Annual Report 2020

Fiducian Group Ltd
ABN 41 602 423 610

FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

Contents

FIDUCIAN

INTEGRITY • TRUST • EXPERTISE

A CONFIDENT FUTURE

Financial Highlights

For 2020

Fund Performance

	3 yrs	5 yrs	7 yrs
Growth	**6**/174	**3**/167	**1**/163
Balanced	**9**/174	**5**/167	**4**/163
Cap Stable	**10**/112	**9**/105	**5**/101
Ultra Growth	**26**/118	**8**/109	**2**/102

Flagship funds performance ranking for three, five and seven years to 30 June 2020 against all funds in the Morningstar survey

Acquisition Funded

$412 million
FUA* acquired in 2019-20

Statutory NPAT

Statutory NPAT of
$10.5 million

UEBITDA

UEBITDA* up
8.9%
to $17.5m

UNPAT

UNPAT* up
5.6%
to $12.7m

Dividends

Dividends up
3.1%
to 23.00 cents/ share

Financial Planners

74
Aligned Planners & Associates

Offices

41
Offices across Australia

Net Inflows

Net Inflows increased two fold
106.7%
to $217m

FUMAA

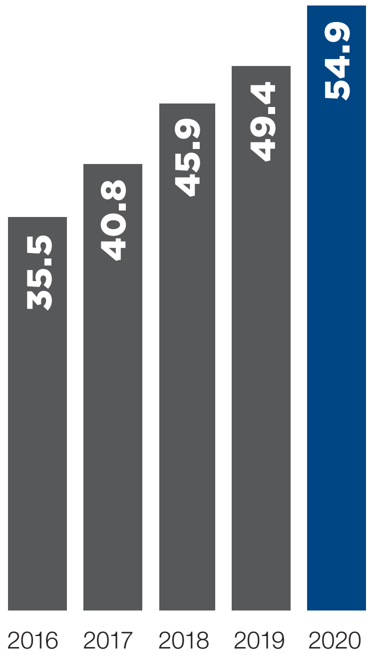
FUMAA* up
$600 million
(by 8%) to $8.0b

* (UEBITDA) – Underlying Earnings Before Interest Tax Depreciation Amortisation | (UNPAT) – Underlying Net Profit After Tax
(FUA) – Funds Under Advice | (FUMAA) – Funds Under Management, Advice and Administration

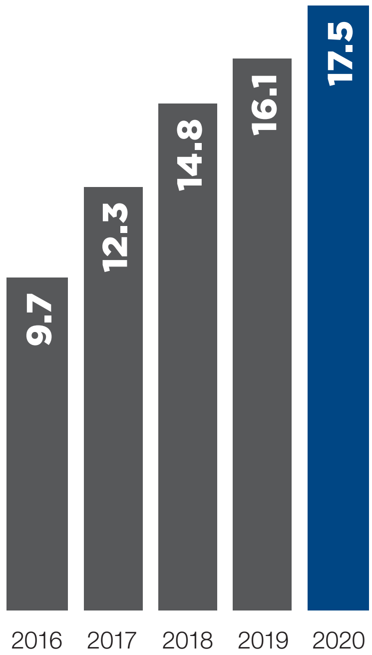
Financial Highlights (Continued)

For 2020

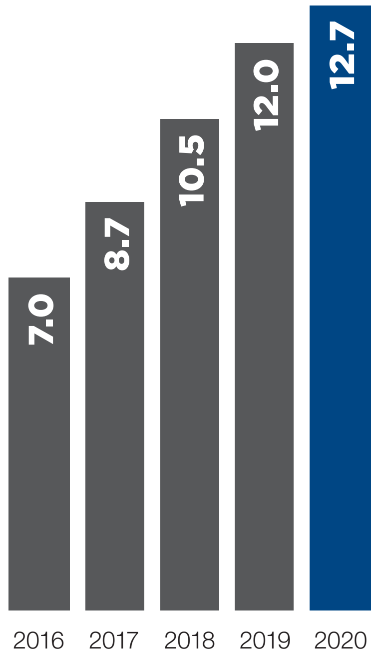
Revenue
($ million)



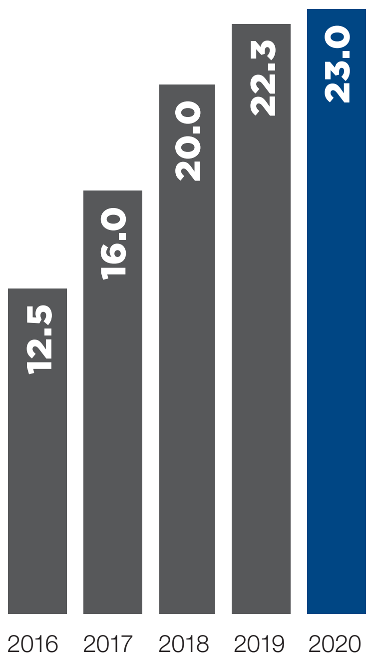
Underlying EBITDA
($ million)



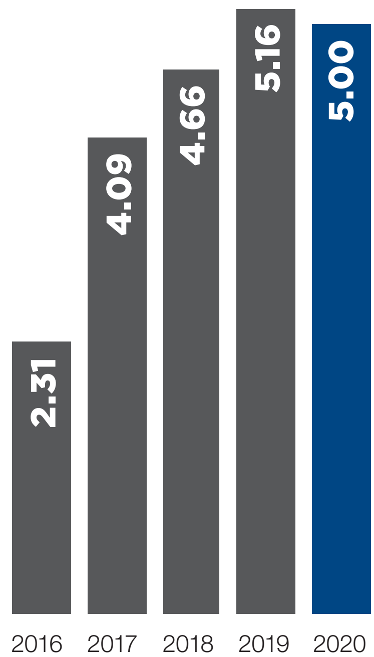
Underlying NPAT
($ million)



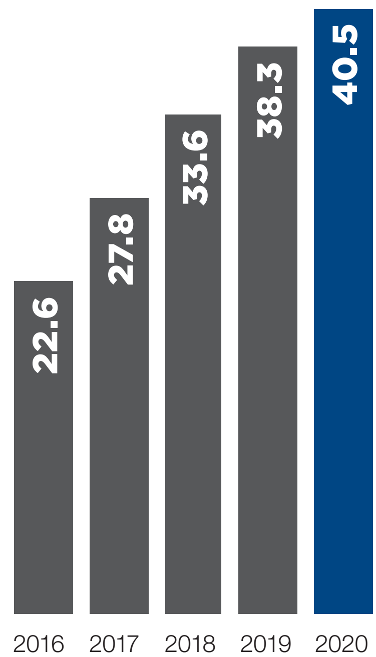
Dividends
(cents)



Share Price - 30 June Closing
($)



EPS based on UNPAT
(cents)



Five Year Financial Summary

For the years 2016 to 2020

Financial History	2020	2019	2018	2017	2016
	$'000	$'000	$'000	$'000	$'000
Financial Performance					
Gross Revenue	54,904	49,404	45,873	40,752	35,451
Underlying EBITDA (UEBITDA)	17,499	16,065	14,832	12,290	9,673
Underlying Net Profit After Tax (UNPAT)	12,725	12,047	10,505	8,710	7,036
Statutory Net Profit After Tax (NPAT)	10,463	10,350	9,198	7,512	5,839
Cost To Income Ratio (CTI) - ex amortisation %	55%	56%	56%	60%	63%
Financial Position					
Total Assets	54,653	45,899	40,561	36,277	33,690
Total Equity	38,123	34,826	31,131	27,620	24,127
Cash	13,961	11,792	13,885	9,548	9,691
Shareholder Information					
Number of shares outstanding (numbers)	31,442,623	31,442,623	31,242,623	31,264,368	31,110,855
Market Capitalisation (in $ million)	157	162	146	128	72
EPS based on UNPAT (in cents)	40.5	38.3	33.6	27.8	22.6
EPS based on NPAT (in cents)	33.3	33.0	29.4	24.0	18.8
Dividends (in cents)	23.0	22.3	20.0	16.0	12.5
Share Price - 30 June closing (in $)	5.00	5.16	4.66	4.09	2.31

Performance of the Last Five Years

16%
Annualised UNPAT Growth

16%
Annualised EPS Growth

8%
Cost to Income % Reduction

Highlights 2019-20

Net Inflow of $217 million up by $112 million (106.7% ↑)

Funds Under Management Advice and Administration up by $600 million (8.0% ↑)

Resilient business model showing increasing UEBITDA in an economic crisis against the industry trend up by $1.4 million (8.9% ↑)

Basic underlying earnings per share up by 5.7%

Established position as a comprehensive financial services provider of Platform Administration, Funds Management and Financial Planning

Established capability for SMA administration and Financial Planning Software sales to external dealer groups

Executive Chairman's Report

Dear Shareholder,

As Executive Chairman and on behalf of the directors, I am pleased to present this report on the consolidated operating performance of Fiducian Group Limited and its controlled entities for the year ended 30 June 2020.

Highlights

Momentum developed during the first half of this financial year suggesting that a strong result would eventuate by 30 June 2020. That is, until the full force of COVID-19 presented itself with a sharp 35% stock market decline in March 2020. Governments across the world were taken by surprise at the ferocity with which businesses were shutting down as a gloomy IMF report projected a deep global recession, which we are in now. Subsequently, governments across the globe announced massive stimulus packages in a matter of months, which in some cases is ten times the amount spent over 3 to 5 years during the Global Financial Crisis (GFC). How this money will be repaid by citizens is a question for another time, but we recognize that the emerging concept of the triple bottom line—profit, people and planet—could well become a mainstream concept adopted by forward thinking business managers in the future. Importantly, "resiliency" — the ability of a business to absorb external shocks and come out of it better than the competition, will become key to survival and long-term prosperity. Resilient companies have business models that make them better prepared for a crisis, possess strong balance sheets and are able to take effective action during a crisis to cut operating costs. Fiducian has already adopted the attributes of a forward looking resilient company and shared its revenue through maintaining dividends to shareholders, wages to staff to lift their morale and ensure retention and partner stakeholders in a balanced and considered manner.

To ensure continuity of the business, we put into action our previously developed and tested Business Continuity and Pandemic Plan. Within a few days, we had our staff either rostering to work from our offices and/or working from home; until all staff were capable of working from home. The Crisis Management Team meets twice a week to oversee the situation and plan for any issues which may impact the business. Its foremost priority is the safety, health, well-being and security of all our staff and associates that comprise the "Fiducian Family".

I am pleased to advise that:

- All our people, the heart and soul of our business, are safe
- All staff could work from home within a couple of weeks of Government lockdowns being announced. A remarkable achievement by our IT team, which worked late into the night to ensure connectivity and even delivered Surface Pro tablets to homes where needed.
- The dedication and contribution by senior management, staff and financial planners has been nothing short of exemplary. They have worked long hours and modified their work processes to deliver on business requirements.
- Financial planners have stepped up their client contact and communication by phone and video conferencing to ensure that clients are not disadvantaged. This is benefitting our clients and the business.
- Net inflows in the difficult second half of this financial year were 36% higher than the first six months of the year. Net inflows for the full year grew by 107% to 217m (2019: $105 million).
- The client administration team for our platforms have delivered a seamless service without any disruption to our clients. All service level standard requirements have been exceeded.
- No one has been retrenched, laid off or had their remuneration reduced. This should assist with retention of skilled staff.
- For their hard work, all staff are rewarded with a salary increase for the coming year and bonuses equal to what they received last year or as per their employment terms.
- Despite the severe share market decline in March, flagship diversified Fiducian Funds have maintained their superior rankings on the Morningstar Survey compared with up to 197 recognized fund managers in their peer groups. This includes the last twelve months and even going back over the last ten years and more. Funds have shown a good recovery after the March decline.
- Cost controls, efficient working methods and our resilience to external shocks have shown that we can still deliver earnings per share growth for shareholders, maintain dividend payments and also keep our staff happy, clearly against the industry trend. This is in spite of the fact that FUMAA at 30 June 2020, is lower than February 2020 due to share market volatility.
- We believe that eventually share markets will recover, employment will return, the world will come to a new normal and we will continue to deliver simpler, cost controlled and more efficient technology driven methods of operation.
- The Board, management and staff therefore remain optimistic for superior growth and a continuation of steady well-managed expansion over the next 3 to 5 years.

Financial Information

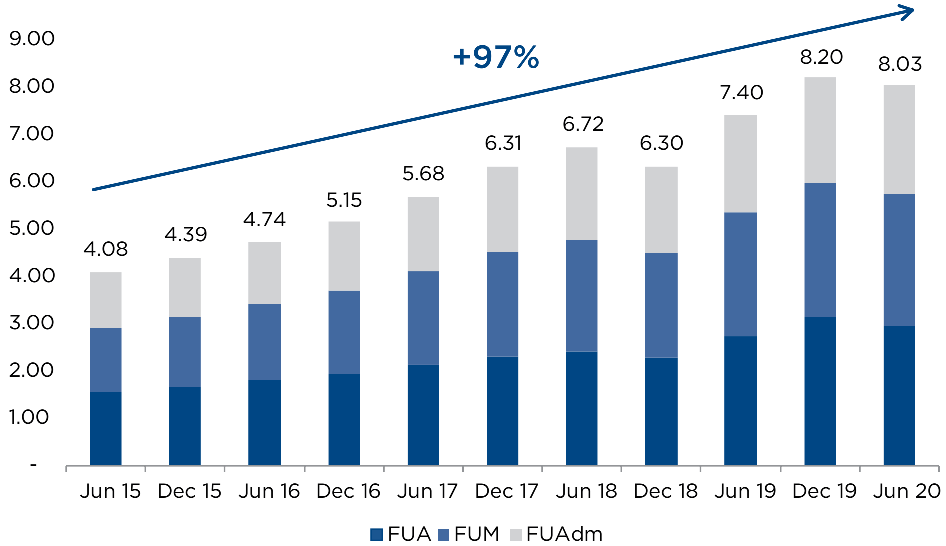
Results for the year

The Statutory Net Profit for the consolidated entity after providing for income tax was $10.5 million (2019: $10.4 million), an increase of 1%, after adjusting for the new treatment of office leases under the accounting Standard AASB 16 *Leases* which came into effect from 1 July 2019. Underlying earnings per share of 40.5 cents (2019: 38.3 cents) is after absorbing a higher tax rate of 30% (2019: 27.5%).

The combined Funds under Management, Administration and Advice (FUMAA) have steadily grown by 8% to $8.0 billion over the year (June 2019: $7.4 billion) though it is lower than the December 2019 number ($8.2 billion) due to the share market decline recorded in March 2020.

Financial highlights				
Year Ending 30 June	**2020**	**2019**	**$ Growth**	**% Change**
Funds Under Management, Advice and Administration (FUMAA)	**8.0 Billion**	**7.4 Billion**	**0.6 Billion**	**8%**
	$'000	$'000		
Operating Revenue	**54,904**	**49,404**	**5.5 Million**	**11%**
Fees and Charges paid	(14,617)	(12,721)		
Net Revenue	**40,287**	**36,683**	**3.6 Million**	**10%**
Gross Margin	73%	74%		
EBITDA	**18,344**	**16,065**	**2.3 Million**	**14%**
Add back rent and deduct interest on lease liabilities	(845)	-		
Underlying EBITDA	**17,499**	**16,065**	**1.4 Million**	**9%**
Depreciation	(212)	(89)		
Tax on underlying earnings	(4,562)	(3,929)		
Underlying NPAT (UNPAT)	**12,725**	**12,047**	**0.7 Million**	**6%**
Amortisation	(2,023)	(1,697)		
AASB 16 *Leases* adjustment impacts - Office Lease	(239)	-		
Statutory NPAT	**10,463**	**10,350**	**0.1 Million**	**1%**
Basic EPS based on UNPAT (in cents)	**40.5**	**38.3**		**6%**
Basic EPS based on NPAT (in cents)	33.3	33.0		

FUMAA (in $ billion)



Capital Management

A key feature of the company is that it has a strong balance sheet and currently remains debt free with 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 through organic growth and acquisitions of client bases that can benefit from the Fiducian process. As a result, a fully franked final dividend of 11.5 cents per share has been declared which will bring the total fully franked dividend declared for the 2020 financial year to 23.00 cents, an increase of 3.1% (2019: 22.30 cents). The full year dividend represents 69% of the statutory NPAT for the year. The final dividend will be paid on 14th September 2020 on issued shares held on 31st August 2020.

On Market Buy-Back

During the year, no shares were bought back on the market leaving 31.44 million shares on issue at year end (2019: 31.44 million shares).

Cash Flow

Net operating cash flows increased to $11.7 million from $10.9 million of the previous year. After adjusting for investing activities ($1.2 million) and financing activities ($8.3 million), net cash and cash equivalents increased by $2.2 million (2019: decrease of $2.1 million). Cash at year end was therefore higher at $13.9 million compared to $11.8 million in 2019. Business acquisitions during the year have assisted and will continue to assist with our future revenue and earning capacity.

Staff and Chairman Options

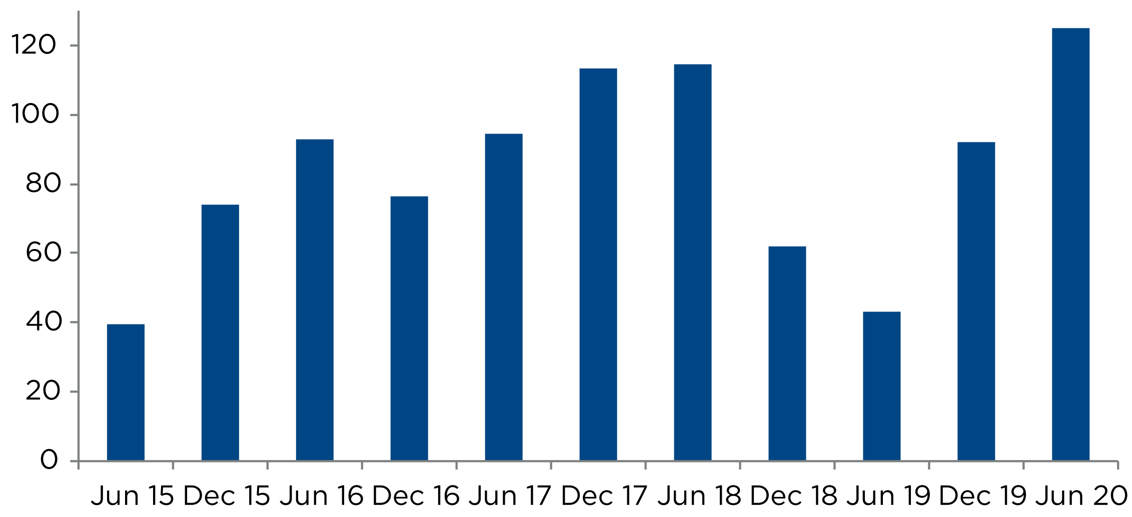
In accordance with the terms and conditions of the approved Employee and Director Share Option Plan, no options will be issued to the Executive Chairman in accordance with his contract of employment for this financial year (2019: Nil options issued). Such options are subject to approval at the Annual General Meeting and only granted when the profit or share price increases by more than 15% over the previous year.

Financial Planning

During the year, Funds Under Advice grew to $3.0 billion (2019: $2.7 billion) due to acquisitions of financial planning businesses and increases in net inflows. Fiducian expects the highest level of compliance and client service from its financial planning network. Regulatory oversight and supervision of our financial planners has been supported by additional recruitment. This is an expensive proposition, but one we feel is necessary. Our extensive internal training program that differentiates our financial planners from the marketplace and enables them to deliver superior quality advice in a compliant manner continues through webinars and video conferencing. As a consequence, client retention remains high. Meanwhile, despite COVID-19 restrictions and the challenges of working from home, net inflows in the second half of the year increased by 36% ($125 million) over the prior half ($92 million). Many grandparents, we notice, are enjoying the benefits of video conferencing and communicating with their financial planners from the security of their home.

Our focus will remain on generating inflows through organic and inorganic growth. During the year, the Group provided funding for acquisition of around $412 million of Funds Under Advice (2019: $219 million) for our salaried & franchised planners. Financial planners of businesses acquired last year, along with new planners to replace departures, have adopted the compliant Fiducian processes and are now starting to contribute to our revenue. Further acquisitions are being negotiated.

Net Funds Inflows - Six monthly (in $ million)



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 comprise over 50.5% of Funds Under Advice. Financial planners of businesses acquired last year in Tasmania, Victoria and Western Australia have assimilated well.

Franchised Offices

Franchised offices now comprise around 49.5% of our Funds Under Advice. We have a total of 45 franchised financial planners nationally. New and efficient methods of telecommunication and video conferencing are being used to assist financial planners in practice development, marketing, financial planning software training and investment products and strategies. Face to face meetings between practice managers and financial planners have currently stopped due to COVID-19 restrictions. I expect that they will resume when things return to normal as they cannot be entirely replaced, but video conferencing, which is at virtually no cost and more efficient, will continue to be widely used.

Platform Administration

Platform Administration offers portfolio wrap administration for superannuation and investment services to financial planners as well as Separately Managed Accounts (SMAs) which offer investors direct access to a small number of shares and funds that are managed separately for them. We believe that our capability and systems enhancements give us the ability to readily compete for such business and negotiations are underway with prospects who could use our services for administration of their SMAs. There is sufficient capacity to offer this administration service to the external market in conjunction with the services we currently provide to our own platforms.

From September 2020 we expect to modify the administration fees, which will be reduced so that they are within the bottom half of the fees of like for like competing platforms. As is the trend in the industry now, transaction and asset holding fees shall be introduced which could reduce or marginally increase the amount paid by investors, depending on how many investment funds they want to hold. To give complete transparency, investors will be able to drill down through Fiducian Online and view every single listed security that they hold anywhere in the world through Fiducian Funds.

The hallmark of the Fiducian administration offering is quality in terms of daily processing, accuracy and customer service, which has been consistently delivered throughout the COVID-19 lockdown.

Funds Under Administration

Funds under Administration were adversely impacted by the falls in share markets across the world in March 2020. Funds under administration stand at $2.2 billion up 6.3% over June 2019 balance of $2.1 billion.

We continue to experience overall growth in Net Fund inflows driven by our salaried and franchisee financial planners with inflows increasing in the second half of the year. We expect steady inflows in the months ahead as prior acquisitions and new franchisees recognise the benefits of the Fiducian process and how it can better serve the best interests of clients. Staff in the business development team now have a clear mandate to grow funds under management and administration from Australia and in New Zealand where we have registered five Fiducian Funds.

Independent Financial Planners (IFAs)

Funds under Administration for IFAs is around 7.5% of total Funds under Administration. Efforts are underway to build new relationships and increase net inflows from non-aligned financial planner groups, in particular through SMA administration services.

Superannuation

The Superannuation Trustee Board established for our public offer, superannuation wrap fund in March 2015 with equal independent directors operates professionally and with independence. The Board is supported by the Office of Superannuation Trustee and outsources key operational process to specialist service providers.

Early Release from Superannuation Funds

The Federal Government has legislated an early release from superannuation scheme to assist Australians, who have had a reduction in their income due to the COVID-19. Superannuation fund members could withdraw up to $10,000 prior to 30 June and an additional $10,000 from July to December this year. There has been much coverage given by the general media on this matter with media releases estimating that between $40 to $ 50 billion is likely to be withdrawn from super funds by the end of the year.

Fiducian Superannuation has had its share of withdrawals too. Until 30 June 2020, 110 members withdrew approximately $1 million and a further amount of $0.7 million was withdrawn by 69 members till the end of July. These payments were made promptly and without delay, given that our fund invests predominantly in liquid assets. The payments are negligible in the scheme of things for Fiducian. Indeed, new investments received in any week have been between five and seven times the total withdrawal amounts to end July. Therefore early release super is considered as inconsequential for Fiducian Superannuation.

Funds Management

Our in-house Manage-the-Manager system of investment continues to attract the majority of retail funds placed with us. Fiducian Funds have performed well over the medium to long-term in their respective categories as we diversify their assets through a range of underlying fund managers to reduce risk and volatility. Since inception some twenty years ago, the performances of these funds to end of June 2020 as reported in the Morningstar Investment Performance Survey have been commendable.

Information Technology

The Fiducian Information Technology development team has been busily working from home to provide system enhancements that deliver efficiency and wide ranging functionality to 'FasTrack', our administration system. The improvements provide integration with our on-line reporting tools and financial planning software, 'FORCe', which gives us an edge when competing for administration related business and as well scope to distribute FORCe. The IT business unit has the potential to become a major revenue generator for the group in years to come.

Human Resources

Management and Staff

Effective reporting processes are in place for all subsidiaries which enhance Group Board oversight of our business activities. The performance by senior management and staff during the COVID-19 lockdown has been impressive. We look forward to retaining our staff who are our most valued resource and to helping them to develop into positions of responsibility. In the new normal, I expect that skilled staff will be harder to replace and off-site training will become more difficult. Therefore, our strategy to reward our people when others are doing the reverse could serve us well in the future.

Fiducian is an equal opportunity employer. Our diversity policy does not discriminate against persons for reasons of race, gender, sexual preference, national or ethnic origin, age or disability and skill. All employees are able to participate and receive recognition, reward and management responsibility commensurate with their performance. Employees are from 22 different countries of origin, 48% are female with 25% in senior roles. 26% of our employees are over 55 years of age.

Planners Council

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 fulfil 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.

Board of Directors

The Board of Directors is working constructively to evaluate and support management's recommendations for the company. Mr. R Bucknell retired as Chairman of the Audit Risk and Compliance Committee (ARCC) during the year. Mr S Hallab who has been an active member of the ARCC, was appointed the ARCC Chairman. The Business Plan for the year ahead has identified measures to lift profits, including by acquisition. Future performance can also be influenced by a rebound in financial markets and decisive political leadership. Management remains committed to achieving the goals and objectives set down in the plan.

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 assist hospitals in India, Myanmar, Nepal, Cambodia and now Ethiopia. Around 41,000 men, women and children who live in abject poverty have now had their eyesight restored and 8,000 children in rural Nepal have had their eyesight screened. Some of our staff voluntarily provide accounting, administration and marketing services to the charity. We intend to continue our charitable support to the community.

Current Economic and Market Environment

The global economy currently remains in deep recession due to what the International Monetary Fund (IMF) has termed the 'Great Lockdown'. In its latest report, the IMF is forecasting that the global economy could contract by 4.9% in 2020, with the advanced economies as a group contracting by 8%. This compares with a forecast contraction of only 3% for the developing world, including India and China.

Next year an economic rebound is forecast by the IMF, with the developed economies to grow by 5% and the developing world by 6%. Much will depend on the spread and severity of any second coronavirus wave which, if it comes, could derail a recovery. Some regions though are forecast to be affected more severely than others. The Eurozone, for example, is forecast to contract by over 10% in 2020 before expanding by 6% next year.

In Australia, the virus had been more effectively contained than in many other countries and this has increased the scope for a return to more 'normal' levels of economic activity. However, recent spikes of confirmed COVID-19 cases in Victoria and now in New South Wales could delay getting the economy moving again.

Massive fiscal stimulus by Governments has been provided globally, as well as monetary stimulus by the world's central banks through 'quantitative easing' and through significant interest rate cuts, bringing official rates close to zero per cent. Most spending is being directed to three areas — supporting citizens' basic needs, preserving jobs, and helping businesses to survive another day. In a space of a couple of months, some Governments announced spending programmes that are ten times the amount that they had spent over the 3 to 5 year period during the GFC.

Most major share markets followed last year's 'bull run' with a heavy setback in March due to the spread of the COVID-19 coronavirus. From late March, however, markets began to trend upwards in the expectation that the financial stimulus could support economic activity. Our view is for shares to outperform over coming years once COVID-19 fears recede and we are therefore currently overweight 'growth' assets in our diversified funds. A similar situation occurred during the recovery from the GFC that began in 2008.

Major sovereign bond markets saw yields reach record lows in March before they began to rise. However, central bank intervention has since kept yields low. Overall, our view is that most bond markets appear expensive.

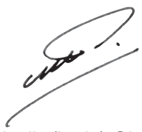
Outlook

The Board expects profit growth to continue steadily in the coming year as management focuses on realising the potential of Financial Planning, Platform Administration, Investment Management and Information Technology. The foundations of our business pillars are solid, growth strategies are in place building scale on existing capacity and leveraging its relatively fixed cost base.

The revenue from recent business acquisitions has started to support the bottom line as is evident from increased inflows in a difficult and uncertain environment.

Expenditure controls and profits remain a priority. Management has quickly taken decisions to cut expenditure and costs without disturbing the momentum for growth. The Board target requires the Group to build scale and deliver consistent double digit earnings growth in coming years.

On behalf of the Board, I 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 under the circumstances.



Inderjit (Indy) Singh OAM

Executive Chairman

17 August 2020

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School children in rural Nepal receiving notebooks as gifts after eye screening.

Fiducian Supported Charity

Vision Beyond AUS (Public Benevolent Institution)

Vision Beyond Australia Ltd, a charity proudly supported by the Fiducian Group, received Public Benevolent Institution status effective from 1 January 2019.

The charity remains a registered charitable fund with tax deductible gift recipient status, but is now able to remit donations directly to its overseas projects.

The charity which is dedicated to restoring eyesight for people living in poverty, operates in Myanmar, Cambodia, Nepal and India through 7 hospitals and has restored eyesight for over 40,619 men, women and children. We estimate that around 200,000 persons would have received attention during the process.

Eye testing before surgery in Cambodia.

Women queueing for eye testing in India.

Directors' Report

Your directors present their report on Fiducian Group Limited ("the Company") and its wholly owned operating entities (referred to hereafter as the Group) for the year ended 30 June 2020.

Directors

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

- I Singh
- R Bucknell
- F Khouri
- S Hallab

Principal activities

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

(a) Operating and acting as Responsible Entitiy of an Investor Directed Portfolio Service, Separately Managed Accounts and Managed Discretionary Accounts service, through its wholly owned subsidiary, Fiducian Investment Management Services Limited

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

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

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

(e) Providing client account administration platforms, self managed superannuation services to clients and corporate services to other entities within the Group through its wholly owned subsidiary, Fiducian Services Pty Limited

(f) Development of IT software systems for financial planning and wrap platform administration through its wholly owned subsidiary, Fiducian Services Pty Limited

(g) Distribution of the products and service offerings of the Group companies through its wholly owned operating subsidiary, Fiducian Business Services Pty Limited

Dividends

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

Dividends	2020 $'000	2019 $'000
Final ordinary fully franked dividend for the year ended 30 June 2019 of 11.30 cents (2018: Fully franked 11.00 cents) per share paid on 11 September 2019.	3,553	3,447
Interim ordinary fully franked dividend for the year ended 30 June 2020 of 11.50 cents (2019: Fully franked 11.00 cents) per share paid on 16 March 2020.	3,616	3,448
Total dividends paid during the year	**7,169**	**6,895**

Subsequent to 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 2020 of 11.50 cents per ordinary share held on 31 August 2020 and payable on 14 September 2020.

Review of operations

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

	Segment Revenues		Segment Results	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Funds Management	14,954	13,850	9,377	8,574
Financial Planning	20,778	16,836	(1,689)	(729)
Corporate and Platform Administration	19,172	18,718	7,249	6,434
Profit from ordinary activities before income tax expenses	54,904	49,404	14,937	14,279
Income tax expenses			(4,474)	(3,929)
Net profit attributable to members of Fiducian Group Limited			10,463	10,350

Comments on operations and results

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

Shareholder returns

The second half of this financial year was impacted by the extreme health, social and economic consequences of the COVID-19 pandemic but in spite of these challenging market conditions the Group has managed to produce another year of growth in underlying EBITDA. The Executive Chairman has outlined in his report to the shareholders how the Group delivered a strong result despite the deterioration in the current macroeconomic conditions brought about by COVID-19. After consideration of the economic environment and the strength of the company's debt-free balance sheet, the directors have decided to maintain a dividend distribution of 11.50 cents per share for the second half, bringing the full year dividend to 23.00 cents per share (2019: 22.30 cents).

Significant changes in the state of affairs

During the first half of the year the Group provided funding for acquisition of three financial planning businesses, one in Tasmania and two in Victoria. In aggregate, these acquisitions have added $412 million in Funds Under Advice and have further grown the Group's presence in these states. The assimilation of the acquisitions into the Fiducian structure has been progressing well and the acquisitions have commenced contributing positively to the Group's revenue during the year.

The second half of the year, however, was overshadowed by the effects of the COVID-19 pandemic and the focus of our executive leadership team shifted to adapting to the changing operating environment. Priorities changed to centre around ensuring the health and welfare of the staff working remotely, the support to our advisers and attention to their clients without interruption to their service as well as to maintain the seamless continuation of our operations and profitability while complying with Federal and State government regulations.

Matters subsequent to the end of the financial year

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.

Likely developments and expected results of operations

The Executive Chairman has commented on expected results of operations in his Executive Chairman's Report. Other than this, there are no likely developments that may have significant impact on the expected results or operations 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 an equal opportunity employer. Our diversity policy does not discriminate against persons for reasons of race, gender, sexual preference, national or ethnic origin, age or disability and skill. All employees are able to participate and receive recognition, reward and management responsibility commensurate with their performance. Employees are from 22 different countries of origin, 48% are female with 25% in senior roles. 26% of our employees are over 55 years of age.

The Group's current gender diversity report is available to be viewed on the Group website.

Key management personnel disclosures

1. Information on current Directors

I Singh (OAM) BTech, MComm (Bus), ASIA, ASFA, DipFP, CFP *Executive Chairman*

Experience and expertise

Founder and Managing Director of the Company since 1996 and Chairman since 25 October 2018. General Management and hands-on experience in the investment of savings and superannuation funds over the past 31 years.

Other current directorships in listed entities

None

Former directorships in the last 3 years

None

Special responsibilities

Executive Chairman of the Group and until 18 February 2020 its Company Secretary.

Interest in shares and options

10,872,061 ordinary shares in Fiducian Group Limited.

35,000 options for ordinary shares in Fiducian Group Limited.

R Bucknell FCA *Independent non-executive director*

Experience and expertise

Chairman from 1996 until 25 October 2018. Extensive experience in accounting and business management over the past 54 years as a Chartered Accountant.

Other current directorships in listed entities

None

Former directorships in the last 3 years

None

Special responsibilities

Chairman of the Remuneration Committee, and member of the Audit Risk and Compliance Committee for Fiducian Group Limited as well as the subsidiary entities, Fiducian Investment Management Services Ltd and Fiducian Financial Services Limited.

Interest in shares and options

500,000 ordinary shares in Fiducian Group Limited.

F G Khouri BBus, 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 a partner in the firm HG Khouri & Associates.

Other current directorships in listed entities

None

Former directorships in the last 3 years

None

Special responsibilities

Director of Fiducian Portfolio Services Limited (Trustee Subsidiary), member of the Audit Risk and Compliance Committees for Fiducian Group Limited, the subsidiary entities, Fiducian Investment Management Services Ltd and Fiducian Financial Services Limited and the Trustee Subsidiary for Fiducian Superannuation Service and a member of the Group and Trustee Remuneration Committees.

Interest in shares and options

268,323 ordinary shares in Fiducian Group Limited.

S Hallab BEc (Accnt & Law), CA, GAICD, FAIST *Independent non-executive director*

Experience and expertise

Board member since 12 August 2016. Chartered Accountant and registered company auditor. Has over 37 years of experience in finance and superannuation.

Other current directorships in listed entities

Company Secretary of Ensurance Limited (ASX code: ENA).

Former directorships in the last 3 years

None

Special responsibilities

Director of Fiducian Portfolio Services Limited (Trustee Subsidiary), Chairman of the Audit Risk and Compliance Committee for Fiducian Group Limited, the subsidiary entities Fiducian Investment Management Services Ltd and Fiducian Financial Services Limited and a member of the Remuneration Committee.

Interest in shares and options

68,027 ordinary shares in Fiducian Group Limited.

2. Company secretary

Mr. I Singh has been the company secretary since inception in 1996 until 18 February 2020 when he decided to step down.

P Gubecka LLB, LLM, BCom, CPA, AGIA *Company Secretary*

Experience and expertise

The General Counsel of the Group, Mr. P Gubecka, has been appointed Company secretary from 18 February 2020 in addition to his existing role. Mr. Gubecka is an Australian legal practitioner and CPA with over 13 years experience in financial services and superannuation.

3. Meetings of directors

The number of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Meetings of directors		Meetings of committees			
	Board		Audit Risk & Compliance		Remuneration *	
	A	B	A	B	A	B
I Singh	5	5	-	-	-	-
R Bucknell	5	5	7	7	-	-
F Khouri	5	5	6	7	-	-
S Hallab	5	5	7	7	-	-

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.

* The Remuneration committee held a meeting on 21 June 2019 in respect of the financial year 2019-20. Subsequently the committee has also met on 23 July 2020.

4. Other

Mr. I Singh as Executive Chairman of Fiducian Group Limited, has authority for and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year ended 30 June 2020. This authority and responsibility is unchanged from the previous year.

5. 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 and induction process
- **D -** Share-based compensation
- **E -** Additional information
- **F -** Director's superannuation
- **G -** Loans to directors
- **H -** Other transactions with key management personnel

The information provided under headings A - H include remuneration disclosures that are required under Australian Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been included in the Directors' 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 not entitled to options under the Employee and Director Share Option Plan.

Directors' fees

The current base remuneration was last reviewed in June 2020. The external directors are paid a fixed fee for participation in Board and Committee meetings plus a fee based on time spent on any additional matters as approved by the Board. Directors who are financial planners may have received advice fees from clients of their financial planning business that may be invested in Fiducian investment products.

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 $450,000 per annum, it was previously approved by shareholders at the Annual General Meeting on 20 October 2016.

Retirement allowance for directors

There are no retirement allowances for non-executive directors other than superannuation accumulation arising from any compulsory superannuation guarantee contributions made on their behalf.

(b) Executive Chairman

Remuneration and other terms of employment for the Executive Chairman are formalised in a service agreement. The Executive Chairman'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, Executive Chairman

- Term of agreement - until 30 June 2024
- Base salary, inclusive of superannuation and salary sacrifice benefits
- Death and TPD/Trauma cover (Not used as Mr Singh funded these personally)
- Short term performance incentives
- Long term incentives through the Fiducian Group Limited Employee and Director Share Option Plan (ESOP)
- Retirement benefits, and
- The employment agreement may be terminated by either party with six-month notice

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 July 2018.

Base salary

Mr. I Singh receives a base salary 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.

Short-term incentives (STI)

The STI aims to provide an incentive to the Executive Chairman to act in the best interests of the Company, its shareholders, clients, staff and all stakeholders, such that the Company achieves and possibly exceeds its targets for the financial year. In setting or paying a STI or bonus, the Remuneration Committee ensures that a bonus does not encourage undue risk taking that would be detrimental to any part of the Company or its clients.

Board policy dictates that the Executive Chairman's performance for a financial year is reviewed and evaluated by the Remuneration Committee. The cornerstone to assessing the performance of the Executive Chairman is the fulfilment of three broad objectives namely:

a) Activities that ensure delivery of quality output to standards and timeliness which ensure compliance with statutory guidelines and as well, enhance customer and stakeholder relationships;

b) Production of results and growth outcomes that enable Business Plan objectives to be achieved; and

c) Leadership, management of staff, strengthening good corporate culture and managing risks.

Key Performance Indicators (KPIs) of the Executive Chairman are set by the Remuneration Committee. The Remuneration Committee uses both objective and subjective measures in its evaluation and on the basis of the methodology below, the Executive Chairman achieved 80% of the KPIs set for the financial year.

The business and operating areas considered are Financial Planning, Funds Management, Business Development and Distribution, and Fiducian Services comprising of Platform Administration, Risk Management, Legal, Information Technology, Marketing and Finance. Each business area's Executive Leader has a number of underlying KPIs that lie within the broad objectives a), b), and c) outlined above. The underlying KPIs of each Executive Leader may differ and depend on their roles and responsibilities. The Executive Chairman sets the underlying KPIs for each Executive Leader and so each business area has a number of performance measures required to be delivered during the year.

Achievement by Executive Leaders of all the KPIs identified for them would satisfy the Board that sufficient personal exertion has been contributed towards achievement of the targets set in the Business Plan for the year, which is approved by the Board. A failure to achieve or deliver on any KPI item within the three broad objectives by any business area stated above is therefore considered a failure by the Executive Chairman to achieve all his KPIs.

The employment contract with the Executive Chairman stipulates that a maximum of 20% of that year's fixed remuneration should be paid to the Executive Chairman if all KPIs are satisfied. The Executive Chairman was therefore entitled to a STI of $80,000 but chose to receive a bonus of $15,000.

Long-term incentives

Mr. I 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 Company's underlying net profit after tax OR
- the 30-day average of June market value for ordinary shares in the company

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 5,000 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. For the year ended 30 June 2020, Mr. I Singh is not entitled to any options.

Retirement and termination benefits

Retirement benefits are delivered under the Fiducian Superannuation Service. This fund provides accumulation benefits based on the superannuation guarantee charge 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 Executive Chairman or by mutual consent is equal to 6 months of the gross annual remuneration.

B - Details of remuneration

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

2020	Short-Term Employee Benefits			Post-Employment Benefits		Share-Based Payment	
Name	Cash salary & fees $	Cash bonus $	Non-monetary benefits $	Super annuation $	Retirement benefits $	Options $	Total $
Executive Chairman							
I Singh [1]	555,000	15,000	-	21,003	-	3,614	594,617
Non-executive directors							
R Bucknell [2,3]	104,000	-	-	-	-	-	104,000
F Khouri [4]	87,022	-	-	8,267	-	-	95,289
S Hallab	62,457	-	-	5,933	-	-	68,390
Totals	808,479	15,000	-	35,203	-	3,614	862,296

[1] Mr I Singh is not entitled to any options in respect of the year ended 30 June 2020. The amount shown as options payment relates to the grant of 35,000 options for FY18 and represents the value of those options expensed over its term in accordance with accounting standards.

[2] Excludes GST if paid to another firm.

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

[4] This excludes fees of $246,134 for financial planning services paid to companies in which Mr F Khouri has an interest in his capacity as a financial planner.

2019	Short-Term Employee Benefits			Post-Employment Benefits		Share-Based Payment	
Name	Cash salary & fees $	Cash bonus $	Non-monetary benefits $	Super annuation $	Retirement benefits $	Options $	Total $
Executive Chairman							
I Singh [1]	539,469	15,000	-	20,531	-	11,045	586,045
Non-executive directors							
R Bucknell [2,3]	110,800	-	-	-	-	-	110,800
F Khouri [4]	86,023	-	-	8,172	-	-	94,195
S Hallab	61,770	-	-	5,868	-	-	67,638
Totals	798,062	15,000	-	34,571	-	11,045	858,678

[1] Mr I Singh was not entitled to any options in respect of the year ended 30 June 2019. The amount shown as options payment relates to the grant of 35,000 options for FY18 and represented the value of those options expensed over its term in accordance with accounting standards.

[2] Excludes GST if paid to another firm.

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

[4] This excludes fees of $205,824 for financial planning services paid to companies in which Mr F Khouri has an interest in his capacity as a financial planner.

C - Service agreements and induction process

The service agreement of the Executive Chairman 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) Options 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 24.

The number of options for ordinary shares in the Company held directly by the Executive Chairman 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.

2020

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 [1]	35,000	-	-	-	35,000	35,000

[1] Under the terms of his employment Mr I Singh is not entitled to any options for the year ended 30 June 2020.

2019

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 [1]	200,000	200,000	35,000	-	35,000	-

[1] Under the terms of his employment Mr I Singh is not entitled to any options for the year ended 30 June 2019. Options granted during 2019 are in respect of the entitlement relating to the year ended 30 June 2018.

(ii) Share holdings

The number 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.

2020				
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	10,723,851	-	148,210	10,872,061
R Bucknell	583,000	-	(83,000)	500,000
F Khouri	268,323	-	-	268,323
S Hallab	52,477	-	15,550	68,027

2019				
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	10,523,851	200,000	-	10,723,851
R Bucknell	583,000	-	-	583,000
F Khouri	268,323	-	-	268,323
S Hallab	31,000	-	21,477	52,477

Shares provided on exercise of options

During the year the Group did not issue any ordinary shares as a result of the exercise of remuneration options by the Executive Chairman of Fiducian Group Limited (2019: 200,000). 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 2020 there has been a 3.6% or $20,000 increase in the base salary of the Executive Chairman while the cash bonuses granted is $15,000 (2019: $15,000) and the grant of options entitlements have been only in accordance with the incentive programs. The Executive Chairman is not entitled to any options in respect of the current year ended 30 June 2020 (2019: Nil).

F - Directors' superannuation

Directors may have superannuation monies invested in Fiducian Superannuation Service. These monies are invested subject to the normal terms and conditions applying to this superannuation fund.

G - Loans to directors

No loans were made to directors during the financial year (2019: Nil). Details of loans to related parties of the directors have been disclosed in Note 28 Related Party Transactions.

H - Other transactions with key management personnel

Mr. R Bucknell, a director of the Company, is also 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 remuneration from the Company for financial planning services. All transactions are on normal commercial terms and conditions.

A director, Mr. S Hallab 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	
	2020	2019
	$	$
Directors' fees and committee fees *	267,679	272,633
Financial planning fees paid or payable	246,134	205,824
Total fees	513,813	478,457

* Details of these fees have been provided in the Remuneration report included in the Directors' Report.

Shares under option

Unissued ordinary shares of Fiducian Group Limited under option at the date of this report are disclosed in Note 24 of the 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 if any, during the year on the exercise of options granted under the Fiducian Group Limited Employee & Director Share Option Plan are disclosed under Note 24 to the Financial Report.

Indemnification and insurance of officers

Under the terms of its constitution, Fiducian indemnifies all past and present directors of Fiducian and its wholly-owned subsidiaries against certain liabilities and costs incurred by them in their respective capacities.

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.

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 Risk and Compliance 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 25 to the consolidated financial report.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 26.

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 https://www.fiducian.com.au/wp-content/uploads/corporate_docs/Corporate_Governance_Statement.pdf.

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

Inderjit (Indy) Singh OAM
Executive Chairman

Sydney,
17 August 2020

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Fiducian Group Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) 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.

Darren Ross
Partner
PricewaterhouseCoopers

Sydney
17 August 2020

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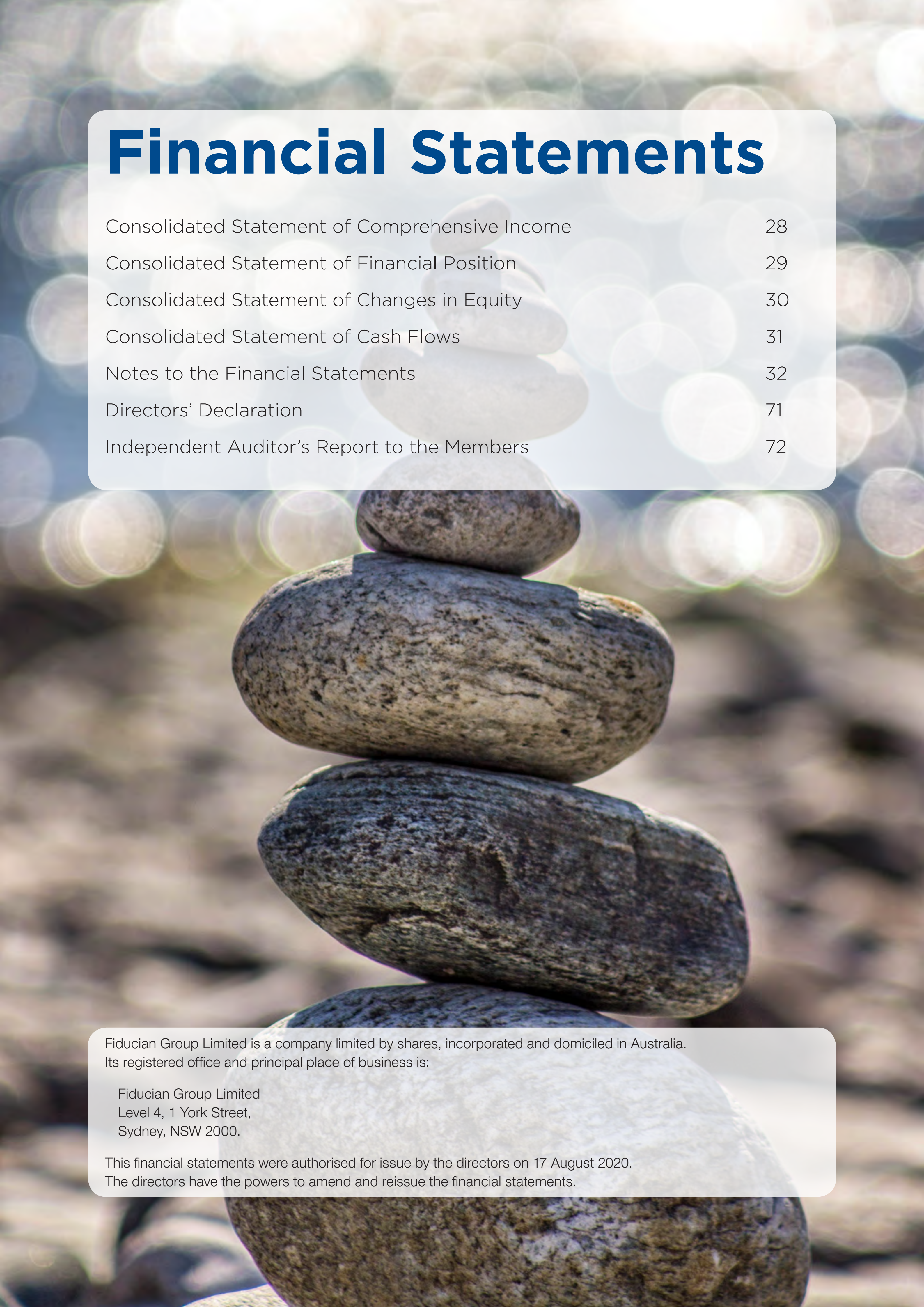

Financial Statements

Fiducian Group Limited is a company limited by shares, incorporated and domiciled in Australia.
Its registered office and principal place of business is:

Fiducian Group Limited
Level 4, 1 York Street,
Sydney, NSW 2000.

This financial statements were authorised for issue by the directors on 17 August 2020.
The directors have the powers to amend and reissue the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2020

	Notes	Consolidated	
		2020	2019
		$'000	$'000
Revenue from ordinary activities	4	54,697	48,927
Other income	5	207	477
Payments to advisers and service providers		(14,617)	(12,721)
Employee benefits expense		(15,588)	(13,109)
Amortisation, depreciation and impairment expense	6(a)	(3,407)	(1,786)
Other expenses	6(b)	(6,355)	(7,509)
Profit before income tax expense		**14,937**	**14,279**
Income tax expense	7	(4,474)	(3,929)
Profit for the year		**10,463**	**10,350**
Other comprehensive income for the full year, net of tax		**-**	**-**
Total comprehensive income for the year		**10,463**	**10,350**
Profit attributable to:			
Owners of Fiducian Group Limited		10,463	10,350
Earnings per share	30		
Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share (in cents)		33.28	33.03
Diluted earnings per share (in cents)		33.24	32.94

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

Consolidated Statement of Financial Position

As at 30 June 2020

	Notes	Consolidated 2020 $'000	2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents	**9**	13,961	11,792
Trade and other receivables	**10**	6,327	8,694
Total Current Assets		20,288	20,486
Non-current assets			
Loan receivables	**11**	5,712	5,150
Property, plant and equipment	**13**	759	172
Right-of-use assets	**35(ii)**	6,907	-
Intangible assets	**15**	20,987	20,081
Total Non-Current Assets		34,365	25,403
Total assets		54,653	45,889
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	6,677	7,939
Lease liabilities	**35(ii)**	1,377	-
Current tax liabilities	**17**	360	696
Total Current Liabilities		8,414	8,635
Non-current liabilities			
Net deferred tax liabilities	**18**	1,978	1,960
Lease liabilities	**35(ii)**	5,858	-
Provisions	**19**	280	468
Total Non-Current Liabilities		8,116	2,428
Total liabilities		16,530	11,063
Net assets		38,123	34,826
EQUITY			
Contributed equity	**20**	7,636	7,636
Reserves	**21**	25	22
Retained profits	**22**	30,462	27,168
Total equity		38,123	34,826

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 2020

	Notes	Contributed Equity	Reserves	Retained Profits	Total
		$'000	$'000	$'000	$'000
Balance as at 30 June 2018		7,041	130	23,960	31,131
Change on initial application of AASB 9				(366)	(366)
Restated balance at beginning of the year		7,041	130	23,594	30,765
Profit for the year		-	-	10,350	10,350
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	10,350	10,350
Transactions with equity holders in their capacity as equity holders					
Shares issued on exercise of option		595	-	-	595
Dividends paid	**8**	-	-	(6,895)	(6,895)
Transfer to retained profits		-	(119)	-	(119)
Transfer from reserves		-	-	119	119
Options expense	**21**	-	11	-	11
Total transactions with equity holders		595	(108)	(6,776)	(6,289)
Balance as at 30 June 2019		7,636	22	27,168	34,826
Profit for the year		-	-	10,463	10,463
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		-	-	10,463	10,463
Transactions with equity holders in their capacity as equity holders					
Dividends paid	**8**	-	-	(7,169)	(7,169)
Options expense	**21**	-	3	-	3
Total transactions with equity holders		-	3	(7,169)	(7,166)
Balance as at 30 June 2020		7,636	25	30,462	38,123

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 2020

	Notes	Consolidated 2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts from customers (Inclusive of goods and services tax)		59,470	53,910
Payments to suppliers and employees (Inclusive of goods and services tax)		(42,631)	(38,023)
		16,839	15,887
Interest received		301	477
Income taxes paid		(5,418)	(5,425)
Net cash inflow from operating activities	**29**	11,722	10,939
Cash flows from investing activities			
Payments in relation to acquisitions		(695)	(6,882)
Net receipts from advisers on business development loans		254	225
Payments for property, plant and equipment		(800)	(75)
Net cash outflow from investing activities		(1,241)	(6,732)
Cash flows from financing activities			
Lease principal payments		(1,143)	-
Proceeds on issue of shares		-	595
Dividends paid		(7,169)	(6,895)
Net cash outflow from financing activities		(8,312)	(6,300)
Net increase/(decrease) in cash and cash equivalents held		2,169	(2,093)
Cash and cash equivalents at the beginning of the year		11,792	13,885
Cash and cash equivalents at the end of year	**9**	13,961	11,792

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

Notes to the Financial Statements

1. Summary of significant accounting policies

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

A. Basis of preparation

This general purpose financial report 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 report of Fiducian Group Limited also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

New accounting standards adopted by the Group in the current period

The Group has applied the following standards and interpretations for the first time for the annual reporting period commencing 1 July 2019.

- AASB 16 *Leases*
- AASB Interpretation 23 *Uncertainty over Income Tax Treatments*

Changes to the Group's key accounting policies as a result of the application of the new standards are explained in Note 1-W.

Historical cost convention

The financial report 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 reports 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 report incorporates the assets and liabilities of all entities controlled by Fiducian Group Limited (Company or parent entity) as at 30 June 2020 and the results of all controlled entities for the year then ended. Fiducian Group Limited and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all 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 entity's financial report.

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

C. Revenue recognition

Revenue is recognized, using the five step approach prescribed by the accounting standards, upon satisfaction of the performance obligations, which occur when control of the goods or services is transferred to the customer. The key judgments in the recognition of revenue involves determining whether the contract is a single performance contract, whether the performance obligation is satisfied over time, as well as the timing and amount of variable consideration to be recognised.

The primary revenue streams from contracts with customers for the Group are in the nature of management fee income earned from funds management, fees earned from offering platform services and fee income from offering advice to customers.

1. Summary of significant accounting policies (Continued)

- Fees earned from the funds management services have been accounted for as single performance obligations to each fund satisfied over time. The fees received based on a fixed percentage on the assets under management are considered variable consideration but with the uncertainty in the variable element being resolved within the reporting period. Fund management services are held to be performed on an ongoing daily basis and therefore fees are accrued daily and paid monthly in arrears for the service provided.
- Revenue streams earned from platform administration services are identified as separate single performance obligations to individual customers with customers exercising control over the funds transitioned onto the platform. Platform administration services are held to be performed on an ongoing daily basis and therefore fees are accrued daily and paid monthly in arrears for the service provided by the platform.
- Fees earned from offering advice to customers are a combination of fees earned for ongoing service, and one off fees. Ongoing fees based on Funds Under Advice are treated as single performance obligations satisfied over time. The fees received based on a fixed percentage on the Funds Under Advice are considered variable consideration but with the uncertainty in the variable element being resolved within the reporting period. Advice service fees are therefore accrued daily and paid monthly in arrears for the service period, and therefore the revenue is attributed to services provided for within the period and accounted for as such. One off fees are identified as a single performance obligation with service performed at a point in time and revenue recognised in line with the service.

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 reports. 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.

Tax consolidation

Fiducian Group Limited and its wholly owned subsidiaries have implemented the tax consolidation legislation with Fiducian Group Limited as the head entity of the 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.

1. Summary of significant accounting policies (Continued)

E. Operating leases

The Group leases office space and equipment for which contracts are typically entered into for fixed periods and may include extension options. Leases are recognised as a right-of-use asset and a corresponding liability at the commencement date, being the date the leased asset is available for use by the Group. The accounting policy for the classification and accounting for leases has been explained in Note 1-W.

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 and Responsible Entity of an Investor Directed Portfolio Service, Fiducian Investment Service, Managed Discretionary Accounts Service and the Responsible Entity of Fiducian Funds and Separately Managed Accounts ("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 2020 reflect the fiduciary nature of these companies' 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 goodwill and intangible 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 statement of cash flows 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.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 120 days past due. 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.

1. Summary of significant accounting policies (Continued)

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 instruments

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.

Business Development Loans

Fiducian provides financial support in the form of business development loans to aligned financial planner franchisees to enable them to grow their business organically or through acquisition. Management have assessed the business model for these loans to be 'Hold and Collect' and the cash flows of these loans to be Solely Payments of Principal and Interest (SPPI) and therefore the business development loans are classified as Amortised Cost.

Impairment

Credit impairments are based on a 3-stage Expected Credit Loss (ECL) approach where individual loans are categorized based on changes in the credit risk since origination. An unbiased and probability weighted ECL is then computed for the individual loan as the product of the Probability of Default (PD), the Loss Given Default (LGD) probability and the Exposure At the time of Default (EAD).

The ECL is determined with reference to the following stages:

Stage 1: Performing loans 12 month ECL

At initial recognition and for financial assets for which credit risk was low, ECL was determined based on the PD over the next 12 months and the losses associated with such default, adjusted for forward looking information. Interest income was determined with reference to the effective interest rate and the gross carrying amount of the asset.

Stage 2: Non-performing loans: Lifetime ECL

The Group assessed whether there had been a Significant Increase in Credit Risk (SICR) of the loans since initial recognition, based on qualitative and quantitative factors, and reasonable forward looking information, which included significant management judgement. Qualitative factors included but were not limited to payment history, requests to modify contractual payments and compliance reviews. Quantitative analysis utilised an internally developed model based on loan to value ratios and forecasted cash flows, adjusted for forward looking indicators such as the level of the ASX 200. Where the Group's modelling indicated a SICR, an ECL was determined with reference to the loan's lifetime probability of default and the lifetime loss associated with that probability of default. Interest income was determined with reference to the financial asset's effective interest rate and the gross carrying amount of the asset. The deferral of contractual payments for short periods of time has not been treated as an automatic indicator of SICR by and of themselves.

Stage 3: Credit impaired loans: Lifetime ECL

Where one or more events which have a detrimental impact on estimated future cash flows has occurred, the loans would be classified as credit impaired and included in stage 3. Management have pre-defined some events that would objectively indicate credit impairment such as loan to value ratio increasing beyond a certain percentage and bankruptcy of the adviser. Lifetime ECL continues to be recognised but interest income is taken on a net of provision basis. The Group does not have any assets in stage 3.

L. Fair value estimation

Other than the business development loans discussed above, 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.

1. Summary of significant accounting policies (Continued)

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 – 10 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 estimated 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 amounts. These are included in the statement of comprehensive income.

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.

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.

1. Summary of significant accounting policies (Continued)

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 corporate 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 24.

Subsequent options issued to employees for no consideration have the fair value of options granted under the Fiducian Employee and 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 re-issued.

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.

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 or other 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.

1. Summary of significant accounting policies (Continued)

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 report. Amounts in the financial report 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

AASB 16 *Leases*

AASB 16 *Leases* replaced AASB 117 *Leases* for all financial years commencing after 1 January 2019 and removed the distinction between operating and financing leases. Primarily impacting the accounting by lessees the new standard requires the recognition of almost all leases on the balance sheet. The Group has adopted this standard from 1 July 2019 and applied the simplified approach, which does not require restatement of comparative information. The reclassifications and the adjustments arising from the new leasing rules are therefore recognized in the opening balance sheet on 1 July 2019. The key changes of this standard that have impacted the accounting policies are summarised below:

Recognition of operating leases on the statement of financial position

From 1 July 2019, the Group has recognized a right-of-use asset offset with a corresponding lease liability in respect of its rented premises from the date at which the premises became available for use by the Group.

The right-of-use assets measured at cost will comprise the following:

- The amount of the initial measurement of the lease liabilities
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial directs costs incurred by the Group and
- Restoration costs

The lease liabilities as at the commencement date will include the net present value of the following lease payments:

- Any fixed payments less any lease incentives receivable
- Variable lease payments based on an index or rate, initially measured using that index or rate at commencement
- Amount expected to be payable by the Group under a residual value guarantee
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate the lease
- Exercise price of a purchase option if the Group is reasonably certain to exercise that option

Recognition of operating leases in the profit and loss account and statement of cash flows

The right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term (including the extension option where applicable) on a straight-line basis. In determining the lease term, management has considered all facts and circumstances that create an economic incentive to exercise the extension option. If the Group is reasonably certain that it will exercise the option to renew the lease then the extended period has been taken into consideration for calculating the depreciation amount. The right-of-use assets held by the Group may be subsequently adjusted for any re-measurement of the lease liability to reflect any reassessment or lease modifications identified, or to reflect revised in-substance fixed lease payments.

The lease payments are discounted using the interest rate implicit in the lease or, where that is not available, by using the lessee's incremental borrowing rate payable to borrow funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Under the new standard the lease payments are allocated between the principal and finance cost. The operating expense in respect of lease payments in the profit and loss account has been replaced by the finance cost, calculated by applying the incremental borrowing rate on the remaining balance of the lease liability, and the depreciation cost for the right-of-use asset. This has typically resulted in higher expenses in earlier years and lower expenses in later years with flow on impacts to key metrics like EBITDA etc.

Operating cash flows in the statement of cash flows are higher under this standard as only the finance cost component is treated as an operating cash outflow in the statement of cash flows while the principal payment has been treated as a financing cash outflow.

Payments associated with short-term leases of equipment and premises with a lease term of less than 12 months continue to be recognised on a straight line basis as an expense in the profit and loss account.

1. Summary of significant accounting policies (Continued)

AASB Interpretation 23 *Uncertainty over Income Tax Treatments*

AASB Interpretation 23 *Uncertainty over Income Tax Treatments* clarifies the application of the recognition and measurement criteria in AASB 112 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances. The Company adopted the interpretation on 1 July 2019 and upon adoption, assessed that it did not have any uncertain tax positions and therefore there was no impact from the adoption of this interpretation.

2. Critical accounting estimates and judgements

In preparing the Annual Report, the Group makes estimates and assumptions concerning the future which management believes are reasonable. However, outcomes may differ from management's assumptions and estimates and may require adjustments to the carrying amounts of the assets and liabilities reported. These estimates and judgements 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.

(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 earnings multiples requiring the use of sustainable revenue estimates and comparable market transactions.

(iii) Estimated impairment of loans receivables

The Group applies a three-stage approach to measuring the ECL based on changes in the business development loan's underlying credit risk and includes forward-looking or macroeconomic information (FLI). The calculation of ECL requires judgement and the choice of inputs, estimates and assumptions around the product of the probability of default (PD), the loss given default (LGD) and the exposure at default (EAD). Outcomes within the next financial period that are different from management's assumptions and estimates could result in changes to the timing and amount of ECL to be recognised.

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:

Funds Management

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

Corporate and Platform Administration

This segment is an aggregation of the administration and professional services provided to the Group by a subsidiary, Fiducian Services Pty Ltd, the operations of Fiducian Portfolio Services Ltd, which acts as an Registrable Superannuation Entity (RSE) of the public offer superannuation fund, and Fiducian Business Services Pty Ltd, which provided distribution activities in the current period, but until 31 January 2019 provided accountancy resources services for the Group.

Financial Planning

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

Geographical segments

The Group operates in the geographical segments of Australia and in India. The Indian operations, which are in the course of winding up, are not considered material for a separate geographical segment disclosure.

3. Segment information (Continued)

B. Primary reporting - Business segments

	Funds Management	Financial Planning	Corporate and Platform Administration	Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000
2020					
Revenue from external customers	19,445	20,685	14,567	-	54,697
Inter-segment sales [1]	(4,550)	(120)	4,670	-	-
Other revenue	59	213	(65)	-	207
Total segment revenue	**14,954**	**20,778**	**19,172**	**-**	**54,904**
Profit from ordinary activities before income tax expense	9,377	(1,689)	7,249	-	14,937
Income tax expense					(4,474)
Profit from ordinary activities after income tax expense					10,463
Segment assets	**9,546**	**33,071**	**22,187**	**(10,151)**	**54,653**
Segment liabilities	**1,871**	**8,321**	**7,264**	**(926)**	**16,530**
Acquisitions of plant and equipment, intangible and other non-current segment assets	**-**	**3,905**	**769**	**-**	**4,674**
Depreciation, amortisation and impairment	**-**	**2,759**	**648**	**-**	**3,407**

[1] Intersegment sales for the current period represents internal service charges from the Administration entity to other business lines.

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3. Segment information (Continued)

B. Primary reporting - Business segments (Continued)

	Funds Management	Financial Planning	Corporate and Platform Administration	Segment Eliminations	Consolidated
	$'000	$'000	$'000	$'000	$'000
2019					
Revenue from external customers	17,465	17,165	14,297	-	48,927
Inter-segment sales [1]	(3,735)	(600)	4,335	-	-
Other revenue	120	271	86	-	477
Total segment revenue	**13,850**	**16,836**	**18,718**	**-**	**49,404**
Profit from ordinary activities before income tax expense	8,574	(729)	6,434	-	14,279
Income tax expense					(3,929)
Profit from ordinary activities after income tax expense					10,350
Segment assets	**8,724**	**31,316**	**17,358**	**(11,509)**	**45,889**
Segment liabilities	**2,182**	**6,939**	**4,225**	**(2,283)**	**11,063**
Acquisitions of plant and equipment, intangible and other non-current segment assets	**-**	**6,228**	**(151)**	**-**	**6,077**
Depreciation, amortisation and impairment	**-**	**1,552**	**234**	**-**	**1,786**

[1] Intersegment sales for the current period represents internal service charges from the Administration entity to other business lines.

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 in the statement of comprehensive income is reported in a manner consistent with the regular reporting provided to the board during the year.

Segment revenue reconciles to total revenue from continuing operations as follows:

	Consolidated	
	2020	**2019**
	$'000	$'000
Total segment revenue	54,697	48,927
Total revenue from continuing operations (Note 4)	54,697	48,927

The Group is domiciled in Australia. The amount of its revenue from external customers in Australia is $54,697,000 (2019: $48,927,000).

(ii) Segment assets

Total assets are reported in a manner consistent with the regular reporting provided to the board during the year. 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. The Indian assets are not material.

(iii) Segment liabilities

Total liabilities are reported in a manner consistent with the regular reporting provided to the board during the year. These liabilities are allocated based on the operations of the segment.

4. Revenue from ordinary activities

	Consolidated	
	2020	**2019**
	$'000	$'000
From continuing operations		
Sales revenue		
Fees received [1]	53,681	47,929
Other	1,016	998
Revenue from ordinary activities	54,697	48,927

[1] Includes expense recovery fee of $3,800,000 (2019: $3,800,000). For details refer to Note 6.

5. Other income

	Consolidated	
	2019	**2019**
	$'000	$'000
Interest received/receivable	302	477
Accounting Business Sale Proceeds Receivable write off	(95)	-
Other income	207	477

6. Expenses

	Consolidated 2020 $'000	Consolidated 2019 $'000
Profit before income tax includes the following expenses:		
a) Amortisation, depreciation, and impairment expense		
Amortisation		
Capitalised computer software	10	5
Client portfolio acquisition costs	2,013	1,497
Total amortisation	2,023	1,502
Depreciation		
Furniture, office equipment and computers	182	35
Leasehold improvements	30	54
Right-of-use assets	1,172	-
Total depreciation	1,384	89
Impairment		
Goodwill	-	195
Total impairment	-	195
Total amortisation, depreciation and impairment expense	**3,407**	**1,786**
b) Other expenses		
Professional services	659	440
Sales, marketing and travel	1,542	2,029
Rental expense relating to operating leases	294	1,073
Premises and equipment	212	633
Communication and computing	989	808
Printing and stationery	197	262
Auditors remuneration (Note 25)	960	755
Regulatory fees	390	332
Administration and other	1,915	1,977
Expense Recovery [1]	(803)	(800)
Total other expenses	6,355	7,509

[1] Under the administration agreement entered into by the Trustee, Fiducian Portfolio Services Limited, on behalf of Fiducian Superannuation Service (FSS) with Fiducian Services Pty Ltd ('the administrator") the expenses of FSS are paid on the Trustee's behalf by the administrator and are reimbursed by FSS by way of an Expense Recovery Fee. Additional out of pocket expense reimbursements of $261,033 (2019: $445,297) have been included in Expense Recovery in Note 6(b). For the current year the Expense Recovery Fee of $3,800,000 (2019: $3,800,000) has been included in Revenue from ordinary activities in Note 4 as part of Fees received.

7. Income tax expense

	Consolidated	
	2020	2019
	$'000	$'000
a) Income tax expense		
Current tax	5,082	4,728
Deferred tax	(608)	(799)
Income tax expense	4,474	3,929
Deferred income tax (revenue)/expense included in income tax expense comprises:		
Decrease/(Increase) in deferred tax assets (Note 14)	348	(248)
(Decrease) in deferred tax liabilities (Note 18)	(956)	(551)
Deferred tax	(608)	(799)
b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	14,937	14,279
Tax at the Australian tax rate of 30% (2019: 27.5%)	4,481	3,927
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment	59	54
Sundry items	41	76
Income tax (over)/under provided in previous year	(107)	(128)
Income tax expense	4,474	3,929

c) Tax consolidation legislation

Fiducian Group Limited and its wholly owned subsidiaries have formed a tax consolidated group. 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	
	2020	2019
	$'000	$'000
Final ordinary fully franked dividend for the year ended 30 June 2019 of 11.30 cents (2018: Fully franked 11.00 cents) per share paid on 11 September 2019.	3,553	3,447
Interim ordinary fully franked dividend for the year ended 30 June 2020 of 11.50 cents (2019: Fully franked 11.00 cents) per share paid on 16 March 2020.	3,616	3,448
Total dividends paid during the year	7,169	6,895

Subsequent to 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 2020 of 11.50 cents per ordinary share held on 31 August 2020 and payable on 14 September 2020.

8. Dividends (Continued)

Franked dividends

The franked portions of the final dividends recommended after 30 June 2020 will be franked out of existing franking credits.

	Consolidated	
	2020	2019
	$'000	$'000
Franking credits available for the subsequent financial year based on a tax rate of 30%	18,240	15,878

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 $1,549,672 (2019: $1,347,696).

9. Current assets – Cash and cash equivalents

	Consolidated	
	2020	2019
	$'000	$'000
Cash at bank and in hand	13,961	11,792
Balance at end of the year	13,961	11,792

10. Current assets – Trade and other receivables

	Consolidated	
	2020	2019
	$'000	$'000
Amounts receivable from related entities:		
Related trusts	4,597	4,038
Business development loans *	863	534
Staff loans	-	3
Other	760	835
Prepayments	566	385
Advance to acquire a business	-	3,399
	6,786	9,194
Less: provision for impairment of trade receivables - Other	(459)	(500)
	6,327	8,694

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

Movement in provision for impairment of trade receivables - Other		
Balance at beginning of the year	(500)	(464)
Reduction/(Additional) provision during the year	41	(36)
Balance at end of the year	(459)	(500)

There is no material loss expected, other than the provisions made.

10. Current assets – Trade and other receivables (Continued)

Information about the Group's exposure to interest rate risk in relation to trade and other receivables is provided in Note 32-A and details on the credit risk associated with Business Development loans in Note 32-B.

11. Non-current assets – Loan receivables

	Consolidated	
	2020	2019
	$'000	$'000
Business development loans *	6,266	5,699
Staff loans	-	5
Less: provision for impairment of loans	(554)	(554)
Balance at end of the year	5,712	5,150

* Refer to Note 10 for the current portion of these receivables.

A. Impaired receivables and receivables past due

In response to COVID-19 the Group undertook a review of its business development loans and the related ECL. The review considered the macroeconomic outlook, adviser credit quality, the type of collateral held, exposure at default and the effect of payment deferral options as at the reporting date. While the model inputs including forward-looking information were revised, the ECL models, SICR thresholds and definitions of default remain consistent with prior periods. Following the economic consequences of COVID-19 at the reporting date the timing of contractual recovery is subject to evolving regulatory and industry support for counterparties requesting such support. The deferral of contractual payments for short periods of time has not been treated as an automatic indicator of SICR or considered a default if there has not been a material effect on the present value of expected future cash flows.

In line with the 3 stage approach to ECL recognition, the Group has classified some underperforming loans as Stage 2 where there has been a SICR in underlying exposures since initial recognition despite these assets not being of a lower credit quality than exposures classified in Stage 1. In accordance with the ECL methodology, a Lifetime ECL provision is required to be provided on Stage 2 loans.

	Consolidated	
	2020	2019
	$'000	$'000
Underperforming loans included in Stage 2 assessment	2,905	1,980
Credit impaired loans	-	-
Impaired receivables and receivables past due	2,905	1,980
Less: Lifetime ECL against Stage 2	(554)	(554)
Net impaired receivables and receivables past due	2,351	1,426

The Group assesses exposures semi-annually to determine whether there has been a SICR. The SICR methodology is a relative credit risk based approach which considers changes in an underlying exposure's credit risk since origination. In prior periods the Group used three downside scenarios anchored to a deterioration in the ASX 200, broadly representing low, medium and a significant downside to determine a SICR. This year the Group adopted a fourth more extreme scenario to recognise a COVID-19 fuelled macroeconomic environment. As a result of this scenario there has been increases in the quantum of Stage 2 exposures indicating an increase in credit risk since origination but not necessarily inferring that the assets are of a lower credit quality.

In calculating the ECL, loan exposures which in prior years had shown a SICR had gradually reduced over time through repayments and therefore after application of probability to the exposure's PDs and LGDs and adjusting for the collateral held, the Group determined that the current ECL balance was adequate and no further provision was required despite the increase in exposure.

11. Non-current assets – Loan receivables (Continued)

Security

Under the terms of agreement for business development loans, the Group has a security deed over all the assets of the franchisee's business registered in the Personal Property Security Register. This security may be called upon if the franchisee defaults under the terms of the agreement.

B. Fair values

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

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
Business development loans *	5,712	5,712	5,145	5,145
Staff loans *	-	-	5	5
	5,712	5,712	5,150	5,150

* Business development loans and staff loans are carried at amortised cost; their carrying value is a reasonable approximation of fair value.

12. Investment in Subsidiaries

The Group's principal subsidiaries as at 30 June 2020 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 for the Fiducian Funds, Separately Managed Accounts and Managed Discretionary Accounts service. The company is also the operator and responsible entity of the Fiducian Investment Service.

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

[3] The company provides platform administration and self-managed superannuation services to clients and corporate services to other entities within the Group.

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

[5] The company is responsible for the distribution activities on behalf of the Group.

In addition to the above subsidiaries, Fiducian Business Services has a 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 this company, which are in the process of being wound up, are not considered material to the Group in 2020.

13. Non-current assets – Property, plant & equipment

	Consolidated 2020 $'000	2019 $'000
Plant and Equipment		
Cost	2,515	1,716
Less: accumulated depreciation	(1,756)	(1,544)
Total plant and equipment	759	172

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
At 30 June 2018				
Cost	295	512	834	1,641
Accumulated depreciation	(251)	(454)	(750)	(1,455)
Net book amount	44	58	84	186
Year ended 30 June 2019				
Opening net book amount	44	58	84	186
Additions	5	70	-	75
Disposals	-	-	-	-
Depreciation	(13)	(22)	(54)	(89)
Closing net book amount	36	106	30	172
At 30 June 2019				
Cost	300	582	834	1,716
Accumulated depreciation	(264)	(476)	(804)	(1,544)
Net book amount	36	106	30	172
Year ended 30 June 2020				
Opening net book amount	36	106	30	172
Additions	19	780	-	799
Disposals	-	-	-	-
Depreciation	(17)	(165)	(30)	(212)
Closing net book amount	38	721	-	759
At 30 June 2020				
Cost	319	1,362	834	2,515
Accumulated depreciation	(281)	(641)	(834)	(1,756)
Net book amount	38	721	0	759

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14. Non-current assets – Deferred tax assets

	Consolidated	
	2020	2019
	$'000	$'000
The balance comprises temporary differences attributable to:		
Doubtful debts	138	317
Employee benefits	636	596
Accrued expenditure	464	348
Provision for audit and taxation services	150	140
Provision for FBT	8	9
Restructure expenses	-	37
AASB 16 lease adjustments	2,160	-
Deferred tax assets before set off	3,556	1,447
Set off against deferred tax liabilities (Note 18)	(3,556)	(1,447)
	-	-
Movements:		
Opening balance at 1 July	1,447	1,199
Addition during the year	2,457	-
Taken to the statement of comprehensive income	(348)	248
Deferred tax assets before set off	3,556	1,447
Set off against deferred tax liabilities	(3,556)	(1,447)
	-	-

15. Non-current assets – Intangible assets

	Consolidated	
	2020	2019
	$'000	$'000
Deferred expenditure		
Capitalised expenditure – computer software	5,060	5,026
Less: Accumulated amortisation	(5,035)	(5,025)
	25	1
Client portfolios		
Cost of acquisition of client portfolios	20,376	18,143
Less: Accumulated amortisation	(8,617)	(6,604)
	11,759	11,539
Goodwill		
Goodwill on acquisition	9,957	9,200
Less: Impairment/amortisation	(754)	(659)
	9,203	8,541
Total intangible assets	20,987	20,081

15. 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
At 30 June 2018				
Cost	14,028	7,799	5,026	26,853
Accumulated amortisation/impairment	(5,593)	(464)	(5,020)	(11,077)
Net book amount	8,435	7,335	6	15,776
Year ended 30 June 2019				
Opening net book amount	8,435	7,335	6	15,776
Additions [1]	4,776	1,401	-	6,177
Client Portfolio Sold - Cost	(661)	-	-	(661)
Client Portfolio Sold - Accumulated amortisation	486	-	-	486
Amortisation/impairment charge [2]	(1,497)	(195)	(5)	(1,697)
Closing net book amount	11,539	8,541	1	20,081
At 30 June 2019				
Cost	18,143	9,200	5,026	32,369
Accumulated amortisation/impairment [2]	(6,604)	(659)	(5,025)	(12,288)
Net book amount	11,539	8,541	1	20,081
Year ended 30 June 2020				
Opening net book amount	11,539	8,541	1	20,081
Additions [1]	2,233	662	34	2,929
Amortisation/impairment charge [2]	(2,013)	-	(10)	(2,023)
Closing net book amount	11,759	9,203	25	20,987
At 30 June 2020				
Cost	20,376	9,862	5,060	35,298
Accumulated amortisation/impairment [2]	(8,617)	(659)	(5,035)	(14,311)
Net book amount	11,759	9,203	25	20,987

[1] 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.

[2] Amortisation of $2,023,000 (2019 : $1,697,000) is included in depreciation, amortisation and impairment expense in the statement of comprehensive income.

15. Non-current assets – Intangible assets (Continued)

B. Impairment tests for goodwill and client portfolios

Goodwill and client portfolios are allocated to the financial planning business reportable segment which has been identified as the applicable cash-generating unit (CGU). The CGU is the lowest level within the entity at which the goodwill and client portfolios are monitored for internal management purposes on an ongoing basis. The recoverable amount of the CGU is determined based on market value calculations. These calculations apply income multiples consistent with the market valuations of similar financial services businesses to recurring revenue from the CGU at the year end, less cost to sell.

C. Impact of possible changes in key assumptions

In the current year there has been considerable volatility in the economic environment as a result of COVID-19. Management has carefully considered the impact of COVID-19 and the implications of lower economic activity on its operations. However management has not observed any disruption to its operations or significantly lower revenue as a result of the reduced economic activity and therefore have seen no reason to reduce the operating cash flows for impairment testing purposes.

The estimates and judgments included in the fair value calculations are based on historical experience, observed transactions in the market for similar financial services businesses and other factors, including management's and the Directors' expectations of future events that are believed to be reasonable under the current circumstances. There has been no impairment recognised for the Group's CGUs in the impairment assessment performed at 30 June 2020. The key assumption made in the assessment of impairment of goodwill is the income multiple applied to recurring revenues. The income multiple assumption is compared to market each year and adjusted appropriately. In the current year, there has been considerable volatility in the securities markets as a result of COVID-19. Based on management's current assessment, the recoverable amount of the Group's CGU exceeds the carrying amount by $3.5 million. A 17% or 0.4 change in the multiples used in the assumptions would be required before the carrying value of the CGU would exceed the recoverable amount.

D. Impairment charge

During the year, no impairment charge was recorded in the books (2019: $194,768).

15. Non-current assets – Intangible assets (Continued)

E. Business Combination

During the year the Group had made the following acquisitions:

	30 June 2020	30 June 2020	30 June 2019
Segment	**Financial Planning**	**Financial Planning**	**Financial Planning**
Fiducian entity	**Fiducian Financial Services Pty Ltd**	**Fiducian Financial Services Pty Ltd**	**Fiducian Financial Services Pty Ltd**
Acquisition Date	16 July 2019	1 July 2019	Multiple
	Doncaster	MyState Retail Financial Planning	Multiple
Acquisition Description	Client Portfolio	Business	Client Portfolio
Ownership acquired	100%	100%	100%
Location	Victoria	Tasmania	Multiple
Funds Under Advice	$15,000,000	$340,000,000	$219,000,000
Vendor staff employed by Group	No	Yes	Yes
Maximum purchase price	$361,942	$2,566,268	$4,785,223
Deferred consideration at reporting date	$102,815	-	$1,539,977
Value attributed on the Statement of Financial Position as at reporting date	100%	100%	100%
Business combination or asset only	Business Combination	Business Combination	Business Combination
Provisional fair value of assets recognized as a result of acquisition are as follows:			
Intangible assets	$361,942	$2,566,268	$4,773,527
Deferred tax liabilities	($108,582)	($769,880)	($1,401,285)
Net identifiable intangible assets acquired	$253,360	$1,796,388	$3,372,242
Goodwill on acquisition	$108,582	$769,880	$1,401,285
Net assets acquired	$361,942	$2,566,268	$4,773,527

While each acquisition is considered on its own merits, a number of synergies are expected to result to the Group once the business combination has been fully implemented and for which goodwill is recognised in the books. The synergy results from leveraging the existing scale Fiducian has from its infrastructure in Risk, Compliance, IT, Legal, Finance and other support functions, products and processes. Despite the synergies at Group level, the acquisitions of client portfolios and goodwill are recorded in the Financial planning business only and amortised over 10 years. The acquisitions are tested for impairment based on financial planning revenue as a standalone business unit and do not consider any revenue synergies generated in other entities from the acquisition. However, due to the realignment of individual clients within the financial planning business to leverage available resources, Financial planning as a whole is considered the appropriate CGU for impairment testing purposes.

The acquired businesses have commenced contributing to the Group's current year profits though the business is still in the process of being assimilated into the Fiducian structure. Management estimates the revenue impact of $1,494,324 from the acquisitions for the period ended 30 June 2020. 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.

Other than the MyState acquisition above, 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. The terms of the MyState acquisition did not provide for a deferred consideration and instead the business was acquired at a lower than market multiple to factor in the possible client loss and lower than contracted recurring income.

16. Current liabilities – Trade and other payables

	Consolidated	
	2020	**2019**
	$'000	$'000
Trade payables	2,142	2,179
Other payables [1,2]	2,150	2,638
Client portfolio deferred settlement	545	1,604
Annual leave entitlements accrued	730	649
Long service leave entitlements accrued	1,110	869
Total trade and other payables	6,677	7,939

Information about the Group's exposure to credit and interest rate risk is shown in Note 32.

[1] Includes a provision for fee for no service $100,000 (2019: $100,000).

[2] 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 and is not transferable and 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*.

17. Current liabilities – Current tax liabilities

	Consolidated	
	2020	**2019**
	$'000	$'000
Income tax	360	696
Total current tax liabilities	360	696

18. Non-current liabilities – Deferred tax liabilities

	Consolidated	
	2020	2019
	$'000	$'000
The balance comprises temporary differences attributable to:		
Recognition and depreciation of ROU assets	2,072	-
Recognition and amortisation of client portfolios	3,462	3,407
Deferred tax liabilities before set off	5,534	3,407
Set off against deferred tax assets	(3,556)	(1,447)
Net deferred tax liabilities	1,978	1,960
Movements:		
Opening balance at 1 July	3,407	2,556
Addition during the year	3,083	1,402
Taken to the statement of comprehensive income	(956)	(551)
Deferred tax liabilities at 30 June before set off	5,534	3,407
Set off against deferred tax assets	(3,556)	(1,447)
Net deferred tax liabilities	1,978	1,960
Expiration of net deferred tax liabilities		
within 12 months	595	523
after 12 months	1,383	1,437
Total deferred tax liabilities	1,978	1,960

19. Non-current liabilities – Provisions

	Consolidated	
	2020	2019
	$'000	$'000
Employee benefits - long service leave	280	468
Total provisions	280	468

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. The entire amount is presented as non-current as no material amounts are expected to be settled within the next 12 months.

20. Contributed equity

A. Share Capital

	Consolidated 2020 $'000	Consolidated 2019 $'000
Ordinary shares - fully paid	7,636	7,636
Total share capital	7,636	7,636

B. Movements in ordinary share capital

Date	Details	Number of shares	Average price	$'000
1 July 2018	Opening balance	31,242,623	-	7,041
	Shares bought back-on market and cancelled	200,000	$2.98	595
30 June 2019	Balance	31,442,623	-	7,636
	Shares issued on exercise of options	-	-	-
30 June 2020	Balance	31,442,623	-	7,636

C. Ordinary 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 amount 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

Between 1 July 2019 and 30 June 2020, the Company did not purchase and cancel any ordinary shares on-market.

At 30 June 2020, 478,255 shares remained available to be repurchased under the most recently announced buy back notice to the ASX.

E. Options

Information relating to Fiducian Group Employee & Director options issued, exercised and lapsed during the year is set out in Note 24.

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) Licence, Responsible Entity (RE) Licence and their Australian Financial Services (AFS) Licence, and to continue to provide returns to shareholders and benefits to 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 AFS Licence, Fiducian Portfolio Services Limited must maintain $150,000 cash at all times during the financial year.

The requirement under the AFS Licence and RE Licence are maintained by placing cash on deposit with an Authorised Deposit taking Institution. The requirement under the AFS Licence is reported to the Board quarterly at each meeting.

21. Reserves

	Consolidated 2020 $'000	Consolidated 2019 $'000
Movements		
Share-based payments reserve		
Balance at 1 July	22	130
Option expense	3	11
Transfer to retained profits (on exercise of options)	-	(119)
Balance at 30 June	25	22

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

22. Retained profits

	Consolidated 2020 $'000	Consolidated 2019 $'000
Movements		
Balance at 1 July	27,168	23,960
Change on adoption of new accounting standards	-	(366)
Restated balance at 1 July	27,168	23,594
Net profit for the year	10,463	10,350
Dividends paid (Note 8)	(7,169)	(6,895)
Transfer from share-based payment reserve (on exercise of options)	-	119
Balance at 30 June	30,462	27,168

23. Key management personnel disclosures

A. Key management personnel

	Consolidated 2020 $	Consolidated 2019 $
Short-term employee benefits	823,479	813,062
Post-employment benefits	35,203	34,571
Share-based payment	3,614	11,045
Total payments to key management personnel	862,296	858,678

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

23. Key management personnel disclosures (Continued)

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 number 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 below.

2020						
Name	Balance at the start of the year	Exercised	Granted during the year as remuneration	Lapsed during the year	Balance at the end of the year	Vested and exercisable
I Singh [1]	35,000	-	-	-	35,000	35,000

[1] Under the terms of his employment Mr I Singh is not entitled to any options for the year ended 30 June 2020.

2019						
Name	Balance at the start of the year	Exercised	Granted during the year as remuneration	Lapsed during the year	Balance at the end of the year	Vested and exercisable
I Singh [1]	200,000	200,000	35,000	-	35,000	-

[1] Under the terms of his employment Mr I Singh is not entitled to any options relating to the year ended 20 June 2019. Options granted during the year are in respect of the entitlement relating to the year ended 30 June 2018.

(iii) Shareholdings

The number 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.

2020				
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	10,723,851	-	148,210	10,872,061
R Bucknell	583,000	-	(83,000)	500,000
F Khouri	268,323	-	-	268,323
S Hallab	52,477	-	15,550	68,027

2019				
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	10,523,851	200,000	-	10,723,851
R Bucknell	583,000	-	-	583,000
F Khouri	268,323	-	-	268,323
S Hallab	31,000	-	21,477	52,477

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23. Key management personnel disclosures (Continued)

B. Equity instrument disclosures relating to key management personnel (Continued)

Shares provided on exercise of options

During the year no ordinary shares were issued as a result of the exercise of remuneration options to the Executive Chairman of Fiducian Group Limited (2019: 200,000 shares issued in the year in respect of earlier entitlements). 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 (2019: Nil). Details of loans to related parties of the directors has been disclosed in Note 28 Related Party Transactions.

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. S Hallab 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	
	2020	**2019**
	$	$
Directors' fees and committee fees *	267,679	272,633
Financial planning fees paid or payable	246,134	205,824
Total payments relating to other transactions with key management personnel	513,813	478,457

* Details of these fees and explanations for the increase have been provided in the Remuneration report included in the Director's report.

Shares under option

Unissued ordinary shares of Fiducian Group Limited under option at the date of this report are disclosed in Note 24 of the 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 ended 30 June 2020 on the exercise of options granted under The Fiducian Group Limited Employee & Director Share Option Plan is disclosed under Note 24 to the financial report.

24. 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.

The parent entity 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, no options were issued (2019: 35,000 @ $4.35) to the Executive Chairman in respect of his entitlement relating to financial year ended 30 June 2020 and no employee options expired during the same period (2019: 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 not to issue any options (2019: Nil) to the Executive Chairman in respect of the year ended 30 June 2020. Since no options were issued in the current year, the assessed fair value at reporting date of the share based payments during the year ended 30 June 2020 was nil per option (2019: Nil). If applicable, the fair value at reporting date would be calculated using the Black Scholes pricing model. The assumptions included in the valuation of options would include a risk-free-interest rate, a nil dividend yield on the ordinary shares of the Company and a volatility in the Company's share price of 30% based on historical share price.

Set out below are summaries of options granted under various option plans:

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 & Exercisable at the End of Year
Consolidated 2020			Number	Number	Number	Number	Number	Number
ESOP-Executive Chairman								
25 Oct 18	25 Oct 23	$4.35	35,000	-	-	-	35,000	35,000
			35,000	-	-	-	35,000	35,000
Weighted average exercise price			$4.35	-	-	-	$4.35	$4.35

The volume of weighted average remaining contractual life of share options outstanding at the end of the period was 3.32 years (2019: 4.32 Years).

24. 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 & Exercisable at the End of Year
Consolidated 2019			Number	Number	Number	Number	Number	Number
ESOP-Executive Chairman								
20 Oct 16	20 Oct 21	$2.18	100,000	-	100,000	-	-	-
20 Oct 17	20 Oct 22	$3.77	100,000	-	100,000	-	-	-
25 Oct 18	25 Oct 23	$4.35	-	35,000	-	-	35,000	-
			200,000	35,000	200,000	-	35,000	-
Weighted average exercise price			$2.98	$4.35	-	-	$4.35	-

The volume of weighted average remaining contractual life of share options outstanding at the end of the period was 4.32 years (2019: 3.81 Years).

B. Expenses arising from share-based payment transactions

Expenses of $3,614 (2019: $11,045) arising from share-based payment transactions were recognised during the period as part of employee benefit expense. This expense is in respect of option entitlements relating to the year ended 30 June 2018 expensed over the term in accordance with the accounting standards.

25. Remuneration of auditors

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

	Consolidated	
	2020	**2019**
	$	$
Audit and review of financial reports		
Group	130,076	152,064
Controlled entities and joint operations	75,000	52,020
Funds	338,000	259,851
Total audit and review of financial reports	543,076	463,935
Other statutory assurance services	105,000	29,567
Other assurance services	134,000	89,318
Other services		
Tax compliance services	104,700	137,200
Tax advisory services	24,000	-
Consulting services	55,000	-
Professional development	-	35,065
Total other non-audit services	183,700	172,265
Total service provided by PwC	965,776	755,085

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, on the proviso that the auditor's independence is not affected.

26. Contingent liabilities

The parent entity and Group had contingent liabilities at 30 June 2020 in respect of bank guarantees for property leases of parent and group entities amounting to $818,753 (2019: $602,547).

27. Commitments

	Consolidated	
	2020	**2019**
	$'000	$'000
Acquisition funding commitment payable within one year	130	-
Capital commitments	-	-
	130	-

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. From 1 July 2019 the Group has adopted AASB 16 *Leases* and recognised the right-of-use assets for these leases. For details refer to Note 35.

	Consolidated	
	2020	**2019**
	$'000	$'000
Payable within one year	-	813
Payable later than one year but not later than five years	-	297
	-	1,110

28. Related-party transactions

A. Parent entity

The parent entity within the Group is Fiducian Group Limited at year end.

B. Subsidiaries

Interests in subsidiaries are set out in Note 12.

The consolidated financial report incorporates 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 23.

D. Transactions with related parties

(i) Transactions between the Group and other related entities include the following:

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, separately managed accounts and Managed Discretionary Accounts

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

28. Related-party transactions (Continued)

D. Transactions with related parties (Continued)

(ii) Transactions with related parties of directors include the following:

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
c. Loans to related parties of directors

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

The following transactions occurred with related parties:

	Consolidated		
	Ownership Interest [1]	2020	2019
		$	$
Related trusts			
Fiducian Investment Service	Nil		
Operator fees income		6,626,790	6,279,584
Expense recovery		160,715	283,624
Fiducian Superannuation Service	Nil		
Operator fees income		17,711,020	16,833,620
Expense recovery		4,061,034	4,245,297
Fiducian Funds	Nil		
Operator fees income		17,827,134	17,465,219
Expense recovery		495,713	270,000
Entities associated with directors or their relatives			
Hawkesbury Financial Services Pty Ltd [2]			
Financial planning fees paid		246,134	205,824
Fiducian Financial Services Bondi Junction Pty Ltd [3]			
Financial planning fees paid		154,341	123,669

[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.

Loans to Related Parties of Directors	Balance at 1 July 2019	Interest Paid/ Payable for the Year	Repaid During the Year	Balance at 30 June 2020	Number of Related Parties of KMP in This Aggregation
	$	$	$	$	
Aggregate details of staff loans made to key management personnel of the Group, including their close family members and entities related to them.	7,881	142	8,023	-	1

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28. Related-party transactions (Continued)

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	
	2020	2019
	$	$
Current receivables (income from related trusts)	4,596,853	4,037,970
Total current receivables	4,596,853	4,037,970

No ECL provision is required to be raised in respect of any outstanding balances and no expense is required to be recognised in respect of impaired receivables due from related parties.

29. Reconciliation of profit or loss after income tax to net cash inflow from operating activities

	Consolidated	
	2020	2019
	$'000	$'000
Profit for the year	10,463	10,350
Non-cash employee benefit	136	76
Amortisation, depreciation, and impairment	3,407	1,786
Changes in operating assets and liabilities:		
Change in accounts receivable	(843)	83
Change in income tax payable	(306)	(763)
Change in trade creditors	(217)	(96)
Change in other creditors	(277)	236
Change in deferred income tax liability	(641)	(733)
Net cash inflow from operating activities	11,722	10,939

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30. Earnings per share

	Consolidated	
	2020	**2019**
Earnings per share using weighted average number of ordinary shares outstanding during the period:		
A. Basic earnings per share (in cents)		
Profit from continuing operations attributable to the ordinary equity and potential ordinary equity of the company	33.28	33.03
B. Diluted earnings per share (in cents)		
Profit from continuing operations attributable to the ordinary equity of the company	33.24	32.94

	Consolidated	
	2020	**2019**
	Number	Number
C. Weighted average number of shares used as denominator		
Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	31,442,623	31,331,664
Adjustments for calculation of diluted earnings per share options	30,450	91,996
Weighted average number of ordinary shares and potential ordinary shares used as denominator in calculating diluted earnings per share	31,473,073	31,423,660

	Consolidated	
	2020	**2019**
	$'000	$'000
D. Reconciliation of earnings used in calculating basic and diluted earnings per share		
Net profit and earnings used to calculate basic and diluted earnings per share	10,463	10,350

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 24.

31. Events occurring after balance date / reporting date

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.

32. 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	
	2020	2019
	$'000	$'000
Financial assets		
Cash and cash equivalents	13,961	11,792
Trade and other receivables	5,464	4,758
Business development and staff loans	6,575	5,687
Advance to acquire a business	-	3,399
Total financial assets	26,000	25,636
Financial liabilities		
Trade and other payables	6,957	8,407

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 loans to staff and planners. The Group has no borrowings.

	30 June 2020		30 June 2019	
	Weighted Average Interest Rate	Balance	Weighted Average Interest Rate	Balance
	%	$'000	%	$'000
Cash at bank and on deposit	0.34%	13,961	1.32%	11,792
Business development and staff loans	2.50%	6,575	3.45%	5,687
		20,536		17,479

Bank deposits are at call and staff and planner loans have terms extending between 1 and 10 years, and may be repayable sooner in certain circumstances. Interest rates are reviewed and adjusted at least quarterly.

The Group's main interest rate risk arises from cash and cash equivalents and loans with variable interest rates. At 30 June 2020 if interest rates change by +/- 100 basis points (2019: +/- 100 basis points) from the year end rates with all other variables held constant, post-tax profit would have been $143,753 higher or lower (2019: $126,886).

32. Financial risk management (Continued)

B. Credit risk

Credit risk for the Group arises from trade receivables, cash at bank and on deposits, business development and staff loans.

Risk Management

The Group has low credit risk from trade receivables, as management fee and financial planning income is received within one month of it falling due. Financial planning fees are only paid following the receipt of the related income, thereby mitigating credit risk.

For cash at bank and on deposits, the credit quality assessed against external credit ratings and only parties with minimum rating as detailed below in the table are accepted. For business development and staff loans which are unrated management assess the credit quality of the franchisee based on credit rating scorecard taking into account financial position, collateral to provide security for the loan and cultural alignment to the business. The compliance with credit limits are monitored regularly by line management.

The credit quality of other financial assets can be assessed against external credit ratings as follows:

	Consolidated	
	2020	2019
	$'000	$'000
Cash at bank and on deposit		
AA-	13,961	11,792
Business development and staff loans		
Unrated	6,575	5,687

Business development and staff loans have been categorised in line with the Group's internal credit classification as follows:

	Consolidated	
	2020	2019
	$'000	$'000
Performing	4,224	4,261
Under performing	2,905	1,980
Non performing	-	-
Loans written off	-	-
Total gross loan receivables	7,129	6,241
Less: Loan loss allowance	(554)	(554)
Less: Write off	-	-
Loan receivables net of expected credit losses	6,575	5,687

Security

Under the terms of the agreement for business development loans, the Group has a security deed over all the assets of the franchisee's business which is registered on the Personal Property Security Register. This security may be called upon if the franchisee defaults under the terms of agreement.

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

32. Financial risk management (Continued)

C. Liquidity risk

The Group maintains sufficient liquid reserves to meet all foreseeable working capital, investment and regulatory licensing requirements. The Group has a $4 million undrawn overdraft facility (2019: $4 million) with their bank.

D. Maturity of financial liabilites

The table below analyses the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

	Contractual Cash Flows		Carrying Amount	
	2020	2019	2020	2019
	$'000	$'000	$'000	$'000
Trade and other payables and provisions				
Due in less than 1 year	6,677	7,939	6,677	7,939
Due in more than 1 year	280	468	280	468
Lease Liabilities				
Due in less than 1 year	1,741	-	1,377	-
Due in more than 1 year	6,619	-	5,858	-
Total financial liabilities	15,317	8,407	14,192	8,407

E. 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)

The Group did not have any assets or liabilities recognised at fair value as at 30 June 2020.

F. Assets and liabilities not carried at fair value but for which fair value is disclosed

Cash and cash equivalents include 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.

Business development and staff loans represent contractual payments by advisers and staff over the period of 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 market interest rates for these type of loan.

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. Parent entity financial information

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

	Parent Entity	
	2020	**2019**
	$'000	$'000
A. Balance sheet		
Current Assets	28,845	23,899
Non-Current Assets	9,349	9,349
Total Assets	38,194	33,248
Current Liabilities	-	-
Non-Current Liabilities	-	-
Total Liabilities	-	-
Net Assets	38,194	33,248
Equity		
Share capital	7,636	7,636
Reserves	25	22
Retained Earnings	30,533	25,590
Equity	38,194	33,248
B. Total comprehensive income		
Dividend from subsidiary and other income	12,000	11,100

34. 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, with the exception of Fiducian Portfolio Services Ltd. This entity has been excluded from the Group deed of cross-guarantee following the release of an ASIC class order disallowing APRA regulated entities from being part of a closed group covered by a deed of cross-guarantee. Since the financial statement of this excluded entity are not material to the consolidated financial statements, management do not consider it necessary to disclose additional consolidation information related to the closed group excluding this entity.

The effect of the deed of cross-guarantee is that each participating member has entered into the deed, guarantees to each creditor of any participating 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.

35. Impact of implementation of AASB 16 *Leases*

This note explains the changes in accounting policy and the impact of the reclassification and adjustments arising from the new leasing rules on the opening statement of financial position as at 1 July 2019 and the financial statements for the period ended 30 June 2020.

The Group's leasing activities relates to various office premises and office equipment leased for its salaried offices around the country. Rental contracts are typically for a fixed period of 3 to 7 years but may have extension options. Lease terms for office premises are negotiated on an individual basis and contain a wide range of different terms and conditions while the equipment lease is negotiated on an aggregate basis.

Change in Accounting Policy

Prior to 1 July 2019 under the previous standard AASB 117 *Leases*, the leases were classified as operating leases and were not required to be disclosed in the statement of financial position. Payments under these operating leases were charged to the statement of comprehensive income on a straight-line basis over the period of lease. On adoption of AASB 16, the Group is required to recognize the lease liabilities and associated right-of-use asset relating to property and equipment leases in the statement of financial position. The lease liabilities have been measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 July 2019 which was 6%. The associated right-of-use asset for the property and equipment leases was measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position as at 30 June 2019. Each lease payment has been allocated between repayment of the lease liability and a finance cost.

35. Impact of implementation of AASB 16 *Leases* (Continued)

The finance cost is charged to the statement of comprehensive income over the period of lease so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the asset's useful life and lease term on a straight-line basis.

In adopting AASB 16 for the first time the Group has applied the simplified approach which does not require restatement of comparative information and has enabled it to adopt the following practical expedients:

- Leases terminating within 12 months of the initial application date are treated as short term leases
- Reliance on the lease assessment conducted under the previous standard AASB 117 *Leases*.
- Applying a single rate of discount to its portfolio of property leases having similar characteristics.

Impact of Adoption

(i) Lease Liabilities recognised in the Opening Statement of Financial Position

	Consolidated	
	2020	**2019**
	$'000	$'000
Operating Lease commitments disclosed as at 30 June 2019	1,110	-
Discounted using the Group's incremental borrowing rate on initial application	1,052	-
Add: Dismantling cost discounted using the Group's incremental borrowing rate	130	-
Less: Short term lease recognised on a straight line basis as expense	(429)	-
Lease liability recognised in the opening statement of financial position on 1 July 2019	753	-

(ii) Amount recognised in the Statement of Financial Position

	Consolidated	
	30 June 2020	**1 July 2019**
	$'000	$'000
Right-of-use asset*		
Property	6,472	753
Equipment	435	-
	6,907	753
* Additions to the Right-of-use assets during the 2020 financial year were $7,326,000.		
Lease Liabilities		
Current	1,377	355
Non Current	5,858	398
	7,235	753
Deferred tax assets	2,160	226
Deferred tax liabilities	2,072	226

(iii) Amount recognised in the Statement of Comprehensive Income

Depreciation relating to the Right-of-use assets	1,172	-
Interest expense (Finance cost)	297	-
Expense relating to short term leases	295	-

(iv) Total Cash outflows relating to operating leases

Principal payments included under financing activities	1,143	-
Interest payments included under operating activities	297	-
	1,440	-

(v) Earnings per share impact on implementation of AASB 16

Earnings per share decreased by 1.04 cents per share (Cents)	1.04	-

Directors' Declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 28 to 70 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 2020 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 34.

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 Executive Chairman 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 OAM
Executive Chairman

Sydney,
17 August 2020

Independent auditor's report

To the members of Fiducian Group Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Fiducian Group Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended

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

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2020
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if

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Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
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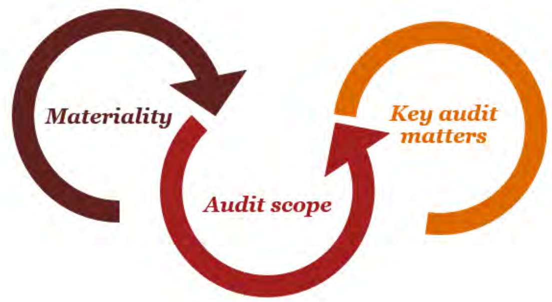
individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall Group materiality of $746,800 which represents approximately 5% of the Group's profit before tax.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- Our audit procedures covered the Group's most significant operations, being "Financial planning", "Funds management" and "Corporate, administration & other".

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit, Risk and Compliance Committee.

pwc

Key audit matter	*How our audit addressed the key audit matter*
Revenue *(Refer to note 4)* Revenue from ordinary activities of the Group includes income from "Financial planning", "Funds management" and "Corporate administration & other". Revenue was a key audit matter because it is the most significant account balance in the consolidated statement of comprehensive income.	Our procedures included, amongst others: • evaluating the design and testing the operational effectiveness of certain controls related to recognition and calculation of revenue • for revenue streams based on fee rates stipulated in contracts, including administration fees, portfolio review fees and fund management fees, manually re-performing the fee calculations for a sample of transactions with reference to Product Disclosure Statements (PDS), member application forms or other forms of documentation of terms • for revenue streams earned through provision of advice, developing an understanding of management's controls to monitor the provision of advice and agreeing a sample of transactions to the relevant Statement of Advice (SoA) or Record of Advice (RoA) • for revenue streams earned from a non-Fiducian product, agreeing a sample of transactions to relevant external supplier statements • for revenue streams where amounts are at the discretion of the Group's financial planners, agreeing a sample of transactions to correspondence between the planner and the relevant client • assessing whether revenue recognition was consistent with the requirements of AASB 15 *Revenue from Contracts with Customers*
Recoverability of loans to financial advisers *(Refer to note 10 and 11)* From time to time, the Group enters into lending arrangements with financial planning franchisees. The recoverability of the loans was a key audit matter due to the judgement involved in assessing the ability of each financial planner to repay their loan as and when they fall due.	Our procedures included, amongst others: • obtaining an understanding of and evaluating the Group's year-end assessment of the Expected Credit Loss (ECL) model used to assess the recoverability of loans to financial planners and adequacy of any provisions • making inquiries of management about any changes in each borrower's circumstances and evaluating a sample of the Group's assessment of the financial health and performance of borrowers by comparing the key inputs and assumptions to supporting documentation • obtaining confirmations from all financial planners • agreeing details of collateral/security arrangements to loan contracts and Personal Property Security Registers for a sample of the loans

Key audit matter	*How our audit addressed the key audit matter*
	• evaluating the Group's assessment of requirements under AASB 9 *Financial Instruments* for compliance with the standard
Assessment of intangible assets' carrying values *(Refer to note 15)* The consolidated statement of financial position includes intangible assets relating to portfolios of financial advice clients and goodwill arising from acquisitions made by the financial planning business of the Group. At each year end, the Group considers whether there are any indicators that the carrying value of client portfolios might be impaired. It also performs an annual impairment test for goodwill. This was a key audit matter due to the size of the intangible assets balance, the volatility in observed multiples in the Financial Planning industry and therefore the judgement involved in determining the multiples used for the Group's impairment assessment. Given the observed volatility in multiples in the Financial Planning industry, the Group has also produced an alternative value-in-use discounted cash flow model.	Our procedures included, amongst others: • updating our understanding of prevailing market conditions and factors that could materially affect the fair value and usage of the relevant assets, and considering whether these could represent indicators of impairment • evaluating key assumptions used by the Group in the calculation of the recoverable amount of acquired client portfolios and goodwill, such as the multiple applied to associated revenues when estimating fair value and comparing market multiples to independent sources and stress testing multiples applied • our work on the alternative valuation model included: - testing the mathematical accuracy of the calculations in the discounted cash flow models used in the impairment assessment (the models) - evaluating the cash flow forecasts used in the models, the process by which they were developed - inspecting Management approvals evidencing appropriate challenge through review - back testing previous forecasts to historical results - comparing the key assumptions, including discount rates where we were assisted by PwC valuation experts, with market information and stress testing these assumptions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 24 of the directors' report for the year ended 30 June 2020.

In our opinion, the remuneration report of Fiducian Group Limited for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

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.

PricewaterhouseCoopers

Darren Ross
Partner

Sydney
17 August 2020

Shareholder Information

A. Distribution of equity security holders by size of holding

Analysis of number of equity security holders by size of holding, as at 31 July 2020:

Distribution	Option holders	Ordinary Share Holder
1 - 1,000	-	362
1,001 - 5,000	-	569
5,001 - 10,000	-	202
10,001 - 100,000	-	215
100,001 - and over	1	26
Total holders	1	1,374

There were 20 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 31 July 2020, are listed below:

	Name	Number Held	Percentage of Issued Shares
1	INDYSHRI SINGH PTY LIMITED	8,795,933	27.97
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,180,508	6.93
3	SHRIND INVESTMENTS PTY LTD <INDYSHRI SUPER FUND A/C>	2,076,128	6.60
4	LONDON CITY EQUITIES LIMITED	2,015,000	6.41
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,943,470	6.18
6	MR JOHN CHARLES PLUMMER	850,000	2.70
7	CITICORP NOMINEES PTY LIMITED	567,148	1.80
8	MR IVAN TANNER + MRS FELICITY TANNER <THE SUPERNATURAL S/F A/C>	530,437	1.69
9	D R SMITH HOLDINGS PTY LTD	500,000	1.59
10	HUNTER PLACE SERVICES PTY LTD	500,000	1.59
11	GARRETT SMYTHE LTD	339,000	1.08
12	NORCAD INVESTMENTS PTY LTD	300,000	0.95
13	BNP PARIBAS NOMS PTY LTD <DRP>	298,383	0.95
14	HFR PTY LTD <THE F & M KHOURI S/FUND A/C>	216,137	0.69
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	202,820	0.65
16	MR GREGORY CHARLES ANDERSON <ANDERSON SUPER FUND A/C>	200,000	0.64
17	MR IAN HAROLD HOLLAND	165,000	0.52
18	MR ALISTAIR BRIAN CAMPBELL + MRS KAREN PATRICIA CAMPBELL <THE CAMPBELL FAMILY A/C>	148,100	0.47
19	SORTIE PTY LIMITED <SORTIE SUPER FUND A/C>	140,684	0.45
20	MRS JENNIFER MARGARET LEESON	138,847	0.44
		22,107,595	70.30

Shareholder Information (Continued)

Unquoted equity securities

As at 31 July 2020

Type of Security	Number on Issue	Number of Holders
Options - Executive Chairman	35,000	1

C. Substantial shareholders

Substantial shareholders and associates as at 31 July 2020 (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	10,872,061	34.57
J P MORGAN NOMINEES AUSTRALIA LIMITED	2,180,508	6.93
LONDON CITY EQUITIES LIMITED	2,015,000	6.41
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,943,470	6.18

D. Voting rights

The voting rights attaching 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

Corporate Directory

Directors

I Singh OAM, BTech, MComm (Bus), ASIA, ASFA, DipFP, CFP
Executive Chairman

R Bucknell FCA
F Khouri B Bus, FCPA, CTA
S Hallab B Ec (Accnt & Law), CA, GAICD, FAIST

Principal registered office in Australia

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

Auditor

PricewaterhouseCoopers
Chartered Accountants
One International Towers
Watermans Quay, Barangaroo
Sydney NSW 2000

Company secretary

P Gubecka LLB/BCom, LLM, CPA, AGIA

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

Bankers

National Australia Bank Limited
500 Bourke Street
Melbourne VIC 3000

ANZ Banking Group
388 Collins Street
Melbourne VIC 3000

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 22 October 2020

Share registrar

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000

Australian Securities Exchange Listing

Fiducian Group Limited (ASX:FID)

Website address

www.fiducian.com.au

Financial Planner Office Locations

Australian Capital Territory

Canberra

New South Wales

Albury	Hunter	Randwick
Bathurst	Macarthur	Southern Highlands
Bondi Junction	Maitland	Sydney CBD
Caves Beach	Neutral Bay	Tamworth
Coffs Coast	Newcastle	Tuggerah
Eastgardens	Nowra	Windsor
Gosford	Orange	Wynyard

Queensland

Bayside
Caboolture
Sunshine Coast
Toowoomba

Tasmania

Devonport
Hobart
Launceston

Victoria

Colac	Ringwood
Geelong	Sale
Ivanhoe	St Kilda
Mentone	Sunbury
Mt Waverley	Surrey Hills

Western Australia

Osborne Park	South Perth

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FIDUCIAN

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