



# TRANZACT

FINANCIAL SERVICES LIMITED

## 2013 Annual General Meeting

Level 5, 241 Castlereagh Street  
Sydney, New South Wales

**2.00pm Wed, 20 November 2013**

# Agenda

1. Chairman's Address
2. Managing Director's Address
3. Formal Business



# **CHAIRMAN'S ADDRESS**

**Mr Anthony Ractliffe**

*Summary of FY2013*

# Summary of FY2013

- EBTDA attributable to shareholders was \$2.311 million compared with \$2.649 million in 2012
- EBTDA was after \$352,000 one-off project costs write off
- The NPAT attributable to shareholders of a loss of \$384,000 was due to an impairment write down of \$967,000 related to the self managed business and \$161,526 related to the Templetons business
- The rationalisation of the Smartsave Masterplan was successfully completed in July 2013, and a MySuper licence was granted in September 2013
- Total fully franked dividends of 0.70 cps for FY2013
- The strategic review resulted in the Board resolving to exit the Partnership for Growth investments and IDPS, focussing on being a specialist superannuation services provider

# Takeover Offer

- On 6 November 2013, Gro-Aust Holdings Ltd announced a take over offer
- Offer is \$0.12 per share
- A committee of TFS independent directors has been formed to consider the offer
- An independent valuer has been appointed to assist the independent directors in making their recommendation to shareholders



# MANAGING DIRECTOR'S ADDRESS

Mr Allan Yeo

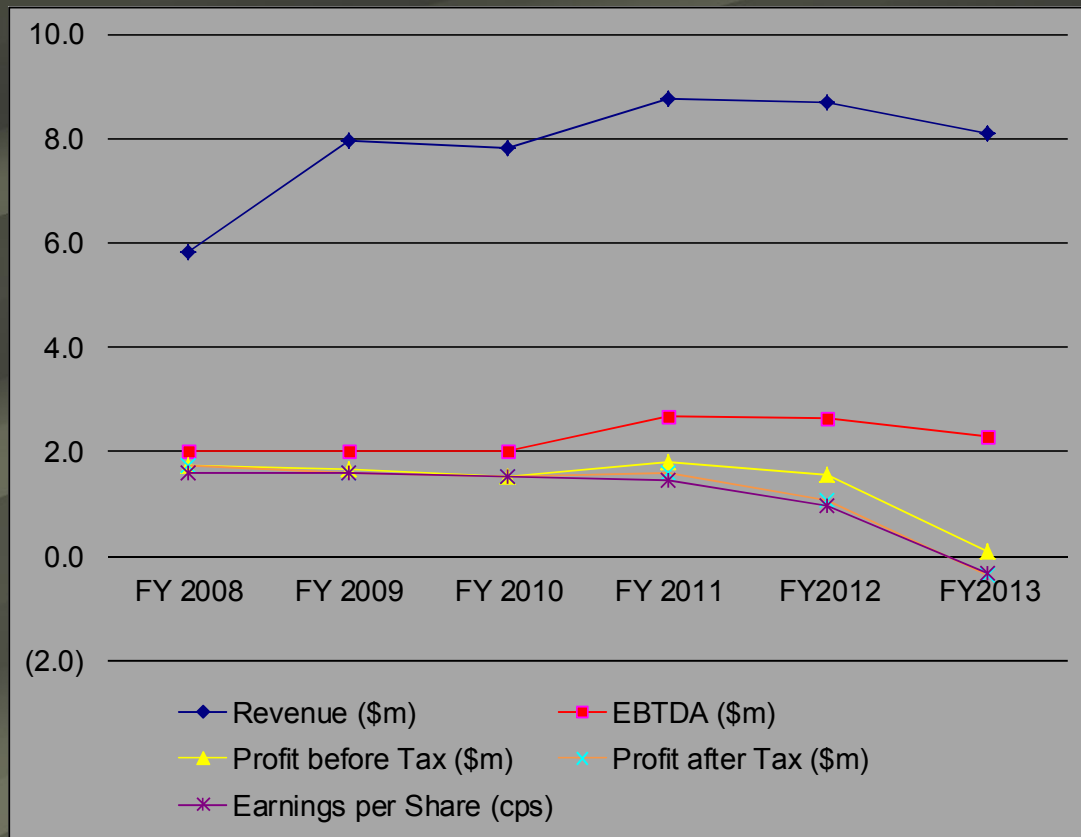
*Company Update*

# Financial Performance

	Total			Attributable to Shareholders		
	FY 2012 \$ million	FY2013 \$ million	Movement %	FY 2012 \$ million	FY2013 \$ million	Movement %
Revenue	9.31	8.83	-5%	8.70	8.10	-7%
EBTDA	3.20	2.91	-9%	2.65	2.31	-13%
Profit Before Tax	1.76	0.22	-88%	1.55	0.08	-95%
Profit After Tax	1.20	-0.24	-120%	1.07	-0.38	-136%
Earnings per share (cents)				0.95	-0.3	-132%
Dividends per share (cents)				0.7	0.7	0%

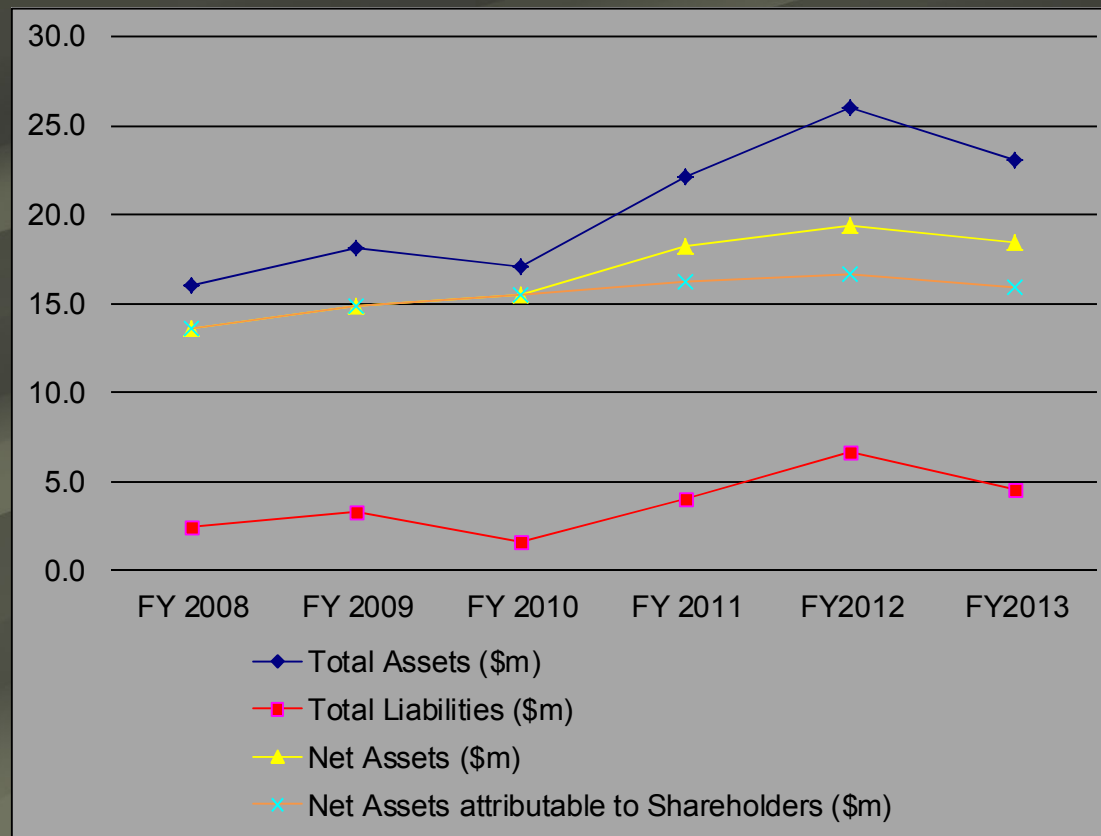
- The Board is pleased with Tranzact's underlying financial performance in FY2013 despite difficult trading conditions in the self managed superannuation fund administration business.
- Underlying EBTDA (before project costs written off) was slightly higher than FY2012.
- Cash flows from the business remained strong, and the net cash position of the group increased by \$2.5 million over the year.
- Dividends were consistent with previous years in recognition of the underlying performance of the business.

# Income Statement Measures





# Balance Sheet Measures



## Superannuation Master Trust (including GIS Concepts)

- Total revenue for Master Trust increased from \$4.054m to \$4.387m, whilst EBTDA for the segment decreased from \$0.83m to \$0.62m after \$0.35m of project cost write-offs.
- The restructuring of the Smartsave investment offering was completed in July 2013, which has streamlined the product, and will improve its marketability for advisers.
- Regulatory change continues to be a key focus for the business with the licensing of eligible rollover funds and MySuper funds.

## Partnership for Growth

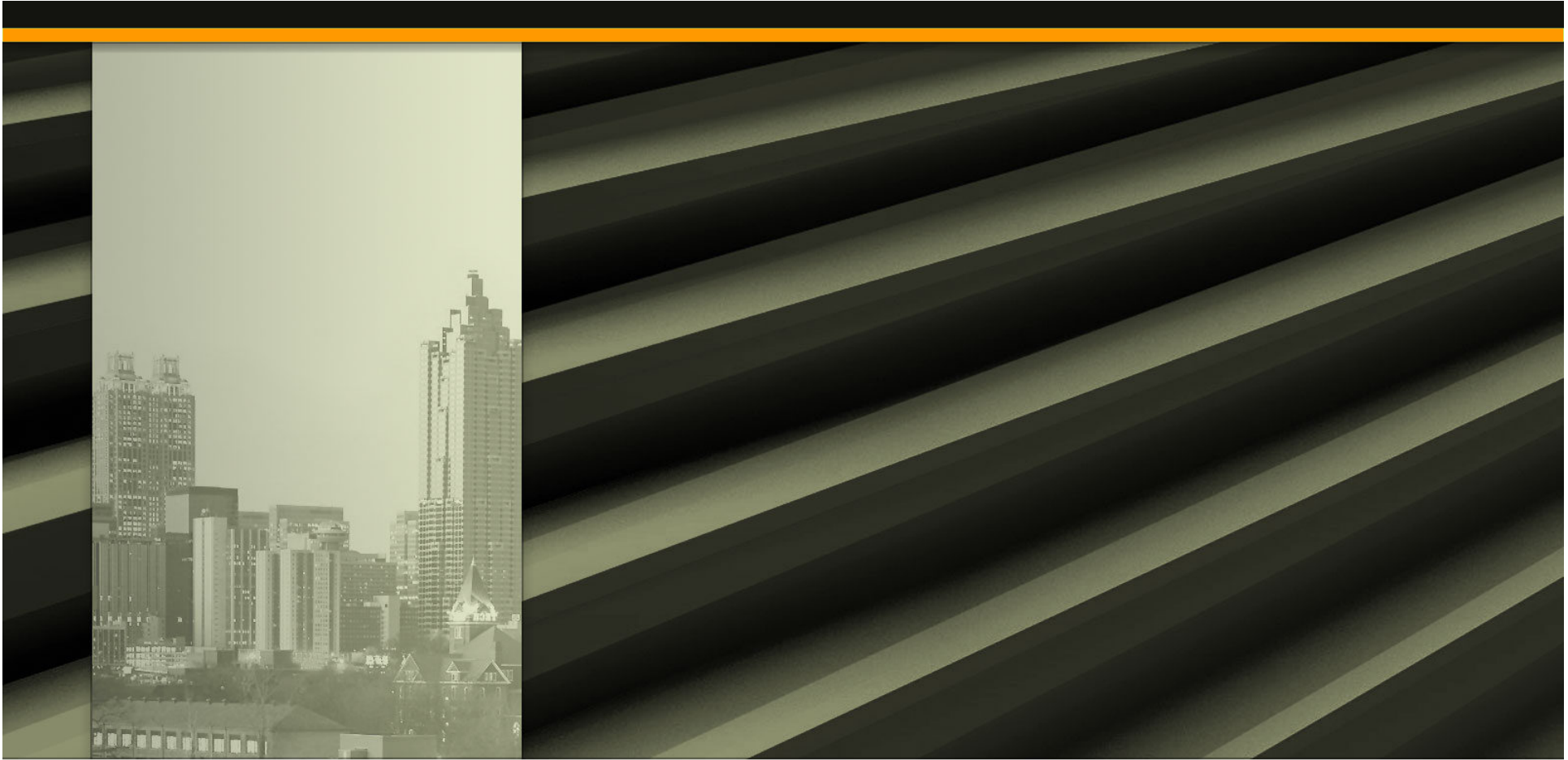
- Both the Australian business (Templetons) and the NZ business (Camelot) have achieved expected returns for the year.
- Following a strategic review, the Board has concluded that expected synergies from these businesses cannot be achieved in the current regulatory environment.
- The Templetons business was sold in September 2013, with the potential sale of the NZ business to Grosvenor already announced previously.

## Self-Managed Superannuation Fund (SMSF)

- The SMSF business has faced difficult market conditions over the past several years, and has sustained significant fund losses in the past 12 months.
- Despite the successful restructure of the company's cost base last year which significantly improved profitability, the further loss of funds had further impacted expected profitability from this business.
- Following an extensive assessment of a number of alternatives, the Board resolved to sell the business to Super IQ.
- There are material costs incurred in winding up the business, including redundancy costs, termination of existing leases and contractual arrangements. These costs are not fully quantifiable at this stage as some of the costs are contingent and others are subject to negotiation.

# FY2014 Outlook

- Key priority remains the focussing of the business on its core strength as a specialist superannuation services provider.
- Following the completion of the full rationalisation of the Smartsave Fund and the Fund being granted a MySuper licence, we have achieved a clean operating platform to grow the fund.
- The objective for Smartsave now is to grow its distribution base. The challenges posed by FOFA and MySuper are significant in pursuit of that goal.
- The current size of Smartsave is adequate for the present. However, for the Fund to be sustainable in the longer term, it will have to grow to a much more significant size than present. Organic growth is unlikely to be sufficient, so the Board will have to look for merger and acquisition opportunities to consolidate the Fund's position.



# FORMAL BUSINESS

*Proxies Received*

## Financial Report

# Ordinary Business

### Item 1:

To receive and consider the Financial Report of the Company and its controlled entities, together with the related Directors' Report, Directors' Declaration and the Independent Auditor's Report, for the year ended 30 June 2013.

## Remuneration Report

### Item 2:

To consider and, if thought fit, to pass the following as an ordinary resolution:

“That the Remuneration Report for the year ended 30 June 2013 be adopted.”

<b>For</b>	<b>2,228,682</b>
<b>Open</b>	<b>200,000</b>
<b>Against</b>	<b>2,730</b>
<b>Abstain</b>	<b>69,513,111</b>
<b>Total</b>	<b>71,944,523</b>

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

## Re-Election of Directors

### Item 3:

To consider and, if thought fit, to pass the following as an ordinary resolution:

*'That Mr Anthony Ractliffe be re-elected as a Director of the Company.'*

<b>For</b>	<b>71,741,793</b>
<b>Open</b>	<b>200,000</b>
<b>Against</b>	<b>2,730</b>
<b>Abstain</b>	<b>-</b>
<b>Total</b>	<b>71,944,523</b>



## *Other Business*

Meeting is open for attendees to raise any relevant matters for discussion.



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