Prime

Annual Report

2015

Integrated Wealth Management

Prime Financial Group Ltd
ABN 70 009 487 674

Contents

Prime Financial Group is as ASX Listed Integrated Wealth Management Firm for business owners and family groups.

Prime's goal is to become the Premier Partner to Accountants for Growth, Succession and Integrated Wealth Management and to deliver personalised advice to clients for a secure financial future.

Managing Director/CEO and Chairman's Report

The Prime story

Prime was founded in 1998 by accountants and today that DNA continues through our working relationship with clients in partnership with their accountant.

The reason is simple yet highly effective – we believe that clients are best served by their accountant being their single place for personalised financial advice – tailored for their needs, goals and aspirations.

It all starts by providing and maintaining protection to clients ongoing wealth. Our clients have worked hard for what they have and Prime Financial Group and their Accountant will always put preservation of their existing wealth first.

By working with accounting firms, we ensure clients have the right structure and strategies in place from the very beginning – key to meeting their financial goals and objectives to secure their financial future.

One National team

With Prime Financial Group being a national firm, clients benefit from a team of Advisers with a diverse set of skills across different disciples with hundreds of years of experience.

It is this experience that allows for us to completely personalise our clients wealth management advisory service, which while flexible to suit client's needs maximises their outcomes through grounded judgement and advice.

PERSONALISED ADVICE

ASX LISTED

TRULY INTEGRATED
WEALTH MANAGEMENT

$1BILLION+
CLIENT FUNDS
UNDER MANAGEMENT

INDEPENDENT
OF 'BIG 4' AU BANKS

ESTABLISHED 1998

Accounting Heritage

PREMIER
ACCOUNTING FIRM PARTNER

30+ ACCOUNTING FIRM EQUITY PARTNERS

How we work with clients

Prime Financial Group doesn't take a product-based approach, we are an Advisory Firm that adds value for our clients and partners. We are not tied to the 'Big 4' banks and as a result we provide personalised advice in partnership with our clients' accountant that is transparent, flexible and is in their best interests.

Our integrated 3 dimensional approach ensures clients have the right structure and strategies in place to meet their financial objectives, and creates a relationship for quality advice, trust, service and a deep understanding of their situation.

Our Integrated Advice Model brings together clients, their Accountant and Prime Financial Group to create a seamless and complete service.

Beginning with our clients' accountant, clients set the course for enhancing their financial future with tailored wealth management and asset protection advice. When together we have set their structure and strategy, the strength of Prime Financial Group in partnership with our clients' accountant then focuses on implementing and managing that plan and their investments to make their goals a reality.

Accounting Services
- Personal & Business Structuring
- Accounting & Taxation Services
- Business Advisory
- Superannuation
- Succession Planning

Asset Protection inc. Legal Services
- Asset Protection Review
- Wills & Estate Planning
- Binding Death Benefit Nominations
- General Security Agreements
- Loan, Shareholder & Buy/Sell Agreements

Life Insurance
- Income Protection
- Term Life Insurance
- Total & Permanent Disablement Insurance
- Trauma (Critical illness) Cover
- Business Buy/Sell & Keyman Insurance

Superannuation inc. SMSF
- Retirement Needs Analysis
- Superannuation Review
- Superannuation Consolidation
- Capital Preservation/Growth Analysis
- Contribution Strategies

Financial & Retirement Planning
- Retirement Needs Analysis
- Capital Preservation/Growth Analysis
- Tax Efficient Strategies
- Transition to Retirement Strategies
- Pension Establishment
- Intergenerational Planning
- Social Security Analysis

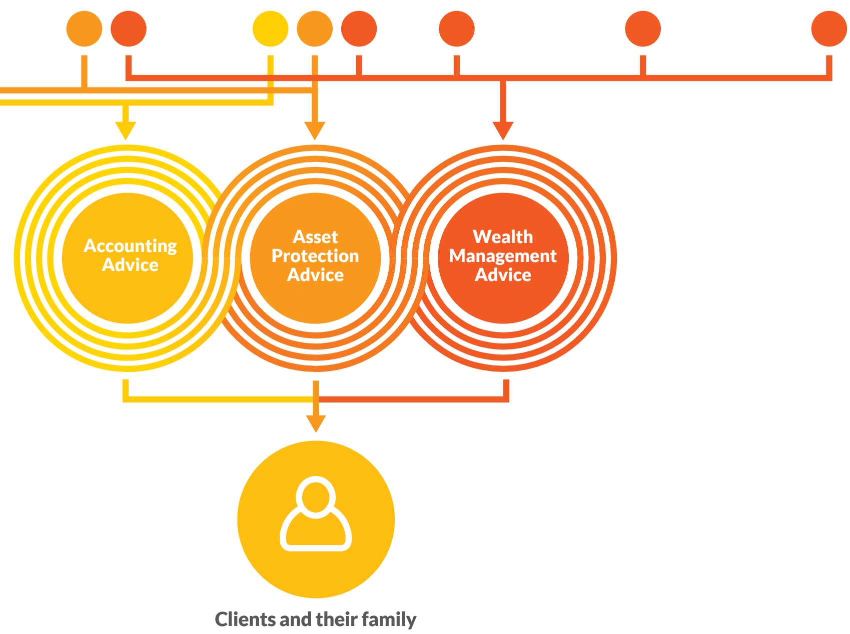
Investment Advice
- Tailored Portfolio Review
- Asset Allocation Advice
- Portfolio Construction
- Investment Strategy incl. SMSF
- Term Deposit & Cash Service

Lending & Finance
- Home Loans
- Investment Loans
- SMSF Property Lending
- Business Cash Flow Lending
- Business Working Capital
- Succession & Acquisition Funding

Accounting Advice
Providing the appropriate structure for clients' financial affairs is the foundation of any good plan and allows outcomes to be optimised for protection and growth.

Asset Protection Advice
Protecting clients, their family, and their business from risk is the next most vital step of any wealth management strategy.

Wealth Management Advice
By identifying clients' current financial situation, ideal lifestyle priorities and retirement goals clients receive the best advice to make the right decisions for their future.



Managing Director/CEO and Chairman's Report

continued

Integrated and streamlined service

Having an efficient wealth management advisory process eliminates inconsistency, duplication, and extra cost for clients. The end result is a fully integrated advisory process that doesn't run the risk of inconsistency, double-up's, unnecessary expense and a chaotic 'mix and match' approach that can see one part of a client's plan undermining other parts.

Prime Financial Group's integrated and streamlined approach creates a complete offering of unified advice and services.

A progressive communication platform

Total connection to clients' advice and investments that keeps them informed and allows 24/7 access is very important. Clients are in control, so we have created an extensive, effective and efficient communication network for clients to use wherever and whenever they desire.

Prime for Accountants

As part of Prime's belief that clients are best served by receiving Accounting and Wealth Management advice (with the Accountant central to this) as part of one complete 'Integrated' service, Prime's Partnership model to support Accounting Firms has two variants;

- Accounting Firm Investment (typically 25% investment) and a Wealth Management/Asset Protection Operation (typically 50% investment), or simply
- Wealth Management/Asset Protection Operation (typically 50% investment) with no Accounting Firm Investment.

Regardless of which option an Accounting Firm chooses, Prime implements our Client Engagement Model (CEM) tailored to each Firm's needs. This system and approach delivers a totally 'integrated' and complete Accounting and Financial Service for clients.

Prime's Partnership model for Accountants is derived from our DNA, that of its Accountant founders, who established Prime to support Accountants for Growth, Succession and Integrated Wealth Management.

This 17 plus year history has seen Prime's model continuously evolve to meet the changing needs of Accountants and includes, but is not limited to;

- Equity capital/investment for growth (acquisitions and new service line development) and succession planning (structured succession planning for principals)
- Establishing, operating and investing in Wealth Management entities attached to Accounting Firms

- Licensing of Accountants and how that integrates into a complete client service
- Strategic Advice for alignment and a clear vision for the future of each Accounting Firm
- Identification of Acquisitions and Corporate Advisory Services surrounding this
- Funding solutions outside of simply equity capital from Prime
- Development services and advice, including Business Development, Marketing, Digital & Social Strategy, Outsourcing and Technology

Prime is investing in the future of Accounting & Advice as a dedicated, engaged and strategic investment partner with a clear vision for client engagement and superior client experience and value, all with the Accountant at the centre of this.

Prime's Operations

Prime's revenue is generated through a Wealth Management operation that directly services its own clients and the clients of Prime's 30+ Investments in Wealth Management entities (co-owned with Accounting Firms). Prime also has investments in Accounting entities, 'directly' and through Prime's new subsidiary 'Prime Accounting & Wealth Management Pty Ltd (PWM).

Strategy

Prime's key strategic objectives are;

1. To become the Premier Partner to Accountants for Growth, Succession and Integrated Wealth Management by;
   a. Building Wealth Management entities with Accountants to 'complete' their client service offering utilising Prime's Client Engagement Model (CEM)
   b. Investing equity capital into Accounting Firms for Growth and to address Internal Succession Planning
   c. Enabling Accounting Firms strategy through a clear Vision of the Future of Advice, Client Service and efficient Operating Model
2. Deliver Personalised Advice for Business Owners and Family Groups for a Secure Financial Future, in Partnership with Accountants, with Accountants as the primary trusted advisor
3. Focus Client Service around a theme of 'Immediate Fulfilment' (anytime, anywhere) and 'Co-Created Client Experiences' delivered within established and developing Prime systems, processes and technology
4. Utilise Technology, Centralisation and Global Resources to enable growth, scalability and continuous and improved client service and value in a combined physical and digital environment
5. Continue to actively build Prime's brand, presence and premier positioning for Accountants
6. At our core, build a culture of innovation

Key Developments

The key developments for Prime have included;

Marketing

1. New Prime and Accounting Partner Wealth Management Mobile and Social enabled Websites
2. Development and deployment of Digital and Social channel strategy and content
3. Internal production capability for video content
4. Newly developed Prime Corporate Collateral and Marketing Material

Technology

1. Deployment of new client Investment Management Technology Platform and mobile application (Prime Connect)
2. Implementation of Cloud Infrastructure for Prime

Investment Advice

1. Broadening of the Prime Client Asset Allocation Model enabled by new Investment Management Technology Platform
2. Significant Value Added by Prime Separately Managed Accounts (SMA's)

Prime SMA's - Portfolio Performance (1/07/14 – 30/06/15)

PRE-FRANKING CREDITS	1 YEAR
Prime Australian Equity Growth Portfolio	**13.65%**
S&P/ASX200 Accumulation Index	5.67%
Prime value added	**7.98%**
Prime Australian Equity Income Portfolio	**7.78 %**
S&P/ASX200 Accumulation Index	5.67%
Prime value added	**2.11%**

3. Closure of Protus Prime Commercial Real Estate investment entity due to lack of client take-up
4. Growth in Funds Under Management (FUM) +$90M for the Year
5. Reduction in Lost FUM for the year, down to $55M from $150M in the previous Financial Year
6. Rollout of new 'three tier' service offering for clients from Self Directed investors through to Full Advice clients

Resourcing

1. Implementation of additional centralised resourcing through Head Office plus the inclusion of a global resourcing model for efficiency and growth

Funding for Growth

1. On 2 October 2014, Prime completed a funding arrangement through Prime Accounting & Wealth Management Pty Ltd (PWM). Prime holds 99.9% of the ordinary voting shares which represents a 33.3% economic interest. A financial institution holds preference shares under a preferred dividend structure, which represents the remaining 66.7% economic interest
2. On 13 February 2015 Prime completed, through PWM, its first new investment of 30% in a Sydney CBD based Accounting Firm with +$5m revenue. Prime concurrently established a wealth management entity on a 50/50 equity basis with the Accounting Firm
3. On 21 July 2015, Prime completed the transfer of two of its existing investments in Accounting Firms and their related Wealth Management Entities to its subsidiary PWM. After allowing for Prime's capital contribution to PWM of $1.8M an amount of approximately $3.6M was available to pay down existing bank debt. Prime's debt has been reduced, through the initial application of the released $3.6M of equity by PWM, leaving Prime's net debt at $3.8M from $7.4M at 30 June 2015
4. On 26 August 2015 Prime sold its direct 50% interest in a Sydney based Accounting and Wealth Investee to the existing principals. Prime realised $2.5m leaving Prime's net debt at approximately $1.3m versus $7.4m at 30 June 2015
5. Prime's existing Westpac facilities were refinanced on substantially the same terms, to 30 September 2016

Financial Results

A review was undertaken of the accounting policies in relation to the timing of the recognition of revenue and the deduction of expenses of operation. The outcome of the review has resulted in a change to accounting policies to ensure the results in the financial statements provide reliable and more relevant information about the effects of the transactions, other events or conditions on Prime's financial position and financial performance.

In summary, Prime's subsidiary companies will substantially only recognise income on receipt. Expenses for software/office equipment and development costs, will substantially be written off in the year in which they are incurred.

One of the most significant assets in Prime's Balance Sheet is goodwill, of which nearly 50% was the result of the merger between Prime and AVFM Ltd in 2007. The directors have reviewed all assets including the goodwill and elected to make an impairment charge of $23.2m in the 2015 financial accounts.

Earnings

FINANCIAL	FY15 $M	FY14 $M	% CHANGE
Profit/(Loss) Before Tax	(19.43)	3.66	-631%
Profit/(Loss) After Tax	(20.49)	2.63	-879%
Basic & Diluted Earnings (cents per share)	(14.1)	1.8	-879%
Dividend Paid & Proposed (cents per share) (fully franked)	0.80	0.80	-

FINANCIAL – LESS IMPAIRMENT	FY15 $M	FY14 $M	% CHANGE
Profit/(Loss) Before Tax	3.76	3.66	+3%
Profit/(Loss) After Tax	2.70	2.63	+3%
Basic & Diluted Earnings (cents per share)	1.9	1.8	+3%

Summary

DETAILED FINANCIAL – LESS IMPAIRMENT	FY15 $M	FY14 $M	% CHANGE
Wealth Management - New Business Revenue	2.32	2.27	+2%
- Recurring Revenue	7.48	7.63	-2%
- Licensing Revenue	0.35	0.50	-30%
Total Wealth Management Revenue	**10.15**	**10.40**	**-2%**
Accounting Investees	1.80	1.83	-2%
Other Revenue	0.38	0.38	-
Total Accounting Investees & Other Revenue	**2.18**	**2.21**	**-1%**
Gross Revenue	**12.33**	**12.61**	**-2%**
Less Group Overheads	(7.46)	(8.02)	-7%
Less Non-controlling Interest	(1.11)	(0.93)	+19%
Profit Before Tax Before Impairment	**3.76**	**3.66**	**+3%**
Less Impairment	(23.19)	-	-
Profit Before Tax	**(19.43)**	**3.66**	**-631%**
Profit After tax	**(20.49)**	**2.63**	**-879%**

OPERATIONAL – LESS IMPAIRMENT	FY15	FY14	% CHANGE
Group Operating Margin	30%	29%	+3%
Total FUM ($B)	1.051	1.058	-1%

FUNDS UNDER MANAGEMENT (FUM)	FY15 $M
Opening FUM	1,058
FUM – New	90
FUM – Outflow	(55)
Implied Market Movement	(42)
FUM – Net Total Movement	(7)
Closing FUM	1,051

Managing Director/CEO and Chairman's Report

continued

Dividend Policy

Directors confirm a final dividend of 0.40 cents per share (CPS), which when added to the interim dividend of 0.40 CPS , equates to a full year dividend of 0.80 CPS.

Business and Operating Environment

The past twelve months has been marked by a substantially business as usual operating environment for Prime and our related Accounting Investees (Inc PWM) with no material changes to the revenue drivers.

The Australian stockmarket during the financial year ending 30 June 2015 essentially opened and closed at or around similar levels which meant that on a like for like basis Wealth Management operations were stable and comparable. Likewise, the environment for Accounting Investees was similar with no real major disruption or change to the businesses.

What however has become increasingly apparent in the past 12 months has been the pace of change that technology is driving in the way that Advisory Firms like Prime, and our Accounting Investees, operate, communicate, interact and provide advice now and into the future.

Change is inevitable, as is the requirement to develop an organisation where innovation and a clear vision of the future of advice for clients is at the centre of considerations.

Prime has put in place, and is encouraging business partners to do the same, a structure that will enable a more nimble approach to growth and development for the future.

Exciting opportunities are presenting themselves and being ready to access and secure those opportunities in a well funded and timely manner will be the ultimate determinant of success.

Focus for The Year Ahead

Prime continues to have a focussed strategy for growing value, at both an organic and acquisition level.

The plan for the next twelve months is to:

1. Market the difference and distinct value Prime offers accountants and their clients and recruit;
    - New Accounting Firms for Wealth Management; and
    - New Accounting Firms (Investees) for investment.
2. Deliver additional value and services to existing Accounting Partners.
3. Continue to invest in new technology for client engagement and personalised service, plus utilise technology for increased internal efficiencies.
4. Leverage a Global Resourcing Team for Growth, Scalability and Efficiency.
5. Innovate, change and evolve ahead of the curve.

Prime thrives on having a clear plan to execute as part of a vision of the future of complete Accounting & Wealth Management Advice. Prime are investing in that future and will continue to position itself in order to take advantage of opportunities that will avail and that the group will proactively develop.

Prime's goal is to become the Premier Partner to Accountants for Growth, Succession and Integrated Wealth Management and to deliver personalised advice for clients for a secure financial future.

We will continue to grow our business in FY2016 and follow the path we have laid out to drive long-term value for shareholders.

The Team and Prime's Partners

I would like to thank the extended Prime team for their dedication and passion, to deliver on the Prime Group goals.

It is also very important to acknowledge Prime's existing and new Accounting and other related Partners; without their support Prime's growth ambitions can not be achieved.

Mr Simon Madder
Managing Director & CEO

Stuart James
Chairman

Directors' Report

The Directors present their Report together with the financial report of the consolidated entity consisting of Prime Financial Group Ltd (Prime) and the entities it controlled ('the Group'), for the financial year ended 30 June 2015 and auditors report thereon. These financial statements have been prepared in accordance with Australian Accounting Standards.

Compliance with Australian Accounting Standards ensures compliance with the International Financial Reporting Standards ('IFRS').

Overview

Prime incurred a loss after tax of ($20.49m) in the 2015 financial year, compared to a profit after tax of $2.63m in the 2014 financial year.

The 2015 loss was the result of a one off impairment charge of $23.19m.

Excluding the impairment charge Prime's underlying earnings increased by 3% to a profit before tax of $3.76m and a profit after tax of $2.70m.

The generation of positive operational cash flow remained a priority in the 2015 Financial year and the Prime business delivered positive operational cash flow throughout the year.

Principal activities

The principal activities of the consolidated entity during the financial year were:

- Financial & Retirement Planning;
- Investment Advice;
- Life Insurance;
- Asset Protection Advice incorporating Legal Services;
- Superannuation, including Self Managed Superannuation;
- Lending & Finance; and
- Accounting Firm Investments.

After balance date events

On 9 July 2015, Prime announced that it had completed the transfer of two of its existing investments in accounting firms (and associated wealth management entities) to its subsidiary Prime Accounting & Wealth Management (PWM). After allowing for Prime's capital contribution to PWM of $1.8m an amount of approximately $3.6m was available to pay down existing bank debt.

On 26 July 2015, Prime announces that it has completed the sale of its equity shareholding in an accounting firm, and its associated wealth management entity, following receipt of an offer from the firm's existing principals. Prime has received approximately $2.5m in sale proceeds. The sale proceeds will initially be applied to pay down external debt.

Significant changes in state of affairs

During the 2015 financial year there were no significant changes in the state of affairs of the consolidated company.

Likely development and expected results of operations

Information on likely developments in the operation of the consolidated entity and the expected results of operations have not been included in this report.

Environmental regulation

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

Dividend paid, recommended and declared

The Board has 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 2015 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.

Share options

There were no options granted during the financial year.

Shares issued in exercise of options

There were no ordinary shares in Prime issued during the financial year as a result of the exercise of options.

Indemnification and insurance of Directors, Officers and Auditors

As outlined in the company's constitution, to the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against any liability incurred by that person, as such an officer of the Company, and to a person other than the Company or a related body corporate of the Company, unless the liability arises out of conduct on the part of the officer which involves a lack of good faith, or is contrary to the Company's express instructions.

The Company indemnifies every person who is or has been an officer of the Company against any liability for costs and expenses incurred by the person in his or her capacity as an officer of the Company, in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the person or in which the person is acquitted, or in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Corporations Law.

Insurance premiums of $21,925 were paid during the financial year, for all Directors and Officers of the consolidated entity.

No indemnities have been given, or insurance premiums paid for auditors of the Company.

Proceedings on behalf of the Consolidated Entity

No person has applied for leave of Court to bring proceedings on behalf of the consolidated entity.

Information of Directors and Company Secretary

The qualifications, experience and special responsibilities of each person who has been a Director of Prime at any time during or since the end of the financial year is provided below, together with details of the company secretary as at the year end.

Mr Stuart James BA (Hons)

Chairman (Appointed 16 May 2006)

Mr James has held a number of high profile executive positions during his career and has extensive experience in the financial services sector. Mr James' past roles have included Managing Director of Australian Financial Services for Colonial and Managing Director of Colonial State Bank (formerly the State Bank of N.S.W). Mr James' most recent executive role was as Chief Executive Officer of the Mayne Group. Mr James is the Chairman of Pulse Health Ltd (appointed November 2007), Chairman of Greencross Ltd (appointed October 2013) and Chairman of Affinity Education Group Limited (appointed December 2013). Mr James is the Chairman of the Audit, Remuneration and Nomination Committees.

Mr Simon Madder B.Comm

Managing Director & CEO (Appointed 2 January 2007)

Mr S Madder is the Managing Director and CEO of Prime. Mr S Madder was the co-founder and Managing Director of Prime Development Fund Ltd ('PDF') (since 1998). Mr S Madder has 18 years experience in the financial services and advisory industry across operations, strategy and acquisitions. Mr S Madder is a member of the Audit, Remuneration and Nomination Committees.

Mr Peter Madder FCA, FCPA, ICSA

Director (Appointed 2 January 2007)
Company Secretary & CFO (Appointed 6 March 2015)

Mr P Madder is the co-founder of PDF and has also been the Managing Partner of two accounting firms. Mr P Madder has over 40 years experience advising clients on financial matters as a Chartered Accountant, as well as experience across business structuring, corporate finance and acquisitions. Mr P Madder is a member of the Audit, Remuneration and Nomination Committees.

Mr Campbell Kennedy B.Comm,CA, Grad Dip App Corp Gov

Company Secretary (Appointed 2 February 2005, resigned 6 March 2015)

Mr C Kennedy is a Chartered Accountant who has more than 15 years experience in a variety of accounting roles, both in Australia and the United Kingdom.

Directors' meetings

The number of meetings of the Board of Directors and of each Board Committee held during the financial year and the number of meetings attended by each Director were:

	BOARD OF DIRECTORS		AUDIT COMMITTEE	
	Eligible to attend	Attended	Eligible to attend	Attended
Mr James	7	7	2	2
Mr S Madder	7	7	2	2
Mr P Madder	7	7	2	2

A meeting of the Remuneration Committee was held during the year ending 30 June 2015 and attended by all Directors who were members of the Remuneration Committee.

No formal meeting of the Nomination Committee was held during the year ended 30 June 2015.

Directors' interests in shares or options

Directors' relevant interests in shares and options over shares in the company are detailed below:

	DIRECTOR'S RELEVANT INTERESTS IN:	
	Ordinary shares	Options over shares
Mr James	3,900,000	-
Mr S Madder	22,684,567	-
Mr P Madder*	8,592,074	-

** Includes partly paid shares.*

Directors' interests in contracts

During the financial year, interests associated with Mr P Madder received fees for work performed on a commercial basis (refer also note 23 of the financial statements).

Corporate Governance Statement

A full copy of Prime's Corporate Governance Statement can be found on Prime's website (http://primefinancial.com.au/corporate-governance).

Diversity Policy

The measurable objectives established for achieving gender diversity is to increase the number of women in the whole organisation and at senior management positions to 50%. The proportion of women employees in the whole organisation at present is 40%, the proportion of women in senior management positions at present is 38% and there are no women on the board.

A full copy of Prime's Diversity Policy can be found on Prime's website (www.primefinancial.com.au).

Auditor's Independence Declaration

A copy of the auditor's independence declaration under section 307C in relation to the audit of the financial year is provided with this report.

Non-audit services

During the year fees of $10,000 were paid or payable for non- audit services provided by William Buck Audit (VIC) Pty Ltd or its related practices.

Remuneration Report audited

The Board and the Remuneration Committee assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

The board policy for determining the nature and amount of remuneration of Non-Executive Directors is agreed by the board of Directors as a whole. Remuneration for executives is determined by the Board's Remuneration Committee.

The board and its Remuneration Committee has the right to obtain professional advice, where necessary. During the year, the Remuneration Committee did not seek professional advice.

(i) Principles of compensation

The Company will remunerate its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy, and subject to the determination of the Remuneration Committee, the remuneration of senior executives may be comprised of the following:

- Fixed salary, including superannuation, that is determined from a review of the market and reflects core performance requirements and expectations;
- A performance cash bonus designed to reward achievement by individuals of performance objectives; and
- Participation in Prime Employee Share Plan.

By remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration the Company's objective is to align the interests of senior executives with those of shareholders and increase performance of the Company.

The philosophy of deploying this remuneration structure/ strategy is to provide a clear intention to improve the Company's fiscal performance, and thereby increase underlying shareholder value.

Fixed Salary

Fixed Salary is determined from a review of the market that takes into account an individual's responsibilities, performance, qualifications and experience. The broad goal is that fixed salary for individuals is market competitive and within a similar range to peers in comparative roles.

Depending on the role the executive is undertaking, benchmarking data is drawn from the advice of an external remuneration consultant or alternatively information that is publicly available from industry related peers.

Performance Cash Bonus

Key management personnel that are remunerated under the Senior Executive Remuneration Policy are eligible for an Annual Performance Cash Bonus. In determining whether or not management are eligible for a Performance Cash Bonus, the Remuneration Committee review the achievement of both Financial and Non-Financial key performance indicators (KPI's) for the year compared with managements personal KPI's that had been set for the year. The achievement of some or all of the KPI's will allow the Remuneration Committee to determine the level of Performance Cash Bonus that is paid.

Specific KPI's that are applied to management by the Remuneration Committee to measure performance are set out below:

- Net profit before tax
- Earnings per Share (EPS)
- Gearing levels
- New Funds under Management (FUM)
- Lost Funds under Management (FUM) & Maintenance of Existing Clients
- New Business Revenue including the growth in Key Revenue Streams
- Compliance Management
- Rollout and Execution of Key Business Strategies
- Operating Margins
- Performance of Key Investees
- Other Items identified of importance from time to time

The Financial KPI's are a direct measure of the Company's performance. The Non-Financial KPI's are related directly to business drivers that generate financial performance. Through the achievement of these KPI's the Company aligns its interests with shareholders through an increase in value of the organisation.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the remuneration committee have regard to profit attributable to owners of the company, dividends paid and change in share price. Profit is considered as one of the financial performance targets in setting short term incentives.

Prime Employee Share Plan

The Prime Employee Share Plan is designed to reward eligible employees for their ongoing commitment to Prime and to provide the employee additional incentive to improve the long-term financial performance of Prime.

Non-Executive Directors

Non-Executive Directors are paid their fees within the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors.

The maximum aggregate amount for the remuneration of Non-Executive Directors, which has been approved by Shareholders, is $375,000. During the 2015 Financial Year, $150,000 was paid to Non-Executive Directors.

Non-Executive Directors do not, and will not receive performance based bonuses and shall not participate in equity-based remuneration schemes of the Company which the Company may elect to establish in the future.

(ii) Key management personnel

KEY MANAGEMENT PERSONNEL	
Non-Executive Directors	
Mr Stuart James	Non-Executive Chairman
Executive Directors	
Mr Simon Madder	Managing Director and CEO
Mr Peter Madder	Executive Director – Corporate Chief Financial Officer and Company Secretary (Appointed 6 March 2015)
Other key management personnel	
Mr Matthew Cohen	Chief Operating Officer
Mr Campbell Kennedy	Chief Financial Officer and Company Secretary (Resigned 6 March 2015)

(iii) Key management personnel loans

Mr S Madder has a loan from the PFG Employee Share Plan (PFG ESP) to fund the acquisition in 2014 of 6,600,000 shares in Prime Financial Group Ltd at an issue price of 19.3c ($0.193) per plan share. The loan agreement among other things makes provision for, interest to be charged at commercial rates, the loan to be repaid within 4 years, terms on which the trustee may be required to buy-back the plan shares. The balance of this loan as at 30 June 2015 is $1,469,455 ($1,295,906 at 30 June 2014). During the 2015 financial year interest payable on the loan was $82,349.

The PFG ESP made an advance of $53,484 ($51,428 at 30 June 2014) since the 2004 financial year, to Mr S Madder, a Director of the Company to acquire 160,575 shares in the Company. The Prime shares are held as security against the loan, with the Prime dividend payments offsetting the loan. Interest payable on the loan for the 2015 financial year is $2,057.

Mr P Madder through a nominee has a loan from the PFG ESP to fund the acquisition in 2014 of 3,760,784 shares in Prime Financial Group Ltd at an issue price of 19.3c ($0.193) per plan share. The loan agreement among other things makes provision for, interest to be charged at commercial rates, the loan to be repaid within 4 years, security in the form of a general securities agreement over the nominee. The balance of this loan as at 30 June 2015 is $853,270 ($738,427 at 30 June 2014). During the 2015 financial year interest payable on the loan was $46,924.

The PFG ESP made an advance of $53,514 ($51,456 at 30 June 2014) since the 2004 financial year, to Mr P Madder, a Director of the Company to acquire 160,575 shares in the Company. The Prime shares are held as security against the loan, with the Prime dividend payments offsetting the loan. Interest payable on the loan for the 2015 financial year is $2,058.

Mr M Cohen accepted an offer from PFG ESP to fund by way of a loan the acquisition in 2014 of 125,000 shares in Prime Financial Group Ltd at an issue price of 19.3c ($0.193) per plan share. The loan agreement among other things makes provision for, interest to be charged at commercial rates, the loan to be repaid within 4 years and at the option of Mr Cohen not to proceed with the share acquisition. The balance of this loan as at 30 June 2015 is $47,260 ($25,631 at 30 June 2014). During the 2015 financial year interest payable on the loan was $1,629.

The Board approved a total allocation of 11,800,000 shares through the PFG ESP, to executive directors (Mr S Madder 4,800,000 shares Mr P Madder 2,000,000 shares) key management (Mr M Cohen 1,250,000 shares) and staff (total 3,750,000 shares). The PFG ESP has not as yet been made the offer to the various parties as the terms of the offer have not as yet been finalised, but do include the existing rights to dividends.

(iv) Key management personnel compensation

2015									
			SHORT-TERM		POST EMPLOYMENT	LONG-TERM	SHARE-BASED PAYMENTS	TOTAL	TOTAL PERFOR-MANCE RELATED
	SALARY/ FEES $	CASH BONUS $	NON-MONETARY $	SUPER $	RETIRE-MENT BENEFITS $	ANNUAL LEAVE/ LONG SERVICE LEAVE $	OPTIONS $	$	$
Non-Executive Directors									
Mr S James	150,000	-	-	-	-	-	-	150,000	0
Sub-total	150,000	-	-	-	-	-	-	150,000	
Executive Directors									
Mr S Madder	448,804	-	-	25,000	-	11,884	-	485,688	0
Mr P Madder*	327,976	-	-	-	-	-	-	327,976	0
Other Key Management Personnel									
Mr M Cohen	250,000	-	-	-	-	-	-	250,000	0
Mr C Kennedy+	123,763	-	-	11,757	-	45,598	-	181,118	0
	1,300,543	-	-	36,757	-	57,482	-	1,394,782	

* *Interests associated with Mr P Madder received $127,976 (2014: $127,976) for executive services provided to the Company plus an additional $200,000 as a payment for the assignment of intellectual property, which forms the basis of the Company's client engagement model. The minimum annualised payment under this agreement is $200,000 for a maximum of 5 years, expiring no later than 30 November 2016, but this can be cancelled by the Company at any time by 12 months notice. The agreement also provides for an uplift payment based upon the sale and payment to the Company for new licences to joint venture partners of that intellectual property. The total payments for the year were $327,976. (2014: $327,976).*

+ *Resigned 6 March 2015*

(iv) Key management personnel compensation continued

2014									
	SHORT-TERM			POST EMPLOYMENT		LONG-TERM	SHARE-BASED PAYMENTS	TOTAL	TOTAL PERFOR-MANCE RELATED
	SALARY/ FEES $	CASH BONUS $	NON-MONETARY $	SUPER $	RETIRE-MENT BENEFITS $	ANNUAL LEAVE/ LONG SERVICE LEAVE $	OPTIONS $	$	$
Non-Executive Directors									
Mr S James	150,000	-	-	-	-	-	-	150,000	0
Sub-total	150,000	-	-	-	-	-	-	150,000	
Executive Directors									
Mr S Madder	448,804	-	-	25,000	-	(27,609)	-	446,195	0
Mr P Madder*	327,976	-	-	-	-	-	-	327,976	0
Other Key Management Personnel									
Mr M Cohen	215,000	-	-	-	-	-	-	215,000	0
Mr C Kennedy+	180,516	-	-	16,698	-	8,018	-	205,232	0
	1,322,296	-	-	41,698	-	(19,591)	-	1,344,403	

** The above includes all payments to entities associated to Mr P Madder (refer to note 23 of the financial statements).*

+ Resigned 6 March 2015

Number of Shares held by key management personnel

KEY MANAGEMENT PERSONNEL 2015	BALANCE 01/7/14	RECEIVED AS REMU-NERATION	OPTIONS EXERCISED	NET CHANGE OTHER	BALANCE 30/6/15
Non-Executive Directors					
Mr S James	3,900,000	-	-	-	3,900,000
Sub-total	3,900,000	-	-	-	3,900,000
Executive Directors					
Mr S Madder	22,684,567	-	-	-	22,684,567
Mr P Madder	8,592,074	-	-	-	8,592,074
Other key management personnel					
Mr M Cohen	3,195,000	-	-	-	3,195,000
Total	39,121,641	-	-	-	38,381,641

** Resigned 6 March 2015.*

KEY MANAGEMENT PERSONNEL 2014	BALANCE 01/7/13	RECEIVED AS REMU-NERATION	OPTIONS EXERCISED	NET CHANGE OTHER	BALANCE 30/6/14
Non-executive Directors					
Mr S James	3,900,000	-	-	-	3,900,000
Sub-total	3,900,000	-	-	-	3,900,000
Executive Directors					
Mr S Madder	22,684,567	-	-	-	22,684,567
Mr P Madder	8,592,074	-	-	-	8,592,074
Other key management personnel					
Mr M Cohen	3,195,000	-	-	-	3,195,000
Mr C Kennedy	750,000	-	-	-	750,000
Total	39,121,641	-	-	-	39,121,641

Signed in accordance with a resolution of the Directors.

Mr Stuart James
Chairman

28 August 2014

Auditor's Independence Declaration

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PRIME FINANCIAL GROUP LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2015 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director

Dated this 28th day of August, 2015

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

Consolidated Statement of Profit or Loss & Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2015

		CONSOLIDATED ENTITY	
	NOTES	30 JUNE 2015 $	30 JUNE 2014 $
Wealth management revenue	3	10,148,902	10,401,024
Accounting revenue – share of net profit of associates and partnerships accounted for using the equity method		1,799,255	1,831,310
Other revenue	3	378,266	378,891
		12,326,423	12,611,225
Employee benefits	4	(4,824,361)	(4,250,237)
Depreciation and amortisation	4	(44,739)	(503,501)
Finance costs	4	(421,497)	(430,237)
Information technology and communication		(908,466)	(744,595)
Insurance		(253,578)	(245,243)
Occupancy		(162,624)	(407,092)
Other expenses		(846,309)	(1,432,611)
Impairment	2	(23,191,192)	-
		(30,652,766)	(8,013,516)
Profit / (loss) before income tax		(18,326,343)	4,597,709
Income tax expense	5	(1,390,563)	1,320,847
Total comprehensive income for the period		(19,716,906)	3,276,862
- Members of the parent entity		(20,489,497)	2,630,074
- Non-controlling interest		772,591	646,788
		(19,716,906)	3,276,862
Earnings per share			
Basic earnings per share (cents)	21	(14.1)	1.8
Diluted earnings per share (cents)	21	(14.1)	1.8

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

Consolidated Statement of Financial Position

AS AT 30 JUNE 2015

		CONSOLIDATED ENTITY	
	NOTES	30 JUNE 2015 $	30 JUNE 2014 $
Current assets			
Cash and cash equivalents	7	595,288	250,934
Trade and other receivables	8	1,617,590	3,495,137
Other current assets		758,267	912,433
Total current assets		2,971,145	4,658,504
Non-current assets			
Receivables	8	500,000	4,013,681
Plant and equipment	9	-	1,127,627
Investments accounted for using the equity method	11	12,073,184	12,237,052
Intangible assets	12	35,332,500	50,059,207
Deferred tax assets	5	111,731	51,218
Total non-current assets		48,017,415	67,488,785
Total assets		50,988,560	72,147,289
Current liabilities			
Bank overdraft	18(b)	-	56,846
Payables	13	929,233	1,090,359
Current tax payable	5	1,204,077	1,471,322
Employee benefits	14	299,987	279,190
Total current liabilities		2,433,297	2,897,717
Non-current liabilities			
Borrowings	15	7,965,150	7,490,416
Total non-current liabilities		7,965,150	7,490,416
Total liabilities		10,398,447	10,388,133
Net assets		40,590,113	61,759,156
Equity			
Contributed equity	16	68,429,403	68,429,403
Treasury shares held	16	(7,633,205)	(6,878,074)
Non-controlling interest		3,079,349	933,734
Retained earnings	17	(23,285,434)	(725,907)
Total equity		40,590,113	61,759,156

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2015

	ATTRIBUTABLE TO OWNERS OF PRIME FINANCIAL GROUP LTD			
	CONTRIBU-TED EQUITY $	RETAINED EARNINGS $	NON-CONTROL-LING INTEREST $	TOTAL $
Balance at 1 July 2013	63,825,324	(1,208,385)	466,628	63,083,567
Total comprehensive income for the period	-	2,630,074	646,788	3,276,862
Transactions with equity holders in their capacity as equity holders:				
Dividends paid	-	(1,577,875)	(508,759)	(2,086,634)
Purchase of shares made by Prime for an employee share trust	(2,771,905)	-	-	(2,771,905)
Capital raising via share placement	500,500	-	-	500,500
Capital raising costs	(2,590)	-	-	(2,590)
Transactions with non-controlling interests	-	(569,721)	329,077	(240,644)
Total transactions with equity holders in their capacity as equity holders	(2,273,995)	(2,147,596)	(179,682)	(4,601,273)
Balance at 30 June 2014	61,551,329	(725,907)	933,734	61,759,156
Balance at 1 July 2014	61,551,329	(725,907)	933,734	61,759,156
Total comprehensive income for the period		(20,489,497)	772,591	(19,716,906)
Transactions with equity holders in their capacity as equity holders:				
Dividends paid	-	(1,419,666)	(650,777)	(2,070,443)
Purchase of share made by Prime for an employee share trust	(755,131)	-	-	(755,131)
Capital raising costs	-	-	-	-
Transactions with non-controlling interests	-	(650,364)	2,023,801	1,373,437
Total transactions with equity holders in their capacity as equity holders	(755,131)	(2,070,030)	1,373,024	(1,452,137)
Balance at 30 June 2015	60,796,198	(23,285,434)	3,079,349	40,590,113

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2015

Prime

		CONSOLIDATED ENTITY	
	NOTES	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers		11,361,350	10,824,080
Receipts from associates		1,310,441	1,636,698
Payments to suppliers and employees		(8,804,771)	(8,507,357)
Interest received		16,000	16,000
Interest paid		(421,497)	(430,237)
Income tax paid		(534,273)	(658,689)
Net cash provided by operating activities	18(a)	2,927,250	2,880,495
Cash flows from investing activities			
Dividends paid to non-controlling interests		(650,777)	(508,759)
Receipts from Investment		-	(113,893)
Payments for business acquisitions		(2,116,412)	-
Transactions with non-controlling interests		1,373,437	(240,644)
Payments for plant and equipment		(44,739)	(485,899)
Net cash used in investing activities		(1,438,491)	(1,349,195)
Cash flows from financing activities			
Capital raising		-	497,910
Repayment of borrowings		-	(250,000)
Purchases of shares made by Prime for an employee share trust		(142,627)	(729,725)
Dividends paid		(1,419,667)	(1,512,217)
Receipts of borrowings		474,735	-
Net cash provided by/ (used in) financing activities		(1,087,559)	(1,994,032)
Net increase/ (decrease) in cash and cash equivalents		401,200	(462,732)
Cash and cash equivalents at beginning of year		194,088	656,820
Cash and cash equivalents at end of the year	18(b)	595,288	194,088

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

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2015

Note 1: Basis of preparation

These financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements were approved by the directors as at the date of the directors' report.

The financial statements cover Prime Financial Group Ltd (Prime) and controlled entities as a consolidated entity. Prime is a company limited by shares, incorporated and domiciled in Australia.

The following is a summary of material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Change in accounting policy

The consolidated entity has reviewed its accounting policies in relation to the timing of the recognition of revenue and deduction of expenses of operation. The outcome of the review has resulted in a change to accounting policies.

The reason for the change is to improve the transparency of the financial statement and for those statements to closely align with the cash received during the financial year and to provide reliable and more relevant information on Prime's financial position.

Currently the majority of income earned by the company is of a cash nature and under the change in accounting policy, all income will be accounted for on the same basis. This means that where revenue earned is collectable outside of a 90 day cycle, that income will only be accounted for in the year of receipt.

The change in accounting policies has impacted the following Significant Accounting Policies:

- **Client Engagement Model Licence Fees (CEM)** These fees were generally payable over time and mostly in excess of a 12 months period. Going forward the business policy is for any new CEM fees to be payable by an upfront cash payment, or be included in income on receipt.
- **Work in progress** This will not be recognised as income, until that income is generated.
- **Plant and equipment, depreciation.** The purchase of plant & equipment is generally associated with computer hardware, fixtures and fittings. This is to be depreciated in full in the year of acquisition. Refer Note 1 (d) for further information
- **Development Costs, IT Expenditure, Software Costs (Intangible Assets)** There will be significant ongoing expenditure in these areas, using a combination of internal staff and external contractors. Whilst this expenditure will provide future benefits, it will be written off in the year in which the expenditure is incurred. Refer Note 1 (f) for further information

Investment is Associates

The Group's investment in its associates will continue to be accounted for using the equity method of accounting.

Summary of significant accounting policies

Compliance with IFRS

Compliance with Australian Accounting Standards ensures compliance with International Financial Reporting Standards (IFRSs).

Historical cost convention

The financial statements have been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Prime Financial Group Ltd ('Prime') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Prime and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Control is demonstrated when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributable to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control of a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(b) Revenue recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividends and distributions received from associates are accounted for in accordance with the equity method of accounting for investments in associates.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Cash and cash equivalents

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

(d) Plant and equipment

All classes of plant and equipment are stated at cost less depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed for impairment annually by directors for events or changes in circumstances that indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount. Impairment losses are recognised in the statement of profit and loss and other comprehensive income.

Depreciation

The depreciable amounts of all other fixed assets are depreciated on a straight-line basis over their estimated useful lives commencing from the time the asset is held ready for use.

The assets' residual and useful lives are reviewed and adjusted as appropriate at the end of the reporting period. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included within the profit or loss.

The useful lives for each class of asset have been reviewed and updated as follows:

	2015
Office equipment	1 month to 1 year
Software	1 month to 1 year
Plant and equipment	1 month to 1 year
Leasehold improvements	1 month to 1 year

Previously the useful lives for each class of assets was as follows.

Note 1: Basis of preparation continued

The useful lives for each class of assets are:

	2014	2013
Office equipment	6 to 10 years	6 to 10 years
Software	10 years	10 years
Plant and equipment	3 to 20 years	3 to 20 years
Motor vehicles	5 years	5 years
Leasehold improvements	5 years	5 years

(e) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance leases

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to entities within the consolidated entity are classified as finance leases. Finance leases are capitalised, recording at the inception of the lease an asset and liability equal to the present value of the minimum lease payments, and disclosed as plant and equipment under lease.

Each lease payment is allocated between the liability and finance costs. Finance costs are charged to the profit and loss over the period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(f) Intangibles

Goodwill

Goodwill on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired entities at the date of acquisition. Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses.

Research and development

Expenditure during the research phase and incurred in development are recognised as an expense when incurred.

Previously Development costs were capitalised only when technical feasibility studies identified that the project would deliver future economic benefits and those benefits could be measured reliably. These development costs were amortised over a period up to 5 years.

(g) Impairment of assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash- generating unit to which the asset belongs.

(h) Taxes

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Tax consolidation

The parent entity and its controlled entities have formed an income tax consolidated group under the tax consolidation legislation. The parent entity is responsible for recognising the current tax liabilities and deferred tax assets arising in respect of tax losses, for the tax consolidated group. The tax consolidated group has also entered a tax funding agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under the tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(i) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long term employee benefits

The liability for annual leave and long service leave recognised in non-current liabilities, not expected to be settled within 12 months of the reporting date provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(j) Investments

Investments in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

The Group generally deems they have significant influence if they have more than 20% of the voting rights.

Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Goodwill included in the carrying amount of the investment in associate is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset. or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Note 1: Basis of preparation continued

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(k) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the consolidated entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, with the exception of those measured at fair value through the profit and loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at amortised cost using the effective interest rate method.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Financial assets

Financial assets comprise trade receivables and loans to related parties.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Derecognition

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

(l) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

(m) Comparatives

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

(n) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition- date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquirer identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition- date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquiree.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(o) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(p) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of Prime, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year (refer note 21).

Note 2: Critical accounting estimates and judgement

Estimates and judgements are based on past performance and management's expectation for the future.

Critical accounting estimates and assumptions

The group makes certain estimates and assumptions concerning the future, which, by definition will seldom represent actual results. The estimates and assumptions that have a significant inherent risk in respect of estimates based on future events, which could have a material impact on the assets and liabilities in the next financial year, are discussed below:

(a) Estimated impairment of investments in associates, subsidiaries and goodwill

Investments are allocated to cash generating units (CGU's) according to applicable business operations for the purposes of assessing goodwill for impairment. Prime has split its investments into two CGU's, the first for the wealth management operations and the second for the accounting and SMSF operations. The recoverable amount of a CGU is based on value-in-use calculations. These calculations are based on projected cash flows approved by management covering a period not exceeding five years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using a discount rate of 15% (11.4%: 2014) to determine value-in-use for both CGU's. The wealth management CGU uses an average revenue growth rate of 5% (5%: 2014) and an increase in expenses of 3% (0%: 2014), and the accounting CGU uses 5% revenue growth (5%: 2014) and increase of 3% in expenses (0%: 2014).

Based on the above changes, an impairment charge of $13.8m has been applied to the carrying amount of goodwill.

(b) Client Engagement Model Licence and related balances

During the year ended 30 June 2015, and as disclosed in review of operations contained in the directors report, the consolidated entity has amended the way the Client Engagement Model Licence operates and in particular the payment of associated licence fees. Under the revised model, the consolidated entity will now require licence fees to be paid upfront or accounted for on receipt rather than accepting instalments payments over time as had previously been the case.

The change in the operation of the Client Engagement Model was driven by a review of the operation of the Client Engagement Model and the related collectability of licence fees which were generally outstanding for extended periods of time.

In implementing the change, management conducted a comprehensive review of the collectability of existing Client Engagement Model Licence Fees recognised as receivables and associated work in progress amounts recognised on the statement of financial position. In assessing the collectability of the receivables and associated work in progress amounts, management have reviewed the collection pattern of individual amounts, as well as considering their expectations of capacity of the debtor to pay the amounts outstanding. Management have also used their experience and knowledge gained from the historical operation of the Client Engagement Model to assist in the assessment of collectability. Management have determined that it is appropriate to impair the carrying amount of these balances in full. If in a subsequent report period the consolidated entity recovers amounts previously assessed to be impaired, these will be accounted for in the period in which they arise.

The consolidated entity has elected to recognise the impairment as a reduction in the carrying amount of the asset balances directly rather than through the use of an allowance account.

This has resulted in an impairment charge of $3.6M being recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year ended 30 June 2015.

(c) Useful lives of Plant and Equipment

During the year ended 30 June 2015, and in accordance with the accounting policy as disclosed in Note 1 to, management reviewed the useful lives of items of plant and equipment and determined that it was appropriate to impair their carrying value to nil in line with management's revised estimate of the remaining useful lives of the related plant and equipment assets.

This resulted in an impairment charge of $1.1m being recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year ended 30 June 2015.

(d) Useful lives of Capitalised Development Costs

During the year ended 30 June 2015, In accordance with the accounting policy management also undertook a review of the amortisation period of capitalised development costs. As part of this review, management determined that it was appropriate to impair the carrying value of capitalised development costs to nil in line with management's revised estimate of the remaining future economic benefits associated with the capitalised development costs.

This resulted in an impairment charge of $.9m being recognised in the Statement of Profit or Loss and Other Comprehensive Income in the year ended 30 June 2015.

(e) Income taxes

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Consolidation of wealth management entities in which the group holds 50%

Prime has determined it controls the wealth management entities. The determination was made due to the following factors, the Company holds the required AFS licence, controls the cash flow, provides the business development and marketing initiatives, provides the staffing and prepares the financial statements of the entity.

The consolidated entity has typically 50% shareholding in the accounting firm and SMSF entities and treats these entities as investments in associates, accounted for under the equity method. The consolidated entity determined that it had significant influence and did not control the accounting firm and SMSF entities. The determination was made due to the following factors, the Company does not control the cash flow, does not provide the business development and marketing initiatives, does not provide the staffing or prepare the financials.

Note 3: Revenue

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Revenues from operating activities		
Wealth management new business		
Investment brokerage	1,719,346	1,418,647
New issues and IPO's	123,250	345,442
Asset protection and life insurance	369,945	393,881
Other	109,168	113,656
Wealth management recurring revenue		
Funds under management	6,584,847	6,746,930
Asset Protection and life insurance	555,561	483,418
Other	336,785	399,050
Client engagement model licence fee	350,000	500,000
Total revenue from operating activities	10,148,902	10,401,024
Revenues from non-operating activities		
Interest Received – associates	16,000	16,000
Interest received – key management personnel	150,884	157,417
Interest received – other	211,382	205,474
Total revenue from non-operating activities	378,266	378,891
Total revenues	10,527,168	10,779,915

Note 4: Expenses

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Profit/(Loss) from ordinary activities before income tax has been determined after:		
Depreciation of non-current assets		
Software	44,739	148,402
Office equipment	-	8,864
Plant and equipment	-	32,594
Leasehold Improvements	-	19,712
Total depreciation of non-current assets	44,739	209,572
Amortisation of non-current assets		
Development costs	-	162,470
Other	-	131,459
Total	-	293,929
Finance costs		
Interest expense	421,497	430,237
Employee benefits expense		
Salary and wages	4,482,647	3,981,201
Superannuation	341,714	269,036
Total employee benefits expense	4,824,361	4,250,237

Note 5: Income tax

	CONSOLIDATED ENTITY	
	2015 $	2014 $
(a) The components of tax expense		
Current tax	1,390,563	1,365,181
Deferred tax	-	(44,334)
Total Income tax expense	1,390,563	1,320,847
(b) The prima facie tax on profit differs from the income tax provided in the Financial Statements as follows:		
Total profit / (loss) before income tax	(18,326,343)	4,597,709
Adjusted profit after impairment	4,864,849	4,597,709
At the statutory income tax rate of 30% (2014: 30%)	1,459,455	1,379,313
Add: Tax effect of:		
- Other non-allowable items	126,726	30,804
Less: Tax effect of:		
- Other allowable deductions	(195,618)	(85,572)
- Capitalisation deductions		(3,698)
Income tax expense attributable to ordinary activities	1,390,563	1,320,847
(c) Tax asset and liabilities		
Current tax payable		
- Opening balance	1,471,322	776,554
- Tax paid	(534,273)	(670,413)
- Current tax payable	1,390,563	1,365,181
- Over provision in prior years	(1,123,535)	-
Closing balance	1,204,077	1,471,322
Deferred tax assets		
- Provision for employee entitlements	89,966	98,957
- Provision for audit fees	15,000	24,000
- Capital raising costs	6,765	10,207
	111,731	133,164
Deferred tax liabilities		
- Deferred revenue	-	81,946
Net Deferred tax assets / (liabilities)	111,731	51,218

Note 6: Dividends on ordinary shares

	CONSOLIDATED ENTITY	
	2015 $	2014 $
(a) Dividends paid during the year		
(i) Current year interim Fully franked dividend of 0.40 cents per share (2014: 0.40 cents per share)	709,833	709,833
(ii) Previous year final Fully franked dividend of 0.40 cents per share (2014: 0.50 cents per share)	709,833	868,042
	1,419,666	1,577,875
(b) Proposed dividend		
Proposed dividend as at the date of this report at 0.40 cents per share (2014:		
0.40 cents per share) not recognised as a liability		
Proposed dividend payment	709,833	709,833
(c) Franking credit balance		
Balance of franking account at year end adjusted for franking credits arising		
from payment of provision for income tax and after deducting franking credits	4,370,014	7,052,201
Impact on the franking account of dividends recommended by the Directors since the year end but not recognised as a liability at year end	(304,214)	(304,214)
	4,065,800	6,747,987

Note 7: Cash and cash equivalents

Current		
Cash at bank	595,288	250,934
	595,288	250,934

Note 8: Receivables

	NOTES	2015 $	2014 $
Current			
Trade receivables		1,617,590	2,359,675
Amounts receivable from associates		-	1,135,462
		1,617,590	3,495,137
Non-current			
Amounts receivable from associates		500,000	3,827,301
Loan to executives		-	186,380
		500,000	4,013,681

Note 9: Plant and equipment

		CONSOLIDATED ENTITY	
	NOTES	2015 $	2014 $
Software			
At cost		2,003,219	1,958,480
Accumulated depreciation		(2,003,219)	(1,038,096)
	9(a)	-	920,384
Office equipment			
At cost		351,693	351,693
Accumulated depreciation		(351,693)	(293,334)
	9(a)		58,359
Plant and equipment			
At cost		528,004	$528,004
Accumulated depreciation		(528,004)	(460,200)
	9(a)		67,804
Leasehold Improvements			
At cost		259,574	259,574
Accumulated depreciation		(259,574)	(178,494)
	9(a)		81,080
Total plant and equipment			
At cost		3,142,490	3,097,751
Accumulated depreciation		(3,142,490)	(1,970,124)
Total written down amount		-	1,127,627

Note 9: Plant and equipment continued

(a) Reconciliations

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current financial year.		
Software		
Carrying amount at beginning	920,384	1,068,245
Additions	44,739	541
Depreciation expense	(44,739)	(148,402)
Impairment	(920,384)	-
	-	920,384
Office equipment		
Carrying amount at beginning	58,359	70,188
Additions	-	(2,965)
Depreciation expense	-	(8,864)
Impairment	(58,359)	-
	-	58,359
Plant and equipment		
Carrying amount at beginning	67,804	71,929
Additions	-	28,469
Depreciation expense	-	(32,594)
Impairment	(67,804)	
	-	67,804
Leasehold improvements		
Carrying amount at beginning	81,080	95,937
Additions	-	4,855
Depreciation expense	-	(19,712)
Impairment	(81,080)	-
	-	81,080

Note 10: Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

PERCENTAGE OWNED	COUNTRY OF INCORPORATION	2015 %	2014 %
Parent Entity:			
Prime Financial Group Ltd	Australia		

PERCENTAGE OWNED	COUNTRY OF INCORPORATION	2015 %	2014 %
Subsidiaries of Prime Financial Group Ltd:			
Beksan Pty Ltd	Australia	100	100
Prime Development Fund Pty Ltd (PDF)	Australia	100	100
Aintree Group Financial Services Pty Ltd	Australia	50	50
Brentnalls NSW Financial Services Pty Ltd	Australia	50	50
Nexia Perth Financial Planning Pty Ltd	Australia	50	50
Bstar Financial Services Pty Ltd	Australia	50	50
Butler Settineri Financial Services Pty Ltd	Australia	70	50
CP Financial Planners Pty Ltd	Australia	50	50
Crispin & Jeffery Financial Services Pty Ltd	Australia	50	50
David Hicks and Co Financial Services Pty Ltd	Australia	50	50
Dormers Financial Services Pty Ltd	Australia	40	40
GG Financial Services Pty Ltd	Australia	50	50
Hughes O'Dea Corredig Financial Services Pty Ltd	Australia	50	50
IMMS Financial Planning Pty Ltd	Australia	50	50
Lym Securities Pty Ltd	Australia	100	100
Madder & Co Financial Services Pty Ltd	Australia	50	50
MCB Financial Services Pty Ltd	Australia	100	100
McHenry Financial Services Pty Ltd	Australia	50	50
MPR Financial Services Pty Ltd	Australia	50	0
Munro's Financial Advisors Pty Ltd	Australia	50	50
M V Anderson Financial Services Pty Ltd	Australia	50	50
PFG (NTH QLD) Pty Ltd	Australia	65	51
Pascoe Partners Financial Services Pty Ltd	Australia	50	50
PRM Financial Services Pty Ltd	Australia	100	100
Green Taylor Financial Services Pty Ltd	Australia	50	50
Prime Accounting & Wealth Management Pty Ltd	Australia	33	0
Prior & Co Financial Services Pty Ltd	Australia	100	100
RMM Financial Services Pty Ltd	Australia	50	50
RJS Financial Solutions Pty Ltd	Australia	50	50
Rothsay Financial Services Pty Ltd	Australia	50	0
Rundles Financial Services Pty Ltd	Australia	50	50
Selingers Financial Services Pty Ltd	Australia	50	50
Signum Business Advisors Financial Services Pty Ltd	Australia	50	50
SPBS Financial Services Pty Ltd	Australia	50	50
Stanwycks Financial Services Pty Ltd	Australia	50	50
Wong and Mayes Financial Services Pty Ltd	Australia	50	50
Wynn & Bennett Financial Services Pty Ltd	Australia	50	50

Note 10: Controlled entities continued

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

2015 CONTROLLED ENTITIES NAME	BUTLER SETTINERI FINANCIAL SERVICES PTY LTD	RUNDLES FINANCIAL PLANNING PTY LTD	GREEN TAYLOR FINANCIAL SERVICES PTY LTD	PFG (NTH QLD) PTY LTD	OTHER INDIVIDUAL IMMATERIAL SUBSIDIARIES	TOTAL
Country of incorporation	Australia	Australia	Australia	Australia		
Percentage owned by non-controlling interest	30%	50%	50%	49%		
Current assets	154,914	22,000	275,942	36,583	3,086,937	3,576,376
Non-current assets	342,978	247,745	383,950	2,130,696	674,196	3,779,565
Current liabilities	(118,993)	(20,397)	(103,924)	(33,401)	(1,121,692)	(1,398,407)
Non-current liabilities	-	-	-	-	-	-
Net assets	**378,899**	**249,348**	**555,968**	**2,133,878**	**2,639,491**	**5,957,534**
Revenue	234,200	556,983	584,402	771,639	3,570,935	5,718,159
Profit/ (loss) before tax	52,799	227,520	240,589	284,505	1,337,057	2,142,470

2014 CONTROLLED ENTITIES NAME	BUTLER SETTINERI FINANCIAL SERVICES PTY LTD	GREEN TAYLOR FINANCIAL SERVICES PTY LTD	PFG (NTH QLD) PTY LTD	OTHER INDIVIDUAL IMMATERIAL SUBSIDIARIES	TOTAL
Country of incorporation	Australia	Australia	Australia		
Percentage owned by non-controlling interest	50%	50%	49%		
Current assets	194,980	270,781	33,490	1,433,260	1,932,511
Non-current assets	362,768	360,630	2,021,970	809,061	3,554,429
Current liabilities	(155,079)	(181,346)	(82,315)	(714,916)	(1,133,656)
Non-current liabilities	-	-	-	-	-
Net assets	**402,669**	**450,065**	**1,973,145**	**1,527,405**	**4,353,284**
Revenue	279,606	577,797	702,530	3,696,016	5,255,949
Profit / (loss) before tax	67,548	214,178	185,388	1,360,276	1,827,390

Note 11: Investments accounted for using the equity method

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Associated companies	12,073,184	12,237,052

Interests are held in the following associated companies:

NAME	COUNTRY OF INCORPORATION	OWNERSHIP INTEREST HELD BY CONSOLIDATED ENTITY 2015 %	2014 %
Bstar Pty Ltd	Australia	15	15
Hughes O'Dea Corredig Pty Ltd	Australia	50	50
Pacifica Pty Ltd	Australia	35	35
Rundles Prime Pty Ltd	Australia	50	50
Wynn & Bennett Pty Ltd	Australia	50	50
MPR Group Pty Ltd	Australia	10	0
64. Rothsay Accounting Services Pty Ltd	Australia	30	0

The principal activity of all the associates listed above is providing wealth management or accounting/SMSF services. Prime's voting power within its investments in associates is equivalent to its ownership. The associates listed above all have a year end and reporting date of 30 June 2015.

The following table summarises the information of each of the Group's material associates, adjusted for any differences in accounting policies and reconciles the carrying amount of the Group's interest in associates and the share of profit and other comprehensive income of equity accounted investees.

2015	WYNN & BENNETT PTY LTD	HUGHES O'DEA CORREDIG PTY LTD	RUNDLES PRIME PTY LTD	PACIFICA PTY LTD	OTHER INDIVIDUALLY IMMATERIAL ASSOCIATES	TOTAL
(i) Associate's net profit before income tax	543,060	308,396	794,105	609,293	2,274,370	4,529,224
(ii) Associate's revenue	3,668,552	3,220,570	3,408,353	3,090,624	14,946,643	28,334,742
(iii) Carrying amount of investment in associate	-	-	-	-	-	**-**
Balance at the beginning of the financial year	2,920,057	3,417,261	1,558,946	1,744,717	2,596,071	**12,237,052**
Additions					2,117,412	2,117,412
Contributions to existing investments	70,000	(6,347)	(143,933)	20,685	278,315	**218,720**
Provision for impairment	(1,140,057)	(1,359,943)	-	-	-	**(2,500,000)**
Carrying amount of investment in associate at the end of the financial year	**1,850,000**	**2,050,971**	**1,415,013**	**1,765,402**	**4,991,798**	**12,073,184**
(iv) Associate's assets and liabilities	-	-	-	-	-	-
Current assets	1,433,973	1,403,781	4,362,112	1,006,790	5,699,827	13,906,483
Non-current assets	182,748	5,727,907	-	2,868,886	1,945,809	10,725,350
Current liabilities	(964,869)	(415,675)	(125,787)	(218,214)	(3,595,746)	(5,320,291)
Non-current liabilities	(261,639)	-	-	(869,311)	(1,189,921)	(2,320,871)
Net assets	**390,213**	**6,716,013**	**4,236,325**	**2,788,151**	2,859,969	16,990,671

Note 11: Investments accounted for using the equity method continued

2014	WYNN & BENNETT PTY LTD	HUGHES O'DEA CORREDIG PTY LTD	RUNDLES PRIME PTY LTD	PACIFICA PTY LTD	OTHER INDIVIDUALLY IMMATERIAL ASSOCIATES	TOTAL
Associate's net profit before income tax	805,892	754,000	735,895	698,177	619,000	**3,612,964**
Associate's revenue	3,564,801	3,541,160	3,306,986	3,018,004	4,971,147	**18,402,098**
Carrying amount of investment in associate	-	-	-	-	-	**-**
Balance at the beginning of the financial year	2,905,640	3,355,975	1,481,234	1,744,717	2,635,593	**12,123,159**
Contributions to existing investments	14,417	61,286	77,712	-	(39,522)	**113,893**
Carrying amount of investment in associate at the end of the financial year	**2,920,057**	**3,417,261**	**1,558,946**	**1,744,717**	**2,596,071**	**12,237,052**
Associate's assets and liabilities	-	-	-	-	-	**-**
Current assets	1,394,944	1,321,771	1,121,599	929,064	3,124,671	**7,892,049**
Non-current assets	171,786	5,839,522	3,705,039	2,945,181	-	**12,661,528**
Current liabilities	(1,008,125)	(350,327)	(1,225,931)	(23,711)	(2,401,911)	**(5,010,005)**
Non-current liabilities	(229,588)	(23,688)	-	(962,357)	-	**(1,215,633)**
Net assets	**329,017**	**6,787,278**	**3,600,707**	**2,888,177**	**722,760**	**14,327,939**

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Share of profit from accounting and advisory firms	1,799,255	1,831,310
	1,799,255	1,831,310

Note 12: Intangible assets

		CONSOLIDATED ENTITY	
	NOTES	2015 $	2014 $
Goodwill			
Cost		49,177,713	49,177,713
Impairment		(13,845,213)	-
	(a)	35,332,500	49,177,713

		CONSOLIDATED ENTITY	
	NOTES	2015 $	2014 $
Development costs			
Cost		1,966,435	1,966,435
Accumulated amortisation		(1,966,435)	(1,084,941)
		-	881,494
Total intangibles		35,332,500	50,059,207

(a) Movement of intangible assets

		CONSOLIDATED ENTITY	
	NOTES	2015 $	2014 $
Goodwill			
Carrying amount at beginning		49,177,713	49,177,713
Additions via acquisition of subsidiary		-	-
Impairment	2	(13,845,213)	-
Closing carrying value at end		35,332,500	49,177,713
Development costs			
Carrying amount at beginning		881,494	588,964
Additions		-	455,000
Amortisation		-	(162,470)
Impairment		(881,494)	-
Closing carrying value at end		-	881,494

Intangible assets represent goodwill on acquisitions of subsidiary companies in the wealth management industry and their goodwill on acquisition of businesses in the wealth management industry during the past seven years. Goodwill has been accounted for at historical cost and carried forward on the basis of these subsidiaries/ businesses and the goodwill to which they relate having an indefinite life.

Note 13: Payables

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Trade creditors	718,373	508,773
Other creditors and accruals	11,065	9,363
Earn-out agreement payable	-	332,000
GST payable	199,795	240,223
	929,233	1,090,359

Note 14: Employee benefits

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Current		
Employee entitlements	299,987	279,190

Note 15: Borrowings

		CONSOLIDATED ENTITY	
	NOTES	2015 $	2014 $
Non-current			
Secured liabilities:			
Commercial bills	(a)	6,974,734	6,500,000
Bank loans	(b)	990,416	990,416
		7,965,150	7,490,416

(a) The commercial bills are secured by a registered fixed and floating charge over all assets and uncalled capital of the Group, except the subsidiary CPP Prime Pty Ltd (CPP) which is secured by a second ranking debenture.

(b) This bank loan is secured by way of a fixed and floating charge over CPP, with Prime acting as guarantor to this bank loan.

Note 16: Contributed equity

(a) issued and paid up capital

		CONSOLIDATED ENTITY	
	NOTES	2015	2014
Ordinary shares fully paid	(a)	68,410,543	68,410,543
Ordinary shares partly paid	(b)	18,860	18,860
		68,429,403	68,429,403

(a) Fully paid ordinary shares carry one vote per share and carry the right to dividends and the proceeds on winding up of the parent entity in proportion to the number of shares sold.

(b) The 2,095,560 partly paid ordinary shares are partly paid to $0.009 with $0.891 to pay. Any or all of the partly paid shares may be paid in full or in part at the election of the holder at any time. The partly paid shares will confer fractional voting rights and dividend entitlements in accordance with and subject to the Listing Rules of Australian Securities Exchange.

(b) Movements in shares on issue

	CONSOLIDATED ENTITY 2015		CONSOLIDATED ENTITY 2014	
	NO OF SHARES	$	NO OF SHARES	$
Beginning of the financial year	179,532,874	68,429,403	175,682,874	67,931,493
Issued during the year				
- Shares issued	-		3,850,000	500,500
- Capital raising costs			-	(2,590)
End of the financial year	179,532,874	68,429,403	179,532,874	68,429,403

(c) Treasury shares held

During the year PFG Employee Share Plan Pty Ltd (PFG ESP) purchased 1,200,000 (2014: 5,133,333) Prime shares. The total shares held by the PFG ESP are held in trust on behalf of employees or for future allocation to employees as part of the terms of the Employee Share Plan. Each share held by the PFG ESP retains the same voting rights, rights to dividends and capital distributions as those of other ordinary shareholders.

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Opening balance	6,878,074	4,106,169
Purchase of shares for the employee share trust	755,131	2,771,905
Closing balance	7,633,205	6,878,074

(d) Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The Board is constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the Board may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During 2015, the Board paid dividends of $1,419,666 (2014: 1,577,875). The Board's policy for dividend payments is a payout ratio of 50% - 60% which is subject to potential acquisitions and debt reduction. The FY2015 dividend payout ratio is 53% (excluding impairment).

As at 30 June 2015, the Group had met its bank covenant requirements.

Note 16: Contributed equity continued

The Board monitors capital through the gearing ratio (net debt/ total capital). The target for the Group's gearing ratio is between 5% - 15%. The gearing ratios based on operations at 30 June 2014 and 2015 were as follows:

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Total borrowings	7,965,150	7,547,262
Less cash and cash equivalents	(595,288)	(250,934)
Net debt	7,369,862	7,296,328
Total equity	40,590,113	56,935,273
Total capital	68,429,403	68,065,068
Gearing ratio:	10.8%	10.7%

Note 17: Accumulated profits / (losses)

		CONSOLIDATED ENTITY	
	NOTES	2015 $	2014 $
Accumulated Losses	(a)	(23,285,434)	(725,907)
(a) Accumulated losses			
Balance at the beginning of year		(725,907)	(1,208,385)
Total comprehensive income for the year		(20,489,497)	2,630,074
Total available for appropriation		(21,215,404)	1,421,689
Dividends paid		(1,419,666)	(1,577,875)
Transactions with non-controlling interests		(650,364)	(569,721)
Balance at end of year		(23,285,434)	(725,907)

Note 18: Cash Flow Information

	CONSOLIDATED ENTITY	
	2015 $	2014 $
(a) Reconciliation of the net profit after tax to the net cash flows from operations:		
Net profit	(20,489,497)	2,630,074
Non-cash items		
Depreciation / amortisation	44,739	503,501
Impairment	23,191,192	-
Equity accounted profit after tax net of dividends and distributions received	366,491	286,641
Changes in assets and liabilities		
(Increase) / decrease in current receivables	(264,392)	(682,606)
(Increase) / decrease in other assets and receivables	154,166	(314,940)
Increase / (decrease) in payables	(161,126)	(194,659)
(Decrease) / increase in provisions	20,797	(9,674)
(Decrease) / increase in deferred tax	(60,513)	(32,610)
(Decrease) / increase in tax payable	125,393	694,768
Net cash flow from operating activities	2,927,250	2,880,495
(b) Reconciliation of cash and cash equivalents		
Cash balance comprises:		
Cash at bank	595,288	250,934
Bank overdraft	-	(56,846)
Closing cash balance	595,288	194,088

(c) Financing facilities available

Westpac Bank has in place an agreement with the Group to provide facilities amounting to $8,750,000. At the end of the reporting period these facilities have been utilised to the amount of $6,974,734. The facility includes a limit of $1,150,000 for potential acquisitions and a limit of $1,000,000 for an overdraft. The facility is reducing by $250,000 per quarter until 31 December 2015 when the available facility will be $8,250,000. Interest rates are set at the time of rollover of the bills which is usually at 30 day intervals as part of a larger facility expiring 30 September 2016. As at 30 June 2015 the effective interest rate on the bill acceptance line was 3.39% per annum. There is an additional 1.3% line fee on the total facility.

Macquarie Bank has in place an agreement with CPP to provide facilities amounting to $1,000,000. As at 30 June 2015, the outstanding loan payable is $990,416.

Note 19: Expenditure commitments

Operating lease commitments

PDF has entered into a commercial rental lease for Level 17, 644 Chapel Street, South Yarra, Victoria on 1 July 2014. The commercial rental lease has a life of four years from 1 July 2014. Future minimum rental payable under the operating lease is as follows:

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Operating lease commitments		
- within one year	288,062	-
- after one year but not more than 5 years	930,635	-
Total	1,218,697	-

Note 20: Commitments and contingencies

PDF provides cross guarantees to Pacifica Pty Ltd for $444,500 (2014: $444,500) and Rundles Prime Pty Ltd for $480,000 (2014: $250,000).

Note 21: Earnings per share

	2015 $	2014 $
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit after tax	(20,489,497)	2,630,074
Earnings used in calculating basic and diluted earnings per share	(20,489,497)	2,630,074

	2015 NO. OF SHARES	2014 NO. OF SHARES
Weighted average number of ordinary shares used in calculating basic earnings per share	145,641,988	143,708,320
Effect of dilutive securities:		
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	145,641,988	143,708,320
Basic earnings per share (cents)	(14.1)	1.8
Diluted earnings per share (cents)	(14.1)	1.8

Note 22: Auditor's remuneration

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Amounts received or due and receivable by the auditor for:		
Auditing or reviewing the financial report	109,000	98,000
	109,000	98,000

Note 23: Related party disclosures

(a) The consolidated financial statements include the financial statements of Prime Financial Group Ltd and its controlled entities listed in Note 10.

(b) The total amount of transactions that were entered into with related parties for the relevant financial year is provided below:

Other transactions with director and/or specified executives and their personally- related entities

Interests associated with Mr P Madder received $127,976 (2014: $127,976) for executive services provided to the Company plus an additional $200,000 as a payment for the assignment of intellectual property, which forms the basis of the Company's client engagement model. The minimum annualised payment under this agreement is $200,000 for a maximum of 5 years, expiring no later than 30 November 2016, but this can be cancelled by the Company at any time by 12 months notice. The agreement also provides for an uplift payment based upon the sale and payment to the Company for new licences to joint venture partners of that intellectual property. The total payments for the year were $327,976. (2014: $327,976).

Mr S Madder has a loan from the PFG Employee Share Plan (PFG ESP) to fund the acquisition in 2014 of 6,600,000 shares in Prime Financial Group Ltd at an issue price of 19.3c ($0.193) per plan share. The loan agreement among other things makes provision for, interest to be charged at commercial rates, the loan to be repaid within 4 years, terms on which the trustee may be required to buy-back the plan shares. The balance of this loan as at 30 June 2015 is $1,469,455 ($1,295,906 at 30 June 2014). During the 2015 financial year interest payable on the loan was $82,349.

The PFG ESP made an advance of $53,484 ($51,428 at 30 June 2014) since the 2004 financial year, to Mr S Madder, a Director of the Company to acquire 160,575 shares in the Company. The Prime shares are held as security against the loan, with the Prime dividend payments offsetting the loan. Interest payable on the loan for the 2015 financial year is $2,057.

Mr P Madder through a nominee has a loan from the PFG ESP to fund the acquisition in 2014 of 3,760,784 shares in Prime Financial Group Ltd at an issue price of 19.3c ($0.193) per plan share. The loan agreement among other things makes provision for, interest to be charged at commercial rates, the loan to be repaid within 4 years, security in the form of a general securities agreement over the nominee. The balance of this loan as at 30 June 2015 is $853,270 ($738,427 at 30 June 2014). During the 2015 financial year interest payable on the loan was $46,924.

The PFG ESP made an advance of $53,514 ($51,456 at 30 June 2014) since the 2004 financial year, to Mr P Madder, a Director of the Company to acquire 160,575 shares in the Company. The Prime shares are held as security against the loan, with the Prime dividend payments offsetting the loan. Interest payable on the loan for the 2015 financial year is $2,058.

Note 23: Related party disclosures continued

Mr M Cohen accepted an offer from PFG ESP to fund by way of a loan the acquisition in 2014 of 125,000 shares in Prime Financial Group Ltd at an issue price of 19.3c ($0.193) per plan share. The loan agreement among other things makes provision for, interest to be charged at commercial rates, the loan to be repaid within 4 years and at the option of Mr Cohen not to proceed with the share acquisition. The balance of this loan as at 30 June 2015 is $47,260 ($25,631 at 30 June 2014). During the 2015 financial year interest payable on the loan was $1,629.

The Board approved a total allocation of 11,800,000 shares through the PFG ESP, to executive directors (Mr S Madder 4,800,000 shares Mr P Madder 2,000,000 shares) key management (Mr M Cohen 1,250,000 shares) and staff (total 3,750,000 shares). The PFG ESP has not as yet been made the offer to the various parties as the terms of the offer have not as yet been finalised, but do include the existing rights to dividends.

Transactions with investments in associates

The entities listed in Note 11 are all associated investments of PDF or Prime. PDF derives consulting fees from its equity investments in accounting, SMSF and advisory firms.

As at 30 June 2015, PDF has an outstanding loan receivable from the accounting firms of $935,125 (loan receivable of $941,700 at 30 June 2014). PDF also has an outstanding loan payable to its associated wealth management of $1,397,903 relating to unpaid dividends (loan payable of $1,299,803 at 30 June 2014).

As at 30 June 2015, CPP Prime Pty Ltd (CPP) has an outstanding loan receivable from the employees of CPP of $1,369,620 ($1,323,039 at 30 June 2014).

Compensation for key management personnel

	CONSOLIDATED ENTITY	
	2015 $	2014 $
Short-term employment benefits	1,300,543	1,322,296
Post employment benefits	36,757	41,698
Other long-term benefits	11,884	(19,591)
Termination benefits	45,598	-
Share-based payments	-	-
	1,394,782	1,344,403

Note 24: Segment information

The Group operates in one business segment, being investing in and providing wealth management services, solely in Australia.

Note 25: financial risk management

(a) Financial liability and financial asset maturity analysis

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, accounts receivable and payable, loans to and from subsidiaries and associates, bills. The major financial risks that Prime is exposed to through its financial instruments are interest rate, liquidity and credit risk. This is reviewed on a monthly basis by the Board.

Cash flows expected to be realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

(i) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2015 a majority of group debt is floating. The Group has no material exposure to changes in interest rates.

The consolidated entity's bank loans outstanding, totalling $7,964,792 (2014: $7,547,262), are interest payment loans. Monthly cash outlays of approximately $30,895 per month are required to service the interest payments. An official increase/decrease in interest rates of 100 (2014: 100) basis points would have an adverse/favourable effect on profit before tax of $79,667 (2014: 75,472) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

(ii) Liquidity risk

Liquidity risk arises from the possibility that the Group may encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

(iii) Credit risk

Credit risk is the risk that a counter party will fail to discharge an obligation or commitment that it has entered into with the Group. At 30 June 2015, Prime's receivables consist of amounts owing from trade receivables, employees, key management personnel and amounts receivable from associates.

The Group has no significant concentration of credit risk. The carrying amounts of financial assets best represent the maximum credit risk exposure at the statement of financial position date.

All other loan and receivable amounts, though unsecured, are not considered a significant credit risk.

Note 25: financial risk management continued

(b) Financial instruments

Fair values

The net fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in the statement of financial position and Notes to the financial statements. The Group did not directly hold any listed shares and equities at 30 June 2015 (2014: nil).

FINANCIAL INSTRUMENTS	FIXED INTEREST RATE MATURING IN 1 YEAR OR LESS		FIXED INTEREST RATE MATURING 1 TO 5 YEARS		FLOATING INTEREST RATE MATURING IN 1 YEAR OR LESS		FLOATING INTEREST RATE MATURING IN 1 TO 5 YEARS	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
(i) Financial assets								
Cash	595,288	250,934	-	-	-	-	-	-
Receivables	-	-	500,000	1,128,080	-	-	-	-
Total financial assets	585,288	250,934	500,000	1,128,080	-	-	-	-
(ii) Financial liabilities								
Bank overdraft	-	-	-	-	-	56,846	-	-
Commercial bills	-	-	-	-	-	-	6,974,734	6,500,000
Other borrowings	-	-	-	-	-	-	-	-
Bank loans	-	-	990,416	990,416	-	-	-	-
Payables	-	-	-	-	-	-	-	-
Total financial liabilities	-	-	990,416	990,416	-	56,846	6,974,734	6,500,000

FINANCIAL INSTRUMENTS	NON-INTEREST BEARING MATURING 1 YEAR OR LESS		TOTAL CARRYING AMOUNT AS STATEMENT OF FINANCIAL POSITION		WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	
	2015 $	2014 $	2015 $	2014 $	2015 %	2014 %
(i) Financial assets						
Cash	-	-	595,288	250,934	0.7%	1.2%
Receivables	1,617,590	6,380,738	2,117,590	7,508,818	7.8%	7.5%
Total financial assets	1,617,590	6,380,738	2,712,878	7,759,752	-	-
(ii) Financial liabilities						
Bank overdraft	-	-	-	56,846	8.3%	8.8%
Commercial bills	-	-	6,974,734	6,500,000	3.4%	4.2%
Other borrowings	-	-	-	-	-	-
Bank loans	-	-	990,416	990,416	6.8%	7.8%
Payables	929,233	1,090,359	835,031	1,090,359	-	-
Total financial liabilities	929,233	1,090,359	8,800,181	8,637,621	-	-

Note 26: Parent entity disclosures

	PARENT ENTITY	
	2015 $	2014 $
(a) Consolidated statement of financial position		
Assets		
Current assets	16,009,167	18,821,806
Non-current assets	44,196,597	43,510,125
Total assets	60,205,764	62,331,931
Liabilities		
Current liabilities	4,937,664	3,964,419
Non-current liabilities	-	765,052
Total liabilities	4,937,664	4,729,471
Net assets	55,268,100	57,602,460
Equity		
Contributed equity	68,429,403	68,429,403
Accumulated losses	(13,161,303)	(10,826,943)
Total equity	55,268,100	57,602,460
(b) Consolidated statement of profit or loss and other comprehensive income		
Profit / (loss) for the year	(664,050)	(593,405)
Other comprehensive income	-	-
Total comprehensive income	(664,050)	(593,405)

Parent entity financial information - investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Prime Financial Group Ltd. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

Note 27: Subsequent events

On 9th July 2015, Prime announced that it had completed the transfer of two of its existing investments in accounting firms (and associated wealth management entities) to its subsidiary Prime Accounting & Wealth Management (PWM). After allowing for Prime's capital contribution to PWM of $1.8m an amount of approximately $3.6m was available to pay down existing bank debt.

On 26 July 2015, Prime announces that it has completed the sale of its equity shareholding in an accounting firm, and its associated wealth management entity, following receipt of an offer from the firm's existing principals. Prime has received approximately $2.5m in sale proceeds. The sale proceeds will initially be applied to pay down external debt.

Note 28: New accounting standards for application in future periods

AASB 9 Financial Instruments (December 2014), AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments, AASB 2014-1 Amendments to Australian Accounting Standards, AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014), AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010) (*applicable for annual reporting periods commencing on or after 1 January 2018*)

AASB 9 is a new Principal standard which replaces AASB 139. The new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in 2010). The standard introduces new requirements for the classification and measurement of financial assets and liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

(a) Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows.

(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

(c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

(d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

(e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI')
- the remaining change is presented in profit or loss

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 *Financial Instruments* to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 *Hedge Accounting* into AASB 9 and to amend reduced disclosure requirements for AASB 7 *Financial Instruments: Disclosures* and AASB 101 *Presentation of Financial Statements*.

The entity is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations(applicable for annual reporting periods commencing on or after 1 January 2016)

The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 *Business Combinations*, should:

- apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
- provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.

When these amendments are first adopted for the year ending 30 June 2017, there should be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation (applicable for annual reporting periods commencing on or after 1 January 2016)

The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances:

(i) The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or

(ii) When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2017)

AASB 2014-5 incorporates the consequential amendments arising from the issuance of AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2015)

When these amendments are first adopted for the year ending 30 June 2016, there will be no material impact on the financial statements.

AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements (applicable for annual reporting periods commencing on or after 1 January 2016)

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Statements (applicable for annual reporting periods commencing on or after 1 January 2016)

The amendments address a current inconsistency between AASB 10 *Consolidated Financial Statements* and AASB 128 Investments in Associates and Joint Ventures. The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 *Business Combinations*. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.

This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method.

Note 28: New accounting standards for application in future periods continued

The entity is yet to undertake a detailed assessment of the impact the amendments. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when these amendments are first adopted for the year ending 30 June 2017.

AASB 2015-1 Amendments to Australian Accounting Standards –Sale or Contribution of Assets between an Investor and its Associate or Joint Venture Amendments to Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle (applicable for annual reporting periods commencing on or after 1 January 2016)

These amendments arise from the issuance of *Annual Improvements to IFRSs 2012-2014 Cycle* in September 2014 by the IASB. Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101(applicable for annual reporting periods commencing on or after 1 January 2016)

The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information
- clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated
- add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order
- remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality (applicable for annual reporting periods commencing on or after 1 July 2015)

The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

When this Standard is first adopted for the year ending 30 June 2016, there will be no impact on the financial statements.

AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception (applicable for annual reporting periods commencing on or after 1 January 2016)

The narrow-scope amendments to AASB 10 *Consolidated Financial Statements*, AASB 12 *Disclosure of Interests in Other Entities* and AASB 128 *Investments in Associates and Joint Ventures* introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards.

The entity is yet to undertake a detailed assessment of the impact the amendments. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when these amendments are first adopted for the year ending 30 June 2017.

Prime Financial Group Limited
Directors' Declaration

Prime

The Directors of the company declare that

1. the financial statements and notes, as set out on pages 19 to 54, are in accordance with the *Corporations Act 2001* and;
   (a) comply with Accounting Standards, the *Corporation Act 2001* and other mandatory professional reporting requirements;
   (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the consolidated group; and
   (c) the attached financial statements are in compliance with international Financial Reporting Standards, as stated in note 1 to the financial statements.
2. the Managing Director and Chief Executive Officer, and Chief Financial Officer have each declared that:
   (a) the financial records of the company for the financial year have been properly maintained in accordance with s286 of the *Corporations Act 2001*;
   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   (c) The financial statements and notes for the financial year give a true and fair view.
3. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Stuart James
Director

28 August 2015

Independent Auditors Report

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIME FINANCIAL GROUP LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying consolidated financial report comprising Prime Financial Group Limited (the Company) and the entities it controlled at the year's end or from time to time during the financial year (the consolidated entity). The consolidated financial report comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit of loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

CHARTERED ACCOUNTANTS & ADVISORS

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Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

PO Box 185, Toorak VIC 3142
Telephone: +61 3 9824 8555
williambuck.com

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIME FINANCIAL GROUP AND CONTROLLED ENTITIES (CONT)

Auditor's Opinion

In our opinion:

a) the financial report of the consolidated entity is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Prime Financial Group Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Prime Financial Group Limited for the year ended 30 June 2015 included on Prime Financial Group Limited's web site. The company's directors are responsible for the integrity of the Prime Financial Group Limited's web site. We have not been engaged to report on the integrity of the Prime Financial Group Limited web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck.

William Buck Audit (VIC) Pty Ltd
ABN 59116 151 136

J.C. Luckins
Director

Dated this 28th day of August, 2015

ASX Additional Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows: The information is current as at 5 August 2015.

(A) Distribution of equity securities

The number of shareholders, by size of holding, in each class of share are:

CATEGORY (SIZE OF HOLDING)	ORDINARY SHARES	
	NO. OF HOLDERS	NO. OF SHARES
1 – 1,000	55	28,020
1,001 – 5,000	150	478,915
5,001 – 10,000	173	1,392,154
10,001 – 100,000	411	16,619,805
100,001 and over	208	158,918,420
	997	177,437,314

(B) Twenty largest shareholders

The names of the twenty largest holders of quoted shares are:

		LISTED ORDINARY SHARES	
	NAME	NO. OF SHARES	PERCENTAGE OF ORDINARY SHARES %
1.	Domain Investment (Melbourne) Pty Ltd	17,858,144	10.06
2.	PFG Employee Share Plan Pty Ltd	15,466,666	8.72
3.	May Road Pty Ltd <May Road A/C>	6,400,000	3.61
4.	Sonning Road Pty Ltd <PSB Superannuation Fund A/C>	5,959,031	3.36
5.	Common Sense Investments Pty Ltd	4,500,000	2.54
6.	Mr Stuart Bruce James + Mrs Gillian Doreen James <S B James Super Fund A/C>	3,900,000	2.20
7.	May Road Pty Ltd <May Road A/C>	3,850,000	2.17
8.	Mr Vaughan Webber <C Pike & Piercy Emp A/C>	3,395,730	1.91
9.	Drakevale Pty Ltd <The Prk Super Fund A/C>	3,337,296	1.88
10.	Fenning Court Pty Ltd <Scoble Family A/C>	3,275,000	1.85
11.	Mr Mark Geoffrey Johnson	3,122,198	1.76
12.	Mr Simon Madder	3,048,823	1.72
13.	Somaco Pty Ltd <The S & M Cohen Family A/C>	3,000,000	1.69
14.	Mr James Gordon Maxwell Moffatt	2,846,546	1.60
15.	Prime Financial Group Limited <Employee Share Plan A/C>	2,650,000	1.49
16.	Lyndoc Holdings Pty Ltd <Lyndoc Super Fund A/C>	2,382,993	1.34
17.	63rd Arcadian Pty Ltd	2,315,384	1.30
18.	29th Marsupial Pty Ltd <The Blue Chip Unit A/C>	2,130,408	1.20

		LISTED ORDINARY SHARES	
NAME		NO. OF SHARES	PERCENTAGE OF ORDINARY SHARES %
19.	Mr Noel Diago Lawrence Francis D'souza + Mrs Christine Ann D'souza <Mandovi Super Fund A/C>	2,044,318	1.15
20.	Gallery Gordon Pty Ltd	1,845,368	1.04

(c) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Notes

Prime Financial Group Ltd ABN 70 009 487 674

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

Phone (03) 9827 6999
Facsimile (03) 9827 9100
www.primefinancial.com.au

Directors

S. James
S. Madder
P. Madder

Company Secretary

P. Madder

Registered Office

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644 Chapel Street
South Yarra VIC 3141

Phone (03) 9827 6999
Facsimile (03) 9827 9100

Solicitors

Holman Fenwick Willan

Bankers

Westpac Banking Corporation

Share Register

Computershare Investor Services
Yarra Falls, 452 Johnston Street
Abbotsford VIC 3067

Auditors

William Buck Audit (VIC) PTY LTD
Level 20
181 William Street
Melbourne VIC 3000

Prime