

29 November 2016

Company Announcements Office  
Australian Securities Exchange Limited

**Prime Financial Group Ltd**  
ACN 009 487 674

Level 17, Como Office Tower  
644 Chapel Street  
PO Box 6105  
South Yarra VIC 3141

Tel 03 9827 6999  
Fax 03 9827 9100

[enquiries@primefinancial.com.au](mailto:enquiries@primefinancial.com.au)  
[www.primefinancial.com.au](http://www.primefinancial.com.au)

## **2016 ANNUAL GENERAL MEETING**

In accordance with the requirements of the ASX Listing Rules, Prime Financial Group Ltd (ASX.PFG) is pleased to provide a copy of the presentation to be given by Prime's Chairman, Mr Paul Cowan, and its Managing Director/CEO, Mr Simon Madder at the Company's Annual General Meeting (which will commence at 10.00am this morning).

For more information on this announcement please contact **Simon Madder (Managing Director / CEO)** on (03) 9827 6999.

### **Prime Financial Group**

Prime Financial Group Ltd (Prime) is an Integrated Wealth Management Firm for business owners and family groups. Prime's goal is for clients to receive complete Accounting, Wealth Management & Capital Advice.

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## **2016 ANNUAL GENERAL MEETING**

### **Chairman's Address**

Good morning Ladies and Gentlemen. On behalf of my fellow directors, Mr Simon Madder, Mr Peter Madder, and Mr Tim Carroll, it gives me great pleasure to welcome you to the 2016 Annual General Meeting of Prime Financial Group Limited. My name is Paul Cowan, and I have the honour of being your Chairman.

I would also like to take the opportunity to welcome the members of our team who are in attendance this morning, as well as Mr. Jeffrey Luckins and Ms. Corrine Siddles from our auditors, William Buck, and Mr. Aaron Jordan from our legal advisers, Holman Fenwick Willan.

The agenda for this meeting will comprise of my address, followed by our Managing Director/CEO, Mr Simon Madder's presentation on the business and the results for the 2016 financial year. Simon will also provide some guidance for the current financial year. I would also like to welcome representatives of Computershare who will be counting votes on resolutions to be considered this morning.

The formal business of the meeting will then be conducted which will include the adoption of the 2016 Annual Financial Statements and the Remuneration Report, followed by the re-election of both Mr. Tim Carroll and Mr. Peter Madder as directors of the Company. We have also allowed time for questions on the business of Prime.

On behalf of the Directors and shareholders, I would like to thank our CEO Simon Madder for his dedication and leadership, our management team and staff for their passion and commitment, and also to our growing number of partner firms for embracing the opportunity to join us on our journey.

I would also like to acknowledge and thank my fellow Directors for their valuable contribution during the past 12 months, and in particular Mr. Peter Madder who agreed to take on the added responsibility of interim Chairman after last year's Annual General Meeting, and thereby affording me both the time and opportunity to more fully appreciate the breadth of Prime's operations prior to taking on the role as Chair a few weeks ago.

Additionally, I wish to welcome our Director Tim Carroll to his first Prime AGM. As shareholders will be aware, Tim has been globally acclaimed for his expertise in digital media and marketing, and we congratulate Tim on recent successes with BUCKiTDREAM. We are most fortunate to be able to call on Tim's expertise

as we progress to expand our reach through our partner networks, and our brand to the broader investment community.

The 2016 financial year was one of consolidation for Prime, with profit before tax attributable to members of the parent entity being \$3.94 million compared to an underlying profit (excluding impairment charges) of \$3.76 million in the 2015 financial year, an improvement of 5%. On an after tax basis, the comparative increment was 20%, with underlying earnings per share increasing by 19%.

Group revenues increased by 9% reflecting the increased scale of the business.

The Board resolved to declare a fully franked final dividend of 0.4 cents per ordinary share, bringing the total dividends declared in respect of the 12 months to 30 June 2016 to 0.8 cents per ordinary share. This compares to total dividends declared in the prior twelve month period of 0.8 cents per ordinary share.

Simon will elaborate further on the results for the year during his presentation.

During the year, Prime continued to successfully implement its 3 tier service offering (Self Directed, Collaborative and Full Advice) which provides our clients choice as to the level of services they require, and the flexibility to adjust as their circumstances change over time. By providing increased choice, an enhanced technology platform, and access to a range of accounting and wealth management services from a single location, we aim to provide a high quality and seamless experience for our clients, and an improved efficiency and product capability of our partner firms.

Key outcomes achieved during the financial year included;

- Increased adoption of Prime's Separately Managed Account service, which grew from \$19 million to \$96 million at 30 June 2016. The SMA platform was also expanded to include an International Equities offering;
- The acquisition of strategic stakes in the MPR and Watermans accounting businesses. Since year end, Prime has further increased its holding in MPR Group to 93%, and has assisted MPR in fully and successfully absorbing the Watermans business;
- The completion of its restructuring programme, which resulted in the transfer of two of its investments in partner firms to its jointly owned subsidiary, Prime Wealth Management Pty Ltd, and a consequential reduction in bank debt by some \$3.6 million; and
- The development of enhanced communication campaigns (both digital and direct) which have generated higher levels of engagement with clients of our partner firms.

Looking forward, the Board is committed to establishing the Prime brand as the as the leading integrated advice firm for complete Accounting, Wealth Management and Capital Solutions.

In moving to a majority position in MPR, Prime has access to a first class leader in Matt Murphy, who with his team has developed a range of client focused services (including funding grants for export and innovation) which can be introduced to our 35 partner firms. We are delighted with MPR's progress, and its prospects for the future.

Likewise, we will continue to invest in communication and technology solutions which will over time provide increased efficiencies and enhanced access to both Prime's existing client network and the broader community. We are confident this will lead to a consequential increase in the level of products and services delivered across this platform.

In closing, I would like to thank our shareholders for their continued support of Prime during the year and in particular those shareholders who have been able to attend today's meeting.

I can assure you that the Board and Management are working hard to realise Prime's potential to grow our business and service offerings in the Accounting and Wealth Management sector, and to see these efforts recognized by way of an increase in earnings per share and a growing dividend payment to shareholders.

**Paul Cowan**  
**Chairman**

# Annual General Meeting 29 November 2016

# Welcome

## DIRECTORS

Simon Madder – Managing Director & CEO

Peter Madder – Executive Director & CFO

Paul Cowan – Independent Non-Executive Chairman

Tim Carroll – Independent Non-Executive Director

## AUDITORS

William Buck Audit (VIC) Pty Ltd

## LEGAL ADVISERS

Holman Fenwick Willan

## SHARE REGISTRY

Computershare Investor Services

# Agenda

- Independent Non-Executive Chairman's Address – Paul Cowan
- Managing Directors/CEO's Presentation – Simon Madder
- Business of the Meeting

# Managing Director/CEO's Presentation Simon Madder

# Strong, Entrepreneurial & Experienced Board

The Board has the background, proven track record & vision to succeed



Simon Madder  
Managing Director  
& CEO

Co-founder, Managing Director & CEO of Prime Financial Group Ltd (Prime) since 1998

20 years' experience in Wealth Management & Accounting Services across Operations, Strategy & Acquisitions



Peter Madder  
Executive Director  
& CFO

Previously Managing Partner of 2 Accounting Firms

Chartered Accountant with 50+ years' experience in Corporate Structuring & Acquisitions, Finance & Operations



Paul Cowan  
Independent Non-Executive  
Chairman

Executive Director River Capital (Funds Management)

Previously Director of Brumby's Bakeries Holdings Ltd and Cash Converters International Ltd

Chartered Accountant with 30+ years' experience inc. Funds Management & Corporate Advisory



Tim Carroll  
Independent Non-Executive  
Director

CEO of BUCKiTDREAM Inc (Entertainment & Digital Marketing Company)

Previously Chief Global Marketing Officer Village Roadshow Corporation (2000 to 2011)

20+ years' experience in Marketing & Customer Relationship Management, expert in Entertainment, Brand, Digital & Social, Loyalty Marketing and Media



**Growth  
Innovation  
People**

## Who we are

Prime Financial Group is an ASX Listed Integrated Wealth Management Firm for Business Owners and Family Groups

Prime's goal is for clients to receive complete Accounting, Wealth Management & Capital Advice

PERSONALISED **ADVICE**



**ASX LISTED**



**TRULY INTEGRATED**  
WEALTH MANAGEMENT

**\$1BILLION+**  
**CLIENT FUNDS**  
UNDER MANAGEMENT

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**ESTABLISHED 1998**

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» *Accounting Heritage* «



**PREMIER**  
ACCOUNTING FIRM PARTNER

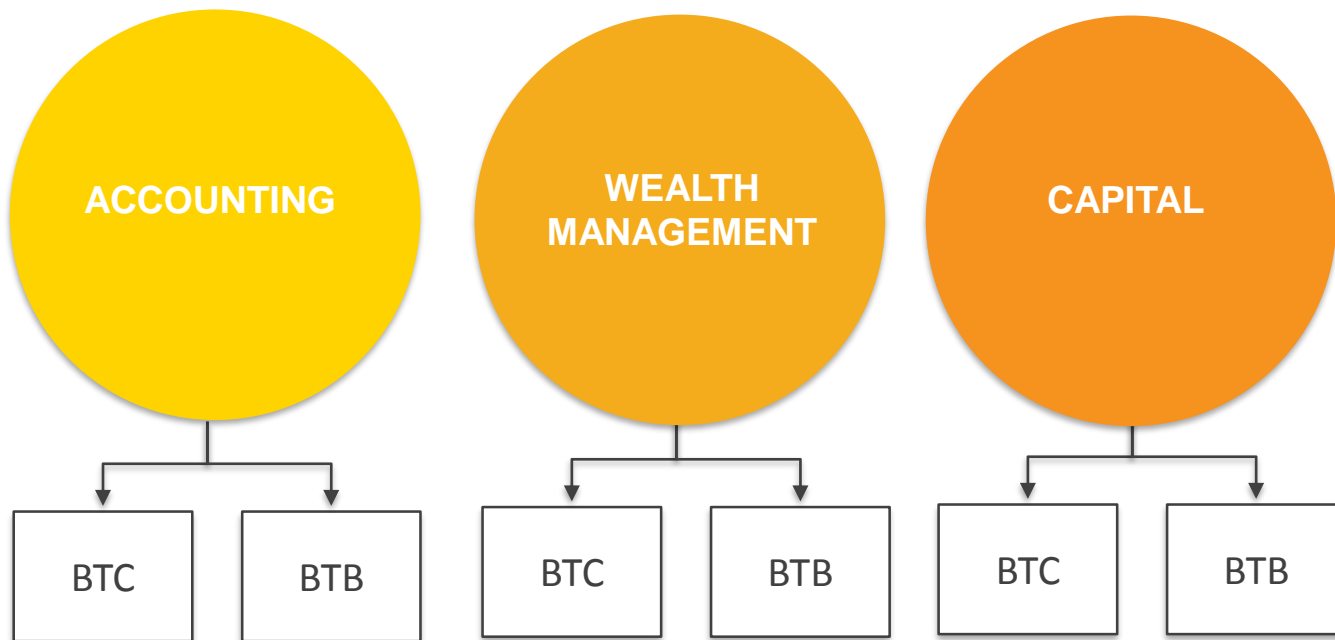


**30+ ACCOUNTING FIRM EQUITY PARTNERS**

# Prime's future

## Integrated Accounting, Wealth Management & Capital

Helping clients protect assets and build wealth



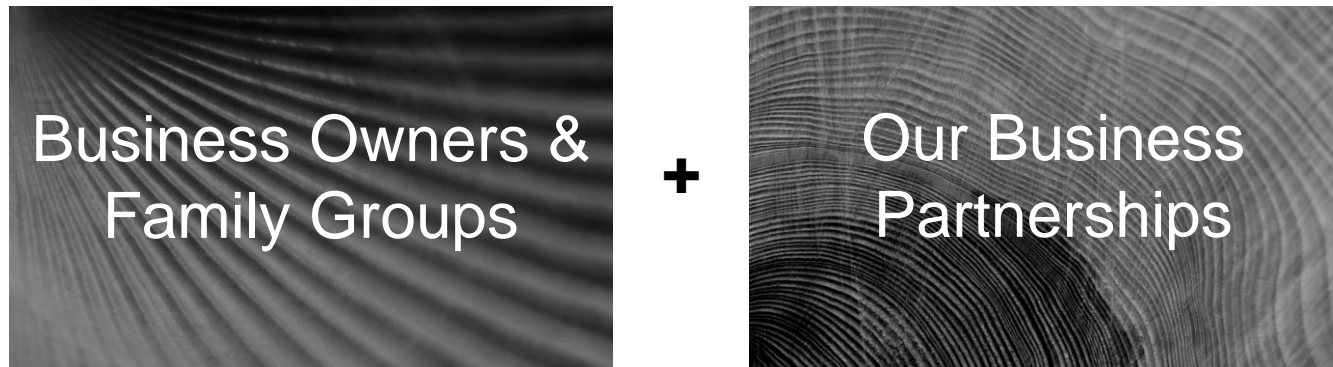
# The services we offer

Accounting
Accounting & Tax Compliance
Outsourced CFO & Accounting Services
Business Structuring & Advisory
Director & Board Services
Succession Planning

Wealth Management
Financial & Retirement Planning
Investment Advice & Funds Management
Life Insurance
Estate Planning
Superannuation inc. SMSF
Lending & Finance

Capital
Corporate Advisory
Equity, Debt & Funding
Transactions & Restructuring
Innovation & Commercialisation
R&D Tax Incentives
Export Market Development Grants (EMDG)

## Prime has a growing and connected ecosystem for



Our Clients receive:

1. Wealth Management & Superannuation Advice
2. Business and Personal; Planning, Management and Accounting
3. Protection for Business and Personal Capital
4. Access to 'Capital' for Growth and Innovation

# Full Year 2016 Results

# FY16 Results Summary

- Members of the Parent Entity (After Outside Equity Interest)
  - Profit Before Income Tax **up 5%** to \$3.94M compared to FY2015 of \$3.76M (excluding impairment)
  - Profit After Income Tax **up 20%** to \$3.23M compared to FY2015 of \$2.70M (excluding impairment)
- Earnings Per Share (EPS) **2.22 CPS up 19%** compared to FY2015 of 1.86 CPS (excluding impairment)
- **Final Dividend of 0.40 CPS**
- Full year **Dividend 0.80 CPS** consistent with FY2015
- FY2016 **Operating Margin of 29%, down from 30%** in FY2015
- **Net Debt \$2.3M down 69%** from \$7.4M at 30 June 2015
- Group FUM declined by \$74M to \$977M principally due to outflows from business divestments of \$46M and other movements of \$33M

# FY16 Key Developments and FY17 Progress

## CORPORATE DEVELOPMENT

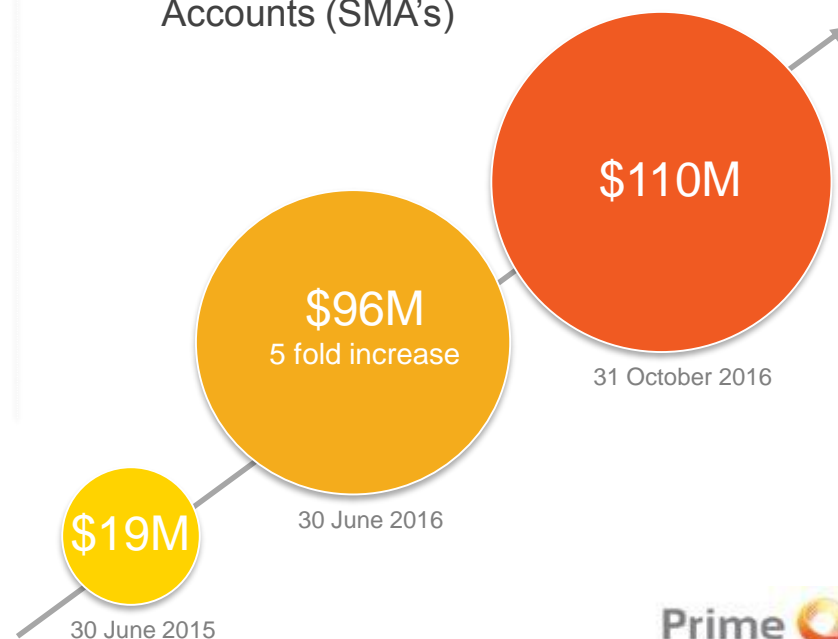
- Two new wealth JVs
- Acquisition of MPR
- Additional services, R&D and EMDG
- New division, CAPITAL

## PEOPLE

- Engaged a Chief Technology Officer (CTO)
- Increased Financial Advisory staff for growth in:
  - New South Wales
  - Western Australia
- Implementation of Prime's 'Accountant Advisory Board'

## INVESTMENT ADVICE & FUNDS MANAGEMENT

- + \$1 Billion FUM advisory role
- Substantially increased use of Prime Separately Managed Accounts (SMA's)



## FY17 Progress & Focus

- Prime is performing well and expects 1H17 Profit Before Income Tax to exceed 1H16 of \$1.92M (which included a profit on restructure of \$463K)
- Continue to proactively undertake acquisitions
- Invest further in Technology and Prime Client Engagement Platforms
- Build and market the Prime brand to support Complete Accounting, Wealth Management and Capital Advice
- Continue to differentiate at a client solution level
- Foster a culture of innovation



# Questions from Shareholders

- How does the change in Accountants Licencing impact on the industry and what impact has this had on Prime to date?
- Prime has typically only taken minority positions in accounting firms, but has moved to almost full ownership in MPR. Is this a change in strategy?
- There is lots of talk about Robo advice. How are you responding to this challenge?
- You make mention of SMA's and Funds Management, can you elaborate on your strategy here?
- Can you provide an update on acquisitions and wealth JVs?
- There are various comments on Marketing and Digital and you have a board member that also has this background, is Marketing a bigger focus?

# Business of the Meeting

- Consideration of the Financial Statements
  - Note: There is no requirement for the shareholders to approve these statements
- Adoption of the Remuneration Report
- Re-Election of Director – Mr. Tim Carroll
- Re-Election of Director – Mr. Peter Madder

# Resolution 1

- The first item on the agenda is the resolution concerning the Remuneration Report.
- Article 37.2 of the Company's Constitution states that a resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded. As Chairman I have elected that the resolution be put to vote as a poll.

## Resolution 2

- The second item on the agenda is the Re-election of Mr. Tim Carrol as a Director of the Company.
- Article 37.2 of the Company's Constitution states that a resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded. As Chairman I have elected that the resolution be put to vote as a poll.

## Resolution 3

- The third item on the agenda is the Re-election of Mr. Peter Madder as a Director of the Company.
- Article 37.2 of the Company's Constitution states that a resolution put to the vote of a meeting is decided on a show of hands unless a poll is demanded. As Chairman I have elected that the resolution be put to vote as a poll.

Thankyou

# Contact

Simon Madder  
Managing Director/CEO  
Prime Financial Group Ltd

Level 17, Como Office Tower  
644 Chapel Street  
South Yarra VIC 3141

Tel (03) 9827 6999  
Fax (03) 9827 9100  
[simonm@primefinancial.com.au](mailto:simonm@primefinancial.com.au)



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Tel: 03 9827 6999  
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Client Services: 1800 064 959  
[clientservices@primefinancial.com.au](mailto:clientservices@primefinancial.com.au)  
[www.primfinancial.com.au](http://www.primfinancial.com.au)

LinkedIn: Prime Financial Group Ltd