WT FINANCIAL GROUP LIMITED (ASX: WTL)

ABN 87 169 037 058

Appendix 4D
28 February 2022

Preliminary financial statements for the half-year ended 31 December 2021 as required by ASX listing rule 4.2A

RESULTS FOR ANNOUNCEMENT TO THE MARKET

(All comparisons to half-year ended 31 December 2020)	**$000's**	**up/down**	**%**
Revenue and other income	34,968	up	390%
Operating profit (before depreciation, amortisation, interest and tax)	1,665	up	886%
Net profit	1,119	up	436%

NET TANGIBLE ASSETS	**31 Dec 2021**	**31 Dec 2020**
Net tangible assets per ordinary security	(0.78) cents	1.15 cents

DIVIDENDS

No dividend is proposed to be paid (PCP: Nil)

ADDITONAL INFORMATION

Additional information supporting the Appendix 4D disclosure requirements can be found in the Company's Interim Report for the half-year ended 31 December 2021 and Directors' Report and consolidated financial statements contained therein.

AUDIT REVIEW

This Appendix 4D and the Company's financial statements have been audit reviewed.

INTERIM REPORT – 31 DECEMBER 2021

WT Financial Group Limited

ABN 87 169 037 058

Contents

DIRECTORS' REPORT
31 December 2021

The Directors present their report, together with the consolidated financial statements of WT Financial Group Limited (WTL, or the Company) and its controlled entities (the Group) for the half-year ended 31 December 2021 (H1FY2021).

The Company is listed on the Australian Securities Exchange (ASX code: WTL). The Company's Corporate Governance Statement is located at www.wtfglimited.com.

Directors

The following persons were Directors or Company Secretary of the Company during the whole of the 6-month period unless stated otherwise and to the date of this report.

Guy Hedley	Non-executive Chairman
Keith Cullen	Managing Director & CEO
Chris Kelesis	Non-executive Director
Michael Harrison	Non-exec Director (appointed 20 July 2021)
Ian Morgan	Company Secretary

Principal activities

WT Financial Group Limited is a diversified financial services company that contains two distinct channels, being its primary business-to-business (B2B) operations under its Wealth Today Pty Ltd (Wealth Today) & Sentry Group Pty Ltd (Sentry Group) subsidiaries and brands; and its complementary direct to consumer (or B2C) operations under its Spring Financial Group brand.

The Group's B2B operations contribute around 94% of Revenue from Ordinary Activities and are the engine-room for growth as the disruption occurring in the financial services industry presents unprecedented opportunities.

B2B operations provide independent financial advisers operating as authorised representatives with a comprehensive range of licensing, compliance, education & training, and technical support; and practice management and development services, including extensive consumer marketing and education tools.

Wealth Today and Sentry Group are B2B brands (rather than a consumer facing brands) with authorised representatives operating under their own company, business and brand names; enabling them to build personal connection to their clients and the communities in which they operate.

Through the various entities that make up the Spring Financial Group B2C operations the Group provides wealth management, retirement, investment and financial advice; and mortgage and finance advice. It is also the investment and asset manager of a disability housing fund; and provides accounting & tax advice and compliance services.

These operations underwrite critical intellectual property, and skilled human resources experienced in the practical application of financial advice and services, regulatory and legislative compliance, and training and education, which enable the Group to provide meaningful "real world" support and insights to the growing number of advisers in its Wealth Today and Sentry Group dealer groups - this provides a competitive advantage in attracting new advisers. The Group's B2C operations also serve as a "research and development lab" for both consumer and practice management strategies; setting Wealth Today and Sentry Group apart from dealer groups that have little or no exposure to the practical application of the marketing and delivery of advice to consumers on a day-to-day basis.

The Group also offers market-leading financial education services for advisers and consumers through regular training and seminar programs, and the publication of its Wealthadviser library of more than 100 financial literacy handbooks and manuals on a broad range of financial and investment market topics.

Operating results and Review

A. Operating results for the year

The consolidated profit of the Group after providing for income tax for H1FY2022 amounted to $1,118,695 (H1FY2021: loss $332,614). The key matters contributing to the results are as follows:

- Total revenue and other income increased **389%** to **$34.97M** (H1FY2021: $7.13M)
- Operating expenses were contained to a **16%** increase to **$2.88M** (H1FY2021: $2.48M) reflective of the success of the Group's integration and restructuring programs
- Cost of goods sold increased **577%** to **$30.41M** (H1FY2021 $4.49M) in line with expectations and reflective of increased revenue contribution from non-salaried advisers following the Sentry Group acquisition
- The Group's consolidated EBITDA profit was up **886%** to **$1.67M** (H1FY2021 $169K)
- Inclusive of **$53K** of financing charges associated with premises leases (in line with the mandatory adoption of

AASB16 – Leases), finance costs were down 24% on the PCP to $189K

- Depreciation and amortisation were also down by **33%** on the PCP to **$252K** (H1FY2021 $376K) aided by balance sheet restructuring in FY2021
- Statutory income tax expense was **$106K** (H1FY2021: benefit $122K) resulting in a consolidated profit after tax of **$1.12M**, up **436%** on the PCP (H1FY2021: loss of $333K) – this is in line with the Company's expectations and in line with market guidance provided by the Company

More detailed information relating to the performance of the Group's two key segments, which are "B2B Services"; and "B2C Services", is included at Note 3 of the financial statements.

Matters impacting the Results

The results for the Half-year are reflective of the successful integration of the Group's Sentry Group acquisition which was completed on 17 July 2021.

The Directors are pleased with the success of the integration of the Sentry Group operations, particularly in light of the challenges presented by travel and other restrictions imposed by governments in response to Covid-19. The Group is in line with - or ahead of - key metrics for the half year, so the Directors remain confident with the outlook for the full year.

The completion of the acquisition of Sentry Group represented the conclusion of the first stage of a very deliberate strategy by WTL to shift from its previous direct to consumer (or B2C) focus to a dealer group (or B2B) focus to capitalise on industry disruption.

The scale and depth of skills and assets created through the acquisition has seen WTL emerge as an industry leader with an offering for modernised advice practices that is second to none, which the Directors consider positions it to achieve organic growth through the recruitment of more leading advice practices.

As industry disruption continues the Directors consider that these same attributes create a compelling proposition for further acquisitions - which the Company will continue to consider on their merits as and when they arise.

B. Review of financial condition

Financial position

The financial position of the Group as 31 December 2021 is summarised as follows:

Net assets were $15.25M (30 June 2021 $5.95M).

Net tangible assets (NTA) were -$2.20M (30 June 2021 $212K).

NTA backing per ordinary share -0.78 cents (30 June 2021 0.13 cents).

The Group had financing facilities of $2.75M (30 June 2021 $2.18MK).

On 23 December 2021 the Company signed a term sheet to refinance existing credit facilities to a fixed 48-month term. At the time of publication of this Directors Report the Company was finalising documentation associated with that new facility.

The Company is recognising a liability associated with potential upside payments related to the acquisition of Sentry Group. The vendors of Sentry Group are obligated to receive 50% of any upside payment by way of the issue of (up to a maximum of 20M) new shares in WTL. This (potential) placement of share was approved last year by shareholders and the Company received a waiver from the ASX with respect to the delayed timing of issuing those shares.

Cash from operations

Key matters related to and contributing to cash from operations of the Group during the period are summarised as:

Cash outflows from operating activities were $1.23M inclusive of $1.44M of payments for prior period expenses and accruals - and $183K of interest of financing facilities (H1FY2021 cash outflow of $1.59M).

The Company made $327K of principal repayments on financing facilities during the period.

Overall cash and cash equivalents increased $174K during the period to $1.42M.

Capital management

As at 31 December 2021 the Company had a total of 280,505,234 ordinary shares on issue (167,171,900 at 30 June 2021); with 133,333,334 new shares issued to institutional and professional investors and the vendors of Sentry Group during the period.

Events Occurring After the Reporting Date

No other matters or circumstances have arisen since the end of the financial year which significantly affected 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.

The financial report was authorised for issue on 28 February 2022 by the Board of Directors.

Dividends

No dividends were paid during the period.

Audit services

Rothsay Audit & Assurance Pty Ltd (Rothsays) is the auditor of the Company and all Group entities and is the Group's lead auditor.

Rounding of Amounts

Some amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars in accordance with ASIC Legislative Instrument 2017/191.

Signed in Sydney this 28 February 2022 in accordance with a resolution of the Board of Directors of WT Financial Group Limited.

Guy Hedley
Chairman

Keith Cullen
Managing Director

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the directors of WT Financial Group Limited

As lead auditor for the review of WT Financial Group Limited and Controlled Entities for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been

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

This declaration is in relation to WT Financial Group Limited and the entities it controlled during the half-year.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

Sydney, 28 February 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the half-year ended 31 December 2021

	Note	31-Dec-21	31-Dec-20
		$	$
Revenue	2	**34,122,584**	6,592,753
Other income	2	**845,067**	542,162
Total revenue and other income		**34,967,651**	7,134,915
Less:			
Direct cost of sales expenses		**(30,414,407)**	(4,487,288)
Employee benefits expense		**(1,972,446)**	(1,339,444)
Advertising & marketing expenses		**(116,371)**	(36,189)
Consulting & professional fee expenses		**(156,286)**	(218,338)
Rental expenses		**(127,582)**	(224,182)
Other operating expenses		**(515,095)**	(660,571)
EBITDA		**1,665,464**	168,903
Less:			
Depreciation plant & equipment		**(17,278)**	(57,010)
Depreciation of right-of-use assets		**(234,623)**	(239,532)
Finance costs on lease liabilities		**(52,991)**	(45,243)
Other finance costs		**(135,821)**	(202,258)
Amortisation of intangible assets		**-**	(79,397)
Profit/(Loss) before income tax		**1,224,751**	(454,537)
Income tax benefit/(expense)		**(106,056)**	121,923
Profit/(Loss) after income tax expenses for the half-year		**1,118,695**	(332,614)
Other comprehensive income		**-**	-
Total comprehensive income for the half-year		**1,118,695**	(332,614)

Earnings/(loss) per share for the half-year attributable to the owners of WT Financial Group Limited	Note	**31-Dec-21**	31-Dec-20
		cents	cents
Basic earnings per share (cents)	14	**0.412**	(0.206)
Diluted earnings per share (cents)	14	**0.412**	(0.206)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the half-year ended 31 December 2021

	Note	31-Dec-21 $	30-Jun-21 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**1,420,679**	1,246,269
Trade and other receivables	5	**4,438,187**	748,187
Other assets	6	**532,534**	182,094
TOTAL CURRENT ASSETS		**6,391,400**	2,176,550
NON-CURRENT ASSETS			
Plant and equipment	7	**1,552,951**	76,944
Deferred tax assets		**3,245,947**	3,654,102
Intangible assets	8	**17,451,906**	5,744,085
TOTAL NON-CURRENT ASSETS		**22,250,804**	9,475,131
TOTAL ASSETS		**28,642,204**	11,651,681
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	**7,274,938**	2,000,241
Provisions	11	**376,056**	148,432
Borrowings secured	10	**359,118**	479,118
Borrowings unsecured	10	**216,677**	513,595
Lease liabilities	12	**366,513**	76,944
TOTAL CURRENT LIABILITIES		**8,593,302**	3,218,330
NON-CURRENT LIABILITIES			
Trade and other payables	9	**1,090,639**	-
Provisions	11	**297,026**	175,476
Borrowings secured	10	**1,879,077**	1,185,880
Borrowings unsecured	10	**296,921**	-
Deferred tax liabilities		**87,800**	1,116,356
Lease liabilities	12	**1,148,105**	-
TOTAL NON-CURRENT LIABILITIES		**4,799,568**	2,477,712
TOTAL LIABILITIES		**13,392,870**	5,696,042
NET ASSETS		**15,249,334**	5,955,639
EQUITY			
Issued capital	13	**28,317,712**	20,142,712
Reserves		**26,659**	26,659
Accumulated Dividends		**(6,827,069)**	(6,827,069)
Accumulated losses		**(6,267,968)**	(7,386,663)
Retained earnings		**(13,095,037)**	(14,213,732)
TOTAL EQUITY		**15,249,334**	5,955,639

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2021

31 December 2021	Issued Capital $	Retained Earnings (net of dividends) $	Option Reserve $	Total $
Balance at 1 July 2021	**20,142,712**	**(14,213,732)**	**26,659**	**5,955,639**
Profits attributable to members of the parent entity	**-**	**1,118,695**	**-**	**1,118,695**
Transactions with owners in their capacity as owners				
Shares issued during the period	**8,175,000**	**-**	**-**	**8,175,000**
Balance 31 December 2021	**28,317,712**	**(13,095,037)**	**26,659**	**15,249,334**

31 December 2020	Issued Capital $	Retained Earnings (net of dividends) $	Option Reserve $	Restated Total $
Balance at 1 July 2020	19,292,712	(10,733,638)	26,659	8,585,733
Prior period adjustment	-	(192,609)	-	(192,609)
Loss attributable to members of the parent entity	-	(332,614)	-	(332,614)
Transactions with owners in their capacity as owners				
Shares issued during the period	500,000	-	-	500,000
Balance 31 December 2020	19,792,712	(11,258,861)	26,659	8,560,510

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

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half-year ended 31 December 2021

	Note	31-Dec-21 $	31-Dec-20 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**35,639,537**	7,545,598
Payments to suppliers and employees		**(35,248,750)**	(8,235,112)
Payments for prior period adjustments and expenses		**(1,441,031)**	(702,455)
Net interest received / (paid)		**(183,067)**	(195,542)
Net cash provided by / (used in) operating activities		**(1,233,311)**	(1,587,511)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sale of JV investment		**-**	125,000
Purchase of investments		**-**	(50,000)
Loans (to) / from related parties - payments made		**-**	(92,950)
Purchase of Sentry Group – net of cash acquired		**(2,940,479)**	-
Net cash provided by / (used in) investing activities		**(2,940,479)**	(17,950)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Issue of shares		**4,675,000**	500,000
Net movement in borrowings		**(326,800)**	912,367
Repayment of lease liabilities		**-**	(113,643)
Net cash provided by / (used in) financing activities		**4,348,200**	1,298,724
Net increase/(decrease) in cash and cash equivalents held		**174,410**	(306,737)
Cash and cash equivalents at beginning of year		**1,246,269**	1,413,559
Cash and cash equivalents at end of financial year	4	**1,420,679**	1,106,822

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

Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

The financial report of WT Financial Group Limited for the half- year ended 31 December 2021 was authorised for issue in accordance with a resolution of the Directors on 28 February 2022. The principal accounting policies adopted in the preparation of the financial statements are set out in this Note 1, below. These policies have been consistently applied to all the years presented.

(a) Basis of Preparation

Significant accounting policies Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2021 annual financial report for the financial year ended 30 June 2021. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(b) Revenue recognition AASB15

Over the past three years the Company's revenue (and therefore segment) composition has evolved considerably as the Company has transitioned from primarily *direct-to-consumer* (B2C) to more *business-to-business* (B2B) revenue. Accordingly, the Company provides the following detailed disclosure with respect to its segment reporting, revenue composition and revenue recognition - including a summary of its main revenue streams and the segments they occur in/through.

The Group recognises revenue in accordance with AASB15 *Revenue*. Estimates and judgements are used when considering each party's rights related to the services to be provided under contracts; the timing for delivery of same (if applicable); and the contract price and payment terms. In circumstances where the Group acts as an agent, judgement is involved in determining when the Group is entitled to revenue based on the nature and form of the contract. In circumstances where the group acts as a principal, judgment is involved when determining when the performance obligations are fulfilled.

Upfront financial advice fees

Upfront advice fees occur in the Company's B2C and B2B channels. They include such services as formulating a financial strategy (plan) for a consumer. And may extend to implementing that financial plan. Upfront advice fees are crystalised (and recognised as revenue) once the service is finalised. This is therefore generally at a point in time, rather than over time.

Ongoing financial advice fees

Ongoing financial advice fees occur in the Company's B2C and B2B channels. The exact construct of the ongoing services varies but is generally constructed as a form of monthly retainer payable by a consumer to an adviser for assistance with their financial affairs. Notwithstanding that the consumer may enter a long-term contract, ongoing financial advice fees are charged to clients on a cyclical basis (generally monthly in arrears) and crystalised (and recognised as revenue) on payment of the monthly retainer by client. This is generally at a point in time, however, in the case of long-term contracts is technically over time.

Insurance Upfront Commission

Insurance Upfront Commission occurs in the Company's B2B channel. In the case of Insurance Upfront Commission, the Company is acting as a form of agent of the insurance company and revenue is recognised accordingly (i.e., the agency commission, rather than the policy premium value is recognised). Insurance Upfront Commission is crystalised (and recognised as revenue) when paid by the underlying insurer which is when a new policy is bound as being in force. This is therefore recognised at a point in time.

Insurance Renewal Commission

Insurance Renewal Commission occurs in the Company's B2B channel. The Insurance Renewal Commission is crystalised (and recognised as revenue) on renewal of the relevant insurance policy (generally annually but sometimes monthly) once paid by the underlying insurer. This is therefore recognised at a point in time.

Licensing base fees and other fees and charges

Licensing base fees occur in the Company's B2B channel. Licensing base fees are charged to the Company's authorised representatives on a monthly basis for the provision of a variety of services including education & training, marketing support, compliance and advise and practice peer review services.

Notwithstanding that the Company's adviser may enter a long-term contract, licensing base fees are charged to advisers on a cyclical basis (generally monthly in arrears) and crystalised (and recognised as revenue) on payment of the monthly fee by the adviser. This is generally at a point in time, however, in the case of long-term contracts is technically over time.

Other fees such as professional indemnity insurance, research report and advice technology fees are charged and recognised as revenue. Notwithstanding that the Company's adviser may enter a long-term contract, these fees are charged to advisers on a cyclical basis (generally monthly in arrears) and crystalised (and recognised as revenue) on payment of the monthly fee by the adviser. This is generally at a point in time, however, in the case of long-term contracts is technically over time.

Upfront and recurring mortgage brokerage commission

Mortgage brokerage commission occurs in the Company's B2B channel and is paid by mortgage providers on an initial upfront and then ongoing monthly basis. Upfront mortgage brokerage commission is crystalised (and recognised as revenue) on settlement of new loans once paid by the underlying mortgage provider or an associated aggregator. Ongoing or trail mortgage brokerage commission is crystalised (and recognised as revenue) on a monthly basis for the duration of the loan once paid by the underlying mortgage provider or an associated aggregator. In each case this is therefore recognised at a point in time.

Timing of revenue recognition

Financial services revenue is recognised when the right to revenue is crystalised.

Note regarding cost of goods sold

Under its contracts with its authorised representatives the Company pays a large percentage (or split) of its gross revenue to the adviser. This generally varies from 80-100% depending on a number of factors.

Salaried advisers are not entitled to any percentage of gross revenue.

Superannuation fund administration and accounting

Superannuation fund administration and accounting fees occur in the Company's B2C channel. These fees are charged to clients on a cyclical basis (generally monthly in arrears) and crystalised on payment by client. In accordance with the Company's agreements with its clients, the services are provided on a monthly basis and with fees paid on a monthly (non-refundable) basis.

Some of these fees are charged on an annual-in-arears basis. In which case they are recognised when invoiced.

Notwithstanding that a client may enter a long-term contract; superannuation fund administration and accounting revenue is crystalised on payment of the monthly fee by the client. This is generally at a point in time, however, in the case of long-term contracts is technically over time.

(c) Adoption of New and Revised Accounting Standards

New Accounting Standards and Interpretations issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Directors have decided against early adoption of these Standards but do not expect the adoption of these standards to have any impact on the reported position or performance of the Group.

(d) Acquisition of Sentry Group

The Company completed the acquisition of all of the issued capital of national financial advisory dealer group, Sentry Group Pty Limited (Sentry Group), on 17 July 2021 for an initial purchase price of $7M (Acquisition).

This was provided to the Sentry Group selling shareholders (Sellers) as to 50% in cash and 50% in the form of WTL shares (Shares).

The cash consideration was funded through the placement of new shares to institutional and professional investors at an issue price of $0.075 per Share (Placement), representing a 25% premium to the closing price of the Company's shares on 9 June 2021. The Company raised a further $1.5M in cash to fund acquisition and integration costs, bringing total cash raised under the Placement to $5M.

Subject to achievement of a revenue performance hurdle for the financial year ending 30 June 2022 (FY2022), up to a maximum of a further $3M (Upside Consideration) will be payable to the Sellers (which will be satisfied by a combination of cash and Shares).

Key terms of the Acquisition

Under the SPA, the Company acquired all of the issued shares of Sentry Group for the aggregate of:

- cash consideration of $3.5M paid on Completion.
- the issue of 46,666,667 shares at an issue price of $0.075 per Share paid on completion; and
- the Upside Consideration (if any).

The Upside Consideration is payable only if base fee revenue contributed by Sentry Group in respect of FY2022 exceeds an agreed milestone as certified by the Company's auditor.

The Upside Consideration will be paid as to 50% by the issue of shares up to a maximum of 20M shares. The balance of the Upside Consideration will be paid in cash. The issue price for these shares (Upside Shares) will be 85% of the volume weighted average price at which the Company's shares trade on ASX (VWAP) over the 30 days up to the date of determination of the Upside Consideration. No Upside Shares were issued or due to be issued during the period to 31 December 2021.

As at 31 December 2021 the Company estimates that approximately $2.2M will be payable as Upside Consideration, 50% of which will be payable by cash. Notwithstanding that 50% of this amount will be satisfied by the issuance of Upside Shares, this full liability is recognised in the Company's balance sheet. The number of Upside Shares that will be issued is not able to be arcuately estimated at this time due to the formula for calculating the price at which they will be issued.

The shares issued to the Sellers are subject to voluntary escrow restrictions for a period of 2 years with respect to the shares issued on completion and 12 months with respect to the Upside Shares (if any).

On completion the Company recognised the following balance sheet entries:

Goodwill:	$11,722,110
Other Assets (including cash):	$6,712,070
Less Liabilities:	$8,434,180

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2021

2. Revenue and other income

	31-Dec-21 $	31-Dec-20 $
Revenue		
- provision of services	**34,116,837**	6,586,036
- interest received	**5,747**	6,717
	34,122,584	6,592,753
Other Income		
- gain on revaluation of financial liability	**815,000**	-
- other income	**30,067**	542,162
	845,067	542,162
	34,967,651	7,134,915

3. Operating Segments

Over the past three years the Company's revenue (and therefore segment) composition has evolved considerably as the Company has transitioned from primarily *direct-to-consumer* (B2C) to more *business-to-business* (B2B) revenue. Accordingly, the Company provides the following detailed disclosure with respect to its segment reporting, revenue composition and revenue recognition - including a summary of its main revenue streams and the segments they occur in/through.

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

Business to business (B2B). This segment includes financial planning, investment advice and product sales and licensing services and product offerings delivered through (and to) independent financial advisers operating as authorised representatives. In what it refers to as its B2B division, the Company authorises financial advisers (through its Wealth Today and Sentry Group subsidiaries) who are independent financial advisers operating under their own (normally corporatised) structure/brand to act as the Company's authorised representatives. These authorised representatives act (in effect) as agents of the Company (rather than it being the other way around).

That is, despite the authorised representatives having the primary responsibility of interfacing with consumers, as the AFSL holder responsible for the provision of financial services, (in accordance with its license conditions) the Company is most often acting as the principal when financial services are provided to consumers.

Direct to consumer (B2C). In what it refers to as its B2C division, the Company employs salaried financial advisers who operate under the Company's corporate structure/brand. Again, the Company is acting as the principal in the provision of financial services to these consumers.

This B2C division includes an accounting practice, with salaried employees offering accounting, tax and SMSF administration services to consumers under the Company's corporate structure/brand. Again, the Company acts as principal at all times in providing these services.

This B2C division also includes a mortgage brokerage business, that assists consumers with mortgages; and historically included real estate services as a buyer's agent or seller agent. In each of these cases the Company acts (or acted) as an agent (of either a mortgage aggregator and/or a bank in the case of mortgages; or the property vendor or buyer in the case of real estate services).

This segment operates under the Spring Financial Group brand.

All other transactions are recorded as All Other Segments. Included in EBITDA of All Other Segments are Group overhead expenses.

These operating segments are based on the internal reports on at least a monthly basis that are reviewed and used by the Managing Director and Board. The Managing Director has been identified as the CODM is assessing performance and determining allocation of resources. There is no aggregation of operating segments.

The CODM reviews segment profits (Segment EBITDA). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements of the consolidated entity.

All sales were made in Australia and all assets are within in Australia. No single customer represents more than 10% of Group revenue.

The table below sets out the performance of each operating segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2021

(a) Segment Performance

31-December-2021	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
REVENUE				
Sales to external customers	**32,954,621**	**1,056,584**	**105,632**	**34,116,837**
Other income	**-**	**-**	**845,067**	**845,067**
Interest revenue	**269**	**4,026**	**1,452**	**5,747**
Total segment revenue	**32,954,890**	**1,060,610**	**952,151**	**34,967,651**
EBITDA	**1,597,655**	**297,311**	**(229,502)**	**1,665,464**
Interest expense	**(53,661)**	**(68,800)**	**(66,351)**	**(188,812)**
Depreciation, amortisation & impairment	**(95,228)**	**-**	**(156,673)**	**(251,901)**
Net profit before tax	**1,448,766**	**228,511**	**(452,526)**	**1,224,751**

3. Operation Segments performance continued

31-December-2020	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
REVENUE				
Sales to external customers	5,460,766	943,610	181,660	6,586,036
Other income	79,488	173,506	289,168	542,162
Interest revenue	7	4,031	2,679	6,717
Total segment revenue	5,540,261	1,121,147	473,507	7,134,915
EBITDA	681,081	356,275	(868,453)	168,903
Interest expense	(119,178)	(44,913)	(83,410)	(247,501)
Depreciation, amortisation & impairment	(8,800)	(5,036)	(362,103)	(375,939)
Net profit before tax	553,103	306,326	(1,313,966)	(454,537)

(b) Segment assets

31-December-2021	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
Segment assets	**19,200,521**	**2,890,451**	**6,551,232**	**28,642,204**
Segment liabilities	**(12,044,160)**	**(1,083,587)**	**(265,123)**	**(13,392,870)**
Net assets	**7,156,361**	**1,806,864**	**6,286,109**	**15,249,334**

30-June-2021	**B2B services**	**B2C services**	**All other segments**	**Total**
	$	**$**	**$**	**$**
Segment assets	2,599,373	6,925,802	2,126,506	11,651,681
Segment liabilities	(790,033)	(4,217,451)	(688,558)	(5,696,042)
Net assets	1,809,340	2,708,351	1,437,948	5,955,639

4. Cash & cash equivalents

	31-Dec-21 $	30-Jun-21 $
Cash at hand and in bank	**1,146,024**	800,705
Short-term deposits	**274,655**	445,564
Balance as per statement of cash flows	**1,420,679**	1,246,269

5. Trade and other receivables

	31-Dec-21 $	30-Jun-21 $
CURRENT		
Trade receivables	**3,881,463**	333,597
Allowance for impairment	**(50,414)**	(42,414)
	3,831,049	291,183
Other receivables	**607,138**	457,004
	607,138	457,004
Total trade and other receivables	**4,438,187**	748,187

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2021

6. Other Assets

	31-Dec-21	30-Jun-21
	$	$
CURRENT		
Prepaid expenses & deposits	**532,534**	182,094
	532,534	182,094

7. Plant & equipment

	31-Dec-21	30-Jun-21
	$	$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	**112,859**	442,551
Accumulated depreciation	**(59,864)**	(442,551)
	52,995	-
Office equipment		
At cost	**8,712**	78,660
Accumulated depreciation	**-**	(78,660)
	8,712	-
Leasehold improvements		
At cost	**49,045**	372,377
Accumulated depreciation	**(2,452)**	(372,377)
	46,593	-
Assets under lease		
At cost	**1,679,274**	201,870
Accumulated depreciation	**(234,623)**	(124,926)
	1,444,651	76,944
Total plant and equipment	**1,552,951**	76,944
Summary		
At cost	**1,849,890**	1,095,458
Accumulated depreciation	**(296,939)**	(1,018,514)
	1,552,951	76,944

8. Intangible assets

Goodwill impairment disclosure

For the purpose of impairment testing, goodwill and indefinite life intangibles are allocated to cash-generating units (CGUs) which form part of or are based on the Group's operating divisions.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

The aggregate carrying amount of goodwill allocated to each CGU is:

Description of the CGU	31-Dec-21 $	30-Jun-21 $
B2B services	**14,943,573**	3,235,752
B2C services	**2,508,333**	2,508,333
Total	**17,451,906**	5,744,085

The recoverable amount of each cash-generating unit above is determined based on fair value less cost of disposal. There is sufficient information available in the market to determine fair value of each CGU.

Intangible Assets

	31-Dec-21 $	30-Jun-21 $
Goodwill		
B2B services	**14,943,573**	3,235,752
B2C services	**2,508,333**	2,508,333
Total Goodwill	**17,451,906**	5,744,085

Intangible Assets continued

	31-Dec-21 $	30-Jun-21 $
Other intangible assets		
Cost	**-**	850,863
Accumulated amortisation	**-**	(850,863)
Net carrying value	**-**	-
Total Intangibles net carrying value	**17,451,906**	5,744,085
Summary		
Cost	**17,451,906**	6,594,948
Accumulated amortisation	**-**	(850,863)
Net carrying value	**17,451,906**	5,744,085

9. Trade and other payables

	31-Dec-21 $	30-Jun-21 $
CURRENT		
Unsecured liabilities		
Trade payables	**6,455,883**	833,596
GST payable	**394,244**	299,374
Superannuation payable	**-**	23,162
Payroll tax payable	**-**	45,000
Accrued wages and sales commissions	**87,540**	91,203
Accrued professional services	**45,000**	73,000
Other accruals	**292,271**	634,906
	7,274,938	2,000,241
NON-CURRENT		
Unsecured liabilities		
Trade payables	**1,090,639**	-
	1,090,639	-

Trade payables include liabilities due in the ordinary course of business operations such as revenue share payments to authorised representatives. Trade payables also include provision for (likely) upside payments for the acquisition of Sentry Group; and provision for costs associated with defending and/or settling client claims and disputes and/or associated professional indemnity insurance deductibles.

10. Borrowings

	31-Dec-21 $	30-Jun-21 $
CURRENT		
Unsecured liabilities	**216,677**	513,595
Secured liabilities	**359,118**	479,118
NON-CURRENT		
Unsecured liabilities	**296,921**	-
Secured liabilities	**1,879,077**	1,185,880

11. Employee entitlements

	31-Dec-21 $	30-June-21 $
CURRENT		
Employee entitlements	**376,056**	148,432
	376,056	148,432
NON-CURRENT		
Employee entitlements	**297,026**	175,476
	297,026	175,476

12. Leasing commitment

In accordance with AASB 16 *Leases*, the Group has recognised right-to-use liability in respect of all three premises for Sydney, Melbourne and Perth. The lease liabilities are as follows:

	31-Dec-21 $	30-Jun-21 $
Current	**366,513**	76,944
Non-Current	**1,148,105**	-
	1,514,618	76,944

The Group has also recognised following depreciation and interest on right-to-use assets:

	31-Dec-21 $	30-Jun-21 $
Depreciation	**234,623**	264,747
Interest	**52,991**	50,806
	287,614	315,553

13. Issued Capital

Movements in issued capital

	31-Dec-21 $	30-Jun-21 $
Balance at beginning of reporting period	**20,142,712**	19,292,712
Issued 31 August 2020 – share placement	**-**	500,000
Issued 8 February 2021 – options exercised	**-**	25,000
Share application pending allotment	**-**	325,000
Issued 16 July 2021 – acquisition of Sentry Group Pty Ltd	**8,175,000**	-
	28,317,712	20,142,712

(a) Ordinary shares

	31-Dec-21 No.	30-Jun-21 No.
At the beginning of the reporting period	**167,171,900**	150,542,868
Shares issued during the year		
Issued 31 August 2020 – share placement	**-**	16,129,032
Issued 8 February 2021 – options exercised	**-**	500,000
Issued 16 July 2021 – acquisition of Sentry Group Pty Ltd	**113,333,334**	-
At the end of the reporting period	**280,505,234**	167,171,900

14. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share

Diluted earnings per share adjusts the basic earnings per share to take into account the after-income tax effect of financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	31-Dec-21 **$**	**30-Dec-20** **$**
Profit/(Loss) after income tax	**1,118,695**	(332,614)
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	**271,215,616**	161,207,419
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**271,215,616**	161,207,419

Earnings per share for profit/(loss) from continuing operations attributable to the owners of WT Financial Group Limited	**31-Dec-21**	**31-Dec-20**
Basic earnings per share (cents)	**0.412**	(0.206)
Diluted earnings per share (cents)	**0.412**	(0.206)

15. Events Occurring After the Reporting Date

No other matters or circumstances have arisen since the end of the period which significantly affected 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the half-year ended 31 December 2021

This financial report was authorised for issue on 28 February 2022 by the Board of Directors.

In the opinion of the Directors:

1. The financial statements (and notes) of the Group are in accordance with the Corporations Act 2001, including:

    a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the period ended on that date; and

    b) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Signed in accordance with a resolution of the Directors.

Guy Hedley
Chairman

Keith Cullen
Managing Director

WT FINANCIAL GROUP LIMITED AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of WT Financial Group Limited.

Conclusion

We have reviewed the half-year financial report of WT Financial Group Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of WT Financial Group Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla
Director

Sydney, 28 February 2022