5 million and the hedged Class B units had FUM of approximately \$93.2 million, combining for total FUM of \$178.7 million.

WCM International Small Cap Growth Strategy Composite

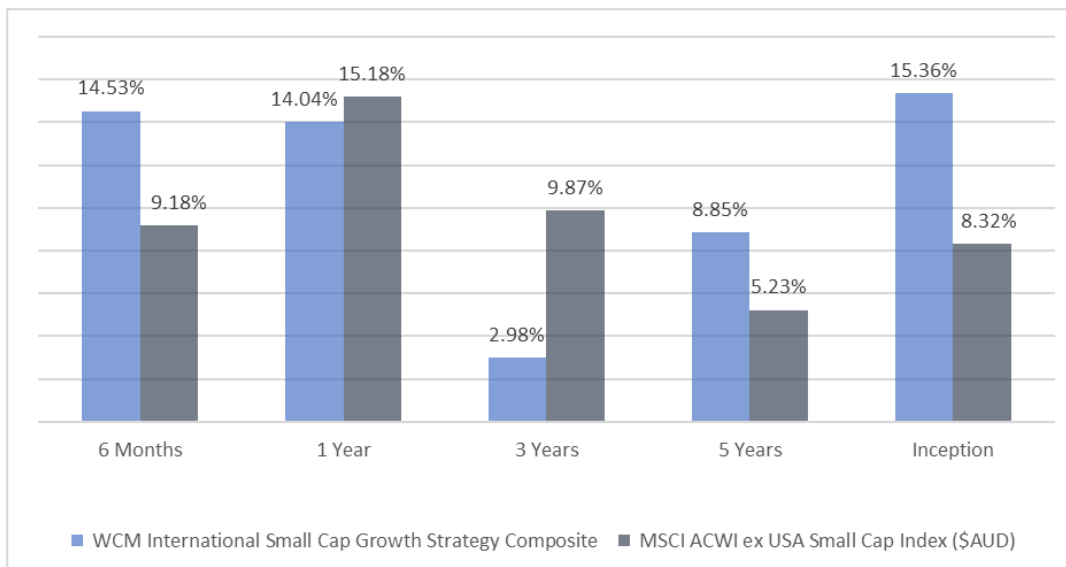
The WCM International Small Cap Growth Strategy Composite delivered a return of 14.04% in FY2023, marginally underperforming its benchmark, the MSCI ACWI ex USA Small Cap Index, which delivered 15.18%. The five years and since inception returns for the strategy well exceeded its benchmark.

On 30 March 2023, the WCM International Small Cap Growth Strategy was made available to retail investors via the WCM International Small Cap Growth Fund (Managed Fund), an unlisted managed fund, through the issuance of a Product Disclosure Statement.

The Fund provides retail investors with access to a high conviction, actively managed diversified portfolio of listed, quality, high growth, small cap companies sourced from developed (ex. US) and emerging markets.

It has been pleasing to see that the strategy has performed well for the six months to 30 June 2023, delivering a return of 14.53% versus its benchmark which delivered 9.18%.

Annualised returns of the WCM International Small Cap Growth Strategy Composite⁴ versus its benchmark are shown below:



WCM International Small Cap Growth Fund (Managed Fund)

The WCM International Small Cap Growth Fund (Managed Fund) is available to retail investors through several of Australia's market leading wealth platforms and is included in several model portfolios with various financial planning groups.

At 30 June 2023, the fund had FUM of approximately \$82.7 million.

⁴ Data as at 30 June 2023. Performance is in AUD, net of fees and includes the reinvestment of all income. Past performance is not indicative of future performance. WCM applies the same investment principles, philosophy and execution approach of its WCM International Small Cap Growth Composite (**SIG**), which was created 31 December 2014, to the WCM International Small Cap Growth Fund (Managed Fund). It should be noted that due to certain factors, there may be variances between the investment returns demonstrated by each portfolio in the future. The benchmark for SIG is the MSCI ACWI ex-US Small Cap Index. For further information please refer to associateglobal.com

Associate Global Partners Limited and Controlled Entities

Managing Director's Report For the Year Ended 30 June 2023

Income Products Update

Woodbridge Private Credit Fund

The Woodbridge Private Credit Fund (**Woodbridge Fund**) has continued to attract interest from both financial advisers and direct investors, capitalising on the significant investor interest in private credit strategies emerging in the market. During the reporting period, the Woodbridge Fund was a positive contributor to the total FUM of the Company. There is also a healthy pipeline for future growth.

Over the reporting period, the Woodbridge Fund has been added to several leading wealth management platforms including BT Panorama, HUB24, Macquarie Wrap, Mason Stevens, NetWealth, Powerwrap and Praemium. SQM Research covers the Woodbridge Fund with a Favourable rating⁵.

The Fund has delivered a return of 9.21% to 30 June 2023. The Fund has an objective of returning 6-8% above the RBA cash rate to investors over a 12-month period⁶.

Switzer Dividend Growth Fund (Quoted Managed Fund) (SWTZ)

SWTZ aims to provide investors with tax effective income and long-term capital growth by investing in a core portfolio of blue-chip Australian shares.

At 30 June 2023, SWTZ FUM totalled approximately \$67 million. While the current landscape has been challenging for value oriented, yield generation stocks, SWTZ has delivered on its objective of providing a consistent and reliable income stream for its investors.

Since April 2021, SWTZ has been managed by Blackmore Capital Pty Limited (**Blackmore**) and has delivered an annualised return of 5.04% relative to its benchmark, the ASX200 Accumulation Index, which delivered 5.66% to 30 June 2023.

For FY2023, the fund delivered a return of 9.61% net of fees, compared with its benchmark, which delivered 14.78%. Over the 12-month period, SWTZ paid a distribution yield of 6.32%, or 8.40% including franking credits.

Product Closures

To help position the Group for the next stage of growth, two product rationalisation initiatives were undertaken during the reporting period.

WCM Global Long Short Limited (WLS) restructure

On 12 December 2022, WLS Shareholders voted at a Scheme of Arrangement (**Scheme**) meeting to approve a restructure (**Restructure**) of WLS to address its share price discount to net asset value.

Under the terms of the Restructure:

- WLS shareholders exchanged their shares in WLS, a listed investment company, for units in the WCM Quality Global Growth Fund (Quoted Managed Fund) (ASX:WCMQ); and
- WLS became wholly owned by WCMQ.

Upon Federal Court of Australia approval of the Scheme on 16 December 2022: WLS shares were suspended from ASX at the close of trading on 19 December 2022; new WCMQ units were issued for each WLS share on 30 December 2022; and WLS was delisted from ASX on 12 January 2023.

⁵ The rating detailed in this Financial Report is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. Please read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to the Woodbridge Fund. SQM Research receives a fee from the Trustee, AGP Investment Management Limited, for the research and rating of the Woodbridge Fund.

⁶ Source: As at 30 June 2023. Fund performance is in AUD and calculated based on net asset value per unit after management fees and expenses and assumes that all distributions are reinvested in the Fund. Inception date is 31 May 2022.

Associate Global Partners Limited and Controlled Entities

Managing Director's Report For the Year Ended 30 June 2023

Switzer Higher Yield Fund (Managed Fund) (SHYF)

On 8 May 2023, AGP Investment Management Limited in its capacity as Responsible Entity (**RE**) for the Switzer Higher Yield Fund (Managed Fund), resolved to terminate the Fund and return to investors their capital in the Fund.

Consequently, on 8 June 2023, SHYF was terminated and capital was returned to investors on 28 June 2023.

Distribution Initiatives

Brookvine acquisition

On 6 April 2023, the Company completed the acquisition of Brookvine Pty. Limited (**Brookvine**). Brookvine was founded in 2001 and operates a multi-boutique, third-party distribution and placement business which brings investment opportunities to institutional investors.

The acquisition of Brookvine is strategically important for AGP as it provides:

- An institutional brand that is recognised domestically and internationally as a leading placement, third-party distribution firm, further expanding and diversifying the Group's distribution and marketing capabilities;
- Additional institutional grade manager relationships;
- An established distribution infrastructure for institutional and wholesale investors; and
- A business with a track record of identifying and securing relationships with top quartile institutional investment managers for institutional clients.

New distribution agreement with Vertium Asset Management

On 28 June 2023, AGP entered into a new distribution agreement with Vertium. Under this new partnership, AGP will distribute Vertium products to the private wealth market, continuing to build on the strong growth of the strategy to date.

Vertium, founded by Jason Teh, was established in 2017 to fill a void in the market for retirement portfolios. The Vertium Equity Income Fund (**Vertium Fund**) delivers a strategy that aims to provide income (and capital growth potential) from investing in Australian shares, with a specific focus on capital preservation and lower sensitivity to volatile market movements.

The Vertium Fund is a widely supported, award-winning product. It is currently available on leading wealth management platforms including Netwealth, BT Panorama, MLC Wrap and Macquarie Wrap.

The Vertium Fund was recently awarded the Financial Standard Investment Leadership Award in the Australian equities – Income Focused category.

New distribution agreement with Specialised Private Capital Ltd

On 2 August 2023, AGP entered into a new distribution agreement with Specialised Capital Ltd (**SPC**). SPC is the responsible entity of the Global Systematic Equities Fund and the Australian Equities Extension Fund, which are managed by Vinva Investment Management Limited under an investment management agreement with SPC.

AGP will distribute these Funds to the Australian retail and wholesale market on behalf of SPC.

Other Distribution Initiatives

In Q2 of FY2023, AGP engaged with Haben Property Fund Pty Ltd to promote the Haben Forest Hill Trust for a limited period through the Group's direct wholesale investor platform. The activity from this promotion was a small contributor to Group revenue during the reporting period.

In addition, the Group continued to earn trailing revenue from work undertaken in FY2022 with Vantage Asset Management in the promotion of the Vantage Private Equity Growth Fund 5.

Both initiatives resulted in additional total revenues to the Group of approximately \$74,000. AGP will continue to consider these types of suitable revenue accretive opportunities from time to time based on demand from financial advisers and direct investors.

Associate Global Partners Limited and Controlled Entities

Managing Director's Report For the Year Ended 30 June 2023

Retail Investor Base

As at 30 June 2023, AGP had 13,802 direct unitholders and shareholders across its product suite.

The Year Ahead

AGP's strategic priorities for the year ahead is to continue to grow FUM, deliver exceptional client service, and strengthen its existing and new fund manager partnerships. This will be supported by the ongoing commitment to invest in the future growth of the business in a prudent manner, while maintaining a strong focus on costs.

With the addition of new acquisitions and distribution partnerships, combined with our leading managers such as WCM and Woodbridge, the Group is well positioned to execute its strategy in FY2024 and beyond.

Yours sincerely



Marty Switzer
Managing Director

Associate Global Partners Limited and Controlled Entities

Directors' Report

For the Year Ended 30 June 2023

The Directors of Associate Global Partners Limited (**the Company**) present the financial report for the Company and its controlled entities (**the Consolidated Entity** or **the Group**) for the financial year ended 30 June 2023.

1. General information

Directors

The names of the Directors in office at any time during, or since the end of, the financial year are:

Names	Position
Nerida Campbell	Non-Executive Chair
Martin Switzer	Managing Director and Chief Executive Officer
Jason Billings	Non-Executive Director
Ken Poutakidis	Non-Executive Director

Information on Directors

The skills, experience and expertise of each person who is a Director of the Company during the financial year is provided below, together with details of the Company Secretaries.

Nerida Campbell	Independent Non-Executive Chair
Qualifications	B.Bus, CA, FINSIA, GAICD
Experience	Nerida was appointed to the board on 17 August 2018 following a 25-year career in the financial services industry. Most recently she acted as the Chief Operating Officer of Magellan Financial Group Limited, having also held the roles of Chief Financial Officer and Company Secretary. Prior to this, Nerida was the CFO of UBS AG Australia, and had roles at ABN Amro Australia Limited, Bankers Trust Australia Limited and Ernst and Whinney. She was also a member of the ASX Disciplinary Tribunal Panel.
Special responsibilities	Chair
Other current directorships	None
Martin Switzer	Executive Director
Qualifications	B. Econ (Hons)
Experience	Martin has held the positions of Managing Director and Chief Executive Officer of the Company since 27 October 2017. Prior to that he was a Non-Executive Director of the Company since 26 August 2016. Martin has over 20 years' experience in the financial services industry.
Special responsibilities	Managing Director and Chief Executive Officer
Other current directorships	Martin is currently a director of WCM Global Growth Limited

Associate Global Partners Limited and Controlled Entities

Directors' Report

For the Year Ended 30 June 2023

1. General information (continued)

Jason Billings	Independent Non-Executive Director
Qualifications	B.Ec, LLB (Hons), CPA
Experience	Jason has over 25 years' experience in the financial services industry, most recently focused on funds management at Fidelity International. Prior to this, he held roles with Goldman Sachs and UBS. He has significant experience in global equity markets, being based in Hong Kong for around 20 years. Jason currently serves on the Finance and Audit Committees of two large not-for-profit organisations.
Special responsibilities	Chair of Audit and Risk Committee
Other current directorships	None

Ken Poutakidis	Independent Non-Executive Director
Qualifications	B Bus
Experience	Ken is a corporate advisor and corporate finance executive with over 20 years of finance experience. He is Managing Director and Founder of Avenue Advisory, a boutique advisory firm providing corporate finance and capital markets advice to emerging companies. He has previously served as Chairman of the Board and Non-Executive Director for numerous publicly listed ASX companies.
Special responsibilities	Chair of Remuneration and Nomination Committee
Other current directorships	None

Company Secretary

Mark Licciardo

Mark is the founder of Mertons Corporate Services, now part of Acclime Australia and is responsible for Acclime Australia's Listed Services Division. He is also an ASX-experienced director and chair of public and private companies, with expertise in the listed investment, infrastructure, bio-technology and digital sectors. He currently serves as a director on a number of Australian company boards as well as foreign controlled entities and private companies. During his executive career, Mark held roles in banking and finance, funds management, investment and infrastructure development businesses, including being the Company Secretary for ASX:100 companies Transurban Group and Australian Foundation Investment Company Limited. Mark holds a Bachelor of Business degree in accounting, a Graduate Diploma in Governance and is a Fellow of the Chartered Governance Institute, the Governance Institute of Australia and the Australian Institute of Company Directors.

Associate Global Partners Limited and Controlled Entities

Directors' Report

For the Year Ended 30 June 2023

2. Principal activities

The principal activity of the Group was the provision of funds management services, through partnering with leading investment managers to provide a marketing and distribution platform, offering access to retail and wholesale clients.

3. Review of financial results and operations

The Group's total revenue for the year was \$5,662,000 (30 June 2022: \$6,210,000). The Group's net loss after tax for the year was \$1,985,000 (30 June 2022: net loss after tax \$642,000). Refer to the Managing Director's Report on page 3 for further information, including details on the Group's results, strategy and future outlook.

4. Significant changes in state of affairs

Other than stated above in the Review of Financial Results and Operations, there were no other significant changes in the state of affairs of the Group during the financial year.

5. Events after the reporting date

The Directors are not aware of any matters or circumstances that have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

6. Dividends paid or recommended

No dividends were paid or provided for during the financial year and no dividend is recommended in respect of the year (2022: \$Nil).

7. Future developments and results

Refer to the Managing Director's Report on page 3 for information on future developments and results.

8. Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

9. Meetings of Directors

The number of meetings of the Company's Board of Directors and its committees held during the year ended 30 June 2023, and the number of meetings attended by each Director are:

	Directors' Meetings		Audit and Risk Committee		Remuneration and Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Martin Switzer	7	7	4	4	1	1
Nerida Campbell	7	7	4	4	1	1
Ken Poutakidis	7	7	4	4	1	1
Jason Billings	7	7	4	4	1	1

Held: represents the number of meetings held during the time the Director held office and which the Director was eligible to attend.

Associate Global Partners Limited and Controlled Entities

Directors' Report

For the Year Ended 30 June 2023

10. Indemnification and insurance of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors, the company secretaries, and all executive officers of the Company and of any related body corporate against a liability incurred as such by a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability, costs and charges, as such disclosure is prohibited under the terms of the contract. To the extent permitted by law and professional regulations, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of their engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made by the Company to Ernst & Young in this respect during or since the financial year ended 30 June 2023.

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 officer or auditor of the Company or of any related body corporate against a liability incurred as such by an officer or auditor.

11. Proceedings on behalf of the Company

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

12. Non-audit services

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

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in Note 28 did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with *APES 110: Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Associate Global Partners Limited and Controlled Entities

Directors' Report

For the Year Ended 30 June 2023

13. Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C the *Corporations Act 2001* for the year ended 30 June 2023 has been received and can be found on page 21 of the financial report.

14. Rounding of amounts

The Company has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. Accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars (unless otherwise stated).

15. Options

There were no options on issue at year end (2022: Nil). Details of options on issue during the year ended 30 June 2022 are set out at Note 20(a) to the Consolidated Financial Statements.

Associate Global Partners Limited and Controlled Entities

Remuneration Report (Audited) For the Year Ended 30 June 2023

The Remuneration Report for the year ended 30 June 2023 outlines the Director and executive remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. For the purposes of this report, key management personnel (**KMP**) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director of the parent company.

Remuneration policy

The Remuneration and Nomination Committee assists the Board to ensure that the Group:

- has a Board of Directors with the appropriate skills and experience to undertake its duties and responsibilities; and
- adopts appropriate remuneration policies and procedures which are designed to meet the needs of the Group and to enhance individual employee and corporate performance.

Non-Executive Directors' remuneration

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director. The term of service for all Non-Executive Directors is three years. The Remuneration and Nomination Committee sets the framework for Non-Executive Director remuneration.

Non-Executive Directors receive a fixed annual fee and compulsory superannuation contributions. They do not receive bonuses or incentive payments. The maximum annual aggregate total remuneration for Non-Executive Directors is \$350,000 which was approved by shareholders at the annual general meeting of the Company held on 29 November 2004.

Executive remuneration

The Remuneration and Nomination Committee reviews and makes recommendations to the Board on the Group's executive and employee remuneration and incentive policies. The Group aims to reward its executives and employees based on their position and responsibility through a combination of fixed and variable components of remuneration.

- All executives and employees receive a salary package comprising a base salary (which is based on factors such as length of service and experience), superannuation and fringe benefits and they may also be eligible to receive performance incentives.
- Short term incentives may be paid each year to executives and employees as a reward for the achievement of annual performance objectives.
- Performance incentives paid as share-based payments in the form of options or rights are intended to align the interests of executives with those of the Group's shareholders.

The Remuneration and Nomination Committee reviews executive salary packages annually by reference to the Group's performance, the individual executive's performance and comparable industry sector remuneration information.

The Group entered into an employment agreement with Martin Switzer as Managing Director on 22 August 2018 for no fixed term. This agreement was amended with changes announced to the Australian Securities Exchange on 23 March 2022. Since 1 October 2021, Mr Switzer's total fixed remuneration has been \$470,000 per annum plus compulsory superannuation contributions.

Associate Global Partners Limited and Controlled Entities

Remuneration Report (Audited)

For the Year Ended 30 June 2023

Executive remuneration (continued)

Under his amended agreement, Mr Switzer is entitled to short-term incentive (**STI**) awards calculated by reference to his total fixed remuneration. Mr Switzer's STI award may be up to a maximum of 50% of his total fixed remuneration, dependent on achieving specified financial and non-financial metrics that have been set by the Board. Any STI award is payable in cash, shares in the Company or a combination of both, at the discretion of the Board. Mr Switzer is also eligible for a long-term incentive (**LTI**) award comprising a grant of up to 1.5 million performance rights in the Company which may be granted on achieving specific pre-determined FUM targets on or before 30 June 2024. Any performance rights granted would vest in three equal tranches, the first being on 30 June 2024 and then on 30 June 2025 and 30 June 2026, subject to Mr Switzer continuing to be employed by the Company.

Termination of Mr Switzer's employment agreement can be made by either party with six months' notice (or payment in lieu), other than where employment is terminated for cause, in which case the Company can terminate with no notice period.

Associate Global Partners Limited and Controlled Entities

Remuneration Report (Audited)

For the Year Ended 30 June 2023

The following table of benefits and payment details represents the components of the current year and comparative year remuneration expense for each KMP of the Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

Table of benefits and payments

Member	Year	Short-term Benefits			Post-employment		Long-term Benefits	Share-based Payments	Total Remuneration
		Cash Salary & Fees \$	Bonus \$	Non-monetary \$	Superannuation \$	Other \$	Long Service Leave \$		
Directors									
Nerida Campbell ¹	2023	112,500	-	-	11,813	-	-	-	124,313
	2022	66,666	-	-	6,667	-	-	-	73,333
Martin Switzer ^{2, 3}	2023	470,000	125,000	-	25,292	-	9,945	-	630,237
	2022	450,984	-	-	23,568	-	21,554	-	496,106
Jason Billings ⁴	2023	62,500	-	-	6,563	-	-	-	69,063
	2022	20,834	-	-	2,083	-	-	-	22,917
Ken Poutakidis	2023	62,500	-	-	6,563	-	-	-	69,063
	2022	50,000	-	-	5,000	-	-	-	55,000
Roger Amos ⁵	2023	-	-	-	-	-	-	-	-
	2022	52,500	-	-	5,250	-	-	-	57,750
Total	2023	707,500	125,000	-	50,231	-	9,945	-	892,676
	2022	640,984	-	-	42,568	-	21,554	-	705,106

¹ Nerida Campbell was appointed as non-executive chair on 1 February 2022.

² Cash bonus was granted on 30 June 2023, which represents 27% of Mr Switzer's total base salary. This amount had not been paid as at 30 June 2023.

³ Mr Switzer's total base salary was amended effective 1 October 2021 as disclosed to the ASX on 23 March 2022.

⁴ Jason Billings was appointed as a non-executive director on 1 February 2022.

⁵ Roger Amos resigned as non-executive chairman on 31 January 2022.

Associate Global Partners Limited and Controlled Entities

Remuneration Report

For the Year Ended 30 June 2023

Securities received that are not performance related

No KMP of the Group are entitled to receive securities which are not performance-based linked as part of their remuneration package.

Description of shares issued as remuneration

There were no shares issued as remuneration to KMP during the year.

KMP shareholdings

The number of ordinary shares in the Company held by each KMP of the Group during the financial year is as follows:

	Opening Balance 1 July 2022	Net Acquisitions/ (Disposals)	Closing Balance 30 June 2023
Directors			
Nerida Campbell	95,000	100,000	195,000
Martin Switzer	7,188,440	540,000	7,728,440
Jason Billings	200,000	400,000	600,000
Ken Poutakidis	566,666	-	566,666
	8,050,106	1,040,000	9,090,106

The number of shares or units held by each KMP and their related parties in the Group's listed investment companies or funds is as follows:

	Opening Balance 1 July 2022	Net Acquisitions/ (Disposals)	Closing Balance 30 June 2023
WCM Global Growth Limited			
Martin Switzer	14,233	29,209	43,442
Ken Poutakidis	38,812	2,787	41,599
WCM Quality Global Growth Fund			
Martin Switzer	9,300	16,021	25,321
WCM Global Long Short Limited			
Martin Switzer	120,000	(120,000)	-
Switzer Dividend Growth Fund			
Martin Switzer	62,450	-	62,450
Switzer Higher Yield Fund			
Nerida Campbell	755	(755)	-
WCM International Small Cap Growth Fund			
Nerida Campbell	10,607	-	10,607
Martin Switzer	3,399	-	3,399
Jason Billings	11,461	-	11,461

End of Audited Remuneration Report

Associate Global Partners Limited and Controlled Entities

Directors' Report For the Year Ended 30 June 2023

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Director:

A handwritten signature in black ink, appearing to read 'N. Campbell', written in a cursive style.

Nerida Campbell
Chair
25 August 2023



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working world**

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Auditor's independence declaration to the directors of Associate Global Partners Limited

As lead auditor for the audit of the financial report of Associate Global Partners Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Associate Global Partners Limited and the entities it controlled during the financial year.

A handwritten signature in grey ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in grey ink that reads 'Darren Handley-Greaves'.

Darren Handley-Greaves
Partner
25 August 2023

Associate Global Partners Limited and Controlled Entities

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

		2023	2022
		000's	000's
	Note	\$	\$
Revenue			
Investment management fees	2(a)	5,007	5,492
Other fees	2(a)	503	553
Performance fees	2(a)	-	55
Effective interest income on discounted receivable		-	109
Interest income		149	1
Other income		3	-
Total revenue		5,662	6,210
Expenses			
Employee benefits expense		3,744	3,296
Corporate and administrative expenses	3(a)	1,971	1,558
Direct fund expenses		1,183	1,345
Professional services expense		513	436
Finance costs	3(b)	116	105
Depreciation and amortisation expense	3(c)	120	112
Total expenses		7,647	6,852
Net loss before income tax		(1,985)	(642)
Income tax credit	4	-	-
Net loss after income tax		(1,985)	(642)
Other comprehensive loss, net of income tax			
Other comprehensive loss		-	-
Total comprehensive loss attributable to members of the Company		(1,985)	(642)
Loss per share attributable to the ordinary equity holders of the Company:			
		Cents	Cents
Basic loss per share	19	(4.11)	(1.34)
Diluted loss per share	19	(4.11)	(1.34)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Associate Global Partners Limited and Controlled Entities

Consolidated Statement of Financial Position For the Year Ended 30 June 2023

		2023	2022
		000's	000's
	Note	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5	4,054	6,594
Trade and other receivables	6	2,003	1,232
Other assets	7	318	258
Total current assets		<u>6,375</u>	8,084
Non-Current Assets			
Other financial assets	8	235	96
Property, plant and equipment		11	20
Right-of-use asset	9a	494	208
Goodwill	10	5,979	4,806
Total non-current assets		<u>6,719</u>	5,130
Totals Assets		<u>13,094</u>	<u>13,214</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	11	3,758	2,406
Provisions	12	292	256
Lease liabilities	13	206	142
Borrowings	14	155	829
Total current liabilities		<u>4,411</u>	3,633
Non-Current Liabilities			
Provisions	12	12	29
Lease liabilities	13	337	150
Borrowings	14	1,252	502
Total non-current liabilities		<u>1,601</u>	681
Total Liabilities		<u>6,012</u>	4,314
NET ASSETS		<u>7,082</u>	<u>8,900</u>
EQUITY			
Issued capital	15	150,555	150,383
Reserves	16	51	56
Accumulated losses	17	(143,524)	(141,539)
Total Equity		<u>7,082</u>	<u>8,900</u>

The Consolidated Statement of Financial Position is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Associate Global Partners Limited and Controlled Entities

Consolidated Statement of Changes in Equity For the Year Ended 30 June 2023

2022

		Issued Capital	Share-based Payment Reserve	Accumulated Losses	Total
		000's	000's	000's	000's
	Note	\$	\$	\$	\$
Balance at 1 July 2021		150,193	78	(140,897)	9,374
Loss for the year		-	-	(642)	(642)
Total comprehensive loss for the year		-	-	(642)	(642)
Transactions with owners in their capacity as owners		-	-	-	-
Issue of share capital, net of transaction costs	15	104	-	-	104
Transfer between equity	15, 16	86	(86)	-	-
Share-based payments	16	-	64	-	64
Balance at 30 June 2022		150,383	56	(141,539)	8,900

2023

		Issued Capital	Share-based Payment Reserve	Accumulated Losses	Total
		000's	000's	000's	000's
	Note	\$	\$	\$	\$
Balance at 1 July 2022		150,383	56	(141,539)	8,900
Loss for the year		-	-	(1,985)	(1,985)
Total comprehensive loss for the year		-	-	(1,985)	(1,985)
Transactions with owners in their capacity as owners		-	-	-	-
Issue of share capital, net of transaction costs	15	-	-	-	-
Transfer between equity	15, 16	172	(172)	-	-
Share-based payments	16	-	167	-	167
Balance at 30 June 2023		150,555	51	(143,524)	7,082

The Statement of Changes in Equity is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Associate Global Partners Limited and Controlled Entities

Consolidated Statement of Cash Flows For the Year Ended 30 June 2023

	2023	2022
	000's	000's
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers ¹	11,365	13,921
Payments to suppliers and employees ¹	(13,564)	(14,649)
Interest received	148	1
Finance costs paid	(111)	(97)
Net cash flows from operating activities	(2,162)	(824)
	29(a)	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(5)	(9)
Business acquisition	(302)	-
Proceeds from discounted receivable	-	1,826
Net cash flows from investing activities	(307)	1,817
	30	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	76	79
Repayment of lease liabilities	(147)	(107)
Proceeds from issue of share capital	-	104
Net cash flows from financing activities	(71)	76
	29(b)	
Net movement in cash and cash equivalents held	(2,540)	1,069
Cash and cash equivalents at beginning of year	6,594	5,525
Cash and cash equivalents at end of financial year	4,054	6,594
	5	

¹ 2022 has been restated to reallocate rebates paid to clients against receipts from customers as opposed to payments to suppliers and employees.

The Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying Notes to the Consolidated Financial Statements.

Associate Global Partners Limited and Controlled Entities

Notes to the Consolidated Financial Statements For the Year Ended 30 June 2023

1. Statement of Significant Accounting Policies

General Information

On 9 November 2022 Contango Asset Management Limited changed its name to Associate Global Partners Limited (**AGP**) and adopted the new ASX code, APL (formerly CGA). All references in this document to Associate Global Partners Limited, AGP or ASX: APL can be read as references to the former Contango Asset Management Limited or ASX:CGA, where relevant. Associate Global Partners Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

The Consolidated Financial Statements and notes represent those of Associate Global Partners Limited as a group consisting of Associate Global Partners Limited (**the Company**) and the entities it controlled at the end of, or during, the year (**the Group**). The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

The Consolidated Financial Statements were authorised for issue, in accordance with a resolution of Directors, and signed on the same date as the Directors' Declaration.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on a going concern basis and under the historical cost convention except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Standards Issued But Not Yet Effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. The Directors have assessed that the implementation of these standards does not have a material impact on the financial report. New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group are:

- AASB 2020-1: Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current
- AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (amends AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2)
- AASB 2021-6: Amendments to Australia Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(a) Current vs non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Financial Position based on a current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period

Or

- Cash or cash equivalent except if it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within 12 months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(b) Principles of consolidation

The Consolidated Financial Statements incorporate all of the assets, liabilities and results of the parent company, Associate Global Partners Limited, and all of its subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 23.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(c) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired, and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(c) Business combinations (continued)

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

Contingent consideration classified as an asset or liability is re-measured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument and initial legal costs for the transaction, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(d) Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- i. the consideration transferred;
- ii. any non-controlling interest (determined under either the full goodwill or proportionate interest method);
- iii. the acquisition date fair value of any previously held equity interest; and

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(e) Tax consolidation

Associate Global Partners Limited and its wholly owned subsidiaries are consolidated for tax purposes.

The Company and its wholly owned Australian subsidiaries have formed a tax-consolidated group with effect from 1 July 2003. The head entity within the group is Associate Global Partners Limited.

The members of the tax-consolidated group are identified in Note 23. Tax expense/benefit, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

(f) Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination. Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(f) Income tax (continued)

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: (i) a legally enforceable right of set-off exists; and (ii) 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 asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(g) Property, plant and equipment

All classes of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amounts of all fixed assets are calculated using the diminishing balance method over their estimated useful lives commencing from the time the asset is held ready for use.

Class of Fixed Asset	Depreciation Rate
Furniture & Fittings	20%
Office Computers and Machines	40%

(h) Financial instruments

Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions to the instrument.

Financial instruments (except trade and other receivables) are initially recognised at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain any significant financing component or if the practical expedient was applied as specified in *AASB 15 Revenue from Contracts with Customers* para 63.

All financial assets and financial liabilities of the Group are subsequently measured at amortised cost.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

i. Financial assets at amortised cost

All financial assets are subsequently classified and measured at amortised cost when both of the following criteria are met:

- the business model's objective is to hold the financial asset to collect contractual cash flows; and
- the contractual cash flows consist solely of payments of principal and interest.

Trade and other receivables with maturities of less than 12 months are initially recognised at their transaction price less lifetime expected losses and subsequently measured at amortised cost.

ii. Financial liabilities at amortised cost

A financial liability is subsequently measured at amortised cost or fair value through profit and loss. The Group has only financial liabilities at amortised cost using the effective interest rate method.

iii. Impairment of financial assets

Impairment of financial assets is recognised based on the lifetime expected credit loss which is determined when the credit risk on a financial asset has increased significantly since initial recognition. In order to determine whether there has been a significant increase in credit risk since initial recognition, the entity compares the risk of default as at the reporting date with risk of default as at initial recognition using reasonable and supportable data, unless the financial asset is determined to have a low credit risk at the reporting date.

For trade and other receivables, the simplified approach is used, which requires recognition of a loss allowance based on the lifetime expected credit losses. As a practical expedient, the Group uses a provision matrix based on historical information and adjusted for forward-looking estimates in order to determine the lifetime expected credit losses.

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(h) Financial instruments (continued)

iv. Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks and short-term deposits with an original maturity of three months or less held at call with financial institutions.

(j) Impairment of assets

Goodwill and other assets that have an indefinite useful life are not amortised but are tested annually for impairment in accordance with *AASB 136 Impairment of Assets*. The depreciable amount of intangible assets with a finite life is amortised over its useful life. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

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

(k) Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised so as to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled, in exchange for those goods or services.

Revenue is recognised in accordance with the following five-step process:

1. Identifying the contract with the customer.
2. Identifying the performance obligations in the contract.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations in the contract.
5. Recognising revenue as and when the performance obligations are satisfied.

Investment management fees and service fees represent revenue from contracts with customers. Revenue arising from investment management contracts relates to performance obligations satisfied over time and as such revenue is recognised on a progressive basis. An output method is used to recognise revenue from such contracts which involves reference to the amounts invoiced to the customer for the services rendered during the period. This is because management believes that the amounts invoiced directly reflect the value of output transferred to the customer. In the case of amounts received in advance for services to be performed these are recognised as contract liabilities and are not reclassified to revenue until the performance obligation is satisfied.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(k) Revenue recognition (continued)

Variable consideration may arise in some fund management contracts from performance fees. Performance fees may be earned where a fund's investment return after management fees exceeds the applicable benchmark. Performance fees are subject to a high-water mark, and a cap for each calculation period, with the exception of WCM International Small Cap Growth Fund (Managed Fund) which does not have a cap. An amount of the performance fees received are payable to the fund's investment manager. Variable consideration is estimated using either the expected value method or most likely amount method, as appropriate to the circumstances and recognised as revenue at the end of each reporting period until the contracts are settled.

Interest income

Interest income is recognised using the effective interest method.

(l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (**GST**), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the acquisition of the asset or as part of an item of expense.

Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST.

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

(m) Employee benefits

i. Short-term employee benefit obligations

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

ii. Long-term employee benefit obligations

The Group's liabilities for long service leave are included in other long-term benefits as they are not expected to be settled wholly within 12 months after the end of the period in which the employee renders the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, periods of service and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows. Any re-measurements arising from changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Group presents long-term employee benefit obligations as non-current liabilities in the Consolidated Statement of Financial Position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, in which case the obligations are presented as current provisions.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(n) Trade and other payables

Trade payables and other payables represent liabilities for goods and services provided to the Group prior to the end of the period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 7–60 days of recognition.

(o) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

(p) Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Consolidated Statement of Financial Position date.

(q) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability are recognised by the Group where the Group is a lessee. All contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense/income on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives applicable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(q) Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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

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

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under *AASB 137 Provisions, Contingent Assets and Contingent Liabilities*. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies *AASB 136* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy (as outlined in Note 1(g)).

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Corporate and administrative expense" in the profit or loss.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

1 Statement of Significant Accounting Policies (continued)

(r) Share-based payments

The Group provides benefits to its employees in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instrument at the date on which they are granted. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is measured at the market bid price at grant date. The fair value of shares issued where the shares are treated as an option is determined using the Black-Scholes valuation model. In respect of share-based payments that are dependent on the satisfaction of service conditions, the number of shares expected to vest is reviewed and adjusted at each reporting date.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The amount recognised for services received as consideration for these equity instruments granted is adjusted to reflect the best estimate of the number of equity instruments that eventually vest.

(s) 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.

(t) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group:

i. Impairment of goodwill

Goodwill acquired in a business combination is tested for impairment at least annually and when there is an indication that there may be impairment. For the purposes of impairment testing, goodwill arising from the acquisition of AGP Investment Management Limited (**AGPIM**) and Brookvine Pty. Limited (**Brookvine**) has been allocated to the Group's sole cash generating unit, being its investment management business.

In assessing whether there may be an indication of impairment, the Directors have compared at 30 June 2023 the Group's carrying value of the cash generating unit with the recoverable amount, being the cash generating unit's fair value less costs to sell, using a percentage of funds under management (**FUM**) approach using a multiple of between 1.2% to 1.4%, which is the same as last year. The FUM percentage was derived from trading data of comparable companies and transaction data from recent comparable company acquisitions that have occurred in the market.

(u) Comparative figures

When necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(v) Rounding of amounts

The amounts in the consolidated financial statements and Directors' Report have been rounded to the nearest \$1,000 (where rounding is applicable) where noted (\$'000) under the option available to the Company under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument applies.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

2 Revenue

(a) Revenue from customer contracts

	2023	2022
	000's	000's
	\$	\$
Investment management fees	5,007	5,492
Other fees	503	553
Performance fees	-	55
Total revenue from customer contracts	5,510	6,100

3 Expenses

(a) Corporate and administrative expenses

Marketing and distribution expense	479	394
Audit fees	212	195
Occupancy expense	44	33
Legal expenses	173	117
Listing and registry expense	83	97
IT, office and communication expense	156	85
Insurance expense	250	263
Other expenses	574	374
Total corporate & administrative expenses	1,971	1,558

(b) Finance costs

Interest expense	111	97
Interest expense on lease liability	5	8
Total finance costs	116	105

(c) Depreciation and amortisation

Depreciation – plant and equipment	8	8
Loss on disposal of assets	6	-
Amortisation – right-of-use asset	106	104
Total depreciation and amortisation	120	112

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

4 Income Tax Expense

	2023 000's \$	2022 000's \$
(a) The major components of tax expense comprise:		
Current tax	-	-
	<u>-</u>	<u>-</u>

(b) Numerical reconciliation of income tax expense to prima facie tax payable:

Loss before income tax expense	(1,985)	(642)
Prima facie income tax benefit at the statutory rate of 25% (2022: 25%)	496	161
Effect of amounts which are non-deductible/assessable in calculating taxable income		
- Tax losses not recognised as deferred tax assets	(496)	(161)
Income tax (expense)/benefit reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	<u>-</u>	<u>-</u>

(c) Unrecognised deferred tax asset

The amount of deductible temporary differences and unused tax losses for which no deferred tax asset has been recognised:

	2023 000's \$	2022 000's \$
Potential tax benefit at 25% (2022: 25%)	3,601	3,134

Deferred tax assets have not been recognised to the extent that it is not probable that taxable profit will be available against which the losses can be utilised. The Group also has accumulated income and capital losses from prior years' activity that have not been recognised because of uncertainty about their availability under applicable tax legislation.

5 Cash and Cash Equivalents

	2023 000's \$	2022 000's \$
Cash at bank	4,054	6,594

Cash at bank includes operating cash and term deposits. Operating cash earns interest at floating rates based on daily bank deposit rates. Term deposits earn interest at fixed rates.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

6 Trade and Other Receivables

CURRENT

Trade receivables	1,240	1,110
Accrued income	313	22
Other receivables	450	100
Total current trade and other receivables	2,003	1,232

The ageing of trade receivables as at 30 June 2023 is less than 30 days (2022: less than 30 days). There are no trade receivables which are past due and impaired as at 30 June 2023 (2022: \$Nil).

7 Other Assets

	2023	2022
	000's	000's
	\$	\$
CURRENT		
Prepayments	318	258
Total other assets	318	258

8 Other Financial Assets

	2023	2022
	000's	000's
	\$	\$
NON-CURRENT		
Other financial assets	235	96
Total other financial assets	235	96

Other financial assets are interest bearing deposits supporting bank guarantees.

9 Right-of-use Asset

	2023	2022
	000's	000's
	\$	\$
Leased office space		
Right-of-use asset	808	416
Accumulated amortisation expense	(314)	(208)
Total right-of-use asset	494	208

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

9 Right-of-use Asset (continued)

(a) Movements in carrying amounts of right-of-use assets

	2023 000's \$	2022 000's \$
Opening balances at 1 July 2022	208	312
Additions	392	-
Amortisation expense	(106)	(104)
Net carrying amount - asset	494	208

The Group leases an office space in Sydney, with a lease term of four years that commenced on 1 July 2020. The lease was subleased as an operating lease on 13 June 2023 until lease expiry as the Group has relocated. The Group's new office lease, with a lease term of three years, starts on 1 August 2023, however, the Group exercised its early access option during the rent-free period from 16 June 2023.

The Group does not have any leases which contain variable lease payments.

(b) AASB 16 related amounts recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2023 000's \$	2022 000's \$
Amortisation charge related to right-of-use asset	106	104
Interest expense on lease liabilities	5	9
Short-term lease expenses	-	4
	111	116

10 Goodwill

	2023 000's \$	2022 000's \$
Goodwill at cost	8,636	8,636
Goodwill at cost-business combination Brookvine ¹	1,173	-
Accumulated impairment loss	(3,830)	(3,830)
Total goodwill	5,979	4,806

¹ Includes \$1,112,000 goodwill at cost for the acquisition of 100% of the share capital of Brookvine on 6 April 2023, refer Note 30, and \$61,000 acquisition costs.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

10 Goodwill (continued)

(a) Movements in carrying amounts of goodwill

	2023 000's \$	2022 000's \$
Opening value at 1 July	4,806	4,806
Acquired through business combination/acquisition of Brookvine	1,173	-
Impairment loss	-	-
Closing value at 30 June	5,979	4,806

(b) Impairment

Goodwill acquired in a business combination is tested for impairment at least annually and when there is an indication that there may be impairment. The Group performed its annual impairment test in June 2023.

In assessing impairment, the Directors have compared the Group's carrying value of the cash generating unit at 30 June 2023 with the recoverable amount, being the cash generating unit's fair value less costs to sell, using a percentage of FUM approach using a multiple of between 1.2% to 1.4%, which is the same as last year. There has been no change in the valuation technique or methodology since the prior year. The FUM percentage is the midpoint of the 2022 range which was derived from trading data of comparable companies and transaction data from recent comparable company acquisitions that have occurred in the market.

11 Trade and Other Payables

	2023 000's \$	2022 000's \$
CURRENT		
Trade payables	536	329
GST payable	278	454
Accrued expenses	2,054	1,623
Brookvine deferred consideration (refer Note 30)	890	-
Total trade and other payables	3,758	2,406

Refer to Note 21 for further information on financial risk management.

12 Provisions

	2023 000's \$	2022 000's \$
CURRENT		
Annual leave	211	211
Long service leave	81	45
	292	256
NON-CURRENT		
Long service leave	12	29
Total provisions	304	285

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

12 Provisions (continued)

Movement in carrying amounts

	2023 000's \$	2022 000's \$
Opening balance at 1 July	285	195
Additional provisions	226	230
Provisions used	(207)	(140)
Closing balance at 30 June	304	285

13 Lease Liabilities

	2023 000's \$	2022 000's \$
Maturity Analysis		
Year 1	228	148
Year 2	164	152
Year 3	179	-
Year 4	14	-
Total lease liabilities	585	300
Less: interest payable	(42)	(8)
	543	292
Analysed as:		
Current	206	142
Non-current	337	150
	543	292

The Group does not face a significant liquidity risk with regard to its lease liabilities.

14 Borrowings

	2023 000's \$	2022 000's \$
CURRENT		
Borrowings	155	79
Other unsecured loans	-	750
	155	829
NON-CURRENT		
Other unsecured loans	1,252	502
Total borrowings	1,407	1,331

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

14 Borrowings (continued)

Borrowings at 30 June 2023 consisted of the following arrangements:

- \$155,000 payable under an insurance premium funding arrangement as five equal monthly instalments with a fixed interest rate of 4.49%;
- \$750,000 unsecured loan repayable on 5 December 2024 at a fixed interest rate of 8% per annum, with interest paid in arrears annually; and
- \$502,000 unsecured loan repayable on 28 August 2028 at a fixed interest rate of 8% per annum, with interest paid in arrears annually.

15 Issued Capital

	2023	2022
	000's	000's
	\$	\$
48,420,888 (2022: 48,155,888) ordinary shares	150,555	150,383

Movements in ordinary share capital:

	Number of shares	000's \$
Opening balance – 1 July 2021	47,873,085	150,193
Pacific Point Partners Limited – options exercised	172,500	104
Ordinary shares issued to the Managing Director & CEO	60,303	44
Performance rights vested	50,000	42
Closing balance – 30 June 2022	48,155,888	150,383
	Number of shares	000's \$
Opening balance – 1 July 2022	48,155,888	150,383
Performance rights vested	265,000	172
Closing balance – 30 June 2023	48,420,888	150,555

16 Reserves

	2023	2022
	000's	000's
	\$	\$
Share-based payment reserve		
Opening balance	56	78
Transfer to issued capital	(172)	(86)
Performance rights forfeited	-	-
Recognition of share-based expense relating to Managing Director & CEO	-	-
Recognition of share-based expense relating to employees	167	64
Closing balance at the end of the reporting period	51	56

The share-based payment reserve is used to recognise the value of equity benefits provided to the Managing Director and Chief Executive Officer, and employees, as part of their remuneration.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

17 Accumulated Losses

	2023	2022
	000's	000's
	\$	\$
Opening balance	(141,539)	(140,897)
Net loss attributable to shareholders	(1,985)	(642)
Accumulated losses at the end of the reporting period	(143,524)	(141,539)

18 Dividends

No dividend has been declared or paid in respect to the financial year ended 30 June 2023 (2022: \$Nil).

19 Earnings Per Share

Basic earnings per share (**EPS**) is calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2023	2022
	Cents	Cents
Basic loss per share		
Total loss per share attributable to the ordinary equity holders of the company	(4.11)	(1.34)
Dilutive loss per share		
Total loss per share attributable to the ordinary equity holders and potential ordinary equity holders of the company	(4.11)	(1.34)

The following section reflects the income and share data used in the basic and diluted EPS computations:

(a) Earnings used to calculate basic and diluted EPS

	2023	2022
	000's	000's
	\$	\$
Basic loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic loss per share	(1,985)	(642)
Diluted loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating diluted loss per share	(1,985)	(642)

The share options and performance rights disclosed in Note 20 are anti-dilutive because the Company is in a loss position and are therefore not included in the calculation of the diluted losses per share.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

19 Earnings Per Share (continued)

(b) Weighted average number of shares used as the denominator in calculation of earnings per share

	2023 No.	2022 No.
Weighted average number of ordinary shares used in calculating basic earnings per share	48,310,409	47,951,859
Weighted average number of ordinary shares adjusted for the effect of dilution	<u>48,503,297</u>	<u>48,066,859</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

20 Share-based Payments

(a) Share options to Pacific Point Partners Limited

In September 2016 the Company issued 345,000 options to Pacific Point Partners Limited in partial consideration of it providing a loan to assist the Company in the acquisition of the Contango funds management business. Each option entitles the holder to subscribe for one share. The options have an exercise price of \$0.60 each, were granted on 26 September 2016 and are exercisable at any time after the one-year anniversary of the grant date until the fifth-year anniversary of the grant date. The fair value at grant date was estimated using a Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The fair value of the share options was estimated on the grant date using the following assumptions:

Exercise price (\$)	0.60
Dividend yield (%)	0.00
Expected Volatility (%)	25.00
Risk free interest rate (%)	1.70
Fair value per option (\$)	0.15

Movements during the year

	2023		2022	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Options outstanding as at 1 July	-	-	172,500	0.60
Exercised	-	-	(172,500)	0.60
Options outstanding as at 30 June	-	-	-	-
Options exercisable as at 30 June	-	-	-	-

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

20 Share-based Payments (continued)

(b) Performance rights

On 15 December 2020, the Company issued 150,000 performance rights to certain employees within the business. The performance rights were independently valued using the Black-Scholes options pricing model. The expected life of the performance rights was 18 months with the sole vesting condition being that the employee is employed by the Group on the vesting date. The fair value of the performance rights at grant date was \$126,000. The share-based payment expense recognised in the 30 June 2023 reporting period was \$20,002 (2022: \$29,793).

The fair value of the performance rights was estimated on the grant date using the following assumptions:

Exercise price (\$)	0.00
Dividend yield (%)	0.00
Expected Volatility (%)	70.00
Risk free interest rate (%)	0.10
Fair value per option (\$)	0.84

On 6 October 2021, the Company issued a further 65,000 performance rights to key executives within the business. The expected life of the performance rights was 15 months with the sole vesting condition being that the employee is employed by the Group on the vesting date. The fair value of the performance rights at grant date was \$58,500. The share-based payment expense recognised in the 30 June 2023 reporting period was \$23,141 (2022: \$34,359).

The fair value of the performance rights was estimated on the grant date using the following assumptions:

Exercise price (\$)	0.00
Dividend yield (%)	0.00
Expected Volatility (%)	70.00
Risk free interest rate (%)	0.08
Fair value per option (\$)	0.90

On 1 July 2022, the Company issued 280,000 performance rights to certain employees within the business. The performance rights were valued based on the expected life of the performance rights of 6 - 18 months with the sole vesting condition being that the employee is employed by the Group on the vesting date. The fair value of the performance rights at grant date was \$137,200. The share-based payment expense recognised in the 30 June 2023 reporting period was \$123,857 (2022: \$Nil).

Movements during the year

	2023		2022	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Performance rights outstanding as at 1 July	115,000	-	150,000	-
Granted during the year	280,000	-	65,000	-
Forfeited during the year	-	-	(50,000) ¹	-
Exercised during the year	(265,000) ³	0.66	(50,000) ²	0.63
Performance rights outstanding as at 30 June	130,000	-	115,000	-

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

20 Share-based Payments (continued)

¹ 50,000 performance rights were forfeited by one employee as they did not meet the vesting condition in 2022

² 50,000 shares vested and were converted to ordinary shares on 15 June 2022

³ 50,000 shares vested and were converted to ordinary shares on 14 July 2022, 65,000 shares vested and were converted to ordinary shares on 31 December 2022 and 150,000 shares vested and were converted to ordinary shares on 1 January 2023

21 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange risk and aging analysis for credit risk.

Risk management is the responsibility of the Board of Directors.

Market risk

Foreign currency risk

The Group was not subject to any material foreign exchange risk in the 2023 and 2022 financial years.

Price risk

Price risk is the risk that management and performance fees will increase or decrease as a result of changes in equity prices in local currency (caused by factors specific to the individual stock or the market as a whole), exchange rate movements, or a combination of both.

For illustrative purposes, an increase of 10% in average FUM would have had the following impact:

	2023	2022
	000's	000's
	\$	\$
10% increase in average value of FUM would result in:		
- higher base management fees	520	515
Impact on net profit after tax and equity	498	493

A decrease of 10% in the risk factor above would have an equal but opposite impact to net profit, comprehensive income and equity.

Assumptions and explanatory notes

Changes in market prices may impact inflows to, and outflows from, the Group's FUM. This impact has not been estimated.

Interest rate risk

The Group's main interest rate risk arises from cash and cash equivalents, the majority of which is held in various at-call deposits at variable rates and various short-term deposits with interest rates fixed for the terms of the deposit. During 2022 and 2023, the Group's cash at bank at variable rates was denominated in Australian dollars. As at the reporting date, the Group had the following variable rate cash at bank:

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

21 Financial Risk Management (continued)

	2023		2022	
	Weighted Average Interest Rate	Balance	Weighted Average Interest Rate	Balance
	%	000's \$	%	000's \$
Cash at bank	4.40	4,054	0.03	6,594
Net exposure to cash flow interest rate risk	-	4,054	-	6,594

Sensitivity

The following table illustrates sensitivities to the Group's exposure to changes in interest rates. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit 000's \$	Equity 000's \$
Year ended 30 June 2023		
+/- 0.5% in interest rates	20	20
Year ended 30 June 2022		
+/- 0.5% in interest rates	26	26

Credit risk

The Group was not subject to any material credit risk in the 2023 financial year.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves, including the availability of funding through committed credit facilities. The Group manages liquidity risk by regularly monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the simple nature of the underlying businesses, the Group aims to simplify funding by minimising credit lines and investing surplus funds in very liquid deposits at call or short-term deposits.

Financial liability and financial asset maturity analysis

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period between the reporting date and the contractual maturity date. Cash flows realised from financial assets reflect management's expectations as to the timing of their realisation. Actual timing may differ from that disclosed. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year 000's \$	1 to 5 years 000's \$	Over 5 years 000's \$	Total 000's \$
Group – 2023				
Financial liabilities due for payment				
Trade and other payables (Note 11)	3,758	-	-	3,758
Lease liabilities (Note 13)	206	337	-	543
Borrowings (Note 14)	155	750	502	1,407
Total expected outflows	4,119	1,087	502	5,708

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

21 Financial Risk Management (continued)

	Within 1 year 000's \$	1 to 5 years 000's \$	Over 5 years 000's \$	Total 000's \$
Financial assets – cash flows realisable				
Cash and cash equivalents	4,054	-	-	4,054
Trade and other receivables (Note 6)	2,003	-	-	2,003
Other financial assets (Note 8)	-	235	-	235
Total anticipated inflow on financial instruments	6,057	235	-	6,292
Net inflow/(outflow) on financial instruments	1,938	(852)	(502)	584

	Within 1 year 000's \$	1 to 5 years 000's \$	Over 5 years 000's \$	Total 000's \$
Group – 2022				
Financial liabilities due for payment				
Trade and other payables (Note 11)	2,406	-	-	2,406
Lease liabilities (Note 13)	142	150	-	292
Borrowings (Note 14)	829	-	502	1,331
Total expected outflows	3,377	150	502	4,029
Financial assets – cash flows realisable				
Cash and cash equivalents	6,594	-	-	6,594
Trade and other receivables (Note 6)	1,232	-	-	1,232
Other financial assets (Note 8)	-	96	-	96
Total anticipated inflow on financial instruments	7,826	96	-	7,922
Net inflow/(outflow) on financial instruments	4,449	(54)	(502)	3,893

Fair value

Fair value estimation

The fair values of the Group's financial assets and financial liabilities are presented in the table below and can be compared with their carrying values as presented in the Consolidated Statement of Financial Position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted, and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

The net fair values of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximate their carrying amounts.

The carrying values less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

21 Financial Risk Management (continued)

	2023		2022	
	Carrying Value	Fair value	Carrying Value	Fair value
	000's	000's	000's	000's
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	4,054	4,054	6,594	6,594
Trade and other receivables	2,003	2,003	1,232	1,232
Other financial assets	235	235	96	96
Total financial assets	6,292	6,292	7,922	7,922
Financial liabilities				
Trade and other payables	3,758	3,758	2,406	2,406
Lease liabilities	543	543	292	292
Borrowings	1,407	1,407	1,331	1,331
Total financial liabilities	5,708	5,708	4,029	4,029

Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern, so that the Group can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. As the Group incurs net cash outflows from operations and has large accumulated losses, the primary method used by the Group to adjust its capital structure is the issue of new shares and borrowings. The Group has determined that where possible it will issue ordinary shares, rather than issue hybrid forms of securities, so as to avoid any restrictions on its use of capital or commitment to interest repayments. There are also regulatory capital requirements of the wholly owned subsidiary AGPIM which the Group considers in managing its overall capital requirements.

22 Parent Entity

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

	2023	2022
	000's	000's
	\$	\$
Statement of Financial Position		
Current assets	4,329	4,952
Non-current assets	4,504	3,097
Total Assets	8,833	8,049
Current liabilities	3,507	2,016
Non-current liabilities	-	-
Total Liabilities	3,507	2,016
Issued capital	150,607	150,328
Accumulated losses	(145,281)	(144,295)
Total Equity	5,326	6,033
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	(1,411)	(1,189)
Total other comprehensive loss	-	-
Total Comprehensive Loss	(1,411)	(1,189)

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

22 Parent Entity (continued)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 (2022: \$Nil).

Contractual commitments

The parent entity had no commitments as at 30 June 2023 (2022: \$Nil).

23 Interests in Subsidiaries and Controlled Entities

Composition of the Group

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Company. The proportion of ownership interests held equals the voting rights held by the Company. Each subsidiary's principal place of business is also its country of incorporation.

	Principal place of business / Country of Incorporation	Percentage Owned (%) 2023	Percentage Owned (%) 2022
Subsidiaries:			
CAM SPV Pty Limited	Australia	100	100
2735 CSM Holdings Pty Limited	Australia	100	100
AGP Funds Management Limited ¹	Australia	100	100
AGP International Management Pty Ltd ²	Australia	100	100
AGP Group Services Pty Ltd ³	Australia	100	100
AGP Investment Management Limited ⁴	Australia	100	100
Brookvine Pty. Limited ⁵	Australia	100	0

¹ Contango Funds Management Limited changed its name to AGP Funds Management Limited on 20 December 2022.

² Contango International Management Pty Ltd changed its name to AGP International Management Pty Ltd on 20 December 2022

³ Contango Group Services Pty Limited changed its name to AGP Group Services Pty Ltd on 20 December 2022.

⁴ Associate Global Partners Limited changed its name to AGP Investment Management Limited on 18 October 2022.

⁵ Associate Global Partners Limited acquired 100% of Brookvine Pty. Limited on 6 April 2023.

24 Related Parties

i. Entities exercising control over the Group:

The ultimate parent entity, which exercises control over the Group, is Associate Global Partners Limited which is incorporated in Australia.

ii. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity is considered key management personnel.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

24 Related Parties (continued)

For details of remuneration disclosures relating to key management personnel, refer to Note 25 and the Remuneration Report in the Directors' Report.

iii. Subsidiaries and Controlled Entities

Interests in subsidiaries and controlled entities are set out in Note 23.

iv. Related party transactions

The Group has an existing marketing and distribution agreement with Switzer Financial Group Pty Limited for \$200,000 (2022: \$200,000) excluding GST for the period. There were amounts payable outstanding of \$83,333 excluding GST as at 30 June 2023 (30 June 2022: \$Nil). Martin Switzer (Managing Director of Associate Global Partners Limited) has a financial interest in Switzer Financial Group Pty Limited.

25 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses for the year is shown below:

	2023	2022
	\$	\$
Short-term employee benefits	877,955	688,362
Post-employment benefits	55,003	47,306
Other long-term benefits	9,945	21,554
Share-based payments	-	-
	<u>942,903</u>	<u>757,222</u>

26 Contingent Liabilities

The Group has no material contingencies as at 30 June 2023 (2022: \$Nil).

27 Segment Information

The Group has a sole operating segment of funds management. Revenue, profit, net assets and other financial information reported to and monitored by the Chief Operating Decision Maker (**CODM**) for the single identified operating segment are the amounts reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows. The CODM has been identified as the Managing Director and Chief Executive Officer.

28 Auditor's Remuneration

	2023	2022
	\$	\$
Audit and review of financial statements		
Fees for auditing the statutory financial report of the group and auditing the statutory financial reports of any controlled entities	153,530	153,800
Total audit and review of financial statements	<u>153,530</u>	<u>153,800</u>
Other statutory assurance services (AFSL)	11,000	11,000

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

28 Auditor's Remuneration (continued)

	2023	2022
	\$	\$
Non-Audit Services		
- Taxation compliance advice	51,400	55,375
Total non-audit services	51,400	55,375
Total services provided by Ernst & Young	215,930	220,175

29 Cash Flow Information

(a) Reconciliation of result for the year to cash flows from operating activities

	2023	2022
	000's	000's
	\$	\$
Loss for the year after income tax	(1,985)	(642)
Non-cash flows in loss:		
- depreciation and amortisation	120	112
- employee share-based expense	167	64
- effective interest on NAML receivable	-	(109)
- interest expense/income on lease liability/asset	5	8
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- decrease/(increase) in trade and other receivables	(771)	(72)
- decrease/(increase) in other/financial assets	(199)	(39)
- increase/(decrease) in trade and other payables	482	(236)
- increase/(decrease) in provisions	19	90
Inflow/(outflow) from operations	(2,162)	(824)

(b) Reconciliation of liabilities and assets arising from financing activities

	1 July 2022	Cash Flows	Foreign	Fair	Other	30 June
	000's	000's	Exchange	Value	000's	2023
	\$	\$	Movement	Changes	\$	000's
			000's	000's		\$
			\$	\$		
Borrowings	1,331	76	-	-	-	1,407
Lease liability	292	(147)	-	-	398	543
Total liabilities from financing activities	1,623	(71)	-	-	398	1,950

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

29 Cash Flow Information (continued)

	1 July 2021 000's \$	Cash Flows 000's \$	Foreign Exchange Movement 000's \$	Fair Value Changes 000's \$	Other 000's \$	30 June 2022 000's \$
Borrowings	1,252	79	-	-	-	1,331
Lease liability	391	(107)	-	-	8	292
Total liabilities from financing activities	1,643	(28)	-	-	8	1,623

30 Business Combination

On 6 April 2023, the Group acquired 100% of the voting shares of Brookvine, a private company based in Sydney. Brookvine operates a multi-boutique, third party distribution and placement business which brings investment opportunities to institutional investors. It has institutional-grade, global investment manager relationships and clients across Australia.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Brookvine as at the date of acquisition were:

	2023 000's \$
Assets	
Cash and cash equivalents	284
Trade receivables	93
	<u>377</u>
Liabilities	
Trade payables and accruals	(143)
	<u>(143)</u>
Total identifiable net assets at fair value	<u><u>234</u></u>
Goodwill arising on acquisition	1,112
Purchase consideration transferred	<u><u>1,346</u></u>

The fair value of the trade receivables amounts to \$93,000. The gross amount of trade receivables is \$93,000 and it is expected that the full contractual amounts can be collected.

The goodwill of \$1,112,000 represents the value of expected synergies, including recurring revenue streams from institutional grade manager partnerships, arising from the acquisition, which do not meet the criteria for recognition as separate intangible assets under IAS 38. None of the goodwill recognised is expected to be deductible for income tax purposes.

Revenue and profit arising from the acquisition and included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the reporting period are \$504,000 of and \$439,000 respectively. It is not practical to include information on the impact on Group revenue and profit if the business combination had been done from the outset of the financial year. The vendors of the business had been restructuring the business prior to its acquisition by AGP. Consequently, the accounts of Brookvine for the period 1 July 2022 to 6 April 2023 do not reflect the activities of Brookvine's on-going operations.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

30 Business Combination (continued)

	2023
	000's
	\$
Purchase consideration	
Cash paid/payable on completion	422
Contingent consideration liability	924
Total consideration	1,346
Analysis of cash flows on acquisition:	
Cash paid/payable on completion (included in cash flows from investing activities)	(422)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	284
Net cash flow on acquisition	(138)

The Consolidated Statement of Cash Flows includes \$302,000 of cash outflow in relation to the business acquisition. The cash outflow includes the net cash flow on acquisition of \$138,000, the instalments of deferred consideration paid during the period of \$103,000 and the business acquisition costs of \$61,000.

Contingent consideration

Part of the purchase consideration is contingent on the amount of recurring revenues resulting over the period of the deferred payments, up to April 2026. At each due date for payment the recurring revenues will be reviewed and the remaining amount payable will be recalculated based on the revenues at that time.

As at the acquisition date, 6 April 2023, the fair value of the contingent consideration was estimated to be \$924,000. As at 30 June 2023 the revenue recognised in the period and the fair value of the contingent consideration determined at 30 June 2023 reflected an improved outcome over the previously estimated revenues and a remeasurement charge was recognised through the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

A reconciliation of fair value measurement of the contingent consideration liability (Level 3) is provided below:

	2023
	000's
	\$
As at 1 July 2022	
Liability arising on business combination, 6 April 2023	924
Instalments of deferred consideration paid during the period	(103)
Unrealised fair value changes recognised in profit or loss ¹	69
As at 30 June 2023²	890

¹ The fair value of the contingent consideration liability increased due to improved performance of Brookvine compared with that initially estimated at acquisition.

² The contingent consideration liability of \$890,000 is expected to be finalised as follows: \$332,000 in Q1 FY24; \$183,000 in Q2 FY24 and the balance of \$375,000 in 8 quarterly instalments commencing at the end of Q3 FY24.

Associate Global Partners Limited and Controlled Entities

Notes to the Financial Statements For the Year Ended 30 June 2023

31 Events Occurring After the Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year which significantly affect or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

32 Company Details

The registered office of the Company is:
Associate Global Partners Limited
Level 12
2 Chifley Square
Sydney NSW 2000

Associate Global Partners Limited and Controlled Entities

Directors' Declaration For the Year Ended 30 June 2023

The Directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2023 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in Note 1 to the consolidated financial statements under the heading Basis of Preparation, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Managing Director and Chief Financial Officer have given the declarations required by *Section 295A* that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view; and
3. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Nerida Campbell

Chair

25 August 2023



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working world**

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Independent Auditor's Report to the Members of Associate Global Partners Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Associate Global Partners Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional 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 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Goodwill impairment testing

Why significant	How our audit addressed the key audit matter
<p>On 13 September 2018 the Group acquired the remaining 53.75% equity interest in Switzer Asset Management Limited (SAML) and on 6 April 2023 the Group acquired 100% of the voting equity in Brookvine Pty Limited. Both transactions generated a significant goodwill asset.</p> <p>As at 30 June 2023, the carrying value of goodwill was \$6.0m. As disclosed in Note 10, the Group has performed an annual impairment test to assess the carrying value of goodwill as at 30 June 2023.</p> <p>This was a key audit matter due to the judgements applied in the impairment testing.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ▶ Involved our valuation specialists to assess the key assumptions used by management in the impairment analysis, as well as test the mathematical accuracy of the impairment model. ▶ Evaluated the sensitivity analysis performed by the Group focusing on where a reasonably possible change in assumptions could cause the carrying amount to exceed its recoverable amount. ▶ Benchmarked the implied valuations to comparable company valuation multiples. ▶ Assessed the adequacy of the disclosures associated with the goodwill impairment assessment included in the Notes of the financial statements.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's 2023 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on the audit of the Remuneration Report

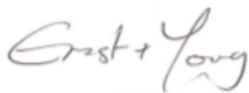
Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 20 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Associate Global Partners Limited for the year ended 30 June 2023, 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.



Ernst & Young



Darren Handley-Greaves
Partner
Sydney
25 August 2023

Associate Global Partners Limited and Controlled Entities

Additional Information for Listed Public Companies

30 June 2023

ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 31 July 2023.

Substantial shareholders

The number of substantial shareholders and their associates are set out below:

	Ordinary shares	
	Number held	% of total shares issued
NAOS Asset Management Limited	12,267,755	25.34%
Switzer Financial Group Pty Limited	7,378,251	15.31%
Pacific Point Partners Limited, Robert Rankin	4,613,282	9.57%

Voting rights

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Distribution of equity security holders

Analysis of the number of shareholders by size of holding at 31 July 2023 is presented below:

Holding	Number of Holders	Number of Ordinary Shares	Percentage of Shares on Issue %
1 – 1,000	102	20,360	0.04%
1,001 – 5,000	104	289,012	0.60%
5,001 – 10,000	57	453,298	0.94%
10,001 – 100,000	227	8,313,858	17.17%
100,001 and over	51	39,344,360	81.25%
Total	541	48,420,888	100.00%
Number of holders with less than a marketable parcel of ordinary shares	138	74,604	0.15%

Associate Global Partners Limited and Controlled Entities

Additional Information for Listed Public Companies

30 June 2023

Twenty largest shareholders

The names of the 20 largest shareholders of the Company as at 31 July 2023 are listed below:

Holder Name	Number of Ordinary Shares	Percentage of Shares on Issue %
NATIONAL NOMINEES LIMITED	12,267,755	25.34
SWITZER FINANCIAL GROUP PTY LTD	6,166,668	12.74
BNP PARIBAS NOMS PTY LTD	4,259,868	8.80
KST GROUP PTY LTD	1,397,728	2.89
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,345,484	2.78
GOLD TIGER INVESTMENTS PTY LTD	1,264,479	2.61
MR ROBERT DARIUS FRASER	1,250,000	2.58
TC CORPORATE P/L	600,000	1.24
JASBAAT SUPER PTY LTD	600,000	1.24
MRS TRACY FRASER	579,444	1.20
MS MAUREEN ELIZABETH SWITZER & MR PETER WILLIAM SWITZER & MR MARTIN SWITZER	576,817	1.19
HARVEY BLACKNEY SUPERANNUATION PTY LTD	541,000	1.12
CALAMA HOLDINGS PTY LTD	532,531	1.10
WILLYAMA ASSET MANAGEMENT PTY LTD	507,000	1.05
BODIAM CAPITAL PTY LTD	500,000	1.03
MRS TRACY FRASER	499,443	1.03
SAGRADA FAMILIA HOLDINGS PTY LTD	483,333	1.00
MRS MAUREEN ELIZABETH SWITZER & MR PETER WILLIAM SWITZER	340,000	0.70
KEISER INVESTMENTS PTY LTD	333,333	0.69
MR RICHARD PHILLIP AMLAND & MRS KIRSTY LEA AMLAND	314,308	0.65
Total shares held by the 20 largest shareholders	34,359,191	70.96
Total ordinary shares on issue	48,420,888	100.00

Securities exchange

The Company is listed on the Australian Securities Exchange (ASX code: APL).