

15 February 2018

HIGHLIGHTS

- Growth momentum is maintained
- Funds Under Management Advice & Administration up 22%
- Net underlying profit after-tax up 24%
- Basic underlying earnings per share up 23%
- Established position as a comprehensive financial services provider of Platform Administration, Funds Management, and Financial Planning

The Directors are pleased to report on the consolidated operating performance of Fiducian Group Limited (“FGL”) and wholly owned operating entities (“Fiducian Group”) for the half year ended 31 December 2017.

REVIEW OF OPERATIONS

Fiducian Group results demonstrate positive momentum in operational activity and application of the Board’s strategy to grow earnings.

Financial Highlights			
(\$ in thousands)			
Half Year Ending 31 December	2017	2016	% Change
Operating Revenue	22,245	19,903	↑ 12%
Fees and Charges paid	(5,916)	(5,041)	
Net Revenue	16,329	14,862	↑ 10%
Gross Margin	73%	75%	
Underlying EBITDA	7,019	5,610	↑ 25%
Depreciation	(44)	(44)	
Tax on underlying earnings	(2,004)	(1,550)	
Underlying NPAT (UNPAT)	4,971	4,016	↑ 24%
Amortisation	(635)	(617)	
Income from Client Servicing Rearrangement (net of tax)		35	
Statutory NPAT	4,336	3,434	↑ 26%
Basic EPS based on UNPAT (in cents)	15.9	12.9	↑ 23%
Basic EPS based on NPAT (in cents)	13.9	11.0	
Funds under Management, Advice and Administration			
FUMAA (\$ in millions)	6,266	5,130	↑ 22%

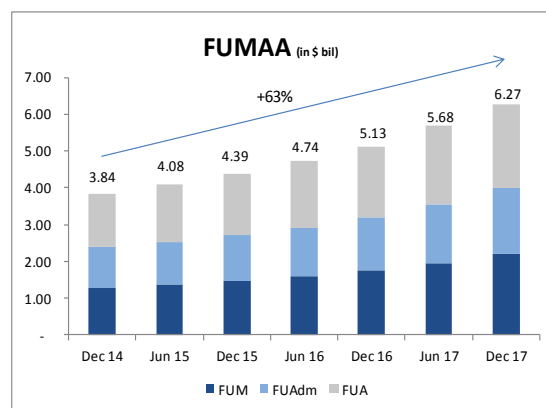
Consolidated Operating Revenue increased by 12% and consolidated Net Revenue increased by 10%. Gross margin at 73% was 2% lower than the equivalent period of the preceding year due to a reduction in the product fees paid by clients.

During the half year underlying Earnings Before Interest, Tax, Depreciation, Amortisation and one-off income from client servicing rearrangement (net of tax) (Underlying EBITDA) increased by 25% to \$7.02 million. UNPAT is \$4.97 million, an increase of 24% over the corresponding 2016 period. This represents underlying earnings per share of 15.9 cents for the half year ended 31 December 2017. Underlying NPAT does not include amortization and one-off income from client servicing rearrangements (net of tax) in 2017 and therefore gives a clearer picture of the Group’s cash generating ability.

The combined Funds under Management, Administration and Advice (FUMAA) has steadily grown by 22% over the year to \$6.27 billion at December 2017.

FUNDS UNDER ADMINISTRATION (FUADM)

At 31 December 2017, funds under administration on the Fiducian platforms were \$ 1.79 billion (30 June 2017: \$1.58 billion) an increase of around 13 % over the last six months.



FUNDS UNDER MANAGEMENT (FUM)

Our in-house Manage-The-Manager system of investment continues to attract the majority of retail funds placed with us. Fiducian Funds have performed well in their respective categories as we diversify their assets through a range of underlying fund managers to reduce risk and volatility. Over a three year return period the Morningstar investment Performance Survey ranked the performance to December 2017 of the Growth and Balanced Fund 1st and 3rd out of 173 funds while the Ultra Growth was ranked 2nd out of 113 funds and the Capital Stable ranked 7th out of 111 funds. At 31 December 2017, assets in Fiducian Funds were \$2.21 billion (30 June 2017: \$1.95 billion), an increase of around 13% over the last 6 months.

FUNDS UNDER ADVICE (FUA)

As 31 December 2017, funds under advice were \$2.26 billion (30 June 2017: \$2.14 billion), an increase of around 6% over the last six months.

The relationship between our salaried and franchised financial planners and their clients remains strong and is founded on quality financial planning advice and strategy. Substantial effort is being devoted to build the distribution base with quality financial planners. The Board is also supportive of growth by

## HALF YEAR RESULTS 1 July - 31 December 2017

acquisition in the current environment and we are progressing with opportunities for acquisition of financial planning practices. During the period four new planners were welcomed into the Group.

Meanwhile, we continue to emphasise quality training, professional development and compliance. These have supported our efforts to comply with the requirements of the FoFA legislation.

**BUSINESS SERVICES**

Fiducian business and accountancy resourcing service continues to provide support to accountants for book keeping, accounts preparation and self-managed superannuation fund administration. Management's focus has been directed to building Self-Managed Super Fund administration services and the New South Wales accounting practice continues to provide strong cross referral opportunities to our financial planning business and as well, services financial planning clients needing accounting help.

**INFORMATION TECHNOLOGY**

Our Wrap administration software FASTrack is continuing to deliver efficiency benefits for our Platform Administration business. The next development, which is progressing well, is to make our financial planning software, FORCE, link with the administration and reporting system, a much sought after goal in the industry.

**COMMUNITY SUPPORT**

Fiducian continues to raise funds for charity. Sponsorship has also been extended to community organisations and sporting teams linked to our planning network. Vision Beyond AUS, a charity supported by the Fiducian Group, has funded free eye surgeries in seven locations spread out over India, Myanmar, Nepal and Cambodia. Over 28,000 persons who live in abject poverty have now been given their eyesight. We intend to continue our charitable support to the community.

**EMPLOYEE DIVERSITY**

Fiducian is proud to be an equal opportunity employer. It endorses diversity and currently has employees from over 20 countries that bring different skill-sets from their country of origin. We recognise that diversity includes, but is not limited to gender, age, ethnicity and cultural backgrounds.

**DIVIDEND (FULLY FRANKED)**

After consideration of the economic environment and the strength of the company's debt-free balance sheet, the directors have decided to maintain the usual distribution level of around 60-70% of statutory NPAT. Dividend policy is subject

to capital management of acquisitions, share buy-backs and growth strategies. The directors have resolved to pay an interim fully franked dividend in respect of the half year ended 31 December 2017 of 9.0 cents per share, an increase of 27% over that of 31 December 2016.

DIVIDENDS SUMMARY	HALF YEAR ENDED	
	31/12/17 \$000	31/12/16 \$000
Dividends paid - Ordinary	2,814	2,220
Weighted average earnings per share		
Basic	13.87 cents	11.00 cents
Diluted	13.83 cents	10.96 cents

DIVIDEND HISTORY		\$000
Paid 13/9/17	- 8.90 cents fully franked	2,783
Paid 13/3/17	- 7.10 cents fully franked	2,220
Paid 12/9/16	- 7.00 cents fully franked	2,180
Paid 14/3/16	- 5.50 cents fully franked	1,711
Paid 24/9/15	- 5.50 cents fully franked	1,706
Paid 26/3/15	- 4.50 cents fully franked	1,390
Paid 19/9/14	- 5.00 cents fully franked	1,538
Paid 26/3/14	- 4.10 cents fully franked	1,268
Paid 20/9/13	- 3.60 cents fully franked	1,131
Paid 22/3/13	- 3.40 cents fully franked	1,076
Paid 21/9/12	- 2.50 cents fully franked	794
Paid 21/3/12	- 2.50 cents fully franked	798
Paid 08/9/11	- 5.00 cents fully franked	1,601

**OUTLOOK**

The global economy continues to maintain its momentum in the early stages of 2018. Encouraging signs of improved economic performance are evident in the US, increasingly in Europe and even in Japan, while much of the developing world, notably China and India, continue to expand rapidly. Though the IMF remains concerned about the structural barriers to growth over the medium term, it recognizes the key to boosting investment and productivity lies in a pro-business environment as is now emerging in the US coupled with the continuing expansionary monetary policies in other jurisdictions. We, therefore, remain moderately optimistic with the global economy and will work hard to deliver double digit earnings growth to the shareholders of the Fiducian Group.

This half-yearly report should be read in conjunction with the most recent annual report.

**CORPORATE INFORMATION**

**Board of directors**

R Bucknell Chairman - Non-executive  
I Singh Executive Director - Managing Director &  
Deputy Chairman

F Khouri Non-executive director  
S Hallab Non-executive director

**SECRETARY**

I Singh

**ISSUED CAPITAL**

On 3 March 2015 the parent entity announced to the Australian Securities Exchange its intention to buy back up to a further 500,000 shares on-market, which remains open. During the half-year the parent entity did not issue or buy back any shares. As at 31 December 2017, the parent entity had 31,264,368 ordinary shares on issue.

At 31 December 2017, two parcels of 100,000 options each remain on issue to the Managing Director at an exercise price of \$2.18 and \$3.77 respectively with the latest exercise dates being 20 October 2021 and 19 October 2022 respectively.

**REGISTERED OFFICE**

Level 4, 1 York Street  
Sydney NSW 2000  
Tel: (02) 8298 4600  
Fax: (02) 8298 4611



**FIDUCIAN**  
INTEGRITY • TRUST • EXPERTISE

## Appendix 4D – Half year Report Results for announcement to the market

### Fiducian Group Limited (FGL)

#### 1. Reporting period

Current reporting period - Half year ended 31 December 2017

Previous corresponding period - Half year ended 31 December 2016

#### 2. Results for announcement to the market

Consolidated Results for the half year			\$A'000
	Previous Period 31/12/16	This Period 31/12/17	Change
Revenues from ordinary activities	\$19,903	\$22,349	+12%
Profit from ordinary activities after tax attributable to members	\$3,434	\$4,336	+26%
Net profit for the period attributable to members	\$3,434	\$4,336	+26%
<b>Dividends</b>			
	Amount per security	Franked amount per security	
Paid 13/3/17 for half-year ended 31 Dec 2016	7.10 ¢	7.10 ¢	
Paid 13/9/17 for half-year ended 30 June 2017	8.90 ¢	8.90 ¢	
Dividend declared for half-year ended 31 Dec 2017	9.00 ¢	9.00 ¢	
Record date for determining entitlements to the dividend:	01/03/2018		
Date that dividend is payable:	15/03/2018		

#### 3. Net tangible assets

Net tangible assets per security	Previous period 31/12/2016	This period 31/12/2017
Net tangible assets \$000	\$10,151	\$13,424
Ordinary securities on issue at balance date <i>Net of shares bought back</i>	31,264,368	31,264,368
Net tangible assets per ordinary security	32.5¢	42.9¢
<b>Brief explanation</b>		
The Increase in NTA is primarily due to increase in available cash and cash equivalents (\$ 2,926 k) and receivables (\$ 347k). The Net Assets per security without adjusting for intangibles are \$0.93 (December 2016 \$0.82)		

**4. Details of entities over which control was gained or lost during the period**

Not applicable.

**5. Dividends**

The Directors have determined to pay a fully franked interim dividend of 9.00 cents per share amounting to \$2,813,793. The dividend is to be paid on 15 March 2018.

There is no foreign sourced dividend or distribution attributable to this dividend.

**6. Dividend reinvestment plan**

Not applicable.

**7. Details of associates and joint venture entities**

Not applicable.


**8. Foreign entities**

Not applicable.

**9. Independent auditor's report subject to a modified opinion, emphasis matter or other matter**

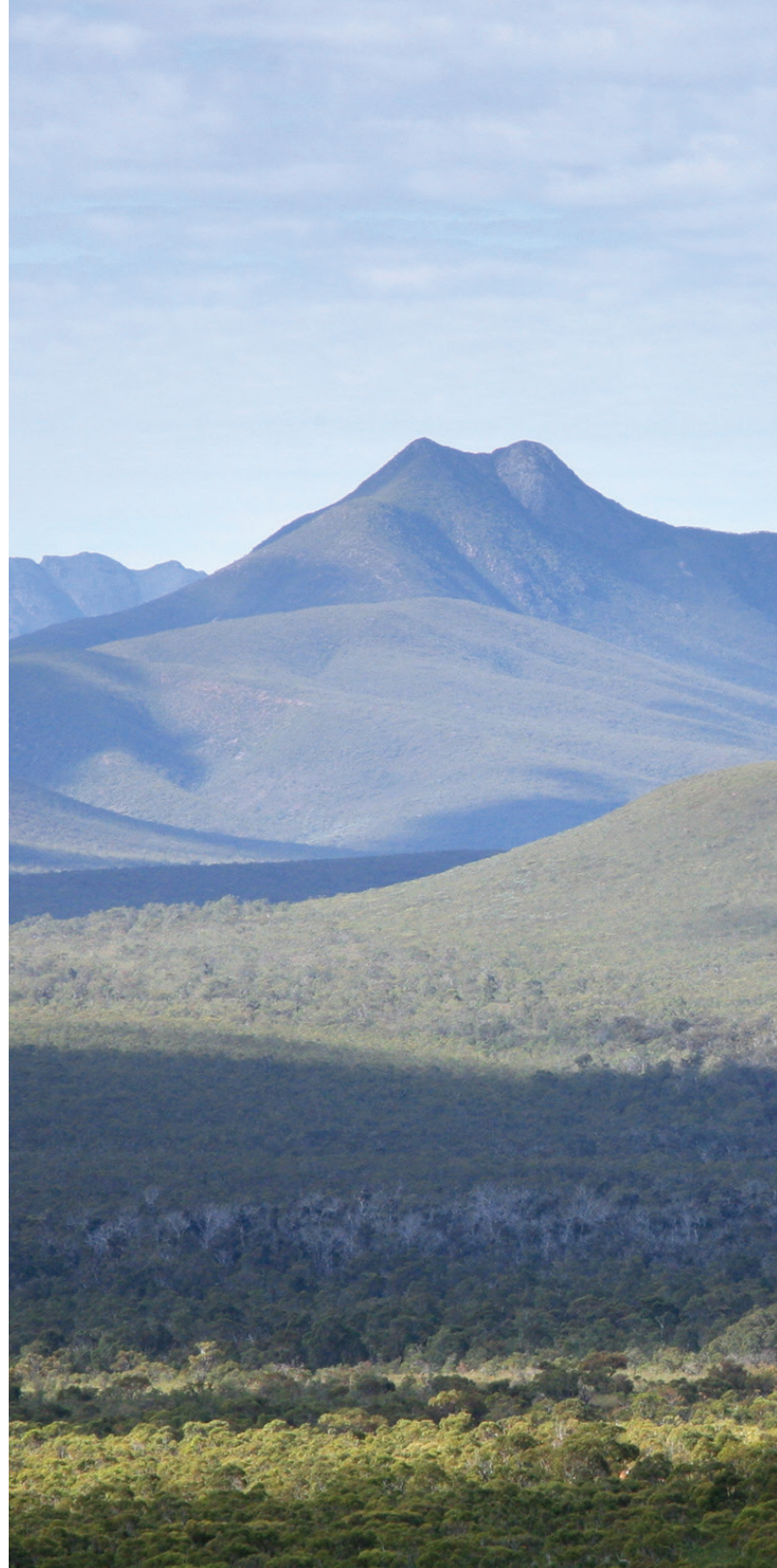
Not applicable.

**The half-yearly report is to be read in conjunction with the most recent annual report.**

Signed by (Director)	
Name and Date	I Singh 15/2/2018



# INTERIM FINANCIAL REPORT



FIDUCIAN GROUP LIMITED  
1 JULY – 31 DECEMBER 2017



**FIDUCIAN**  
INTEGRITY • TRUST • EXPERTISE

ABN 41 602 423 610



# CONTENTS

DIRECTORS' REPORT	2
AUDITOR'S INDEPENDENCE DECLARATION	6
INTERIM FINANCIAL STATEMENTS	8
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	9
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	10
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	11
CONSOLIDATED STATEMENT OF CASH FLOWS	12
NOTES TO THE FINANCIAL STATEMENTS	13
DIRECTORS' DECLARATION	17
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS	18

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Fiducian Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.





# DIRECTORS' REPORT ON FINANCIALS

## FINANCIAL INFORMATION

The directors are pleased to present their report on the consolidated entity consisting of Fiducian Group Limited ("FGL") and its wholly owned operating entities ("Group") for the half year ended 31 December 2017.

### DIRECTORS

The following persons were directors of FGL during the half-year and up to the date of this report:

Chairman (non-executive)	R Bucknell
Executive director	I Singh – Managing Director & Deputy Chairman
Non-executive directors	F Khouri S Hallab

### REVIEW OF OPERATIONS

The Fiducian Group result demonstrates positive momentum in operational activity and application of the Board's strategy to grow earnings.

Consolidated Operating Revenue increased by 12% and consolidated Net Revenue increased by 10%. Gross Margin at 73% was 2% lower than the equivalent period of the preceding year mainly due to a reduction in product fees paid by clients.

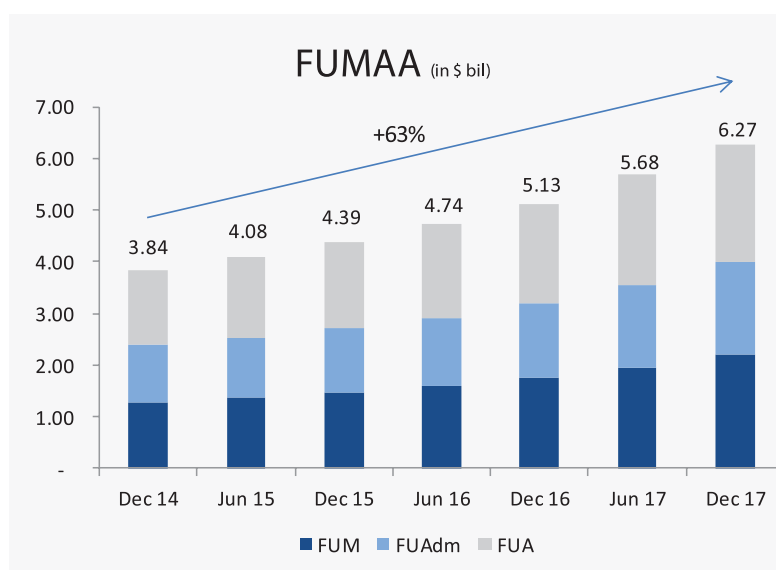
During the half year underlying Earnings Before Interest, Tax, Depreciation, Amortisation and one-off income from client servicing rearrangement (net of tax) (Underlying EBITDA) increased by 25% to \$7.02 million. UNPAT is \$4.97 million, an increase of 24% over the corresponding

2016 period. This represents underlying earnings per share of 15.9 cents for the half year ended 31 December 2017. Underlying NPAT does not include amortization and one-off income from client servicing rearrangements (net of tax) in 2017 and therefore gives a clearer picture of the Group's cash generating ability.

The combined Funds under Management, Administration and Advice (FUMAA) has steadily grown by 22% over the year to \$6.27 billion at December 2017.

### FUNDS UNDER ADMINISTRATION (FUAdm)

At 31 December 2017, funds under administration on the Fiducian platforms were \$1.79 billion (30 June 2017: \$1.58 billion) an increase of around 13% over the last six months.



### FINANCIAL HIGHLIGHTS

#### Half-Year Ending 31 December (\$ in thousands)

	2017	2016	% CHANGE
<b>Operating Revenue</b>	<b>22,349</b>	<b>19,903</b>	<b>↑ 12%</b>
Fees and Charges paid	(6,020)	(5,041)	
Net Revenue	16,329	14,862	↑ 10%
Gross Margin	73%	75%	
<b>Underlying EBITDA</b>	<b>7,019</b>	<b>5,610</b>	<b>↑ 25%</b>
Depreciation	(44)	(44)	
Tax on underlying earnings	(2,004)	(1,550)	
<b>Underlying NPAT (UNPAT)</b>	<b>4,971</b>	<b>4,016</b>	<b>↑ 24%</b>
Amortisation	(635)	(617)	
Income from Client Servicing Rearrangement (net of tax)		35	
<b>Statutory NPAT</b>	<b>4,336</b>	<b>3,434</b>	<b>↑ 26%</b>
<b>Basic EPS based on UNPAT</b> (in cents)	<b>15.9</b>	<b>12.9</b>	<b>↑ 23%</b>
Basic EPS based on statutory NPAT (in cents)	13.9	11.0	
<b>Funds Under Management, Advice and Administration or FUMAA</b> (\$ in millions)	<b>6,266</b>	<b>5,130</b>	<b>↑ 22%</b>

## FUNDS UNDER MANAGEMENT (FUM)

Our in-house Manage-The-Manager system of investment continues to attract the majority of retail funds placed with us. Fiducian Funds have performed well in their respective categories as we diversify their assets through a range of underlying fund managers to reduce risk and volatility. Over a three year return period the Morningstar investment Performance Survey ranked the performance to December 2017 of the Growth and Balanced Fund 1st and 3rd out of 173 funds while the Ultra Growth was ranked 2nd out of 113 funds and the Capital Stable ranked 7th out of 111 funds. At 31 December 2017, assets in Fiducian Funds were \$2.21 billion (30 June 2017: \$1.95 billion), an increase of around 13% over the last 6 months.

## FUNDS UNDER ADVICE (FUA)

As 31 December 2017, funds under advice were \$2.26 billion (30 June 2017: \$2.14 billion), an increase of around 6% over the last six months.

The relationship between our salaried and franchised financial planners and their clients remains strong and is founded on quality financial planning advice and strategy. Substantial effort is being devoted to build the distribution base with quality financial planners. The Board is also supportive of growth by acquisition in the current environment and we are progressing with opportunities for acquisition of financial planning practices. During the period four new planners were welcomed into the Group.

Meanwhile, we continue to emphasise quality training, professional development and compliance. These have supported our efforts to comply with the requirements of the FoFA legislation.

## BUSINESS SERVICES

Fiducian business and accountancy resourcing service continues to provide support to accountants for book keeping, accounts preparation and self-managed superannuation fund administration. Management's focus has been directed to building Self-Managed Super Fund administration services and the New South Wales accounting practice continues to provide strong cross referral opportunities to our financial planning business and as well, servicing financial planning clients needing accounting help.

## INFORMATION TECHNOLOGY

Our Wrap administration software FASTrack is continuing to deliver efficiency benefits for our Platform Administration business. The next development, which is progressing well, is to make our financial planning software, FORCE, link with the administration and reporting system, a much sought after goal in the industry.



Vision Beyond AUS - Children's Eye Care Program, Nepal

## COMMUNITY SUPPORT

Fiducian continues to raise funds for charity. Sponsorship has also been extended to community organisations and sporting teams linked to our planning network. Vision Beyond AUS, a charity supported by the Fiducian Group, has funded free eye surgeries in seven locations spread out over India, Myanmar, Nepal and Cambodia. Eyesight has been restored to more than 28,000 persons living in abject poverty who now have been given their eyesight. We intend to continue our charitable support to the community.

## EMPLOYEE DIVERSITY

Fiducian is proud to be an equal opportunity employer. It endorses diversity and currently has employees from over 20 different countries that bring different skill-sets from their country of origin. We recognise that diversity includes, but is not limited to gender, age, ethnicity and cultural backgrounds.

## ISSUED CAPITAL

On 3 March 2015 the parent entity announced to the Australian Securities Exchange its intention to buy back up to a further 500,000 shares on-market, which remains open. During the half-year the parent entity did not issue or buy back any shares. As at 31 December 2017, the parent entity had 31,264,368 ordinary shares on issue.

At 31 December 2017 two parcels of 100,000 options each remain on issue to the Managing Director at an exercise price of \$2.18 and \$3.77 respectively with the latest exercise dates being 20 October 2021 and 19 October 2022 respectively.



## OUTLOOK

The global economy continues to maintain its momentum in the early stages of 2018. Encouraging signs of improved economic performance are evident in the US, increasingly in Europe and even in Japan, while much of the developing world, notably China and India, continue to expand rapidly. Though the IMF remains concerned about the structural barriers to growth over the medium term, it recognizes the key to boosting investment and productivity lies in a pro-business environment as is now emerging in the US coupled with the continuing expansionary monetary policies in other jurisdictions.

We, therefore, remain moderately optimistic with the global economy and will work hard to deliver double digit earnings growth to the shareholders of the Fiducian Group.

## DIVIDEND

After consideration of the economic environment and the strength of the company's debt-free balance sheet, the directors have decided to maintain the usual distribution level of around 60-70% of statutory NPAT. Dividend policy is subject to capital management of acquisitions, share buy-backs and growth strategies. The directors have resolved to pay an interim fully franked dividend in respect of the half year ended 31 December 2017 of 9.0 cents per share, an increase of 27% over that of 31 December 2016.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18.

## ROUNDING OF AMOUNTS IN THE DIRECTORS' REPORT AND FINANCIAL REPORT

The company is of a kind referred to in Class Order 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of directors.



R Bucknell  
Chairman



I Singh  
Managing Director

Sydney, 15 February 2018

# AUDITOR'S INDEPENDENCE DECLARATION



## Auditor's Independence Declaration

As lead auditor for the review of Fiducian Group Limited for the half-year ended 31 December 2017, I declare that 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink that reads 'Craig Stafford'.

Craig Stafford  
Partner  
PricewaterhouseCoopers

Sydney  
15 February 2018

---

*PricewaterhouseCoopers, ABN 52 780 433 757  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au*

Liability limited by a scheme approved under Professional Standards Legislation.



This page has been left blank intentionally



# FINANCIAL STATEMENTS

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	HALF-YEAR TO 31 DECEMBER	
	2017	2016
	\$'000	\$'000
Revenue from ordinary activities	22,349	19,903
Payments to advisers and service providers	(6,020)	(5,041)
Employee benefits expense	(6,258)	(6,245)
Depreciation, impairments and amortisation expense	(679)	(661)
Other expenses	(3,052)	(2,972)
<b>Profit before income tax expense</b>	<b>6,340</b>	<b>4,984</b>
Income tax expense	(2,004)	(1,550)
<b>Profit after income tax</b>	<b>4,336</b>	<b>3,434</b>
<b>Other comprehensive income for the half-year, net of tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the half-year attributable to the owners of Fiducian Group Limited</b>	<b>4,336</b>	<b>3,434</b>
<b>Earnings per share</b>		
Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the Company:		
Basic earnings per share	13.87 cents	11.00 cents
Diluted earnings per share	13.83 cents	10.96 cents

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	CONSOLIDATED	
	31 DEC 2017	30 JUNE 2017
	\$'000	\$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	11,371	9,548
Trade and other receivables	5,325	4,369
Total Current Assets	16,696	13,917
<b>Non-current assets</b>		
Receivables	5,683	6,323
Property, plant and equipment	185	223
Intangible assets	15,749	15,814
Total Non-Current Assets	21,617	22,360
<b>Total assets</b>	<b>38,313</b>	<b>36,277</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	6,279	5,576
Current tax liabilities	1,016	1,280
Total Current Liabilities	7,295	6,856
<b>Non-current liabilities</b>		
Net deferred tax liabilities	1,471	1,420
Provisions	374	381
Total Non-Current Liabilities	1,845	1,801
<b>Total liabilities</b>	<b>9,140</b>	<b>8,657</b>
<b>Net assets</b>	<b>29,173</b>	<b>27,620</b>
<b>EQUITY</b>		
Contributed equity	7,141	7,141
Reserves	120	120
Retained profits	21,912	20,359
<b>Total equity</b>	<b>29,173</b>	<b>27,620</b>

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 2017

	CONTRIBUTED EQUITY	RESERVES \$'000	RETAINED EARNINGS	TOTAL
	\$'000	\$'000	\$'000	\$'000
<b>HALF-YEAR TO 31 DECEMBER 2017</b>				
<b>Balance at the beginning of the half-year</b>	7,141	120	20,359	27,620
Comprehensive income for the half-year	-	-	4,336	4,336
<b>Transactions with equity holders in their capacity as equity holders</b>				
Dividends paid	-	-	(2,783)	(2,783)
Transfer to equity on exercise of options	-	-	-	-
Shares issued	-	-	-	-
<b>Total transactions with equity holders</b>	-	-	(2,783)	(2,783)
<b>Balance at the end of the half-year</b>	7,141	120	21,912	29,173
<b>HALF-YEAR TO 31 DECEMBER 2016</b>				
<b>Balance at the beginning of the half-year</b>	6,855	67	17,205	24,127
Comprehensive income for the half-year	-	-	3,434	3,434
<b>Transactions with equity holders in their capacity as equity holders</b>				
Dividends paid	-	-	(2,180)	(2,180)
Transfer to equity on exercise of options	-	(42)	42	0
Shares issued	286	-	-	286
<b>Total transactions with equity holders</b>	286	(42)	(2,138)	(1,894)
<b>Balance at the end of the half-year</b>	7,141	25	18,501	25,667

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 2017

	CONSOLIDATED	
	31 DEC 2017	31 DEC 2016
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	24,484	20,992
Payments to suppliers and employees (inclusive of goods and services tax)	(17,503)	(15,831)
	6,980	5,161
Interest received	209	148
Income taxes paid	(2,377)	(1,668)
<b>Net cash inflow from operating activities</b>	<b>4,813</b>	<b>3,641</b>
<b>Cash flows from investing activities</b>		
Payments instalments for acquired client portfolios	(651)	(1,052)
Net receipts/(payments) from/to advisers for business development	446	(1,868)
Proceeds from client servicing rearrangement	-	50
Other repayments	(2)	-
<b>Net cash outflow from investing activities</b>	<b>(207)</b>	<b>(2,870)</b>
<b>Cash flows from financing activities</b>		
Proceeds on issue of shares	-	163
Dividends paid	(2,783)	(2,180)
<b>Net cash outflow from financing activities</b>	<b>(2,783)</b>	<b>(2,017)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>1,823</b>	<b>(1,246)</b>
Cash and cash equivalents at the beginning of the half-year	9,548	9,691
Cash and cash equivalents at the end of the half-year	11,371	8,445

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

## 1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This general purpose financial report for the interim half year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the ASX listing rules.

Figures presented in this report are subject to rounding.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Previous year comparatives have been restated where necessary to make them comparable with the current year.

### COMPLIANCE WITH IFRS

The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Management is aware that certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2018 reporting period. Management is in the process of assessing the impact of these new standards and interpretations with a view to disclosing the impact in the full year financial statements.

## 2. SEGMENT INFORMATION

The business activities of the Group have been split into business segments based on legal entities and reviewed by management accordingly. The business segments are as follows:

### FUNDS MANAGEMENT

The Group through its subsidiary Fiducian Investment Management Services Limited acts as an operator of an Investor Directed Portfolio Service, Fiducian Investment Service, and as Responsible Entity for managed investment schemes and managed discretionary account.

### SUPERANNUATION

The Group through its subsidiary Fiducian Portfolio Services Ltd, operates in a segment as the Registrable Superannuation Entity for a public offer superannuation fund, Fiducian Superannuation Service.

### FINANCIAL PLANNING

The Group continues its specialist financial planning operations through its subsidiary, Fiducian Financial Services Pty Ltd.

### ADMINISTRATION

The administration and professional services are provided to the Group by a subsidiary, Fiducian Services Pty Limited. Management views this as an operating segment.

### BUSINESS SERVICES

The Group provides accountancy resource services through its subsidiary Fiducian Business Services Pty Ltd. Although this segment does not meet the quantitative thresholds required under AASB 8, management has concluded that this segment should be reported as it is closely monitored.

## 2. SEGMENT INFORMATION (CONTINUED)

	FUNDS MAN- AGEMENT	SUPERANNU- ATION	FINANCIAL PLANNING	ADMINIS- TRATION	BUSINESS SERVICES	CONSOLI- DATED
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>HALF-YEAR 2017</b>						
Revenue from external customers	7,533	-	7,523	6,386	278	21,720
Intersegment sales	(1,500)	-	(375)	1,935	(60)	-
Other Revenue	53	2	547	26	1	629
Total revenue	6,086	2	7,695	8,347	219	22,349
Profit from ordinary activities before income tax expense	3,563	1	(494)	3,362	(93)	6,340
Income tax expense						(2,004)
Profit from ordinary activities after income tax expense						4,336

	FUNDS MAN- AGEMENT	SUPERANNU- ATION	FINANCIAL PLANNING	ADMINIS- TRATION	BUSINESS SERVICES	CONSOLI- DATED
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>HALF-YEAR 2016</b>						
Revenue from external customers*	6,166	-	7,592	5,552	395	19,705
Intersegment sales	(1,320)	-	(330)	1,725	(75)	-
Other Revenue**	52	2	129	14	1	198
Total revenue	4,898	2	7,391	7,291	321	19,903
Profit from ordinary activities before income tax expense	2,732	1	27	2,392	(168)	4,984
Income tax expense						(1,550)
Profit from ordinary activities after income tax expense						3,434

\* Revenue in Business Services has reduced during the period as a result of the sale of the Queensland operations of the Accounting practice.

\*\* Other revenue in the Financial Planning segment includes revenue of \$50,000 (pre-tax) from a client servicing rearrangement.

### 3. DIVIDENDS

	HALF-YEAR TO 31 DEC.	
	2017	2016
	\$'000	\$'000
<b>Ordinary shares</b>		
Dividend paid during the half-year	2,783	2,180
<b>Dividend not recognised at the end of the half-year</b>		
In addition to the above dividend, since the end of the half-year the directors have resolved to pay an interim dividend of 9.00 cents per fully paid ordinary share (2016 - 7.10 cents), fully franked based on tax paid at 30%. The aggregate amount of this dividend is to be paid on 15 March 2018 out of retained profits at 31 December 2017, but not recognised as a liability at the end of the half year, is:	2,814	2,220

### 4. BUSINESS COMBINATION

During the period the Group made the following acquisition:

	HALF-YEAR TO 31 DEC.	
	2017	
Segment	Financial Planning	
Fiducian entity	Fiducian Financial Services Pty Ltd	
Date	7/12/2017	
Purchased	Client Portfolio	
Maximum purchase price	\$380,000	
Paid by 31 December 2017	\$380,000	
Deferred consideration at 31 December 2017	-	
Value attributed on the Statement of Financial Position as at 31 December 2017	100%	
Business combination or asset only	Business Combination	
Provisional Fair value of assets recognized as a result of acquisition are as follows:		
Intangible assets	\$504,000	
Deferred Tax Liabilities	(\$151,200)	
Net Identifiable assets acquired	\$352,800	
Goodwill on acquisition	\$27,200	
Net Assets Acquired	\$380,000	

The acquired business did not contribute significantly to the group's current year profits. It is not practicable to estimate the profit contribution given the significant change in the cost bases to the operation of the business once within the Fiducian Group.

## 5. EVENTS OCCURRING AFTER THE BALANCE DATE

There has not arisen in the interval between the balance date and the date of this report any item, transaction or event of a material and unusual nature likely in the opinion of the directors of the Group to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent years.

## 6. CONTINGENT LIABILITIES

The Group had contingent liabilities at 31 December 2017 in respect of bank guarantees for property leases of parent and group entities amounting to \$472,000 (30 June 2017: \$405,000).



# DIRECTORS' DECLARATION

In the directors' opinion:

- (a) The financial statements and notes set out on pages 8 to 16 are in accordance with the Corporations Regulations 2001, including:
- (i) Complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
- (b) There are reasonable grounds to believe that Fiducian Group Limited will be able to pay its debts as and when they become due and payable.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



I Singh  
Managing Director

Sydney,  
15 February 2018

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS



## **Independent auditor's review report to the members of Fiducian Group Limited**

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of Fiducian Group Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Fiducian Group Limited. The consolidated entity comprises the Company and the entities it controlled during that half-year.

### *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 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 half-year 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 2017 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 Fiducian 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.

### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

---

PricewaterhouseCoopers, ABN 52 780 433 757  
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS (CONTINUED)



## *Conclusion*

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

1. giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Craig Stafford' in a cursive script.

Craig Stafford  
Partner

Sydney  
15 February 2018

This page has been left blank intentionally







## **Fiducian Group Limited**

Level 4, 1 York Street, Sydney NSW 2000 Australia  
GPO Box 4175, Sydney NSW 2001 Australia

Telephone: +61 (2) 8298 4600 Fax: + 61 (2) 8298 4611

**[www.fiducian.com.au](http://www.fiducian.com.au)**