



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

2023

INTERIM
FINANCIAL
REPORT

Fiducian Group Ltd





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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by Fiducian Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

Financial Highlights

Fund Performance

	3 yrs	5 yrs	10 yrs
Growth	29/168	11/160	2/144
Balanced	55/168	31/160	7/144
Capital Stable	33/102	19/195	9/85
Ultra Growth	83/125	72/120	9/100

Flagship funds performance ranking for three, five and ten years to 31 December 2022 against all funds in the Morningstar survey.[#]

Dividends

12.30c

Statutory NPAT

\$5.5m

UNPAT*

\$7.0m

Net Inflows

\$166m

FUMAA*

\$11.9b

Financial Planners

84 Aligned Planners & Associates

Offices

45 Offices across Australia

* (UNPAT) – Underlying Net Profit After Tax, no AASB16 adjustment on lease rent and interest on lease liability.
(FUMAA) – Funds Under Management, Advice and Administration.

[#] See Morningstar disclaimer on the last page.

Directors' Report

The directors submit their report with the financial report of the consolidated entity consisting of Fiducian Group Limited ("the Company") and its wholly owned operating entities ("Group") for the half-year ended 31 December 2022.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

Executive Chairman	I Singh
Non-executive Directors	R Bucknell
	F Khouri
	S Hallab

Review of operations

The half-year ended 31 December 2022 confirms that we live in interesting times that deliver interesting results.

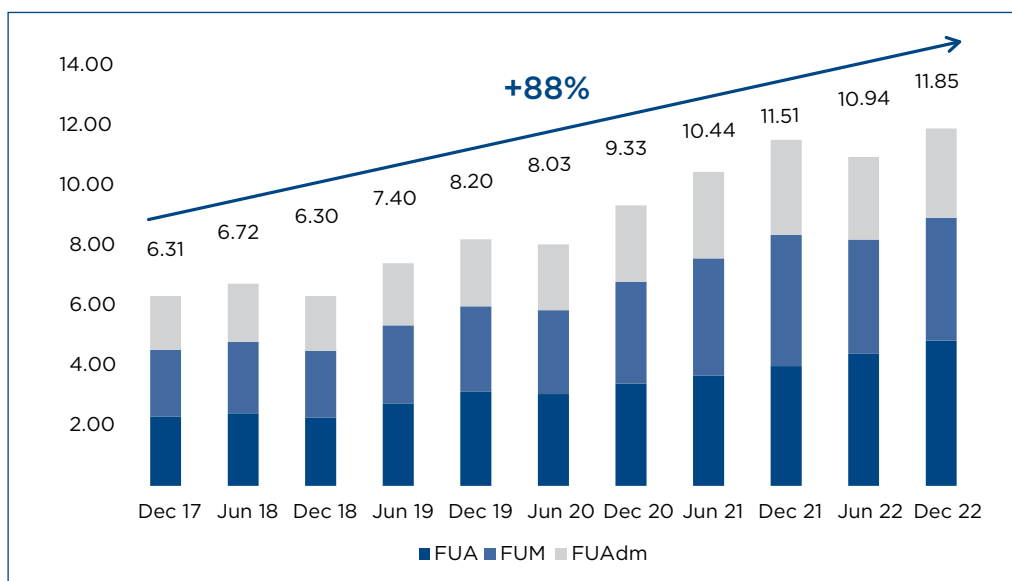
Though China has relaxed its zero COVID-19 policy, the Russian invasion of Ukraine continues unabated. This has set in motion spiralling higher prices for basic food, industrial raw materials and consumer goods, in other words, higher inflation. Since the COVID-19 pandemic, the number of employable workers has progressively shrunk all over the world. In Australia, the minimum wage increased over 5% to reflect inflation, which was a signal to the private sector to follow suit if they were to retain experienced staff and this in turn undesirably, contributed to inflation. Consequently, central banks began to raise interest rates.

So in spite of this difficult period of economic, financial market and geopolitical turmoil, our growth strategy has not faltered and our operations have expanded. We believe this to have come at a short term cost, which should eventually reap benefits for shareholders once things settle down.

Comparing the first half in FY 2023 to the corresponding half in FY 2022:

- We have expanded our financial planning presence throughout Australia with four new offices now open in South Australia and one in the Northern Territory. These have required fit out and construction, IT systems, signage and promotion and added leasing costs that did not exist before.
- The number of financial planners has increased from 66 to 84. As we report, another five franchisees have qualified through our tough selection criteria and are in the process of being inducted or have begun operations under the Fiducian branding.
- Our staff numbers increased by 41, primarily as a result of the acquisitions. This included the recruitment of 23 new staff to provide our salaried planners with appropriate support to align with our 'one support staff per financial adviser strategy'. This should enable them to deliver larger inflows going forward and provide a superior quality service to our clients.
- Additional manpower has added to increased salary outgoings by \$2.8 million.
- Substantial cost increases in network systems and cyber security, as well as insurance premiums that are representative of our growth have been absorbed.
- We introduced into Peoples Choice Credit Union's (PCCU) financial planning business Fiducian's culture and process to restructure operations and stabilise the acquisition. Transitioning over 3,500 clients to the Fiducian processes took longer than anticipated while we completed the required actions to ensure regulatory compliance. To date, approximately 23% of acquired client revenue did not opt-in to transfer to Fiducian, mainly being clients serviced by advisers who did not join Fiducian, something not unexpected. Financial Planning management has worked hard to retain clients and establish literally a new business. Net revenue from the PCCU acquisition has been lower than anticipated due to a market driven decline in funds under advice and client losses. At this stage, we are seeing that PCCU client withdrawals have stabilised. Inflows from new and existing clients are in the pipeline and growing with additional training efforts that have ensured financial advisers are now conversant with the benefits of the Fiducian process. Meanwhile, referrals of clients from PCCU branches are very strong which in this current difficult environment, should produce significant benefits in future years.

Five Years FUMAA (in \$ billion)



- We experienced lower than projected net fee income on assets under management and advice as a result of financial market declines as well as higher staff and establishment costs of around \$3.4 million for the half-year.
- Our IT systems were enhanced through development to provide greater efficiency to client administration and open up avenues that can enable us to capitalise on this intellectual capital.
- We launched Auxilium, our new platform to offer Separately Managed Accounts (SMAs) to the Independent Financial Adviser (IFA) marketplace and thereby disrupt the so called disruptor platforms. Auxilium will be administered on our own proprietary software which gives us great flexibility to tailor systems and provides us with full control, unlike some of the disruptor platforms that use externally developed systems. From a standing start the funds under administration in our badged platforms from external IFAs is currently around \$134 million and we have only just begun to build relationships with a growing number of small and medium sized financial adviser businesses for Auxilium. The Board has positive expectations from this new initiative as it is not reliant on the existing Fiducian financial adviser network and like other leading platforms, it shall canvass the support of thousands of financial advisers in the external market.
- Operating revenue grew by 4% over the period with the help of acquisitions and new inflows.
- During the course of the calendar year 2022, the financial markets experienced significant volatility with the ASX falling 15%, the US S&P 500 falling 28% and the NASDAQ (technology stocks) falling 33% - all from their respective highs to lows. Even the defensive international fixed interest index fell 12.3% while the Australian fixed interest index fell 9.7%. Nevertheless, in comparison with the same period in 2021, our Funds Under Management, Administration and Advice (FUMAA) increased by 3% from \$11.5 billion to \$11.9 billion as a result of the acquisition of PCCU clients in February 2022. Despite offsetting financial market induced declines over the last six months, Funds Under Administration at 31 December 2022 on the Fiducian platforms were \$3.0 billion (30 June 2022: \$2.8 billion) an increase of around 7.1%. Funds Under Management as at 31 December 2022 was \$4.1 billion (30 June 2022: \$3.8 billion), an increase of around 7.9% over the last 6 months. Funds Under Advice at 31 December 2022 was \$4.8 billion (30 June 2022: \$4.4 billion), an increase of 9.1% attributable to the highly successful growth through acquisition strategy.
- With all the above development and focus on growth, substantial expenses were incurred which have the potential to increase revenue in future years. Meanwhile, the falling value of assets under management, advice and administration due to financial market declines have suppressed potential revenue growth. As a result, the Underlying Net Profit After Tax (UNPAT) of \$7.0 million for the period was 9% lower than the corresponding period while the Statutory Net Profit After Tax (NPAT) of \$5.5 million after considering the impact of increased amortisation from the PCCU acquisition of \$583,000 was lower by 17%.

The table below present financial highlights for the reporting period:

Financial highlights			
Half-year ending 31 December	2022	2021	% Change
	\$'000	\$'000	
Operating Revenue	35,438	33,991	4%
Fees and Charges paid	(8,916)	(9,365)	
Net Revenue	26,522	24,626	8%
Gross Margin	75%	72%	
Underlying EBITDA (including lease rents paid)	9,637	10,767	-10%
Underlying EBITDA Margin	27%	32%	
Depreciation	(183)	(140)	
Tax on underlying earnings	(2,431)	(2,919)	
Underlying NPAT (UNPAT)	7,023	7,708	-9%
Amortisation	(1,451)	(911)	
AASB 16 <i>Leases</i> adjustment impacts - Office Lease	(28)	(86)	
Statutory NPAT	5,544	6,711	-17%
Basic EPS based on UNPAT (in cents)	22.3	24.5	-9%
Basic EPS based on NPAT (in cents)	17.6	21.3	
Funds Under Management, Advice and Administration FUMAA (\$ in millions)	11,850	11,510	3%

Funds management

Our successful in-house Manage-The-Manager system of investment, which provides substantial diversification benefits to investors by providing them access to a range of specially selected asset managers which can be accessed through a single transaction, has delivered consistent investment performance over the medium to long term and therefore continued to attract the majority of retail funds placed with us. Over a five-year period the Morningstar Investment Performance Survey ranked the performance to December 2022 of the Growth and Balanced Funds 11th and 31st respectively out of 160 funds, the Capital Stable Fund ranked 19th out of 95 funds and the Ultra Growth Fund 72nd out of 120 funds. Over ten years to December 2022, the rankings were Growth and Balanced Funds 2nd and 7th respectively out of 144 funds, the Capital Stable Fund ranked 9th out of 85 funds and the Ultra Growth Fund 9th out of 100 funds.

Community support

The Group has continued to support organisations and sporting teams linked to our financial adviser network. Vision Beyond AUS (VBA), the charity supported by the Fiducian Group, continued to benefit from the generosity of the Group even in these tough times. In total, 48,485 men, women and children living in abject poverty spread over India, Myanmar, Nepal, Ethiopia and Cambodia, have now had their eyesight restored through free eye surgery clinics. In addition, VBA has made donations to acquire ventilators and monitoring equipment supplied to field hospitals set up in India as it battled to control the many millions suffering from the COVID-19 pandemic. Despite working from home arrangements, Fiducian staff have continued to voluntarily provide accounting, administration and marketing support to VBA to ensure that every single dollar contributed by generous donors goes towards eliminating visual impairment in the world.

Employee diversity

Fiducian is proud to be an equal opportunity employer. It endorses diversity and currently has a number of employees that bring different skill-sets from their countries of origin. Our diversity policy encourages persons of different gender, ethnic backgrounds, ages and skills to participate and receive recognition, reward and authority commensurate with their performance. Employees are comprised of staff from over 26 countries of origin, 23% over 55 years, and 48% female with 15% in senior roles.

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

Issued capital

The Company had 31,477,623 shares on issue as at 31 December 2022. The Company did not purchase or cancel any ordinary shares on-market during the half-year and as at 31 December 2022 there were 478,255 shares remaining available to buy back under the most recent buy back notice announced to the ASX in June 2018.

During the half-year ended 31 December 2022, no shares were issued by the Company.

Economic and Financial Markets and Their Impact

Financial markets have had to endure rising headwinds over the past year, with accelerating inflation being the main concern. Although major central banks expected inflation to be a 'transitory' phenomenon, it actually rose to particularly high levels. A combination of factors, including cumulative over-stimulus by governments following the outbreak of the pandemic, the Russian invasion of Ukraine that began in February 2022 and lockdowns of Chinese cities imposed to counter the spread of new variants of the pandemic, were the cause. Annual inflation rose in the US and Europe to its highest level in more than 40 years and prompted major central banks to reign it in through a series of repeated interest rate hikes. From late 2022, we have begun to see signs of inflation trending lower, but it is unlikely that interest rates will be cut any time soon, unless there is clear evidence that inflation growth trending lower to acceptable levels of a modest 2% to 3% a year.

Consequently, share market cash flows were discounted at higher interest rates and share prices fell across the world. Technology stocks promising high future cash flows were hit particularly hard and the US NASDAQ declined by 33% in 2022. As cash rates rose, so did those for fixed interest securities (bonds) whose asset values decline when rates rise. Though these are generally held as a defensive investment, the indices for global and Australian fixed interest declined by 12.3% (hedged) and 9.7% respectively, over the 2022 calendar year. So, across the board, client portfolios and our funds under management declined in value, as did our revenue.

Rising interest rates generally result in slower economic growth. This year, the International Monetary Fund is forecasting global growth to be 2.7%, which is below the long-term average of 3.3% per annum. US GDP could grow by 1.0% and the Euro area by 0.5%. Growth in the developing world is expected to be led by China (4.4%) and India (6.1%). These growth forecasts could be lowered if continued strong actions are taken by central banks to rein in demand.

While forecasts of average corporate earnings growth for this year are currently barely positive for most economies, further tightening of monetary policy could result in earnings contracting, at least in some cases. This year they are forecast to grow by only 3% in the US, 0% in Europe, 1% in Japan, 15% in China and 21% in India. (MSCI data as at 11 January, Yardeni Research).

In today's environment of instant gratification, financial markets move rapidly in either direction, up or down. In our view, most of the damage has been done and financial markets could trend sideways for some months. Any hint or expectation that central banks have gained ascendancy over inflation and that the rate of interest rate rises is going too slow, could cause a rapid rise in financial market values. In this scenario, our fee revenue should rise. One positive result of this downdraft has been a marked improvement in share market valuation measures, so that some key markets now appear to be attractively priced relative to historical norms. Nonetheless, for our diversified funds we continue to take a cautious approach and since most of our clients are invested for the medium to long term by their financial advisers, we remain close to benchmark in our allocation to 'growth' assets.

As always, we recommend that investors should consult a Fiducian financial planner to develop financial plans with the aim of achieving diversified investment strategies that could help investors realise their financial goals.

Dividend

Despite the Company's debt-free balance sheet and the levels of free cash it holds to support its acquisition and growth strategies, the directors have adopted a conservative approach after careful consideration of the prevailing economic environment. Accordingly, the directors have resolved to pay an interim fully franked dividend in respect of the half-year ended 31 December 2022 of 12.30 cents per share (14.80 cents per share in respect of the half-year ended 31 December 2021) which is between the dividend policy range of 60% to 70% of NPAT.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Legislative Instrument, unless otherwise stated.

In Summary

We have continued with the Board's strategy to grow the business. The environment has been difficult and as explained, costs have risen, but with good reason. In time, inflation will be tamed and as always wars and the impact of pandemics will end. Management has worked hard and judiciously through the turmoil and positioned all areas of the company for future growth by utilising its vast cache of intellectual capital. The FUMAA has already increased by 4% to \$12.3 billion as at end of January 2023. With positive economic news to come, our people, stakeholders and shareholders should benefit over time.

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

Inderjit (Indy) Singh OAM
Executive Chairman

Sydney,
13 February 2023



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Fiducian Group Limited (the Company) and the entities it controlled (together the Group).

I declare that, to the best of my knowledge and belief, in relation to the review of Fiducian Group Limited (the Company) and the entities it controlled (together the Group) for the half year ended 31 December 2022 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

Andrew Reeves
Partner

Sydney
13 February 2023

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2022

	Consolidated	
	2022	2021
	\$'000	\$'000
Revenue from ordinary activities	35,438	33,991
Payments to advisers and service providers	(8,916)	(9,365)
Employee benefits expense	(12,187)	(9,366)
Amortisation and depreciation expense	(2,445)	(1,768)
Other expenses	(3,927)	(3,889)
Profit before income tax expense	7,963	9,603
Income tax expense	(2,419)	(2,892)
Profit for the half-year	5,544	6,711
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income for the half-year attributable to the owners of Fiducian Group Limited	5,544	6,711
Earnings per share		
Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the Company:		
Basic earnings per share (in cents)	17.61	21.33
Diluted earnings per share (in cents)	17.61	21.32

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

Consolidated Statement of Financial Position

As at 31 December 2022

	Consolidated	
	31 December 2022	30 June 2022
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	18,389	17,484
Trade and other receivables	7,535	7,942
Total Current Assets	25,924	25,426
Non-current assets		
Loan receivables	8,040	7,007
Property, plant and equipment	724	887
Right-of-use assets	4,293	5,102
Intangible assets	29,975	32,269
Total Non-Current Assets	43,032	45,265
Total assets	68,956	70,691
LIABILITIES		
Current liabilities		
Trade and other payables	11,582	12,982
Current tax liabilities	569	407
Lease liabilities	1,682	1,596
Total Current Liabilities	13,833	14,985
Non-current liabilities		
Net deferred tax liabilities	3,180	3,774
Lease liabilities	3,373	4,229
Provisions	584	571
Total Non-Current Liabilities	7,137	8,574
Total liabilities	20,970	23,559
Net assets	47,986	47,132
EQUITY		
Contributed equity	7,788	7,788
Reserves	98	98
Retained profits	40,100	39,246
Total equity	47,986	47,132

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2022

	Contributed Equity \$'000	Reserves \$'000	Retained Profits \$'000	Total \$'000
Half-year to 31 December 2022				
Balance at the beginning of the half-year	7,788	98	39,246	47,132
Comprehensive income for the half-year	-	-	5,544	5,544
Transactions with equity holders in their capacity as equity holders				
Dividends paid	-	-	(4,690)	(4,690)
Transfer to retained profits on exercise of options	-	-	-	-
Shares issued	-	-	-	-
Total transactions with equity holders	-	-	(4,690)	(4,690)
Balance at the end of half-year	7,788	98	40,100	47,986
Half-year to 31 December 2021				
Balance at the beginning of the half-year	7,636	75	35,158	42,869
Comprehensive income for the half-year	-	-	6,711	6,711
Transactions with equity holders in their capacity as equity holders				
Dividends paid	-	-	(4,596)	(4,596)
Transfer to retained profits on exercise of options	-	(25)	25	-
Shares issued	152	-	-	152
Total transactions with equity holders	152	(25)	(4,571)	(4,444)
Balance at the end of half-year	7,788	50	37,298	45,136

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2022

	Consolidated	
	2022	2021
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	37,818	36,815
Payments to suppliers and employees (inclusive of GST)	(28,977)	(25,112)
Interest received	359	110
Income taxes paid	(2,657)	(3,295)
Net cash inflow from operating activities	6,543	8,518
Cash flows from investing activities		
Payments in relation to acquisitions	-	(1,000)
Business development loans granted to advisers	(663)	(745)
Repayment of business development loans by advisers	664	456
Payments for property, plant and equipment	(22)	(259)
Net cash outflow from investing activities	(21)	(1,548)
Cash flows from financing activities		
Lease principal payments	(927)	(766)
Proceeds on issue of shares	-	152
Dividends paid	(4,690)	(4,596)
Net cash outflow from financing activities	(5,617)	(5,210)
Net increase in cash and cash equivalents held	905	1,760
Cash and cash equivalents at the beginning of the half-year	17,484	19,316
Cash and cash equivalents at the end of the half-year	18,389	21,076

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

Notes to the Financial Statements

1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2022 has been prepared in accordance with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001.

This interim financial report does not include all the information and disclosures required in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX listing rules.

Figures presented in this report are subject to rounding.

Compliance with IFRS

The consolidated financial statements of the Group comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The accounting policies adopted in the preparation of these interim financial statements are consistent with those of the previous financial year.

New Australian Accounting Standards and amendments to Australian Accounting Standards and interpretations that are either effective in the current period or have been early adopted

The amendments made to existing standards that were mandatorily effective beginning on 1 July 2022 did not result in any impact on this interim financial report. There were no new Australian accounting standards that were mandatorily effective for the current period.

The Group has not elected to early adopt any new standards or amendments to standards available for early adoption for this interim financial report.

2. Segment information

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 the Responsible Entity for managed investment schemes and separately managed accounts through its subsidiary Fiducian Investment Management Services Limited.

Financial Planning

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

Platform Administration

The Group acts as an Registrable Superannuation Entity (RSE) of a public offer superannuation fund - Fiducian Superannuation Service, which is offered on its wrap platform through its subsidiary Fiducian Portfolio Services Ltd. The Group also acts as an Operator and Responsible entity of an Investor Directed Portfolio Service and the Fiducian Investment Service through another subsidiary Fiducian Investment Management Services Limited.

Corporate Services

This segment is an aggregation of the administration and professional services net of recoveries provided to the Group by its subsidiaries, Fiducian Service Pty Ltd and Fiducian Business Services Pty Ltd which provided distribution services to the Group in the current half-year.

Geographical segments

The Group operates in the geographical segments of Australia.

2. Segment information (Continued)

Primary reporting - Business segments

	Funds Management	Financial Planning ²	Platform Administration	Corporate Services ²	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Half-year 2022					
Revenue from external customers	13,393	12,477	8,680	-	34,550
Inter-segment sales ¹	(3,136)	(1,200)	(2,200)	6,536	-
Other revenue	86	733	-	69	888
Total segment revenue	10,343	12,010	6,480	6,605	35,438
Profit from ordinary activities before income tax, depreciation and amortisation	7,093	233	5,556	(2,474)	10,408
Depreciation and amortisation					(2,445)
Profit from ordinary activities before income tax expense					7,963
Income tax expense					(2,419)
Profit from ordinary activities after income tax expense					5,544
Segment assets ³	10,784	46,746	3,084	8,342	68,956
Segment liabilities ³	6,718	12,690	-	1,562	20,970

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

² Effective FY 2022 Financial Planning segment includes all expenses to service financial planning clients. All licensee expenses are shown as part of Corporate Services segment.

³ Segment assets and segment liabilities are as at 31 December 2022.

2. Segment information (Continued)

Primary reporting - Business segments (continued)

	Funds Management	Financial Planning ²	Platform Administration	Corporate Services ²	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Half-year 2021					
Revenue from external customers	14,169	9,753	9,335	-	33,257
Inter-segment sales ¹	(2,892)	(350)	(2,200)	5,442	-
Other revenue	9	716	-	9	734
Total segment revenue	11,286	10,119	7,135	5,451	33,991
Profit from ordinary activities before income tax, depreciation and amortisation	7,455	1,336	6,194	(3,614)	11,371
Depreciation and amortisation					(1,768)
Profit from ordinary activities before income tax expense					9,603
Income tax expense					(2,892)
Profit from ordinary activities after income tax expense					6,711
Segment assets	12,681	33,535	3,121	14,652	60,869 ³
Segment liabilities	6,057	6,423	-	3,253	15,733 ³

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

² Effective FY 2022 Financial Planning segment includes all expenses to service financial planning clients. All licensee expenses are shown as part of Corporate Services segment.

³ Segment assets and segment liabilities are as at 31 December 2021.

3. Dividends

Half-year to 31 December	Consolidated	
	2022	2021
	\$'000	\$'000
Ordinary shares		
Dividend paid during the half-year	4,690	4,596
Dividend not recognised at the end of the half-year		
In addition to the above dividend, since the end of the half-year the directors have resolved to pay an interim dividend of 12.30 cents per fully paid ordinary share (December 2021: 14.80 cents), fully franked based on tax paid at 30%. The aggregate amount of this dividend is to be paid on 13 March 2023 out of retained profits at 31 December 2022, but not recognised as a liability at the end of the half-year, is:	3,872	4,659

4. Events occurring after balance date

The provisional adjustments booked in February 2022 to record the acquisition of the financial planning business of People's Choice Credit Union (PCCU) need to be finalised within a year of the acquisition under the provisions of AASB 3 Business Combinations. AASB 110 Events after the reporting date treats the finalisation of these entries as an "adjusting event" requiring the Statement of Financial Position as at 31 December 2022 to reflect this.

	Consolidated
	31 Dec 2022
Fair value of assets recognized on Statement of Financial Position based on estimated final completion payment of the acquisition is as follows:	\$
Intangible assets	11,015,988
Goodwill on acquisition	3,304,851
Deferred Tax Liabilities	(3,304,851)
Deferred consideration	(2,348,780)
Funds Under Advice as at 31 December 2022	791,000,000

Other than this, there has not arisen in the interval between the end of the half-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 results of those operations or the state of affairs of the Group in subsequent years

5. Contingent Liabilities

Guarantees

The Group had contingent liabilities at 31 December 2022 in respect of bank guarantees for property leases of parent and group entities amounting to \$838,646 (30 June 2022: \$831,313).

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 16 are in accordance with the *Corporations Regulations 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 consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Fiducian Group Limited will be able to pay its debts as and when they become due and payable.

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

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

Inderjit (Indy) Singh OAM
Executive Chairman

Sydney,
13 February 2023



Independent Auditor's Review Report

To the shareholders' of Fiducian Group Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Fiducian Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Fiducian Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the **Interim Period** ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2022;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Interim Period ended on that date;
- Notes 1 to 5 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises Fiducian Group Limited (the Company) and the entities it controlled (together the Group) at the Interim Period's end or from time to time during the Interim Period.

The **Interim Period** is the 6 months ended on 31 December 2022.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Fiducian Group Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Review Report.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the Interim Period ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Andrew Reeves

Partner

Sydney

13 February 2023

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 (Acct & Law), CA, GAICD, FAIST

Company secretary

P Gubecka LLB, LLM, BCom, CPA, FGIA, FCG (CS, CGP)

Notice of Annual General Meeting

The Annual General Meeting of Fiducian Group Limited

Will be held: Virtually/In person
Details to be advised

Time: 10:00 am

Date: Thursday, 19 October 2023

Principal registered office in Australia

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

Wholly owned operating entities

- Fiducian Business Services Pty Limited
- Fiducian Financial Services Pty Limited
- Fiducian Investment Management Services Limited
- Fiducian Portfolio Services Limited
- Fiducian Services Pty Limited

Share registrar

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

Auditor

KPMG
Chartered Accountants
Tower Three, International Towers
300 Barangaroo Avenue,
Sydney NSW 2000

Bankers

National Australia Bank Limited
500 Bourke Street
Melbourne VIC 3000

ANZ Banking Group
388 Collins Street
Melbourne VIC 3000

Australian Securities Exchange Listing

Fiducian Group Limited (ASX:FID)

Website address

www.fiducian.com.au



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NOTE: The Morningstar Category rankings have the Morningstar Australia Multisector Aggressive Category for Ultra Growth Fund, Multisector Moderate Category for Capital Stable Fund, and Multisector Growth Category for the Balanced and Growth Fund. Source: Morningstar Direct, Performance Report as of 09.01.2023 © 2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. Any general advice or 'regulated financial advice' under New Zealand law has been prepared by Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or Morningstar Research Ltd, subsidiaries of Morningstar, Inc, without reference to your objectives, financial situation or needs. For more information, refer to our Financial Services Guide (AU) or Financial Advice Provider Disclosure Statement (NZ) at www.morningstar.com.au/s/fsg.pdf and www.morningstar.com.au/s/fapds.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Our publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a professional financial adviser.

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