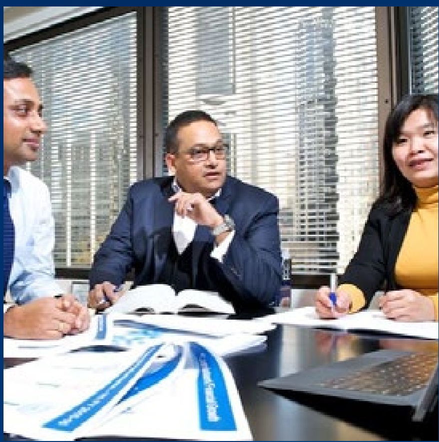
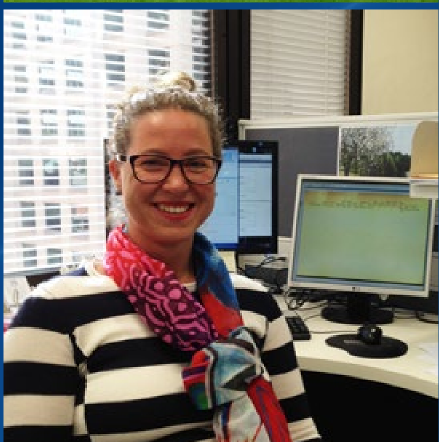
ANNUAL REPORT

FIDUCIAN GROUP LIMITED | 2016





FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

ABN 41 602 423 610

20

YEARS OF HISTORY

FIDUCIAN MILESTONES

1996
Fiducian Portfolio Services founded by Indy Singh as independent financial services and funds management company

1997
Fiducian launches master funds, client admin and financial planning services for adviser groups

1998
Two more services launched: superannuation and investment

1999
Fiducian Strategic Asset Allocation software launched for planners

2000
Fiducian lists on the ASX

Fiducian Portfolio Review software released

2001
Fiducian Online Resource Centre (FORCe) launched

2002
Fiducian Financial Services (FFS) established and new national headquarters open at York Street, Sydney

2003
FORCe goes online as does Fiducian Online for investors. Fiducian buys Bodinnars Personal Financial Planners

2004
FORCe FP financial planning software released for advisers

2005
Fiducian buys Money & Advice, a Tasmanian financial planning company

2006
Bodinnars Personal Financial Planner and Money & Advice commence trading as Fiducian Financial Services

2007
Funds Under Management top $1 billion

2008
Fiducian pioneers an India Fund for Australia

2009
Fiducian Business Services launched to grow accounting practices

2010
Fiducian sponsors Fiducian Legends: Australian PGA Senior championship

2011
FORCe Desktop v3 debuts with new interface, navigation and tools

2012
Fiducian migrates to FasTrack, state-of-the-art in-house platform admin system

2013
FABA (Fiducian Accountants & Business Advisers) buys practices on Sunshine Coast, Queensland

2014
FoFA-compliant advice and products released through FFS and FPS

2015
Company re-structures into Fiducian Group Ltd (FGL)

2016
FGL continues to grow organically and through acquisition, FUMAA tops $4.7 billion

New South Wales

Office Locations

Abbotsford
Ballina
Bathurst
Bondi Junction
Castle Hill
Caves Beach
Chatswood
Gosford
Hunter Valley
Ku-ring-gai
Macarthur
Manly
Newcastle
Nowra
Randwick
Riverwood
Roseville
Southern Highlands
St Ives
Sydney CBD
Tweed Heads
Walcha
Windsor

CONTENTS

Australian Capital Territory

Office Locations

Canberra

FINANCIAL HIGHLIGHTS
FOR 2016

UNPAT up
22%
to $7.0mil

FUMAA up
16%
to $4.7bil

Dividends up
25%
to 12.5 cents

62
Aligned Planners & Associates

111 Staff
around Australia from over 20 different countries of origin

$243mil
of Acquisition

Launched **new**
Diversified Social Aspirations Fund

41 Offices
across Australia

Flagship funds top performance ranking for the year:

Balanced	4/194
Growth	2/194
Ultra Growth	5/127
Cap Stable	20/122

Queensland

Office Locations

Buderim
Caboolture
Gold Coast – Merrimac
Redcliffe
Sunshine Coast

FIVE YEAR FINANCIAL SUMMARY

FOR THE YEAR 2012 TO 2016

FINANCIAL HISTORY	2016	2015	2014	2013	2012
	$'000	$'000	$'000	$'000	$'000
FINANCIAL PERFORMANCE					
Gross Revenue	35,451	26,253	22,874	22,106	23,205
Underlying Net Profit After Tax (UNPAT)	7,036	5,748	4,501	3,719	2,626
Statutory Net Profit After Tax (NPAT)	5,839	4,622	3,983	3,270	2,211
Cost To Income Ratio (CTI) - ex amortisation %	63%	62%	63%	70%	79%
FINANCIAL POSITION					
Total Assets	33,690	28,770	26,363	22,446	20,935
Total Equity	24,127	21,191	19,351	18,320	17,314
Cash	9,691	12,374	11,194	9,440	7,674
SHAREHOLDER INFORMATION					
Number of shares outstanding	31,110,855	30,883,398	30,757,897	31,532,429	31,805,231
Market Capitalisation ($ in mil)	72	53	50	32	31
EPS based on UNPAT (in cents)	22.6	18.6	14.6	11.8	8.3
Dividends (in cents)	12.5	10.0	9.1	6.8	5.0
Share Price - 30 June closing (in $)	2.31	1.70	1.62	1.03	0.97

28%
Annualised Profit Growth

29%
Annualised EPS Growth

16%
CTI % Reduction

JOINT REPORT OF THE CHAIRMAN AND THE MANAGING DIRECTOR

Highlights

- Funds Under Management Advice & Administration up 16%
- Net underlying profit after tax up 22%
- Statutory net profit after tax up 26%
- Basic underlying earnings per share up 22%
- Established position as a comprehensive financial services provider of Platform Administration, Funds Management, and Financial Planning

Western Australia

Office Locations

Garden City
Osborne Park

FINANCIAL INFORMATION

Dear Shareholder,

On behalf of the directors, we jointly report on the consolidated operating performance of Fiducian Group Limited and its controlled operating entities for the year ended 30 June 2016.

RESULTS FOR 2016

The Fiducian Group result continues to show positive momentum in operational activity and application of the Board's strategy to grow double digit earnings annually.

Consolidated Operating Revenue increased by 35% as a result of 16% business growth and 19% due to grossing up of underlying fund manager fees and expense recoveries which were previously netted off. Similarly, the consolidated Net Revenue increased by 27% of which 13% was contributed by business growth. Gross margin remains the same as 2015, but is reported as 74% after adjusting for a 4% impact of the changes mentioned above relating to underlying fund manager fees and expense recoveries.

During the year underlying Earnings Before Interest, Tax, Depreciation and Amortisation and Restructure Costs (2015 only) (Underlying EBITDA) increased by 20% to $9.67 million. Underlying Net Profit After Tax (UNPAT) is $7.04 million an increase of 22% over the 2015 results. This represents an underlying earnings per share of 22.6 cents as reported in the Financial Highlights. Underlying NPAT does not include amortisation or one off restructure costs and therefore gives a clearer picture of the Group's cash generating ability going forward.

The Statutory Net Profit for the consolidated entity after providing for income tax was $5.84 million (2015: $4.62 million), an increase of 26%. There were no one-off expense deductions such as restructure costs in the financial year.

In summary, all operating divisions contributed positively to the result.

A number of new senior appointments have been made to support our corporate changes. The Superannuation Trustee Board established for our public offer superannuation wrap fund in March 2015 with a majority of independent directors is now fully operational. In addition 12 new financial planners and 11 support staff have been appointed or brought into the Fiducian fold to operate acquired financial planning businesses. As a consequence, cash operating expenses have increased by 25.3% in 2016 (2015 increased by 16.7%). The Board is comfortable with the increased staff numbers which should further add to the Group's growth initiatives and revenues.

Fiducian follows a policy of training, building and retaining quality staff in good and poor economic times, so they can participate in the future expansion of the business and more importantly at this juncture, bring to bear their expertise which has been gained through years of loyal service.

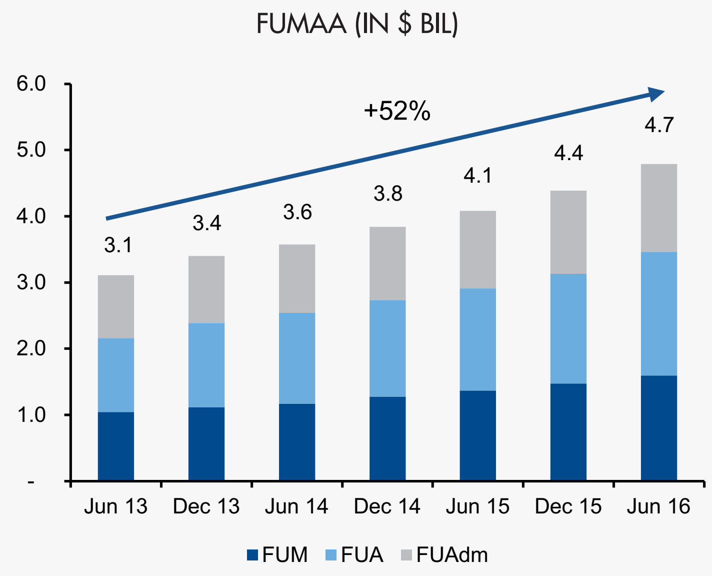
Our diversity policy encourages persons of different genders, ethnic backgrounds, ages and skills to participate and receive recognition, reward and management responsibility commensurate with their performance. Some senior management positions changed during the year which allowed for a refreshing of some positions. Employees are from 20 different countries of origin, 29% are over 55 years of age and 47% are female with 32% in senior roles.

The combined Funds under Management, Administration and Advice (FUMAA) have steadily grown by 52% over the past 3 years to $4.7 billion as at June 2016.

FINANCIAL HIGHLIGHTS

Year Ending 30 June ($ in thousands)	2016	2015	% CHANGE
Operating Revenue*	**35,451**	**26,253**	↑ **35%**
Fees and Charges paid*	-9,385	-5,715	
Net Revenue	26,066	20,538	↑ 27%
Gross Margin	74%	78%	
Underlying EBITDA	**9,673**	**8,069**	↑ **20%**
Depreciation	-100	-165	
Tax on underlying earnings	-2,537	-2,156	
Underlying NPAT (UNPAT)	**7,036**	**5,748**	↑ **22%**
Amortisation	-1,197	-695	
One-off Restructure Expenses (net of tax)	-	-431	
Statutory NPAT	**5,839**	**4,622**	↑ **26%**
Basic EPS based on UNPAT (in cents)	**22.6**	**18.6**	↑ **22%**
Funds Under Management, Advice and Administration or FUMAA	**4,736 Mil**	**4,084 Mil**	↑ **16%**

*(The Operating Revenue includes fees received by Fiducian Investment Management Limited, "FIM", as responsible entity of the managed investment schemes which includes underlying fund manager fees from 1 March 2015 previously netted off. This is as a result of an amendment to the product disclosure statement whereby fees due to the underlying fund managers are now paid by the responsible entity and not separately charged to unit holders).



CAPITAL MANAGEMENT

A key feature of the company is that it currently remains debt free and exhibits a positive working capital and cash flow position.

FINAL DIVIDEND

The Board remains prudent, but is confident that the future of the business is positive and likely to continue to strengthen. As a result, a fully franked final dividend of 7.0 cents per share has been declared which will bring the total fully franked dividend declared for 2016 financial year to 12.5 cents, an increase of 25% (2015: 10.0 cents). The full year dividend represents 67% of the statutory NPAT for the year. The final dividend will be paid on 12th September 2016 on issued shares held on 29th August 2016.

ACQUISITIONS

During the year we have acquired around $243 million of Funds Under Advice. The financial planners are now operating under a Fiducian licence and starting to contribute to our revenue. As acquisitions continue to assimilate into our processes, they should deliver increased revenue and demonstrate our disciplined approach to balancing growth and returns. Our funds under advice now stand at around $1.82 billion.

ON MARKET BUY-BACK

During the year, there was no buy-back of shares (2015: 14,500 shares on market for a total consideration, including brokerage, of $0.03 million at an average price per share of $1.82). There are 31.11 million shares on issue at year end (2015: 30.88 million).

CASH FLOW

Net operating cash flows of $5.5 million were achieved (2015: $6.5 million) – a decrease of 14.8% due to timing of tax payment. Excluding the impact of tax, the operating cash flow has increased by 6.2% year-on-year. After adjusting for investing activities ($4.8 million) and financing activities ($3.4 million) net cash decreased by $2.7 million (2015: increase $1.2 million). Cash at year end was $9.7 million (2015: $12.4 million). An amount of $5.1 million is required for regulatory purposes. Business acquisitions should assist our future revenue and earning capacity.

STAFF AND MANAGING DIRECTOR OPTIONS

In accordance with the terms and conditions of the approved Employee and Director Share Option Plan, 100,000 options (2015: Nil) will be issued to the Managing Director in accordance with his contract of employment subject to approval at the Annual General Meeting. These options will be issued at $2.18, a discount of 5% over the weighted volume average price in June 2016 and may be converted to shares by making a payment of their value to the company after 1 year and within 5 years. Options are only calculated at that portion of the profit or share price that shows greater than 15% growth over the previous year.

FINANCIAL PLANNING

During the year Funds under Advice grew from $1.54 billion in June 2015 to $1.82 billion in June 2016 as financial planner numbers, net inflow and financial markets lifted. Fiducian expects the highest level of compliance and client service from its financial planning network. Even though the generation of higher inflows is important, our commitment is to quality. As such, our extensive internal training program continues and differentiates our financial planners from the marketplace and enables them to deliver superior quality advice in a compliant manner. As a consequence and despite financial market volatility, client retention remains high.

Going forward, our focus will remain on generating inflows through organic growth and inorganic growth. This implies further acquisitions of financial planning client bases that satisfy our strict quality criteria and as well, expanding the franchisee network so we can continue to assist clients who wish to achieve their financial and lifestyle goals.

SALARIED OFFICES

Company owned offices with salaried financial planners are based in New South Wales, Victoria, Western Australia, Queensland and Tasmania and continue to contribute to overall results. Salaried offices now comprise over 54.3% of funds under advice. Acquisitions made continue to assimilate into our existing presence in Tasmania, Queensland and New South Wales and should add to our results in future years.

FRANCHISED OFFICES

Franchised offices now comprise around 45.7% of our funds under advice. Another two franchisees were added during the financial year resulting in a total of 33 franchised financial planners nationally whom we continue to assist through practice development. In addition, referral arrangements continue to be initiated with accountants, some of whom are showing an interest in holistic financial planning given regulatory changes to Self-Managed Super Funds and financial planning advice. As a consequence two accounting practices have joined our 'Associate' franchisee program which aims to convert them to a full operating franchise when educational and training programs are completed.

PLATFORM ADMINISTRATION

Platform Administration offers portfolio wrap administration for superannuation and investment services to financial planners. The hallmark of the Fiducian administration offering is quality in terms of daily processing, accuracy and customer service.

FUNDS UNDER ADMINISTRATION

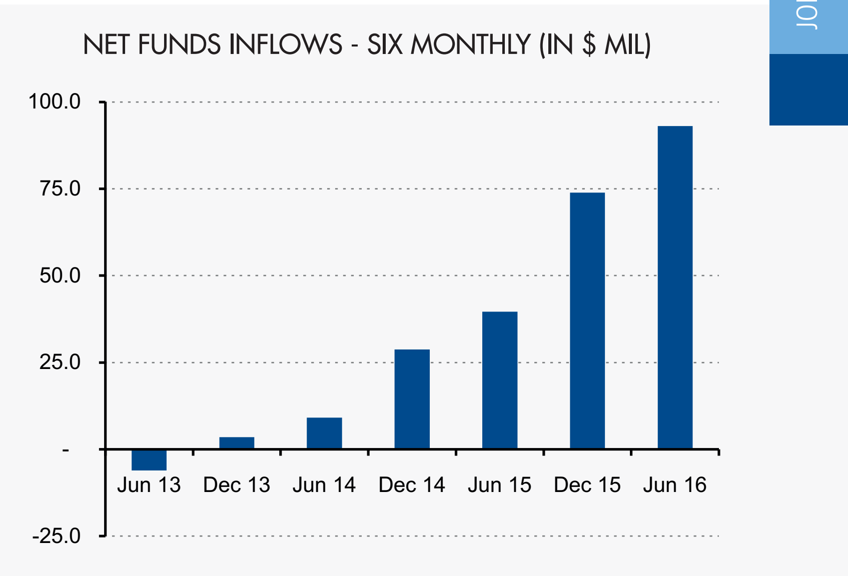
Funds under administration increased in total by 12.8% to $1.32 billion (2015: $1.17 billion).

We have experienced strong growth in Net Fund inflows driven by our salaried and franchisee financial planners (see graph above). We expect this positive trend to continue.

INDEPENDENT FINANCIAL PLANNERS (IFAs)

Funds under administration for IFAs are around 9.0% of total funds under administration. Some IFAs have sold their businesses to other dealer groups, which generally have their own recommended product lists and platform arrangements which can result in funds being withdrawn from Fiducian. The bulk of our withdrawals are from IFAs, but we believe that the rate of IFA withdrawals has slowed as many of their clients have been with Fiducian for a long time. Efforts are underway to build new relationships and net inflow from non-aligned financial planner groups. Our full service offer, comprising systems, platforms, investments and training could allow a non-aligned small dealer with a Fiducian relationship to become competitive against large scale financial planning dealer groups.

In addition, the Board has directed that a concerted effort be made to try and enter the market providing administration services to Independent Financial Advisers (IFA) many of whom are using our competitors administration platforms.



FUNDS MANAGEMENT

Fiducian manages clients' investments through its Manage the Manager system of investing. We carefully select a range of investment managers and blend them in our funds to advise on or manage this money through mandates or their funds. In this way, we seek to deliver above average returns over the short to medium term and deliver superior returns, compared with our peers, over the longer term.

The process also has the potential to reduce volatility while providing liquidity and transparency.

There were some notable performances over the last year for our flagship diversified funds. The performances of these funds to end of June 2016 are reported in the Morningstar Investment Performance Survey. The Growth and Balanced Funds were ranked 2nd and 4th out of 194 funds, the Capital Stable Fund was ranked 20th out of 122 funds and the Ultra Growth Fund was ranked 5th out of 127 funds on the survey. Over the last ten years, thirty seven annualised returns are reported for them of which thirty six results were ranked in the top quartile against Australian and International investment managers. This is a rare achievement.

BUSINESS SERVICES

Fiducian Business Services (FBS) is our subsidiary established to provide support to accountants for bookkeeping, accounts preparation and Self-Managed Superannuation Fund administration. It now has two accounting practices which operate as Fiducian Accountants & Business Advisers (FABA) in New South Wales and Queensland. Cross referrals of our financial planning clients needing accounting help and our accounting clients needing financial planning help further supports Fiducian's value proposition of service to all our clients. Our Self-Managed Superannuation Fund administration facility has been showing steady growth in the number of funds administered and additional staff have been appointed to maintain service quality.

INFORMATION TECHNOLOGY

Fiducian Information Technology division has been busy with enhancements and delivering straight through processing functionality to FasTrack our administration system which provides greater control, efficiency and substantial cost savings and as well, opens up new business opportunities. These improvements are now in place and provide integration with our on-line reporting tools and financial planning software FORCe which is licensed to our aligned financial planning groups. Further improvements towards electronic application and processing are currently being developed.

HUMAN RESOURCES

MANAGEMENT AND STAFF

A number of staff changes occurred during the year, some through retirement and some through a career change. Key persons have been replaced by equally competent and energetic managers. Staff numbers have grown as advised above so has the management team on whom we place a great deal of reliance. Effective reporting processes are in place for all subsidiaries which enhances Group Board oversight of our business activities. Key performance indicators have been documented for management in each area of the business to monitor their performance.

PLANNERS COUNCIL, IT AND PLATFORM USER GROUPS

The Planners Council is drawn from our supporting financial planners and has again made a significant contribution to the company during the past year. It continues to fulfill its role as a sounding board for the company's management and Boards and is a valuable resource and forum to allow financial planners to alert the company to issues that may need consideration.

The IT User Group and the Platform User Group again deserve commendation for their contributions to the developments and enhancements to our financial planning software (FORCe), on-line reporting tool (Fiducian Online) and platform administration system (FasTrack).

Fiducian Professional Development Day, July 2016

BOARD OF DIRECTORS

The Board of directors is working constructively to evaluate and support management's recommendations for the company. The Business Plan for the year ahead has identified measures to lift profits including by acquisitions. Future performance can also be influenced by continuing strength in financial markets and decisive political leadership. Management remains committed to achieving the goals and objectives set down in the plan.

Mr Chris Stone, who is due for re-election at the next AGM, has advised that he will not be seeking such reappointment by Shareholders. Chris has contributed

Inderjit (Indy) Singh, *Managing Director* & Robert Bucknell, *Chairman* to the development of the Group over the past 6 years and the remaining Directors wish him well in his ongoing business activities.

As a result ,Mr. Sam Hallab is currently a member of the Fiducian Trustee Board and has been appointed to the FGL Board in advance to replace Chris. He is a Bachelor of Economics majoring in accounting and law and is experienced in audit and risk management, finance, investment and operations of the superannuation and investment industry. We believe that he will adequately fill the vacancy that will be left by Chris. His election at the AGM will be supported by all Directors.

COMMUNITY SUPPORT

Fiducian continues to raise funds for charity. Sponsorship has also been extended to community organisations and sporting teams linked to our planning network. Vision Beyond AUS, a charity supported by the Fiducian Group, has grown to now assist hospitals at eight locations spread out over India, Myanmar, Nepal and Cambodia. Over 18,000 persons who live in abject poverty have now had their eyesight restored. We intend to continue our charitable support to the community.

Vision Beyond AUS funded surgery in Battambang, Cambodia

CURRENT ECONOMIC AND MARKET ENVIRONMENT

Our economic analysis indicates that although there was some slowing of global activity early in calendar 2015 the general economic activity seems to be steadily improving. Widespread implementation of expansionary monetary stimulus has also dispelled the threat of deflation. Interest rates remain at record lows and sharp declines in the price of oil, in particular, could support domestic expenditure in developed economies.

In Australia, the Federal Budget lifted business confidence with its tax support to small business. Unfortunately elevated corporate tax rates, a high minimum wage rate and rising electricity prices which are holding back the economy may not be resolved in a hung senate following the recent elections.

On the world scene, we feel that the US should strengthen in 2016-17 and support world growth. China and India should also continue to grow and support global growth. On the other hand, share markets now appear modestly valued and some declines have occurred already while the spectre of an interest rate rise in the US remains. Interest rates remain low and even though some developed nations offer negative yields to investors in fixed interest securities, the mountain of cash continues to build. This environment sets the scene for potentially some renewed confidence in global economic activity and it could only be a matter of time before some of the cash on the sidelines returns to invest in the share markets.

As always, we recommend that investors should consult a Fiducian financial planner to develop a financial plan with a diversified investment strategy that could help them achieve their financial goals.

OUTLOOK

The Board expects profit growth to continue steadily in the coming year as management focuses on realising the full potential of financial planning, platform administration, investment management, information technology and business/accounting services. The foundations of our business pillars are solid and growth strategies are in place by building scale on existing capacity and leveraging its relatively fixed cost base.

The revenue from recent business acquisitions has started to be received and should benefit the bottom line in this financial year. Additionally synergy benefits from these businesses are expected.

Expenditure controls and profits remain a priority. The Board intends to continue to build scale and maintain its acquisition and distribution growth strategy to deliver consistent double digit earnings growth in coming years.

We would like to thank all participants for their individual contributions to the growth and success of Fiducian in what has been an eventful yet successful year.

Robert Bucknell
Chairman

15 August 2016

Inderjit (Indy) Singh
Managing Director

15 August 2016

CORPORATE DIRECTORY

DIRECTORS

R Bucknell FCA
Chairman

I Singh CFP, BTech, MComm (Bus), ASIA, ASFA, Dip. FP
Managing Director

F Khouri B Bus, FCPA, CTA

C Stone B Comm, LLB, LLM, CA, ACIS

S Hallab B Ec (Accnt & Law), CA, GAICD, FAIST

SECRETARY

I Singh CFP, BTech, MComm (Bus), ASIA, ASFA, Dip. FP

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of
Fiducian Group Limited

Will be held at Level 4, 1 York Street, Sydney.

Time: 10:00 am

Date: Thursday 20 October 2016

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Level 4
1 York Street
Sydney NSW 2000
(02) 8298 4600

WHOLLY OWNED OPERATING ENTITIES

Fiducian Business Services Pty Limited

Fiducian Financial Services Pty Limited

Fiducian Investment Management Services Limited

Fiducian Portfolio Services Limited

Fiducian Services Pty Limited

SHARE REGISTER

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

AUDITOR

PricewaterhouseCoopers
Chartered Accountants
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

BANKERS

Westpac Banking Corporation
275 Kent Street
Sydney NSW 2000

ANZ Banking Group
833 Collins Street
Melbourne VIC 3000

AUSTRALIAN SECURITIES EXCHANGE LISTING

Fiducian Group Limited (ASX:FID)

WEBSITE ADDRESS

www.fiducian.com.au

DIRECTORS' REPORT

Tasmania

Office Locations

Devonport
Launceston
Hobart

Your directors present their report on the Fiducian Group Limited ("the Company") and its wholly owned operating entities (referred to hereafter as the Group) for the year ended 30 June 2016.

DIRECTORS

The following persons were directors of Fiducian Group Limited during the financial year and up to the date of this report:

R Bucknell

I Singh

F Khouri

C Stone

S Hallab (Appointed 12 August 2016)

Mr C Stone who is due for re-election at the next Annual general meeting on 20 October 2016, has advised that he will not be seeking reappointment by shareholders. As a result, Mr S Hallab, who is currently a member of the Fiducian Trustee Board, has been appointed to the board of the Company to replace Mr C Stone.

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the Group consisted of:

(a) Operating an Investor Directed Portfolio Service and Managed Discretionary Account service, through its wholly owned subsidiary, Fiducian Investment Management Services Limited

(b) Acting as the Trustee of Fiducian Superannuation Service through its wholly owned subsidiary, Fiducian Portfolio Services Limited

(c) Acting as the Responsible Entity of Fiducian Funds through its wholly owned subsidiary, Fiducian Investment Management Services Limited

(d) Providing specialist financial planning services through its wholly owned operating subsidiary, Fiducian Financial Services Pty Limited

(e) Providing accountancy resource services through its wholly owned operating subsidiary, Fiducian Business Services Pty Limited

(f) Providing administration and professional services to the Group through its wholly owned subsidiary, Fiducian Services Pty Limited.

DIVIDENDS FIDUCIAN GROUP LIMITED

Dividends paid to members during the financial year were as follows:-

	2016	2015
	$'000	$'000
Final ordinary fully franked dividend for the year ended 30 June 2015 of 5.50 cents (2014: Fully franked 5.00 cents) per share paid on 24 September 2015.	1,706	1,538
Interim ordinary fully franked dividend for the year ended 30 June 2016 of 5.50 cents (2015: Fully franked 4.50 cents) per share paid on 14 March 2016.	1,711	1,390
Total dividends in the year	3,417	2,928

In addition to the above, since the end of the financial year, the directors of the parent entity, Fiducian Group Limited have declared a final fully franked dividend for the year ended 30 June 2016 of 7.00 cents per ordinary share held at 29 August 2016 and payable on 12 September 2016.

REVIEW OF OPERATIONS

A summary of consolidated revenues and results by significant industry segments is set out below:-

	SEGMENT REVENUES		SEGMENT RESULTS	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Funds Management	10,579	2,011	4,501	1,280
Superannuation	6,544	15,673	6	2,576
Financial Planning	13,228	11,470	23	1,522
Administration	13,224	3,571	4,251	1,296
Business Services	974	1,142	(405)	(81)
Intersegment Sales	(9,098)	(7,615)		
	35,451	26,253		
Profit from ordinary activities before income tax expenses			8,376	6,593
Income tax expenses			(2,537)	(1,971)
Net profit attributable to members of Fiducian Group Limited			5,839	4,622

Following the restructure of the group on 1 March 2015 the business activities of the group have been significantly re-aligned year on year. This resulted in creation of Funds Management, Superannuation and Administration segments which were reported together as Platform segment prior to the restructure. In the current year, the activities for Funds Management, Superannuation and Administration are reported under the respective segments. Details for the segments are provided in Note 3 of the Financial Statements.

COMMENTS ON OPERATIONS AND RESULTS

Comments on the operations, business strategies, prospects and financial position are contained in the joint report of the Chairman and Managing Director.

SHAREHOLDER RETURNS

The valuation of investment funds has improved substantially during the year and favourably impacted the management fees received by the Fiducian Group, as fully detailed in the joint report of the Chairman and Managing Director. This has enabled Fiducian to increase profit for the second half of the year and declare a dividend distribution of 7.00 cents per share, bringing the full year dividend to 12.50 cents per share.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year the Group acquired eight financial planning practices and their portfolio of clients were transferred to Fiducian Financial Services Pty Ltd progressively during the financial year.

The contributed equity of the Group increased during the year following the issue of $489,000 fully paid ordinary shares towards the part payment for two of the financial planning practice acquisitions.

The Group also de-registered two of its dormant subsidiaries during the financial year. Other than these, there were no significant changes in the state of affairs of the Group.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to the end of the financial year the Group has issued 53,513 fully paid ordinary shares at $2.29 on 1 July 2016 towards payment of an installment under the terms of the contract of acquisition of a financial planning practice mentioned above. To the date of this report, the Group has not bought back any shares.

Other than the issue of shares mentioned above and the appointment of a new director mentioned earlier in this report, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely in the opinion of the directors of the Group, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Group in subsequent years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Chairman and Managing Director have commented on expected results of operations in their Joint Report. Other than this, there are no likely developments that may have significant impact on the expected results of operation of the Group.

ENVIRONMENTAL REGULATION

The Group is not subject to significant environmental regulations under a Commonwealth, State or Territory law.

EMPLOYEE DIVERSITY

Fiducian is proud to be an equal opportunity employer. It endorses diversity and currently has a number of employees that bring different skill-sets from their countries of origin. We recognise that diversity includes, but is not limited to gender, age, ethnicity and cultural backgrounds. Our diversity policy encourages persons of different gender, ethnic backgrounds, ages and skills to participate and receive recognition, reward and authority commensurate with their performance. Employees are comprised of staff from over 20 countries of origin, 29% over 55 years, and 47% female with 32% in senior roles.

KEY MANAGEMENT PERSONNEL DISCLOSURES

(A) DIRECTORS

The following persons were directors of Fiducian Group Limited during the financial year:

Chairman (non-executive)	R Bucknell
Executive director	I Singh - Managing Director
Non-executive directors	F Khouri
	C Stone
	S Hallab (Appointed 12 August 2016)

(B) INFORMATION ON DIRECTORS

R Bucknell FCA. Chairman – non executive.

Experience and expertise

Chairman since inception in 1996. Extensive experience in accounting and business management over the past 50 years as a Chartered Accountant.

Other current directorships in listed entities

None

Former directorships in the last 3 years in listed entities

Fiducian Portfolio Services Limited, which was de-listed on the ASX on 24 February 2015 at the time of restructure.

Special responsibilities

Chairman of the Group, the Remuneration Committee, and the Group Audit Risk and Compliance Committee.

Interest in shares and options

800,000 ordinary shares in Fiducian Group Limited.

I Singh CFP, BTech, MComm (Bus), ASIA, ASFA, Dip. FP. Managing Director.

Experience and expertise

Founder and Managing Director since inception in 1996. General Management and hands-on experience in the investment of savings and superannuation funds over the past 27 years.

Other current directorships in listed entities

None

Former directorships in the last 3 years in listed entities

Fiducian Portfolio Services Limited, which was de-listed on the ASX on 24 February 2015 at the time of restructure.

Special responsibilities

Managing Director

Interest in shares and options

10,423,851 ordinary shares in Fiducian Group Limited.

100,000 options for ordinary shares in Fiducian Group Limited

F G Khouri B Bus, FCPA, CTA Independent non-executive director

Experience and expertise

Appointed to the Board 6 July 2007. Public accountant, registered company auditor, financial planner and business adviser since 1976 to small and medium enterprises, currently as a partner in the firm HG Khouri & Associates.

Other current directorships in listed entities

None

Former directorships in the last 3 years in listed entities

Fiducian Portfolio Services Limited, which was de-listed on the ASX on 24 February 2015 at the time of restructure but remains a director of the unlisted entity.

Special responsibilities

Member of the Audit Risk and Compliance Committees for both the Group and Trustee Company for Superannuation member of the Group and Trustee Remuneration Committees, and member of the board of the Trustee Company, Fiducian Portfolio Services Ltd.

Interest in shares and options

251,373 ordinary shares in Fiducian Group Limited

C H Stone B Comm/LLB, LLM, CA, ACIS Independent non-executive director

Experience and expertise

Appointed to the Board 3 March 2010. Practicing lawyer, holding senior legal and/or legal compliance roles in local and global financial services organizations, with 26 years experience. 11 years experience as a Chartered Accountant dealing with taxation and superannuation matters.

Other current directorships in listed entities

None

Former directorships in the last 3 years in listed entities

Fiducian Portfolio Services Limited, which was de-listed on the ASX on 24 February 2015 at the time of restructure.

Special responsibilities

Member of the Group Audit Risk and Compliance Committee and member of the Group Remuneration Committee.

Interest in shares and options

33,700 ordinary shares in Fiducian Group Limited.

S Hallab

Mr Hallab was appointed to the board after the end of the financial year and therefore he has not been included for the purposes of the disclosures relating to the Key Management Personnel or the Remuneration Report.

(C) COMPANY SECRETARY

The company secretary is Mr I Singh CFP, M Comm. (Bus), ASIA, ASFA, Dip. FP. Mr. Singh has been the secretary since inception in 1996, and is supported by legal general counsel employed by Fiducian.

(D) MEETINGS OF DIRECTORS

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2016, and the numbers of meetings attended by each director were:-

	MEETINGS OF DIRECTORS		MEETINGS OF COMMITTEES			
	BOARD		AUDIT RISK & COMPLIANCE		REMUNERATION	
	A	B	A	B	A	B
R Bucknell	4	4	8	8	1	1
I Singh	4	4	-	-	-	-
F Khouri	4	4	8	8	1	1
C Stone	4	4	8	8	1	1

A = Number of meetings attended.
B = Number of meetings held during the time the director held office or was a member of the committee during the year.

(E) OTHER KEY MANAGEMENT PERSONNEL

Mr I Singh as Managing Director of Fiducian Group Limited, had authority for and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year ended 30 June 2016. This authority and responsibility is unchanged from the previous year.

(F) REMUNERATION REPORT

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and the amount of remuneration

B Details of remuneration

C Service agreements

D Share-based compensation

E Additional information

The information provided under headings A - E includes remuneration disclosures that are required under Australian Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been included in the Director's Report and have been audited.

A - Principles used to determine the nature and the amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders, and conforms to market practice for delivery of reward. The Board seeks to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management

(a) Non-executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. Non-executive directors are no longer entitled to options under the Employee and Director Share Option Plan.

Directors' fees

The current base remuneration was last reviewed in July 2016. The Chairman and other independent directors are paid a fixed fee for participation in Board and Committees meetings plus a fee based on time spent on any additional matters as approved by the Board. Directors with earnings derived from business placed with the Group may also receive remuneration as financial planners. The Chairman's fixed fee is higher than other non-executive directors based on comparative roles, time and fees in the external market.

Non-executive directors' fees for the Company are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum pool is proposed at $450,000 a year and approval is being sought from shareholders at the Annual General Meeting on 20 October 2016 for this increase from the current level of $350,000.

Retirement allowance for directors

There are no retirement allowances for non-executive directors other than superannuation accumulation arising from any contributions made for them.

(b) Executive Director

Remuneration and other terms of employment for the Managing Director are formalised in a service agreement. The Managing Director's agreement provides for the provision of performance based cash bonuses and, where eligible, participation in the Employee and Director Share Option Plan. Other major provisions of the agreement are set out below:

- I Singh, *Managing Director*
- Term of agreement - until 30 June 2019
- Base salary, inclusive of superannuation and salary sacrifice benefits
- Death and TPD/Trauma cover
- Short term performance incentives
- Long term incentives through the Fiducian Group Limited Employee and Director Share Option Plan, and
- Retirement benefits

The combination of these comprises the executive's total remuneration package.

An external remuneration consultant advises the Remuneration Committee, at least every 3 years, to ensure that the Group has structured an executive remuneration package that is market competitive and complimentary to the reward strategy of the organisation. Their most recent review was in June 2015.

Base salary

Mr Singh receives a base pay that comprises the fixed component of pay and the potential for rewards, which reflects the market value for his role. The base salary is reviewed annually by the Remuneration Committee at the commencement of each financial year.

There are no guaranteed base pay increases fixed in the executive's contract.

Benefits

Executive benefits include TPD/ Trauma insurance cover of $0.2 million.

Short-term incentives

Mr Singh is entitled to a discretionary cash performance bonus of up to 20% of his total package as assessed by the Remuneration Committee against performance indicators and objectives set by the Board. It is limited to being met within the budget or out of over-budget financial performance.

Long-term incentives

Mr Singh is entitled to a discretionary performance bonus of up to 100,000 options per year determined as at 30 June each year, based on the following measures:

- the Company's pre-tax profit OR
- the 30 day average of June market value for ordinary shares in the company increasing by at least 15% over the previous year

The options are issued under the company's ESOP at the rate of 5,000 options for each 1% increase in annual profit in excess of 15% or 5000 options for each 1% increase in the 30 day average for June market value for ordinary shares in the Company whichever is higher and only after approval by the shareholders of the Company.

Retirement benefits

Retirement benefits are delivered under the Fiducian Superannuation Service. This fund provides accumulation benefits based on the SGC contributions by the specified executive, on commercial terms and conditions. Other retirement benefits may be provided directly by the Group only if approved by the shareholders. Payment of a termination benefit on early termination by the Managing Director or by mutual consent is equal to 6 months of the gross annual remuneration.

B - Details of remuneration

The key management personnel of the Group were the following executive and non-executive directors during the year:

- R Bucknell Chairman
- I Singh Managing Director & Company Secretary
- F Khouri Non- executive Director
- C Stone Non-executive Director

Amounts of remuneration

Details of the remuneration of the key management personnel are set out in the following table:-

2016	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS		SHARE-BASED PAYMENT	
NAME	CASH SALARY & FEES	CASH BONUS	NON-MONETARY BENEFITS	SUPERANNUATION	RETIREMENT BENEFITS	OPTIONS	TOTAL
	$	$	$	$	$	$	$
Non-executive directors							
R Bucknell[1,2] (Chairman)	108,000	-	-	-	-	-	108,000
F Khouri[3]	91,735	-	-	8,715	-	-	100,450
C Stone	43,927	-	-	4,173	-	-	48,100
Executive directors							
I Singh[4]	490,692	25,000	16,724	19,308	-	25,071	576,795
Totals	734,354	25,000	16,724	32,196	-	25,071	833,345

[1] Excludes GST if paid to another firm

[2] Including amounts paid to the director's company only in respect to director's duties

[3] This excludes fees of $210,088 for financial planning services paid to companies in which Mr Khouri has an interest in his capacity as a financial planner

[4] Under the terms of his employment Mr I Singh is entitled to 100,000 options in respect of the year ended 30 June 2016. These are subject to approval at the Annual General Meeting. Non-monetary benefits relate to premium paid by the Company for TPD insurance.

2015	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS		SHARE-BASED PAYMENT	
NAME	CASH SALARY & FEES	CASH BONUS	NON-MONETARY BENEFITS	SUPERANNUATION	RETIREMENT BENEFITS	OPTIONS	TOTAL
	$	$	$	$	$	$	$
Non-executive directors							
R Bucknell[1,2] (Chairman)	123,000	-	-	-	-	-	123,000
F Khouri[3,4]	80,539	-	-	7,651	-	-	88,190
C Stone	76,031	-	-	8,132	-	-	84,163
Executive directors							
I Singh[5]	450,217	-	14,670	18,784	-	-	483,671
Totals	729,787	-	14,670	34,567	-	-	779,024

[1] Excludes GST if paid to another firm

[2] Including amounts paid to the director's company only in respect to director's duties

[3] This excludes fees of $211,179 for financial planning services paid to companies in which Mr Khouri has an interest in his capacity as a financial planner

[4] Non-executive directors fees increased due to the ongoing implementation of the new APRA prudential standards together with time costs related to the restructure of the Group during 2015

[5] Mr I Singh was not entitled to any options in respect of the year ended 30 June 2015. Non-monetary benefits relate to premium paid by the Company for TPD insurance

C - Service agreements and induction process

The service agreement of the Executive Director is detailed in paragraph A(b) earlier. There are no service agreements with non-executive directors or employees.

In preparation for appointment to the Board, all non-executive directors undergo an induction program and receive an induction pack of documents necessary for them to understand Fiducian's charters, policies, procedures, culture and ethical values to enable new directors to carry out their duties in an effective and efficient manner.

D - Share-based compensation

(i) Option compensation and holdings

Options over shares in Fiducian Group Limited are granted under the Employee and Director Share Option Plan, which was approved by shareholders on 28 July 2000. The plan is described under Note 25.

The numbers of options for ordinary shares in the Company held directly by directors of Fiducian Group Limited and details of options for ordinary shares in the Company provided as remuneration to the key management personnel of the Group are set out below.

2016						
NAME	BALANCE AT THE START OF THE YEAR	EXERCISED	GRANTED DURING THE YEAR AS REMUNERATION[1]	LAPSED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE
I Singh	100,000	-	-	-	100,000	100,000

[1] Under the terms of his employment Mr I Singh is entitled to 100,000 options relating to the current year. These are subject to approval at the annual general meeting, therefore it has not been included in the table.

2015						
NAME	BALANCE AT THE START OF THE YEAR	EXERCISED	GRANTED DURING THE YEAR AS REMUNERATION[1]	LAPSED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE
I Singh	140,000	140,000	100,000	-	100,000	-

[1] Options granted during the year are in respect of the entitlement relating to the year ended 30 June 2014

(ii) Share holdings

The numbers of shares in the Company held by current directors of Fiducian Group Limited, including their personally related and associated entities, are set out below. No shares were granted during the period as compensation.

2016				
NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
I Singh	10,373,764	-	50,087	10,423,851
R Bucknell	800,000	-	-	800,000
F Khouri	251,373	-	-	251,373
C Stone	33,700	-	-	33,700

2015				
NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OPTIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
I Singh	10,162,512	140,000	71,252	10,373,764
R Bucknell	800,000	-	-	800,000
F Khouri	251,373	-	-	251,373
C Stone	23,700	-	10,000	33,700

Shares provided on exercise of options

No ordinary shares in the Company were provided as a result of the exercise of remuneration options to a director of Fiducian Group Limited during the period (2015: 100,000). No amounts are unpaid on any shares issued on the exercise of options.

E Additional information

Principles used to determine the nature and amount of remuneration: relationship between remuneration and company performance

The overall level of executive reward takes into account the performance of the Group over a number of years, with greater emphasis given to the current and previous year. For the current year ended 30 June 2016 there has been a small increase in the base salary of the Managing Director. Cash bonuses granted in respect of the current financial year ended on 30 June 2016 is $25,000 (2015: Nil) and the grant of options entitlements have been only in accordance with the incentive programs. The Managing Director is entitled to 100,000 options in respect of the current year ended 30 June 2016 (2015: Nil options).

DIRECTOR'S SUPERANNUATION

The executive director has superannuation monies invested in Fiducian Superannuation Service. These monies are invested subject to the normal terms and conditions applying to this superannuation fund.

LOANS TO DIRECTORS

No loans were made to directors during the financial year (2015: Nil).

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

A director, Mr R Bucknell, is a director of Hunter Place Services Pty Ltd, a Company which provides his services as a director to the company.

A director, Mr F Khouri, is an authorised representative under the Fiducian Financial Services Pty Ltd Australian Financial Services Licence and is a director and shareholder of Hawkesbury Financial Services Pty Ltd, which is a franchisee of Fiducian Financial Services Pty Ltd. Hawkesbury Financial Services Pty Ltd places business with and receives remuneration from the company for financial planning services. All transactions are on normal commercial terms and conditions.

A director, Mr. C Stone, was paid director's fees for his personal contribution to the Board.

Aggregate amounts of each of the above types of other transactions with directors of Fiducian Group Limited:-

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Amount recognised as expense:-		
Directors' fees and committee fees	256,550	295,353
Financial planning remuneration paid and payable	210,088	211,179
	466,638	506,532

SHARES UNDER OPTION

Unissued ordinary shares of Fiducian Group Limited under option at the date of this report are disclosed in Note 25 of financial report.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity until after the exercise of the option.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

The details of ordinary shares of Fiducian Group Limited issued during the year in respect of 2016 and 2015 years on the exercise of options granted under the Fiducian Group Limited Employee & Director Share Option Plan are disclosed under Note 26 to the Financial Statements.

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Constitution of Fiducian Group Limited provides the following indemnification of officers:

- To indemnify officers of the Company and related bodies corporate to the maximum extent permitted by law.
- To allow the Company to pay a premium for a contract insuring directors, the secretary and executive officers of Fiducian Group Limited and its related bodies corporate. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in the capacity as officers of the company or a related body corporate.

No liability has arisen under these indemnities as at the date of this report.

During the year Fiducian Group Limited paid a premium under a combined policy of insurance for liability of officers of the Company and related bodies corporate, professional indemnity and crime. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of the liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

The officers of the company covered by the insurance policy include the current and previous directors: R Bucknell, I Singh, F Khouri, C Stone, other officers of Fiducian Group Limited and independent members of the Compliance and Investment Committees, B Lacey and M Devlin.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the Corporations Act 2001.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or Group are important.

The board of directors is satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants

The fees paid or payable for services provided during the year by the auditor (PricewaterhouseCoopers) of the parent entity, its related practices and non-related audit firms, are shown in Note 27 to the consolidated financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 27.

ROUNDING OF AMOUNTS

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

AUDITOR

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

CORPORATE GOVERNANCE

A description of the Group's current corporate governance practices is available on the Group's website and can be viewed at http://www.fiducian.com.au/linkref/corporate_governance_statement.pdf.

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

Inderjit (Indy) Singh
Managing Director

Sydney,
15 August 2016

AUDITOR'S INDEPENDENCE DECLARATION

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Fiducian Group Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

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

Craig Stafford
Partner

Sydney
15 August 2016

__PricewaterhouseCoopers, ABN 52 780 433 757__
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SHAREHOLDER INFORMATION

A. DISTRIBUTION OF EQUITY SECURITY HOLDERS BY SIZE OF HOLDING

Analysis of numbers of equity security holders by size of holding, as at 1 August 2016

DISTRIBUTION	OPTION HOLDERS	ORDINARY SHARE HOLDER
1 - 1,000	-	102
1,001 - 5,000	-	346
5,001 - 10,000	-	120
10,001 - 50,000	-	149
50,001 - 100,000	1	25
100,001 - and over	-	28
Total holders	1	770

There were 12 holders of a less than marketable parcel of ordinary shares.

B. EQUITY SECURITY HOLDERS

TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The names of the 20 largest registered shareholders of quoted equity securities as at 1 August 2016, are listed below

	NAME	NUMBER HELD	PERCENTAGE OF ISSUED SHARES
1	INDYSHRI SINGH PTY LIMITED	8,795,933	28.22%
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,202,448	7.07%
3	LONDON CITY EQUITIES LIMITED	1,759,897	5.65%
4	SHRIND INVESTMENTS PTY LTD (INDYSHRI SUPER FUND A/C)	1,627,918	5.22%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,236,809	3.97%
6	NATIONAL NOMINEES LIMITED	1,221,782	3.92%
7	CITICORP NOMINEES PTY LIMITED (COLONIAL FIRST STATE INV A/C)	969,672	3.11%
8	NORCAD INVESTMENTS PTY LTD	815,500	2.62%
9	HUNTER PLACE SERVICES PTY LTD	800,000	2.57%
10	CITICORP NOMINEES PTY LIMITED	685,425	2.20%
11	D R SMITH HOLDINGS PTY LTD	593,689	1.91%
12	MR VICTOR JOHN PLUMMER	500,000	1.60%
13	MR IVAN TANNER + MRS FELICITY TANNER (THE SUPERNATURAL S/F A/C)	377,500	1.21%
14	BNP PARIBAS NOMS (NZ) LTD	352,000	1.13%
15	GARRETT SMYTHE LTD	339,000	1.09%
16	BOND STREET CUSTODIANS LIMITED (GANES VALUE GROWTH A/C)	223,509	0.72%
17	H F R PTY LTD (THE F & M KHOURI S/FUND A/C)	199,187	0.64%
18	BNP PARIBAS NOMS PTY LTD	191,920	0.62%
19	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD (CUSTODIAN A/C)	172,511	0.55%
20	CUSTODIAL SERVICES LIMITED (BENEFICIARIES HOLDING A/C)	172,230	0.55%
		23,653,209	75.90%

UNQUOTED EQUITY SECURITIES

As at 1 August 2016

TYPE OF SECURITY	NUMBER ON ISSUE	NUMBER OF HOLDERS
Options - Managing Director	100,000	1
	100,000	1

C. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders and associates as at 1 August 2016 (more than 5% of a class of shares) in the Company are set out below

NAME	NUMBER HELD	PERCENTAGE
INDYSHRI SINGH PTY LIMITED and associates	10,423,851	33.44%
J P MORGAN NOMINEES AUSTRALIA LIMITED	2,202,448	7.07%
LONDON CITY EQUITIES LIMITED	1,759,897	5.65%

D. VOTING RIGHTS

The voting rights attached to each class of equity securities are set out below:-

ORDINARY SHARES

On a show of hands each holder of ordinary shares has one vote and upon a poll one vote for each share held

OPTIONS

No voting rights

FINANCIAL STATEMENTS

Victoria

Office Locations

Berwick	North Melbourne	St Kilda
Chadstone	Sale	Surrey Hills

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	NOTES	CONSOLIDATED	
		2016	2015
		$'000	$'000
Revenue from ordinary activities	**4**	35,108	25,918
Other Income	**5**	343	335
Payments to advisers and service providers		(9,385)	(5,715)
Employee benefits expense		(11,731)	(10,740)
Depreciation and amortisation expense	**6(a)**	(1,297)	(860)
Other expenses	**6(b)**	(4,662)	(2,345)
Profit before income tax expense		8,376	6,593
Income tax expense	**7**	(2,537)	(1,971)
Profit for the year	**23**	5,839	4,622
Other comprehensive income for the full year, net of tax		-	-
Total comprehensive income for the year		5,839	4,622
Profit is attributable to:			
Owners of Fiducian Group Limited		5,839	4,622
		5,839	4,622
Earnings per share	**31**		
Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share (in cents)		18.81 cents	14.99 cents
Diluted earnings per share (in cents)		18.77 cents	14.93 cents

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	NOTES	CONSOLIDATED	
		2016	2015
		$'000	$'000
ASSETS			
Current assets			
Cash and cash equivalents	**9**	9,691	12,374
Trade and other receivables	**10**	3,951	3,747
Total Current Assets		13,642	16,121
Non-current assets			
Receivables	**11**	3,479	3,491
Property, plant and equipment	**14**	298	388
Intangible assets	**16**	16,271	8,770
Total Non-Current Assets		20,048	12,649
Total assets		33,690	28,770
LIABILITIES			
Current liabilities			
Trade and other payables	**17**	6,624	5,647
Current tax liabilities	**18**	835	1,462
Total Current Liabilities		7,459	7,109
Non-current liabilities			
Net deferred tax liabilities	**19**	1,766	123
Provisions	**20**	338	347
Total Non-Current Liabilities		2,104	470
Total liabilities		9,563	7,579
Net assets		24,127	21,191
EQUITY			
Contributed equity	**21**	6,855	6,366
Reserves	**22**	67	42
Retained profits	**23**	17,205	14,783
Total equity		24,127	21,191

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2016

	NOTES	CONTRIBUTED EQUITY	RESERVES $'000	RETAINED EARNINGS	TOTAL
		$'000	$'000	$'000	$'000
Balance as at 30 June 2014		6,236	26	13,089	19,351
Profit for the year		-	-	4,622	4,622
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	4,622	4,622
Transactions with equity holders in their capacity as equity holders					
Buy-back of shares	**21**	(26)	-	-	(26)
Dividends provided for or paid	**8**	-	-	(2,928)	(2,928)
Shares issued on exercise of options		156	-	-	156
Options expense	**22**	-	16	-	16
Total transactions with equity holders		130	16	(2,928)	(2,782)
Balance as at 30 June 2015		6,366	42	14,783	21,191
Profit for the year		-	-	5,839	5,839
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	5,839	5,839
Transactions with equity holders in their capacity as equity holders					
Buy-back of shares	**21**	-	-	-	-
Dividends provided for or paid	**8**	-	-	(3,417)	(3,417)
Shares issued for acquisition of business		489	-	-	489
Options expense	**22**	-	25	-	25
Total transactions with equity holders		489	25	(3,417)	(2,902)
Balance as at 30 June 2016		6,855	67	17,205	24,127

The above 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 2016

		CONSOLIDATED	
	NOTES	2016	2015
		$'000	$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		38,098	27,908
Payments to suppliers and employees (inclusive of goods and services tax)		(29,402)	(19,708)
		8,696	8,200
Interest received		343	313
Income taxes (paid) / refunded		(3,496)	(2,006)
Net cash inflow from operating activities	**30**	5,543	6,507
Cash flows from investing activities			
Loans to related parties (associates, planners and staff)		-	(1,719)
Investment in Trusts		-	112
Payments in relation to acquisitions		(4,929)	(987)
Repayment of loans by associates & planners		149	94
Payments for property, plant and equipment		(29)	(29)
Net cash outflow from investing activities		(4,809)	(2,529)
Cash flows from financing activities			
Payments for shares bought back		-	(26)
Shares issued on exercise of options		-	156
Dividends paid		(3,417)	(2,928)
Net cash outflow from financing activities		(3,417)	(2,798)
Net (decrease)/increase in cash held		(2,683)	1,180
Cash and cash equivalents at the beginning of the year		12,374	11,194
Cash and cash equivalents at the end of year	**9**	9,691	12,374

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted for the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements includes Fiducian Group Limited and its subsidiaries.

(A) BASIS OF PREPARATION

This general purpose financial statements has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Fiducian Group Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The financial statements of Fiducian Group Limited also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements has been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

(B) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements incorporates the assets and liabilities of all entities controlled by Fiducian Group Limited (Company or parent entity) as at 30 June 2016 and the results of all controlled entities for the year then ended. Fiducian Group Limited and its subsidiaries together are referred to in these financial statements as the Group.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the group is exposed, to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Investments in subsidiaries are accounted for at cost in the parent company's financial statements.

The acquisition method of accounting is used to account for the business combinations by the Group.

Intercompany transactions and balances on transactions between Group companies 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 Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income.

(C) REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:-

(i) Management fees and Fees, payments to advisers and service providers

Revenues comprising trustee and management fees are recognised on an accruals basis. Fees, payments to advisers and service providers and looks related to this revenue are recognised at the same time and on the same basis.

(ii) Interest income

Interest income is recognised on a time proportionate basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) REVENUE RECOGNITION (CONTINUED)

(iii) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(iv) Distributions from related trusts

Distributions from related trusts are recognised as revenue when the right to receive payment is established.

(v) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Fiducian Group Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of comprehensive income are translated at the closing rate at the end of the month, and
- all resulting exchange differences are recognised in other comprehensive income.

(D) INCOME TAX

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the national income tax rate for Australia adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting or taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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 use those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(D) INCOME TAX (CONTINUED)

Tax consolidation

With effect from 1 March 2015 Fiducian Group Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation with Fiducian Group Limited as the head entity in the newly formed tax consolidated group. As a consequence these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. The head entity has entered into a tax sharing agreement and a tax funding agreement with the members of the tax consolidated group. Under the tax funding agreement the members of the Group are required to contribute to the head entity for their current tax liabilities. The assets and liabilities arising under the tax funding agreements are recognised as intercompany assets and liabilities at call. Members of the tax consolidated group via the tax sharing agreement may be called to provide for the income tax liabilities between the entities should the head entity default on its tax payment obligations. No amount has been recognised in respect of this component of the agreement as the outcome is considered remote.

(E) OPERATING LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 28). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(F) TRUSTEE COMPANY AND RESPONSIBLE ENTITY

The Group acts as a Trustee of Fiducian Superannuation Service through a subsidiary, Fiducian Portfolio Services Ltd, and acts as the operator of an Investor Directed Portfolio Service, Fiducian Investment Service and the Responsible Entity of Fiducian Funds ("the trusts") through another subsidiary, Fiducian Investment Management Services Ltd. The accounting policies adopted by these Companies in the preparation of their financial reports and that of the Group For the year ended 30 June 2016 reflect the fiduciary nature of these company's responsibilities and that of the Group for the assets and liabilities of the trusts. The financial reports do not include the trusts' assets and liabilities as future economic benefits and obligations derived from the trusts' assets and liabilities do not accrue to these Companies or the Group. In accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets, the trust assets and liabilities have not been disclosed as the directors consider the probability of these companies or the Group having to meet the liabilities of the trusts as remote.

(G) IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(H) CASH AND CASH EQUIVALENTS

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(I) TRADE RECEIVABLES

Trade receivables are recognised at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement no more than 120 days from the date of recognition for trade receivables and financial planning fees, and no more than 30 days for other receivables.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) TRADE RECEIVABLES (CONTINUED)

Collectability of trade receivables is reviewed on an ongoing basis. Receivables, which are known to be uncollectible, are written off. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (outside settlement terms) are considered indicators that the trade receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(J) BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The purchase consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the acquirer. The purchase consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The excess of the purchase consideration and the acquisition-date fair value over the share of the net identifiable assets acquired, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in profit or loss.

(K) INVESTMENTS AND OTHER FINANCIAL ASSETS

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and other financial assets. The classification depends on the purposes for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets are classified as held for trading if acquired principally for the purpose of selling in the short- term with the intention of making a profit.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position in Notes 10 and 11.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(L) FAIR VALUE ESTIMATION

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(M) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they were incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Furniture, office equipment and computers	2 – 8 years
Leasehold improvements	term of the lease

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount in Note 1(g).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(N) INTANGIBLE ASSETS

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or client portfolio at the date of acquisition. Goodwill on acquisitions is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Client portfolios

Consideration payable for the acquisition of client portfolios is deferred and amortised on a straight- line basis over a period of 10 years. Client portfolios are also tested for events or changes in circumstances that indicate that they may be impaired, and are carried at cost less accumulated amortisation and impairment losses.

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems where deemed appropriate. Costs capitalised include direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

Capitalised expenditure is tested for events or changes in circumstances that indicate that they may be impaired and whether they exceed their recoverable amount.

(O) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group before the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(P) PROVISIONS

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability

(Q) EMPLOYEE BENEFITS

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employee services up to the reporting date and are measured at the amount expected to be paid when the liabilities are settled. Personal/carers and sick leave is brought to account as incurred.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and 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 cost 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 of maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the share option plans. Information relating to this scheme is set out in Note 25.

Subsequent options issued to employees for no consideration have the fair value of options granted under the Fiducian Employee & Director Share Option Plan recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a binomial option-pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

(R) CONTRIBUTED EQUITY

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments along with the consideration paid is deducted from equity and the shares are regarded as treasury shares until they are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly incremental costs (net of income taxes) is recognised directly in equity. Treasury shares are bought with the intention of cancellation and are not reissued.

(S) DIVIDENDS

Provision is made only 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 financial year but not distributed at balance date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(T) EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is determined by dividing the net profit after income tax attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(U) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the ATO is included with other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

(V) ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(W) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. The Group has decided not to early adopt any of the standards available for early adoption. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments (effective from 1 January 2018)

This standard addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2018 but is available for early adoption. When adopted the standard will affect the accounting for available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. In the current reporting period, the Company did not hold any available-for-sale financial assets or available-for-sale debt investments.

There will be no impact on Fiducian's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Fiducian does not have any such liabilities. Fiducian does not have any hedging arrangements and hence there is no impact from the new hedging rules.

AASB 15 Revenue from Contracts with Customers (effective from 1 January 2018)

The new standard is based on the principle that revenue is recognised when control of a good or service is transferred to a customer so the notion of control replaces the notion of risks and rewards. It applies to all contracts with customers except leases, financial instruments and insurance contracts. It requires reporting entities to provide users of financial statements with more informative and relevant disclosures. Fiducian is in the process of assessing the implications for revenue recognition for the segments of its business.

AASB 16 Leases (effective from 1 January 2019)

The standard introduces a single lease accounting model and removes the current distinction between operating and financial leases. It requires the recognition of an asset (the right to use leased item) and financial liability to pay rentals for the lease contract. Fiducian is in the process of assessing the implication of this standard on its operating leases.

2. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(I) ESTIMATED IMPAIRMENT OF GOODWILL

The Group tests annually whether goodwill has suffered any impairment, by comparing its current amount with its recoverable amount in accordance with the accounting policy stated in Note 1(n). The recoverable amounts of the cash-generating units have been determined based on earnings multiples requiring the use of sustainable revenue estimates and comparable market transactions.

(II) ESTIMATED IMPAIRMENT OF CLIENT PORTFOLIOS

The Group assesses at the end of each reporting period whether there is any indication that the investment or accounting portfolios may be impaired in accordance with the accounting policy stated in Note 1(n). If any such indication exists, the Group shall estimate the recoverable amount of the asset. The recoverable amounts of cash-generating units have been determined based on discounted cash flow models which require the use of assumptions on discount rates, recurring revenues and cash flow projections.

3. SEGMENT INFORMATION

(A) DESCRIPTION OF SEGMENTS

Business segments

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

Superannuation

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

Funds Management

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

Financial Planning

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

Administration

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

Business Services

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

Geographical segments

The Group operates in the following geographical segments in Australia and in India. The Indian operations are not considered material for a separate geographical segment disclosure during the financial year 2016.

3. SEGMENT INFORMATION (CONTINUED)

(B) PRIMARY REPORTING - BUSINESS SEGMENTS

	FUNDS MANAGE-MENT	SUPERAN-NUATION	FINANCIAL PLANNING	ADMINIS-TRATION	BUSINESS SERVICES	SEGMENT ELIMINA-TIONS	CONSOLI-DATED
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2016							
Revenue from external customers	14,783	14,703	4,725	(226)	1,123	-	35,108
Inter-segment sales	(4,335)	(8,166)	8,498	13,251	(150)	(9,098)	-
Other Revenue	130	7	5	199	2	-	343
Total segment revenue	10,578	6,544	13,228	13,224	975	(9,098)	35,451
Profit from ordinary activities before income tax expense	4,501	6	23	4,251	(405)	-	8,376
Income tax expense							(2,537)
Profit from ordinary activities after income tax expense							5,839
Segment assets	6,946	1,970	21,221	12,851	1,172	(10,470)	33,690
Segment liabilities	2,486	188	5,091	3,000	42	(1,245)	9,563
Acquisitions of plant and equipment, intangibles and other non-current segment assets	-	-	8,747	19	6	-	8,772
Depreciation, amortisation and impairment	-	-	1,079	42	176	-	1,297

3. SEGMENT INFORMATION (CONTINUED)

(B) PRIMARY REPORTING - BUSINESS SEGMENTS (CONTINUED)

	FUNDS MANAGEMENT	SUPERANNUATION	FINANCIAL PLANNING	ADMINISTRATION	BUSINESS SERVICES	SEGMENT ELIMINATIONS	CONSOLIDATED
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015							
Revenue from external customers	3,363	16,966	4,390	19	1,179	-	25,918
Intersegment sales	(1,373)	(1,506)	7,068	3,476	(50)	(7,615)	-
Other Revenue	21	213	12	76	13	-	335
Total segment revenue	2,011	15,673	11,470	3,571	1,142	(7,615)	26,253
Profit from ordinary activities before income tax expense	1,280	2,576	1,522	1,296	(81)	-	6,593
Income tax expense							(1,971)
Profit from ordinary activities after income tax expense							4,622
Segment assets	7,629	4,097	9,434	16,465	1,695	(10,550)	28,770
Segment liabilities	1,150	437	2,420	4,446	341	(1,215)	7,579
Acquisitions of plant and equipment, intangibles and other non-current segment assets	-	-	2	16	11	-	29
Depreciation, amortisation and impairment	-	-	592	32	160	-	859

3. SEGMENT INFORMATION (CONTINUED)

(C) OTHER SEGMENT INFORMATION

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the board is measured in a manner consistent with that in the statements of comprehensive income.

Segment revenue reconciles to total revenue from continuing operation as follows:-

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Total segment revenue	44,206	33,533
Inter-segment eliminations	(9,098)	(7,615)
Total revenue from continuing operations (note 4)	35,108	25,918

The entity is domiciled in Australia. The amount of its revenue from external customers in Australia is $35,108,000 (2015: $25,918,000).

(ii) EBITDA

The board assesses the performance of the operating segments based on the measures of profit contribution and EBITDA.

A reconciliation of EBITDA to operating profit before income tax is provided as follows:-

	CONSOLIDATED	
	2016	2015
	$'000	$'000
EBITDA	9,673	7,453
Depreciation	(46)	(165)
Amortisation	(1,251)	(695)
Profit before income tax from continuing operations	8,376	6,593

(iii) Segment assets

The amounts provided to the board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

All assets are located in Australia and in India (which are not material).

(iv) Segment liabilities

The amounts provided to the board with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment.

4. REVENUE FROM ORDINARY ACTIVITIES

	CONSOLIDATED	
	2016	2015
	$'000	$'000
From continuing operations		
Sales revenue		
Fees received [1,2]	34,960	25,665
Other	148	253
Revenue from ordinary activities	35,108	25,918

[1] Fees received by FIMS as responsible entity of the managed investment schemes, including underlying fund manager fees which prior to 1 March 2015 were netted off. This change was as a result of an amendment to the product disclosure statement whereby fees due to underlying fund managers are paid by the responsible entity and are not separately charged to unitholders.

[2] Includes expense recovery fee of $2,813,000. For details refer to Note 6.

5. OTHER INCOME

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Interest received/receivable	343	335
Other income	343	335

6. EXPENSES

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Profit before income tax includes the following expenses:		
a) Depreciation and amortisation expense		
Depreciation		
Furniture office equipment and computers	46	111
Leasehold improvements	54	54
Total depreciation	100	165
Amortisation		
Capitalised computer software	15	14
Client portfolio acquisition costs	1,163	631
Total amortisation	1,178	645
Impairment		
Goodwill	19	50
Total depreciation, amortisation and impairment expense	1,297	860

6. EXPENSES (CONTINUED)

b) Other expenses[1]		
Professional services	751	901
Sales marketing and travel	1,090	1,042
Rental expense relating to operating leases	925	1,160
Premises and equipment	165	177
Communication and computing	715	557
Printing and stationery	225	191
Auditors Renumeration (Note 26)	539	495
Administration and other	1,718	1,343
Expense Recovery[2]	(1,466)	(3,521)
	4,662	2,345

[1] Other expenses in 2015 include $ 616,000 incurred relating to the implementation of the restructure of the Fiducian Group.

[2] Fiducian Group Limited through its subsidiary , Fiducian Portfolio Services Limited, as trustee for the Fiducian Superannuation Service, is entitled to the reimbursement of expenses incurred by it in the operation of the service and paid out of the Expense Reserve maintained in the Service. Expense recovery above includes an amount of $1,212,000 (2015: $3,341,000) relating to this reimbursement. Effective 1 September 2015 under a new administration agreement entered into by the Trustee on behalf of the Service with Fiducian Services Pty Ltd ('the administrator") the expenses of the Service are paid on the Trustee's behalf by the administrator and are reimbursed by the Service by way of an Expense Recovery Fee paid out of the Expense Reserve in the Service. For the current year the Expense recovery Fee of $2,813,000 (2015: Nil) has been included in Revenue from ordinary activities in Note 4 as part of Fees received.

7. INCOME TAX EXPENSE

	CONSOLIDATED	
	2016	2015
	$'000	$'000
a) Income tax expense		
Current tax	2,904	2,041
Deferred tax	(367)	(70)
Income tax expense	2,537	1,971
Deferred income tax/(revenue) expense included in income tax expense comprises:-		
(Increase)/decrease in deferred tax assets (Note 15)	(5)	152
Increase/(decrease) in deferred tax liabilities (Note 19)	(362)	(222)
Deferred tax	(367)	(70)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	8,376	6,593
Tax at the Australian tax rate of 30%	2,513	1,978
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:-		
Entertainment	10	26
Sundry items	14	(33)
Income tax expense	2,537	1,971

(c) Tax consolidation legislation

Fiducian Group Limited and its wholly owned subsidiaries have formed a tax consolidated group with effect from 1 March 2015. As a consequence these financial statements have been prepared on a tax-consolidated basis where the head entity has assumed the tax liabilities initially recognised by the standalone taxpayers.

8. DIVIDENDS

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Final ordinary fully franked dividend for the year ended 30 June 2015 of 5.50 cents (2014: Fully franked 5.00 cents) per share paid on 24 September 2015.	1,706	1,538
Interim ordinary fully franked dividend for the year ended 30 June 2016 of 5.50 cents (2015: Fully franked 4.50 cents) per share paid on 14 March 2016.	1,711	1,390
Total dividends in respect of the year	3,417	2,928

The Directors have declared a final fully franked dividend for the year ended 30 June 2016 in the amount of 7.00 cents per Ordinary share to be paid on shares registered on 29 August 2016 and payable on 12 September 2016.

Franked dividends

The franked portions of the final dividends recommended after 30 June 2016 will be franked out of existing franking credits.

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Franking credits available for the subsequent financial year based on a tax rate of 30%	9,475	9,502

The above amounts represent the balances of the franking account as at the end of the financial year, adjusted for:-

(a) franking credits that will arise from the payment of the amount of the provision for income tax

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits from subsidiaries were paid as dividends.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of approximately $934,000 (2015: $728,000).

9. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Cash at bank and in hand	9,691	12,340
Deposits securing bank guarantees	-	34
	9,691	12,374

10. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Amounts receivable from related entities:		
Related trusts	3,055	2,197
Business development loans *	263	522
Staff loans *	3	3
Other receivables	425	804
Prepayments	287	251
	4,033	3,777
Less: Provision for impairment of receivables	(82)	(30)
	3,951	3,747

* Refer to Note 11 for the non-current portion of these receivables.

Movements in provision for impairment of receivables		
Balance at beginning of the year	(30)	(30)
Additional provision during the year	(52)	-
Written off against provision	-	-
Balance at end of the year	(82)	(30)

At 30 June 2016, a provision for impairment exists for trade receivables outstanding greater than 120 days where management considers that the receivable is impaired.

Information about the Group's exposure to credit and interest rate risk in relation to trade and other receivables is provided in Note 33.

11 NON-CURRENT ASSETS - RECEIVABLES

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Business development loans *	3,453	3,464
Staff loans *	26	27
	3,479	3,491

* Refer to note 10 for the current portion of these receivables

(A) IMPAIRED RECEIVABLES AND RECEIVABLES PAST DUE

No amount has been provided against non-current receivables in the current year (2015: Nil).

11 NON-CURRENT ASSETS - RECEIVABLES (CONTINUED)

(B) FAIR VALUES

The fair values and carrying values of non-current receivables of the Group are as follows:-

	2016		2015	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	$'000	$'000	$'000	$'000
Business development loans	3,453	3,453	3,464	3,464
Staff loans	26	26	27	27
	3,479	3,479	3,491	3,491

12 NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

The Group's principal subsidiaries as at 30 June 2016 are set out below.

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING %
Fiducian Investment Management Services Ltd ("FIM")[1]	Australia	Ordinary	100
Fiducian Portfolio Services Ltd ("FPS") [2]	Australia	Ordinary	100
Fiducian Services Pty Ltd ("FSL") [3]	Australia	Ordinary	100
Fiducian Financial Services Pty Ltd ("FFS")[4]	Australia	Ordinary	100
Fiducian Business Services Pty Ltd ("FBS")[5]	Australia	Ordinary	100

[1] The company acts as the Responsible entity of the Fiducian Funds and the operator of the Fiducian Investment Service

[2] The company acts as the Trustee for the Fiducian Superannuation Service

[3] The company provides the administration and professional services to the other entities within the Group

[4] The principal activity of the company is the development of a specialist financial planning services network

[5] The principal activity of the company is to provide bookkeeping, accounting and tax processing services

In addition to the above subsidiaries, Fiducian Business Services has 90% equity investment in Fiducian Resourcing Services Pvt Ltd, a company incorporated in India, providing accounting and tax processing services to the Group. The operations of the company are not considered material to the Group in 2016.

13. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Investment in unlisted unit trusts		
At beginning of the year	-	106
Capital distribution	-	(106)
Revaluation – fair value (losses)	-	-
At end of the year	-	-
Investment in related trust	-	-

* Financial assets held at fair value through profit and loss related to investments into a related Fiducian trust. The Fund was wound up during 2015 and the entire amount of capital was returned to the unitholders.

14. NON-CURRENT ASSETS - PROPERTY, PLANT & EQUIPMENT

	CONSOLIDATED 2016	CONSOLIDATED 2015
	$'000	$'000
Plant and Equipment		
Furniture, office equipment and computers	1,587	1,579
Less: accumulated depreciation	(1,289)	(1,191)
	298	388

Movements

Reconciliation of the carrying amount of each class of property, plant and equipment are set out below.

	FURNITURE AND OFFICE EQUIPMENT	COMPUTERS	LEASEHOLD IMPROVEMENTS	TOTAL
	$'000	$'000	$'000	$'000
Consolidated at 1 July 2014				
Cost	277	436	837	1,550
Accumulated depreciation	(175)	(319)	(532)	(1,026)
Net book amount	102	117	305	524
Year ended 30 June 2015				
Opening net book amount	102	117	305	524
Additions	11	18	-	29
Disposals	-	-	(2)	(2)
Depreciation/amortisation charge	(20)	(89)	(54)	(163)
Closing net book amount	93	46	249	388
At 30 June 2015				
Cost	288	454	835	1,577
Accumulated depreciation	(195)	(408)	(586)	(1,189)
Net book amount	93	46	249	388
Year ended 30 June 2016				
Opening net book amount	93	46	249	388
Additions	2	8	-	10
Disposals	-	-	-	-
Depreciation/amortisation charge	(24)	(22)	(54)	(100)
Closing net book amount	71	32	195	298
At 30 June 2016				
Cost	290	462	835	1,587
Accumulated depreciation	(219)	(430)	(640)	(1,289)
Net book amount	71	32	195	298

15. NON-CURRENT ASSETS – DEFERRED TAX ASSETS

	CONSOLIDATED	
	2016	2015
	$'000	$'000
The balance comprises temporary differences attributable to:		
Doubtful debts	25	9
Employee benefits	487	446
Accrued expenditure	207	127
Provision for audit and taxation services	93	164
Provision for depreciation	16	17
Restructure expenses	145	205
Deferred tax assets before set off	973	968
Set off against deferred tax liabilities (note 19)	(973)	(968)
	-	-
Movements:		
Opening balance at 1 July	968	816
Taken to the statement of comprehensive income	5	152
Deferred assets before set off	973	968
Set off against deferred tax liabilities	(973)	(968)
	-	-

16. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Deferred expenditure		
Capitalised expenditure – computer software	5,022	5,001
Less: Accumulated amortisation	(5,002)	(4,989)
	20	12
Client portfolios		
Cost of acquisition of client portfolios	12,978	5,851
Less: Accumulated amortisation	(3,712)	(2,101)
	9,266	3,750
Goodwill		
Goodwill on acquisition	7,449	5,471
Less: Accumulated amortisation and impairment	(464)	(464)
	6,985	5,007
	16,271	8,770

16. NON-CURRENT ASSETS - INTANGIBLE ASSETS (CONTINUED)

(A) MOVEMENTS

Movements in each category are set out below:-

	ACQUISITION OF CLIENT PORTFOLIOS	GOODWILL ON ACQUISITION	CAPITALISED COMPUTER SOFTWARE	TOTAL
	$'000	$'000	$'000	$'000
Consolidated at 1 July 2014				
Cost	6,436	5,521	4,999	16,956
Accumulated depreciation	(1,918)	(464)	(4,973)	(7,355)
Net book amount	4,518	5,057	26	9,600
Year ended 30 June 2015				
Opening net book amount	4,518	5,057	26	9,601
Additions*	-	-	-	-
Disposals/write off	(137)	-	-	(137)
Impairment charge	-	(50)	-	-
Amortisation charge**	(631)	-	(14)	(645)
Closing net book amount	3,750	5,007	12	8,819
At 30 June 2015				
Cost	6,299	5,471	4,999	16,769
Accumulated depreciation	(2,549)	(464)	(4,987)	(7,999)
Net book amount	3,750	5,007	12	8,770
Year ended 30 June 2016				
Opening net book amount	3,750	5,007	12	8,769
Additions*	6,743	1,997	22	8,763
Disposals/write off	(64)	-	-	(64)
Impairment charge	-	(19)	-	(19)
Amortisation charge**	(1,163)	-	(15)	(1,178)
Closing net book amount	9,266	6,985	19	16,271
At 30 June 2016				
Cost	12,978	7,449	5,022	25,449
Accumulated depreciation	(3,712)	(464)	(5,002)	(9,178)
Net book amount	9,266	6,985	20	16,271

* Capitalised computer software costs includes an internally generated intangible asset. The assets in this category have been amortised on the basis of 5 year useful life.

** Amortisation of $ 1,178,000 (2015 : $645,000) is included in depreciation, and amortisation expense in the statement of comprehensive income.

16. NON-CURRENT ASSETS - INTANGIBLE ASSETS (CONTINUED)

(B) IMPAIRMENT TESTS FOR GOODWILL AND CLIENT PORTFOLIOS

Goodwill and client portfolios are allocated to the Group's Cash Generating Units (CGUs) identified according to business segment. The recoverable amount of a CGU is determined based on discounted cash flows and market value calculations. These calculations use recurring income measures consistent with market valuations of similar financial services businesses.

(C) IMPACT OF POSSIBLE CHANGES IN KEY ASSUMPTIONS

Changes in assumptions made in the assessment of impairment of goodwill relate to updating the earnings multiple used to estimate sustainable revenues. These assumptions are compared to market each year and adjusted appropriately.

(D) IMPAIRMENT CHARGE

During the year an impairment charge amounting to $19,000 was recorded against goodwill to reflect the lower payment on final settlement for the acquisition of a portfolio of client assets relating to financial planning and business services respectively (2015: $50,000).

(E) SENSITIVITY ANALYSIS

The estimates and judgments included in the fair value calculations are based on historical experience and other factors, including management's and the Directors' expectations of future events that are believed to be reasonable under the current circumstances. Other than (D) above there has been no impairment recognised for the Fiducian Group CGUs in the impairment assessment performed at 30 June 2016. Based on management's current assessment, the recoverable amount of Fiducian's CGU exceeds the carrying amount by $4.98 million. The Fiducian Group's CGU recoverable amount is sensitive to reasonably possible movements in key assumptions including changes to the earnings multiple of 3.1 used to determine the fair value of the CGU. Management has modeled below the impact of changes in these key assumptions with the following result:-

- if earning multiple were to decrease to 2.7, the CGU's recoverable amount would exceed carrying amount by $3.45 million.
- if earning multiple were to decrease to 2.9, the CGU's recoverable amount would exceed carrying amount by $4.47 million.

(F) BUSINESS COMBINATION

During the year the Group made the following acquisitions:-

SEGMENT	FINANCIAL PLANNING					
FIDUCIAN ENTITY	FIDUCIAN FINANCIAL SERVICES PTY LTD					TOTAL
Date	1/07/2015	1/08/2015	21/10/2015	11/03/2016	Various	
Purchased	Client portfolio	Client portfolio	Client portfolio	Client portfolio	Client portfolio	
Vendor staff employed by Group	Yes	Yes	Yes	Yes	Yes	
Maximum purchase price	$1,225,458	$2,566,200	$1,432,173	$965,838	$553,561	$6,743,230
Paid by 30 June 2016	$735,274	$2,334,020	$1,295,776	$289,752	$516,070	$5,170,892
Deferred consideration at 30 June 2016	$490,184	$232,180	$136,397	$676,086	$37,491	$1,572,338
Value attributed on the Statement of Financial Position as at 30 June 2016	100%	100%	100%	100%	100%	
Business combination or asset only	Business Combination	Business Combination	Business Combination	Business Combination	Business Combination	
Provisional fair value of assets recognized as a result of acquisition are as follows:-						
Intangible assets	$1,225,458	$2,566,200	$1,432,173	$965,838	$553,561	$6,743,230
Deferred tax liabilities	($367,637)	($769,860)	($429,652)	($289,751)	($140,068)	($1,996,969)
Net Identifiable assets acquired	$857,821	$1,796,340	$1,002,521	$676,087	$413,493	$4,746,261
Goodwill	$367,637	$769,860	$429,652	$289,751	$140,068	$1,996,969
Net assets acquired	$1,225,458	$2,566,200	$1,432,173	$965,838	$553,561	$6,743,230

16. NON-CURRENT ASSETS - INTANGIBLE ASSETS (CONTINUED)

(F) BUSINESS COMBINATION (CONTINUED)

The acquired businesses did not contribute significantly to the group's current year profits. However if the acquisitions had taken place on 1 July 2015, management estimates a maximum revenue impact of $2.2 million for the year ended 30 June 2016. It is not practicable to estimate the profit contribution given the significant change in the cost bases to the operation of the business once within the Fiducian Group. Under the terms of the agreement for the acquisitions the deferred consideration may be reduced in respect of any clients that have not transferred to the Group within the period specified in the agreements or should the recurring income be lower than contracted for.

17. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Trade payables	2,015	1,694
Other payables*	1,751	2,505
Client portfolio deferred settlement	1,572	308
Annual leave entitlements accrued	600	566
Long service leave entitlements accrued	686	574
	6,624	5,647

Information about the Group's exposure to credit and interest rate risk is shown in Note 33.

* Other payables include retirement benefits payable to planners covered under salary agreements with Fiducian Financial Services Pty Limited. Under the terms of the agreement with certain long serving salaried financial planners, those planners are entitled to a service fee subsequent to their retirement from the Company, under conditions designed to protect the Company's client base. Eligibility to this service fee is based on service period and payment is subject to further ongoing conditions, including client retention, provision of support services to the entity to achieve this aim. The benefit is personal to the planner, is not transferable, can be stopped by or repaid to Fiducian Financial Services Pty Ltd should there be a breach of conditions, and will be reduced if the planner purchases some or all of their client base at or after retirement. This arrangement has been accounted for in accordance with AASB 119 Employee Benefits.

18. CURRENT LIABILITIES - CURRENT TAX LIABILITIES

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Income tax	835	1,462
	835	1,462

19. NON-CURRENT LIABILITIES-DEFERRED TAX LIABILITIES

	CONSOLIDATED	
	2016	2015
	$'000	$'000
The balance comprises temporary differences attributable to:		
Amounts recognised in profit and loss:		
Depreciation and amortisation	2,738	1,091
Deferred tax liabilities before set off	2,738	1,091
Set off against deferred tax assets (Note 15)	(973)	(968)
Net deferred tax liabilities	1,766	123
Movements:		
Opening balance at 1 July	1,091	1,313
Addition during the year	2,009	-
Taken to the statement of comprehensive income	(362)	(222)
Deferred tax liabilities at 30 June before set off	2,738	1,091
Set off against deferred tax assets	(973)	(968)
Net deferred tax liabilities	1,766	123
Expiration of net deferred tax liabilities		
within 12 months	366	123
after 12 months	1,400	-
	1,766	123

20. NON - CURRENT LIABILITIES-PROVISIONS

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Employee benefits: long service leave	338	347
	338	347

The provision for long service leave includes all pro-rata entitlements where employees have not yet completed the required period of service and also those where employees are entitled to pro-rata payments.

21. CONTRIBUTED EQUITY

(A) SHARE CAPITAL

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Ordinary shares - fully paid	6,855	6,366
	6,855	6,366

21. CONTRIBUTED EQUITY (CONTINUED)

(B) MOVEMENTS IN ORDINARY SHARE CAPITAL

DATE	DETAILS	NUMBER OF SHARES	AVERAGE PRICE	$'000
1 July 2014	Opening balance	30,757,897	-	6,236
	Shares bought back on-market and cancelled	(14,500)	$1.82	(26)
	Shares issued on exercise of options	140,000	$1.12	156
	Shares issued	1	$1.00	-
30 June 2015	Balance	30,883,398		6,366
	Shares issued for the acquisition of business	133,552	$1.83	244
	Shares issued for the acquisition of business	93,905	$2.61	245
30 June 2016	Balance	31,110,855		6,855

(C) ORDINARY SHARES AND TREASURY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(D) SHARE BUY-BACK

The Company did not buy and cancel any ordinary shares on-market during the year.

At 30 June 2016, 500,000 shares remained available to be re-purchased under the most recently announced buy-back notice to the ASX.

(E) OPTIONS

Information relating to Fiducian Group Employee & Director and options issued, exercised and lapsed during the year is set out in Note 25.

(F) CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital of the wholly owned subsidiaries within the Group are to safeguard its ability to continue as a going concern, to individually continue to meet externally imposed capital requirements of APRA and ASIC under its Registrable Superannuation Entity (RSE) License, Responsible Entity (RE) licence and their Australian Financial Services (AFS) License, and to continue to provide returns to shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders via an on-market share buy back, or issue new shares upon exercise of outstanding options. There has been no borrowing to maintain capital adequacy.

The externally imposed requirements are:

a. Under its ASIC RE licence, the RE, Fiducian Investment Management Services Limited, must maintain $ 5,000,000 net tangible assets at all times during the financial year.

b. Under its ASIC licence, Fiducian Portfolio Services Limited must maintain $150,000 cash at all times during the financial year.

The requirement under the RSE licence and RE licences are maintained by placing cash on deposit with an ADI. The requirement under the AFS license is monitored monthly when management accounts are prepared, and is reported to the Board monthly at each meeting.

22. RESERVES

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Movements		
Share-based payments reserve		
Balance 1 July	42	26
Option expense	25	16
Option lapses	-	-
Balance at 30 June	67	42

The share-based payments reserve is used to recognise the fair value of options issued but not exercised.

23. RETAINED PROFITS

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Movements		
Balance 1 July	14,783	13,089
Net profit for the year	5,839	4,622
Dividends paid (Note 8)	(3,417)	(2,928)
Balance at 30 June	17,205	14,783

24. KEY MANAGEMENT PERSONNEL DISCLOSURES

(A) KEY MANAGEMENT PERSONNEL

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Short-term employee benefits	776,078	744,457
Post-employment benefits	32,196	34,567
Share-based payment	25,071	-
	833,345	779,024

Detailed remuneration disclosures are provided in sections A-E of the Remuneration Report contained in the Directors' Report.

(B) EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

(i) Options provided as remuneration and shares issued on exercise of such options, together with terms and conditions of the options, can be found in section D of the Remuneration Report.

(ii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Fiducian Group Limited, including their personally related and associated entities, are set out on the next page.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(B) EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL (CONTINUED)

2016						
NAME	BALANCE AT THE START OF THE YEAR	EXERCISED	GRANTED DURING THE YEAR AS RE-MUNERATION	LAPSED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE
I Singh[1]	100,000	-	-	-	100,000	100,000

[1] Mr I Singh is entitled to 100,000 options relating to the current year. These are subject to approval at the annual general meeting, therefore they have not been included in the table.

2015						
NAME	BALANCE AT THE START OF THE YEAR	EXERCISED	GRANTED DURING THE YEAR AS RE-MUNERATION[1]	LAPSED DURING THE YEAR	BALANCE AT THE END OF THE YEAR	VESTED AND EXERCISABLE
I Singh	140,000	140,000	100,000	-	100,000	-

[1] Options granted during this year are in respect of Mr Singh's entitlement relating to the year ending 30 June 2014.

(iii) Shareholdings

The numbers of shares in the Company held during the financial year by each director of Fiducian Group Limited, including their personally related and associated entities, are set out below. There were no shares granted during the period as compensation.

2016				
NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OP-TIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
I Singh	10,373,764	-	50,087	10,423,851
R Bucknell	800,000	-	-	800,000
F Khouri	251,373	-	-	251,373
C Stone	33,700	-	-	33,700

2015				
NAME	BALANCE AT THE START OF THE YEAR	RECEIVED DURING THE YEAR ON THE EXERCISE OF OP-TIONS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
I Singh	10,162,512	140,000	71,252	10,373,764
R Bucknell	800,000	-	-	800,000
F Khouri	251,373	-	-	251,373
C Stone	23,700	-	10,000	33,700

24. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(B) EQUITY INSTRUMENT DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL (CONTINUED)

Shares provided on exercise of options

No ordinary shares in the company were provided as a result of the exercise of remuneration options to the Managing Director of Fiducian Group Limited, as key management person of the Group, during the period (2015:140,000). No amounts are unpaid on any shares issued on the exercise of options.

(C) LOANS TO DIRECTORS

No loans were made to directors during the financial year (2015: Nil).

(D) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

A director, Mr R Bucknell, is a director of Hunter Place Services Pty Ltd, a company which provides his services as a director to the Group.

A director, Mr F Khouri, is an authorised representative under the Fiducian Financial Services Pty Ltd Australian Financial Services Licence and is a director and shareholder of Hawkesbury Financial Services Pty Ltd, which is a franchisee of Fiducian Financial Services Pty Ltd. Hawkesbury Financial Services Pty Ltd places business with and receives financial planning remuneration from the Group. All transactions are on normal commercial terms and conditions.

A director, Mr C Stone, was paid director's fees for his personal contribution to the Board.

Aggregate amounts of each of the above types of other transactions with directors of Fiducian Group Limited:-

	CONSOLIDATED	
	2016	2015
	$	$
Directors' fees and committee fees	256,550	295,353
Financial planning fees paid or payable	210,088	211,179
	466,638	506,532

Shares under option

Unissued ordinary shares of Fiducian Group Limited under option at the date of this report are disclosed in Note 25 of the financial statements.

No option holder has any right under the options to participate in any other share issue of the company or any other entity until after the exercise of the option.

Shares issued on the exercise of options

The details of ordinary shares of Fiducian Group Limited issued during the year ended 30 June 2016 on the exercise of options granted under The Fiducian Group Limited Employee & Director Share Option Plan is disclosed under Note 25 to the financial statements.

24. KEY MANAGEMENT PERSONNEL DISCLOSURES (CONTINUED)

(E) LOANS TO KEY MANAGEMENT PERSONNEL

	BALANCE AT 1 JULY 2015	INTEREST PAID/PAYABLE FOR THE YEAR	BALANCE AT 30 JUNE 2016	NUMBER OF KMP IN THIS AGGREGATION
	$	$	$	
Aggregate details of business development and staff loans made to key management personnel of the Group, including their close family members and entities related to them.	77,927	3,737	79,023	2

Business development and staff loans have been made at arm's length and at the same terms and conditions provided to other franchisees and staff.

25. SHARE BASED PAYMENTS

(A) EMPLOYEE AND DIRECTOR SHARE OPTION PLAN (ESOP)

The establishment of the Fiducian Group Limited ESOP was approved by shareholders at the 2000 annual general meeting. The ESOP is designed to provide long-term incentives for senior managers and directors to deliver long-term shareholder returns. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or receive any guaranteed benefits.

Fiducian Group Limited ('FGL') has established the ESOP, which is designed to provide incentives to employees and directors. All grants of options under the ESOP are subject to compliance with the Corporations Act 2001 and ASX Listing Rules.

The directors may, from time to time, determine which employees and directors may participate in the ESOP, and the number of options that may be issued to them. The directors have an absolute discretion to determine who will participate and the number of options that may be issued. The ESOP provides for an upper limit on the number of options that may be outstanding, the exercise price, exercise period and expiry, and adjustments in the event of capital restructuring. The directors have resolved that the ESOP no longer applies to non-executive directors.

Options are granted under the plan for no consideration. Employee options are granted for a five-year period where 35% vest after one year, a further 45% vest after two years and the balance vest after three years. Director options vest after one year. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is converted into one ordinary share on payment of the exercise price.

The exercise price of options is based on the volume weighted average price at which the Company's shares are traded on the Australian Securities Exchange during the month preceding the date the options are granted. During the year the directors have not issued options (2015: Nil) to the Managing Director and no options expired during the same period (2015: Nil).

Subject to prior approval by shareholders, the Company may issue each year a maximum of 100,000 options to the executive director for each year of service, subject to performance criteria being met in accordance with his executive agreement. The Directors have resolved to issue 100,000 options (2015 : Nil) at an exercise price of $2.18 to the executive director in respect of the year ended 30 June 2016.

The assessed fair value at reporting date of the share based payments during the year ended 30 June 2016 was $ 0.58 per option (2015: Nil options granted). The fair value at reporting date has been independently calculated using the Black Scholes pricing model. The assumptions included in the valuation of these options include a risk-free interest rate of 1.75%, a nil dividend yield on the ordinary shares of the Company and a volatility in the Company's share price of 56%.

Set out on the next page are summaries of options granted under the option plan:-

25. SHARE BASED PAYMENTS (CONTINUED)

(A) EMPLOYEE AND DIRECTOR SHARE OPTION PLAN (ESOP) (CONTINUED)

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	LAPSED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED & EXERCIS-ABLE AT THE END OF YEAR
			NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
Consolidated 2016								
ESOP-Managing Director								
23-Oct-14	23-Oct-19	$1.63	100,000	-	-	-	100,000	100,000
			100,000	-	-	-	100,000	100,000
Weighted average exercise price			$1.63	-	-	-	$1.63	

The volume weighted average remaining contractual life of share options outstanding at the end of the period was 3.32 years (2015 : 4.32 Years)

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	LAPSED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED & EXERCIS-ABLE AT THE END OF YEAR
			NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
Consolidated 2015								
ESOP-Managing Director								
27-Oct-10	29-Oct-15	$1.28	40,000	-	(40,000)	-	-	-
23-Oct-13	23-Oct-18	$1.05	100,000	-	(100,000)	-	-	-
23-Oct-14	23-Oct-19	$1.63	-	100,000	-	-	100,000	-
			140,000	100,000	(140,000)	-	100,000	-
Weighted average exercise price			$1.12	$1.63	$1.12	-	$1.63	-

(B) EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

The total expense arising from share-based payment transactions recognised during the period as part of the Employee and Director share option plan was $25,071 (2015: $15,320)

26. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and nonrelated audit firms:-

	CONSOLIDATED	
	2016	2015
	$	$
Audit services		
PricewaterhouseCoopers Australian firm:		
Audit and review of financial reports	124,218	120,600
Other audit related work, including audit of entities for which a group entity is trustee, manager or responsible entity (gross of any amounts reimbursed)	415,379	374,760
Total remuneration	539,597	495,360

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to its statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important.

27. CONTINGENT LIABILITIES

The parent entity and Group had contingent liabilities at 30 June 2016 in respect of bank guarantees for property leases of parent and group entities amounting to $444,000 (2015: $438,000).

28. COMMITMENTS FOR EXPENDITURE

(A) CAPITAL EXPENDITURE

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Commitment payable within one year	-	-

(B) OPERATING LEASES

The Group leases various offices under non-cancellable operating leases expiring within 12 months to four years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of leases are renegotiated.

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Within one year	1,052	1,026
Later than one year but not later than 5 years	2,633	3,642
	3,685	4,668

29. RELATED-PARTY TRANSACTIONS

(A) PARENT ENTITY

The parent entity within the Group is Fiducian Group Limited.

29. RELATED-PARTY TRANSACTIONS (CONTINUED)

(B) SUBSIDIARIES

Interests in subsidiaries are set out in Note 12.

The consolidated financial report incorporate the assets, liabilities and results of the subsidiaries set out in Note 12 in accordance with the accounting policy described in Note 1(b).

(C) KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in Note 24.

(D) TRANSACTIONS WITH RELATED PARTIES

(i) Transactions between the Group and other related entities

a. Operator fee income received from related trusts

b. Trustee fee income received from related trusts

c. Recovery of group costs from related trusts

d. Collection of fees by Responsible entities from the related funds.

The above transactions were on normal commercial terms and conditions and at market rates. All transactions between Group entities are eliminated on consolidation.

(ii) Transactions with related parties of directors

a. Financial planning fees paid by Fiducian Financial Services Pty Limited to entities associated with the directors

b. Financial planning fees paid by Fiducian Financial Services Pty Limited to entities associated with relatives of the directors

The above transactions were on normal commercial terms and conditions and at market rates.

The transactions occurred with related parties is mentioned on the following page:-

29. RELATED-PARTY TRANSACTIONS (CONTINUED)

(D) TRANSACTIONS WITH RELATED PARTIES (CONTINUED

	CONSOLIDATED		
	OWNERSHIP INTEREST[1]	2016	2015
		$	$
Related trusts			
Fiducian Investment Service	Nil		
Operator fees income		3,819,931	3,779,488
Expense recovery		357,247	376,566
Fiducian Superannuation Service	Nil		
Trustee fees income		14,744,496	9,121,465
Expense recovery		1,211,754	3,348,012
Fiducian Funds	Nil		
Responsible Entity fees income		9,473,136	5,872,640
Expense recovery		258,589	248,645
Entities associated with directors or their relatives			
Hawkesbury Financial Services Pty Ltd[2]			
Financial planning fees paid		210,088	211,179
Fiducian Financial Services Bondi Junction Pty Ltd[3]			
Financial planning fees paid		37,492	38,961

[1] "Ownership Interest" means the percentage of capital of the Company held directly and/or indirectly through another entity by Fiducian Group Limited.

[2] Payments to Franchisee associated with director, F Khouri in the normal course of business in arm's length transactions.

[3] Payments to Franchisee associated with a relative of R Bucknell, in the normal course of business in arm's length transactions.

(E) OUTSTANDING BALANCES ARISING FROM SALES / PURCHASES OF SERVICES PROVIDED

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	CONSOLIDATED	
	2016	2015
	$	$
Current receivables (income from related trusts)	2,640,643	2,389,381
	2,640,643	2,389,381

No provisions for doubtful receivables have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad and doubtful receivables due from related parties.

30. RECONCILIATION OF PROFIT OR LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Profit for the year	5,839	4,622
Non-cash employee (expense)/ benefit	292	(89)
Depreciation,amortisation and impairment	1,297	910
Net (gain) loss on sale of non-current assets	-	79
Changes in operating assets and liabilities:		
Change in accounts receivable	(473)	(551)
Change in income tax payable	(622)	289
Change in trade creditors	282	713
Change in other creditors	(737)	908
Change in deferred income tax liability	(335)	(374)
Net cash inflow from operating activities	5,543	6,507

31. EARNINGS PER SHARE

	CONSOLIDATED	
	2016	2015
Earnings per share using weighted average number of ordinary shares outstanding during the period:-		
(A) BASIC EARNING PER SHARE (IN CENTS)		
Profit from continuing operations attributable to the ordinary equity of the company	18.81	14.99
(B) DILUTED EARNING PER SHARE (IN CENTS)		
Profit from continuing operations attributable to the ordinary equity and potential ordinary equity of the company	18.77	14.93

C) WEIGHTED AVERAGE NUMBER OF SHARES USED AS DENOMINATOR

	CONSOLIDATED	
	2016	2015
	NUMBER	NUMBER
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	31,036,045	30,835,861
Adjustments for calculation of diluted earnings per share options	73,223	119,782
Weighted average number of ordinary shares and potential ordinary shares used as denominator in calculating diluted earnings per share	31,109,268	30,955,643

31. EARNINGS PER SHARE (CONTINUED)

(D) RECONCILIATION OF EARNINGS USED IN CALCULATING BASIC AND DILUTED EARNINGS PER SHARE

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Net profit and earnings used calculating basic and diluted earnings per Share	5,839	4,622

(E) INFORMATION CONCERNING THE CLASSIFICATION OF SECURITIES

Options granted to employees under the Fiducian Group Limited Employee Share Option Plan (ESOP) are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent that they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 25.

32. EVENTS OCCURRING AFTER BALANCE DATE / REPORTING DATE

Subsequent to the end of the financial year the Group has issued 53,513 fully paid ordinary shares at $2.29 on 1 July 2016 towards payment of an installment under the terms of the contract of acquisition of a financial planning practice.

To the date of this report, the Group has not bought back any shares.

Other than the issue of shares and the appointment of a new director mentioned in the Director's report, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely in the opinion of the directors of the Group, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent years.

33. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The Group holds the following financial instruments :-

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Financial assets		
Cash and cash equivalents	9,691	12,374
Trade and other receivables	7,429	7,238
	17,120	19,612
Financial liabilities		
Trade and other payables	5,938	5,073

(A) MARKET RISK

(i) Foreign exchange risk

The Group has limited operations outside Australia and is not exposed to any material foreign exchange risk.

(ii) Interest rate risk

The Group's main interest rate risk arises from deposits in Australian dollars, and short-term loans to staff and planners.

The Group has no borrowings.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) MARKET RISK (CONTINUED)

	30 JUNE 2016		30 JUNE 2015	
	WEIGHTED AVERAGE INTEREST RATE	BALANCE	WEIGHTED AVERAGE INTEREST RATE	BALANCE
	%	$'000	%	$'000
Cash at bank and on deposit	1.74%	9,691	1.70%	12,374
Staff & financial planner loans	4.30%	3,744	5.10%	4,016
		13,435		16,390

Bank deposits are at call and staff and planner loans have terms extending between 1 and 7 years, and may be repayable sooner in certain circumstances. Interest rates on loans are reviewed and adjusted at least quarterly.

The Group's main interest rate risk arises from cash and cash equivalents with variable interest rates. At 30 June 2016 if interest rates change by +/- 100 basis points (2015: +/- 100 basis points) from the year end rates with all other variables held constant, post-tax profit would have been $94,000 higher or lower (2015: $ 115,000).

(B) CREDIT RISK

Credit risk for the group is the potential of loss arising from the failure of a debtor or counterparty to meet their contractual obligations. The Group has negligible credit risk from receivables as management fees and financial planning income is received within one month of it falling due and financial planning fees are only paid following the receipt of this income.

The group also provides loans to the financial planners which gives rise to credit risk. This is governed in accordance with the Credit Risk Framework and Policy. For all financial planners and staff loans, an initial assessment and ongoing quarterly credit reviews are performed. Collateral against the loans is also assessed as part of the quarterly credit review. This collateral can be called upon if the counterparty is in default under the terms of the agreements.

The credit quality of these financial assets have been assessed against external credit ratings as follows:-

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Cash at bank and on deposit		
AA-	9,691	12,374
Loans to staff and financial planners		
Unrated	3,744	4,016

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarized on this page.

(C) LIQUIDITY RISK

The Group maintains sufficient liquid reserves to meet all foreseeable working capital, investment and regulatory licensing requirements. The Group has no undrawn credit or other borrowing facilities in place.

	CONSOLIDATED	
	2016	2015
	$'000	$'000
Due in less than 1 year	5,938	5,073
Due between 1 and 2 years	-	-
	5,938	5,073

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(D) FAIR VALUE ESTIMATION

The fair value of financial assets and financial liabilities must be estimated for recognition and measurements or for disclosure purposes.

(a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(c) Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

The Group did not have any assets or liabilities recognised at fair value as at 30 June 2016.

(E) ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE BUT FOR WHICH FAIR VALUE IS DISCLOSED

The following table analyses within the fair value hierarchy the Group's assets and liabilities not measured at fair value at 30 June 2016 but for which fair value is disclosed:-

	AT 30 JUNE 2016			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	$'000	$'000	$'000	$'000
Assets				
Cash and cash equivalents	9,691	-	-	9,691
Trade and other receivables (excluding loans)	-	-	3,685	3,685
Business development and staff loans	-	-	3,744	3,744
Total assets	9,691	-	7,429	17,120
Liabilities				
Trade and other payables	5,938	-	-	5,938
Total Liabilities	5,938	-	-	5,938

	AT 30 JUNE 2015			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
	$'000	$'000	$'000	$'000
Assets				
Cash and cash equivalents	12,374	-	-	12,374
Trade and other receivables (excluding loans)	-	-	3,222	3,222
Business development and staff loans	-	-	4,016	4,016
Total assets	12,374	-	7,238	19,612
Liabilities				
Trade and other payables	5,073	-	-	5,073
Total Liabilities	5,073	-	-	5,073

Assets and liabilities included in this table are carried at amortised cost; their carrying value is a reasonable approximation of fair value.

Cash and cash equivalents include cash in hand, deposits held with bank and other short-term investments in an active market.

Trade receivables include the contractual amount for settlement of the trade debts due to the Group. The carrying amount of the trade receivables is assumed to approximate their fair values due to their short-term nature.

Trade and other payables include amounts due to creditors and accruals and represent the contractual amounts and obligations due by the Company for expenses. The carrying amount of the trade and other payables are assumed to approximate the fair value due to their short-term nature.

33. FINANCIAL RISK MANAGEMENT (CONTINUED)

(E) ASSETS AND LIABILITIES NOT CARRIED AT FAIR VALUE BUT FOR WHICH FAIR VALUE IS DISCLOSED (CONTINUED)

Business development and staff loans represent contractual payments by advisers and staff over the period of the loan. Loans classified as current have not been discounted as the carrying values are a reasonable approximation of fair value due to the short-term nature. Non-current loans have been valued at the present value of estimated future cash flows discounted at the original effective interest rates of the loans

34. UNCONSOLIDATED STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that the voting or similar rights are not the dominant factor in deciding who controls the entity and the relevant activities are directed by means of contractual arrangements.

A subsidiary of the Group, FIM, acts as Responsible entity ("RE") for the Fiducian Funds and has significant influence over the funds due to its power to participate in financial and operating policies of the investee through the powers vested in it by the various contractual agreements. The Group considers all these funds to be structured entities. The RE receives management fees and netting fees from the funds. The Group does not invest in any of the funds it manages nor has any other form of involvement such as the provision of funding, liquidity support or providing guarantees. Despite this, the Group has determined that it has an interest in the funds based on the variability of returns from management fees it receives linked to the net asset valuation of the respective funds.

The funds' objectives range from achieving medium to long- term capital growth and their investment strategy does not include the use of leverage. The funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportional stake in the respective fund's net assets.

The nature and extent of the Group's interest in the funds has been aggregated and is summarised below:-

2016					
TYPE OF FUND	**ACCRUED INCOME***	**FINANCIAL ASSETS****	**MAXIMUM EXPOSURE TO LOSS**	**FUND NET ASSET VALUE**	**FUND'S INVESTMENT PORTFOLIO**
	$'000	$'000	$'000	$'000	$'000
Australian Equity Funds	349	-	349	426,920	420,400
Global Equity Funds	243	-	243	306,653	304,316
Property Fund	76	-	76	101,035	100,318
Diversified Funds	144	-	144	639,584	632,918
Technology Fund	45	-	45	40,688	40,115
Fixed Interest Fund	1	-	1	95,839	95,774

* Shown as other receivables in Current Assets under trade and other receivables subheading in the statement of Financial Position

** Shown as Non-current assets - other financial assets at fair value through profit and loss (refer to note 13 for details)

34. UNCONSOLIDATED STRUCTURED ENTITIES (CONTINUED)

2015					
TYPE OF FUND	ACCRUED INCOME*	FINANCIAL ASSETS**	MAXIMUM EXPOSURE TO LOSS	FUND NET ASSET VALUE	FUND'S INVESTMENT PORTFOLIO
	$'000	$'000	$'000	$'000	$'000
Australian Equity Funds	275	-	275	365,469	363,886
Global Equity Funds	331	-	331	270,644	272,212
Property Fund	54	-	54	74,845	75,459
Diversified Funds	106	-	106	539,848	539,234
Technology Fund	66	-	66	30,691	30,639
Fixed Interest Fund	4	-	4	88,665	88,412

* Shown as other receivables in Current Assets under trade and other receivables subheading in the statement of Financial Position

** Shown as Non-current assets - other financial assets at fair value through profit and loss (refer to note 13 for details)

Unless specified otherwise, the Group's maximum exposure to loss is the total of its on-balance sheet position as at the reporting date. There are no additional off balance sheet arrangements which would expose the Group to potential loss.

During the year the Group earned management fees and netting fees from the structured entities.

A subsidiary of the Group, FPS, acts as the trustee of the Fiducian Superannuation Service under the provisions of the Trust deed for the fund. Due to its fiduciary and statutory obligations to manage the assets of the trust on behalf of the beneficiaries, FPS exercises significant influence over the superannuation fund and therefore the superannuation fund is considered a structured entity as defined above. For its service the subsidiary receives a management fee for managing the investment from the members of the fund. In addition to this the subsidiary is entitled to reimbursement of expenses incurred by it in the operation of the service (for details refer to Note 6).

The nature and extent of the subsidiary's interest in the fund is summarised below:-

2016					
TYPE OF FUND	ACCRUED INCOME*	FINANCIAL ASSETS**	MAXIMUM EXPOSURE TO LOSS	FUND NET ASSET VALUE	FUND'S INVESTMENT PORTFOLIO
	$'000	$'000	$'000	$'000	$'000
Fiducian Superannuation Service	1,379	-	1,379	986,032	975,300

2015					
TYPE OF FUND	ACCRUED INCOME*	FINANCIAL ASSETS**	MAXIMUM EXPOSURE TO LOSS	FUND NET ASSET VALUE	FUND'S INVESTMENT PORTFOLIO
	$'000	$'000	$'000	$'000	$'000
Fiducian Superannuation Service	1,248	-	1,248	889,522	882,539

35. PARENT ENTITY FINANCIAL INFORMATION

The stand-alone summarised financial statements of the Company is as follows:-

	2016	2015
	$'000	$'000
(a) Balance sheet		
Current Assets	11,516	7,459
Non Current Assets	10,323	10,419
Total Assets	21,839	17,878
Current Liabilities	(365)	2,470
Non Current Liabilities	-	-
Total Liabilities	(365)	2,470
Net Assets	22,204	15,408
Equity		
Share capital	6,855	6,366
Reserves	67	42
Retained Earnings	15,282	9,000
Equity	22,204	15,408
(b) Profit for the period		
Dividend from subsidiary and other income	9,676	9,000
(c) Total comprehensive income	-	-

(d) Contingent liability of the parent entity

The Company did not have any contingent liabilities as at 30 June 2016

(e) Contractual commitment for the acquisition of property, plant or equipment.

As at 30 June 2016 the Company did not have any contractual commitments for the acquisition of property, plant or equipment.

36. DEED OF CROSS- GUARANTEE

The Company has in place a deed of cross-guarantee, substantially in the form of ASIC Pro Forma 24 with each wholly owned member of the Fiducian Group. The effect of the deed of cross-guarantee is that each member that has entered into the deed, guarantees to each creditor of any member of the Fiducian Group that has entered into the deed payment in full of any debt owed to that creditor in the event of winding up of that relevant member of the Fiducian Group.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 32 to 73 are in accordance with the Corporations Act 2001, including

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements and

(ii) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2016 and of their performance for the financial year ended on that date and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the wholly owned group identified in note 12 will be able to meet any obligations or liabilities to which they are, or may become subject by virtue of the deed of cross guarantee described in Note 36.

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

The directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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

Inderjit (Indy) Singh
Managing Director

Sydney,
15 August 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

FIDUCIAN GROUP LIMITED

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

Report on the financial report

We have audited the accompanying financial report of Fiducian Group Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Fiducian Group Limited group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

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 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 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 consolidated entity's preparation and fair presentation of the financial report 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*.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FIDUCIAN GROUP LIMITED

Auditor's opinion
In our opinion:

(a) the financial report of Fiducian Group Limited 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 2016 and of its performance for the year ended on that date; and

 (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 20 to 25 of the directors' report for the year ended 30 June 2016. 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 Fiducian Group Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Craig Stafford
Partner

Sydney
15 August 2016

South Australia

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