ANNUAL REPORT

2011

FIDUCIAN

INTEGRITY • TRUST • EXPERTISE

FIDUCIAN PORTFOLIO SERVICES LIMITED

ACN 073 845 931

integrity
trust
expertise

The name Fiducian is derived from the Latin word 'Fiducia'. Over the years, persons of high integrity in positions of responsibility and who command trust and respect for their knowledge and expertise have been spoken of as exercising their duties in a fiduciary capacity.

The company logo of a lion symbolises Strength, Character and Security – characteristics which sit well with the Integrity, Trust and Expertise associated with the meaning of our name.

It is therefore, within the ambit of working in a fiduciary manner and with high transparency, that we have built our services for the benefit of our clients, members, staff and shareholders. We pride ourselves as having a high level of integrity and in inspiring a similar level among all our group members.

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JOINT REPORT OF THE CHAIRMAN AND THE MANAGING DIRECTOR

Dear Shareholder,

On behalf of the directors, we jointly report on the consolidated operating performance of Fiducian Portfolio Services Limited and its controlled operating entities for the year ended 30 June 2011.

FINANCIAL INFORMATION

Results for 2010-2011

Fiducian is pleased to report a net consolidated profit after income tax of $4.43 million. This is an increase of 7.8% on the prior year of $4.11 million. The consequential EBITDA earnings before interest expense, tax, depreciation and amortisation was $6.67 million compared with $6.18 million last year. Unfortunately, uncertain geo-political events around the world and Australia, along with volatile financial markets have not been conducive to promoting conditions for stronger profit growth.

Net Margin income increased by 4.3% (2010: increase 6.7%), predominantly as a consequence of market valuations and expenditure controls. Fiducian has been built to withstand varying external pressures and has significant capacity for further growth in revenue.

Operating expenses were again contained, with overall expenses increasing by just 3.6% (2010: decrease 1.3%). Fiducian believes that its employees are its strength and therefore endeavours to involve all employees in its culture, commonly referred to as the 'Fiducian Family'. Employee costs rose 6.0% after a freeze on increases and recruitment in the previous year. Staff loyalty was rewarded through salary increases and some additional staff were appointed on a selective basis to plug previously unfilled resource gaps. Fiducian follows a policy of training, building and retaining quality staff in good and poor economic times, so they can participate in the future expansion of the business.

CAPITAL MANAGEMENT

Final Dividend

The Board remains cautious, but is confident that in spite of strong headwinds being experienced by financial markets currently, the future of the business in its present form is sound and likely to strengthen in an improving economic and financial market environment. As a result, a fully franked final dividend of 5.00 cents per share has been declared which will bring the total fully franked dividend declared for the 2011 financial year to 10.00 cents (2010: 8.50 cents). The final dividend will be paid on issued shares held on 8 September 2011 and be payable on 22 September 2011.

Cash Flow

Net operating cash flows of $5.12 million were achieved (2010: $4.83 million). After payment for prior and current year business acquisitions ($1.01 million), capital items ($0.28 million), share buy backs less options exercised ($ 0.32 million) and dividend outlays ($3.14 million) net cash increased by $0.67 million (2010: increase $1.66 million). Cash at year end was $10.1 million (2010: $9.5 million), of which $5.0 million is required for regulatory purposes. $0.67 million is held as a contingency to make progressive payments for existing business acquisitions.

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

On Market Buy-Back

Fiducian bought 258,229 shares on market during the year (2010: 261,015) for a total consideration, including brokerage, of $0.36 million (2010: $0.38 million) at an average price per share of $1.39 (2010: $1.44). There are 32.164 million shares on issue at year end (2010: 32.208 million).

Acquisitions

We have been looking to acquire reasonably priced and well managed client portfolios for our financial planners. Since the acquisition made late in the previous financial year, we acquired client portfolios in Sydney and in Perth for a total cost of nearly one million dollars. The Perth acquisition has resulted in the establishment of a new Fiducian company office near year end.

To diversify our earnings streams we also acquired the clients of an accounting practice in Sydney. The practice, now operating as Fiducian Accountants & Business Advisers (FABA), has assimilated with our Sydney company-owned financial planning office. This business operates as a division of Fiducian Business Services Pty Ltd. Further acquisitions, which can be easily absorbed into the Fiducian culture, will continue to be assessed as and when available.

Adviser, Staff and Director Options

In accordance with the terms and conditions of the approved Adviser Share Option Plan, no options are proposed to be issued as the Plan was not extended.

In accordance with the terms and conditions of the approved Employee and Director Share Option Plan, no options will be issued to employees or the Managing Director.

FINANCIAL PLANNING

The Network

The Fiducian Financial Services brand continues to grow into a quality national network of franchised and salaried financial planners. Good financial planning strategies for asset accumulators and retirees and an appropriate frequency of client contact and communication by all Fiducian financial planners has resulted in impressive client retention levels. However, financial market volatility and political uncertainty has caused potential investors to defer long term investment decisions and instead focus on cash holdings which could be a short sighted view. We have therefore put in place marketing initiatives to explain the economic environment and encourage long-term investors to take advantage of market weakness.

Practice Development Managers based in Sydney, Melbourne and Brisbane continue to work hard to support and grow the planner network throughout Australia. More high quality financial planners who embraced the Fiducian philosophy of integrity and service, joined the network last year.

Salaried Offices

Company owned offices with salaried financial planners based in Sydney, Melbourne, Brisbane and Tasmania have continued to contribute to overall results. We are continuing with our program to buy client bases to be serviced by these planners.

Franchised Offices

Fiducian expects the highest level of compliance and client service from its franchise network. Even though the generation of higher inflows is important, our commitment is to quality. Inflows from franchisees comprised 68% of total planner inflows (2010: 58%).

PLATFORM ADMINISTRATION

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

Funds under Administration

Funds under administration remained flat and rose in total by 0.4% to $1.15 billion (2010 $1.14 billion). We expect some acquired client bases to gradually transition to Fiducian platforms if it is appropriate for the investors. Such investors could then enjoy the full benefit of our personalised service and quality investment strategies.

Independent Advisers

In addition to providing administration services to Fiducian planners and badge arrangements, services are provided to some independent planners who hold their own AFSL license. Funds under administration for independent planners remained steady at 15% of total funds under administration.

Corporate Superannuation

Corporate superannuation increased by 4% (2010: 21%) during the year, but forms only a small portion of funds under administration. Fiducian has focussed on the small employer market so all employees using our superannuation fund could receive the appropriate services of a financial planner. It compliments our core belief that proper financial planning advice is essential for all investors.

INVESTMENT MANAGEMENT

Fiducian is a multi asset, multi style investment manager. We design Funds that seek to deliver above average returns over the short to medium term, which by consistent averaging, tend to deliver superior returns, compared with their peers, over the longer term.

Blending of underlying portfolios within asset sectors and tilts towards different manager's styles, depending on the economic cycle, also has the potential to reduce volatility. The investment team and investment committee remain confident that the Fiducian philosophy of liquidity and transparency will also benefit investors.

In investment performance surveys, our diversified funds remain regularly in top quartile positions over longer time frames. The Property Securities Fund and International Shares Fund have also performed well with the latter being ranked No 1 for the year in one of these surveys. We are pleased to note that our process continues to work for the benefit of our clients.

INFORMATION TECHNOLOGY

The Fiducian Information Technology (FIT) team's main focus last year was to direct its efforts towards improvements to the administration system. This could provide much greater control, efficiency and substantial cost savings and open up new business opportunities in the future. System enhancements were also provided to Fiducian Business Services.

BUSINESS SERVICES

Fiducian Business Services Pty Ltd (FBS) is our subsidiary that was established to provide support to accountants for book keeping, accounts preparation and self managed super fund administration. From a low-key start its proven success, in helping accountants to lift their profitability, has encouraged us to take a further step and acquire an accounting practice which now operates as Financial Accountants & Business Advisers (FABA). We see further expansion to come in this area of our business. FBS support services should assure the profitability of FABA, while our financial planners can assist accounting clients in their investment planning, risk insurance, estate planning and property mortgage strategies. A further development through FBS is the growth of an independent Self Managed Super Fund administration facility, which aims to capture a share of this segment of our industry.

We expect FBS to become a fast growth pillar of our business in future years. It can provide a stable recurring income stream and cushion any financial market earnings downturn, as its earnings are unrelated to financial markets.

HUMAN RESOURCES

Management and Staff

The Fiducian management team is focused on managing and building a successful company. The effective reporting processes enhance Board oversight of business activity and performance on a monthly basis. Key performance indicators have been identified for management in each area of the business operations which are used to monitor performance at least on a quarterly basis.

Advisers Council and IT User Group

The Adviser 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 Board, and is a valuable resource and forum to allow financial planners to alert the company to issues that may need consideration.

The IT User Group was formed two years ago and it deserves commendation for its contribution to the development of our financial planning and reporting systems.

Board of Directors

The Company's three to five year strategic plan has been reviewed by management at the request of the Board, in conjunction with the preparation of the annual Business Plan and Budget for the 2011-12 year. The performance of financial markets going forward and, as well, political leadership which needs to act decisively and bring back confidence to the investing public will influence future results. Nevertheless, management remains committed to achieving the goals and objectives set down in these plans.

CURRENT ECONOMIC AND MARKET ENVIRONMENT

Over the 2010-11 financial year, the Australian and international share markets were buffeted repeatedly by positive and negative news, but overall posted reasonably good gains, though weakening towards the end of the financial year.

Our house view is for continuing volatility, but for markets to pull through and eventually deliver positive returns. Share markets are cheap by historical measures and there is a large amount of cash waiting on the sidelines to enter. Share markets could therefore rise strongly when a hint of economic growth and political stability emerges. As always, we recommend that investors should consult a Fiducian financial planner to develop an investment strategy that could help them achieve their financial goals.

OUTLOOK

The Board believes that expectations for our future should improve from the current low point.

The Board also expects profits to continue in coming years as management focuses on expanding its range of business activities and on realizing the full potential of financial planning, platform administration, investment management, business services and information technology, whilst controlling expenditure.

Fiducian has always insisted on fees being fully disclosed and charged for services provided. All our clients are expected to receive continuous advice and agree to their planner's remuneration in writing. Our product disclosure documents specify that planner fees are negotiable between client and planner.

The Future of Financial Advice (FOFA) changes are expected to be legislated sometime this year and imposed upon the industry. Whatever its final shape, we believe that Fiducian has always been operating in a transparent and ethical manner since inception, possibly well ahead of any forced regulatory changes. Therefore, we do not expect any detrimental financial fallout to be experienced by the group from FOFA.

The business plan for 2012 financial year looks at expanding the revenue base by growing the existing Fiducian business model and further expanding its accountancy resourcing services to the self managed superannuation fund market, accounting and legal community.

The cash management strategy for the next financial year is to utilize profits to pay dividends and to use any surplus to support meaningful acquisitions or make further share buy backs.

We would like to thank all participants for their individual contributions to the growth and success of Fiducian.

Yours faithfully,

Robert Bucknell	Indy Singh
Chairman	*Managing Director*

24 August 2011

CORPORATE DIRECTORY

DIRECTORS

R Bucknell FCA
Chairman

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

F Khouri B Bus, FCPA, FTIA
C Stone B Comm, LLB, LLM, CA, ACIS

SECRETARY

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

NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting of
Fiducian Portfolio Services Limited

Will be held at	Level 4, 1 York Street, Sydney
Time	10:00am
Date	Wednesday 26 October 2011

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

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

WHOLLY OWNED OPERATING ENTITIES

Fiducian Financial Services Pty Ltd
Fiducian Business Services Pty Ltd

SHARE REGISTER

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

AUDITOR

PricewaterhouseCoopers
Chartered Accountants
Darling Park Tower 2
201 Sussex Street
Sydney NSW 1171

BANKERS

Westpac Banking Corporation
341 George Street
Sydney NSW 2000

ANZ Banking Group
55 Collins Street
Melbourne VIC 3000

STOCK EXCHANGE LISTING

Fiducian Portfolio Services Limited (FPS) shares are listed on the Australian Securities Exchange.

WEBSITE ADDRESS

www.fiducian.com.au

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Fiducian Portfolio Services Limited and its wholly owned operating entities throughout the year ended 30 June 2011.

Directors

The following persons were directors of Fiducian Portfolio Services Limited during the financial year and up to the date of this report.

R Bucknell
I Singh
F Khouri
C Stone

Principal activities

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

(a) The Operator of Fiducian Investment Service

(b) The Trustee of Fiducian Superannuation Service

(c) The Responsible Entity of Fiducian Funds; and

(d) The Dealer for specialist financial planning services through its wholly owned operating entity, Fiducian Financial Services Pty Ltd (including the operations of Harold Bodinnar & Associates Pty Ltd and Money & Advice Pty Ltd).

(e) The Provider of accountancy resource services through its wholly owned operating entity, Fiducian Business Services Pty Ltd

Dividends - Fiducian Portfolio Services Limited

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

	2011 $'000	2010 $'000
Final ordinary franked dividend for the year ended 30 June 2010 of 4.75 cents (2009: Fully franked 3.0 cents) per share paid on 15 September 2010.	1,532	973
Interim ordinary fully franked dividend for the year ended 30 June 2011 of 5.0 cents (2010: Fully franked 3.75 cents) per share paid on 18 March 2011.	1,611	1,213
Total dividends in respect of the year	3,143	2,186

In addition to the above dividends, since the end of the financial year, the directors have declared the payment of a final fully franked dividend for the year ended 30 June 2011 of 5.0 cents per ordinary share held at 8 September 2011 and payable on 22 September 2011.

Review of operations

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

	SEGMENT REVENUES		SEGMENT RESULTS	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Funds management and administration	21,562	20,335	5,941	5,307
Financial planning	8,225	7,864	451	596
Intersegment sales	(5,293)	(4,928)	-	-
	24,494	23,271		
Profit from ordinary activities before income tax expense			6,392	5,903
Income tax expense			(1,956)	(1,791)
Net profit attributable to members of Fiducian Portfolio Services Limited			4,436	4,112

Comments on operations and results

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

Shareholder returns

As in the previous year the valuation of investment funds has remained subdued and impacted on the growth of management fees received by Fiducian, as more fully detailed in the Joint Report of the Chairman and Managing Director. Despite this, Fiducian has maintained profit for the second half of this year and will distribute a dividend of 5.00 cents per share, bringing the full year dividend to 10.00 cents per share.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

On 1 July 2010, the operations of subsidiary entities Harold Bodinnar & Associates Pty Ltd and Money & Advice Pty Ltd were merged with Fiducian Financial Services Pty Ltd. All operate under the latter's Australian Financial Services Licence. The merger will provide marketing consistency and ongoing administrative savings.

On 9 February 2011, the Group acquired a portfolio of financial planning clients, which transferred to Fiducian Financial Services Pty Ltd progressively until the end of the financial year.

On 17 May 2011, the subsidiary Fiducian Business Services Pty Ltd acquired a business including a portfolio of accounting clients which will trade as Fiducian Accountants and Business Advisers. Due to the transition and setting up of the new office, no billings occurred in June.

On 27 June 2011, the Group acquired a financial planning business in order to grow its presence in Western Australia. On acquisition, clients and staff of the business were transferred to Fiducian Financial Services Pty Ltd, the Group's financial planning specialist. No income has been recognised during the period.

Contributed equity has reduced by $360,191 (inclusive of brokerage) as a result of the buy back of 258,229 shares on the stock exchange at an average price of $1.39 per share during the year, and increased by $242,713 as a result of the exercise of 214,653 share options at an average price of $1.13 per share.

Further, 40,000 options were issued to the Managing Director, in respect of the 2010 financial year, and no other options were issued to staff or planners during the year, whilst 108,000 options issued to staff and 7,848 options issued to advisers were forfeited during the year.

Other than this, there were no significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

Under the Rules of the Adviser Share Option Plan no options are being issued this year (2010: Nil) as the plan has not been extended. Under the same rules 330 options will expire after year end.

Under the Rules of the Employee and Director Share Option Plan the Directors have not granted any options to employees or Managing Director after year end (2010: 40,000 at an exercise price of $1.28). To the date of this report 95,375 employee options have lapsed and no options have lapsed or been exercised by the Managing Director. 33,250 options exercised prior to 30 June had shares issued on 5 July 2011, as disclosed in Note 22(b). To the date of this report, 122,270 shares have been bought back on market at an average price of $1.31.

Other than the above, 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 company, 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 Chairman and Managing Director have commented on expected results of operations in their Joint Report. Other than this, the directors have excluded further information on likely developments in the operations of the Group and the expected results of those operations in future financial years, since, in the opinion of the directors, it would prejudice the interests of the Group if this information was included.

Environmental regulation

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

KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

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

Chairman (non-executive)	R Bucknell
Executive director	I Singh – Managing Director
Non-executive directors	F Khouri C Stone

(b) Information on directors

R E Bucknell FCA. Chairman – non executive. Age 70

Experience and expertise

Chairman since inception in 1996. Extensive experience in accounting and business management over the past 47 years as a Chartered Accountant in public practice.

Other current directorships

None

Former directorships in the last 3 years

None

Special responsibilities

Chairman of the Group, and Audit, Remuneration and Internal Compliance Committees.

Interest in shares and options

900,000 ordinary shares in Fiducian Portfolio Services Limited.

I Singh CFP, BTech, MComm (Bus), ASIA, ASFA, Dip. FP. Managing Director. Age 62

Experience and expertise

Founder and Managing Director since inception in 1996. General Management and hands-on experience in the investment of savings and superannuation funds over the past 22 years.

Other current directorships

None

Former directorships in the last 3 years

None

Special responsibilities

Managing Director, Member of Investment, Audit and Internal and External Compliance Committees.

Interest in shares and options

9,939,580 ordinary shares in Fiducian Portfolio Services Limited.
155,000 options for ordinary shares in Fiducian Portfolio Services Limited.

F G Khouri B Bus, FCPA, FTIA Independent non-executive director. Age 56

Experience and expertise

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

KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

(b) Information on director (continued)

Other current directorships

None

Former directorships in the last 3 years

None

Special responsibilities

Member of the Board Audit and Remuneration Committees.

Interest in shares and options

219,373 ordinary shares in Fiducian Portfolio Services Limited.
7,374 options for ordinary shares in Fiducian Portfolio Services Limited.

C H Stone B Comm/LLB, LLM, CA, ACIS Independent non-executive director. Age 52

Experience and expertise

Appointed to the Board 3 March 2010. Practicing lawyer, holding senior legal and/or legal compliance roles in local and global financial services organisations, with 21 years experience. Currently Head of Compliance of State Street Australia Limited, and has 8 years experience as a Chartered Accountant in taxation and superannuation matters.

Other current directorships

None

Former directorships in the last 3 years

None

Special responsibilities

Member of the Board Internal Compliance Committee.

Interest in shares and options

None

(c) Company secretary

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

KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

(d) Meeting of directors

The numbers of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2011, and the numbers of meetings attended by each director were:

	FULL MEETINGS OF DIRECTORS				MEETINGS OF COMMITTEES							
	Corporate		Trustee*		Audit		Internal Compliance		Invest-ment		Remun-ration	
	A	B	A	B	A	B	A	B	A	B	A	B
R E Bucknell	12	12	12	12	6	6	1	3	***	***	1	1
I Singh**	12	12	12	12	6	6	3	3	12	12	***	***
F Khouri	12	12	12	12	6	6	***	***	***	***	1	1
C Stone	12	12	12	12	***	***	3	3	***	***	***	***

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.
** = Meetings of the Board in its capacity as Trustee of the Fiducian Superannuation Service.*
*** = In addition, I Singh attended 4 of the 4 meetings held with the two independent members of the External Compliance and Risk Committee.*
**** = Not a member of the relevant committee at the time of meeting.*

(e) Other key management personnel

The following person has authority for and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year:

Name	*Position*	*Employer*
I Singh	Managing Director	Fiducian Portfolio Services Limited

The above person was also the key management person during the year ended 30 June 2011.

(f) Remuneration report

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

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

B Details of remuneration

C Service agreements

D Share-based compensation

E Additional information

The information provided under headings A - D includes remuneration disclosures that are required under Accounting Standards AASB 124 Related Party Disclosures. These disclosures have been transferred from the Director's report and have been audited. The disclosures in Section E are additional disclosures required by the Corporations Act 2001 and the Corporations Regulations 2001 which have not 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 with market practice for delivery of reward. The Board ensures 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.

KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

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

(a) Non-executive directors

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

Directors' fees

The current base remuneration was last reviewed in August 2010. The Chairman and other external directors are paid a fixed fee plus a fee based on time spent on committees (Directors with earnings derived from business placed with the Group may also receive remuneration as financial planners). The Chairman's fixed fee is higher than other non-executive directors based on comparative roles, time and fees in the external market.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum pool currently stands at $350,000 per annum and was approved by shareholders at the Annual General Meeting on 24 October 2007. No increase is being sought at the next Annual General Meeting.

Retirement allowances for directors

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

(b) Executive Director

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

I Singh, *Managing Director*

- Term of agreement - until 30 June 2014
- Base salary, inclusive of superannuation and salary sacrifice benefits.
- Death and TPD/Trauma cover.
- Short term performance incentives.
- Long term incentives through the Fiducian Portfolio Services Limited Employee and Director Share Option Plan, and
- Retirement benefits.

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

An external remuneration consultant advises the Remuneration Committee, at least every 3 years, to ensure that the Group has structured an executive remuneration package that is market competitive and complimentary to the reward strategy of the organisation. Their most recent review was in August 2010.

Base salary

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

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

KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

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

Benefits

Executive benefits include death cover of $1 million and TPD/ Trauma insurance cover of $0.5 million.

Short-term incentives

Mr Singh is entitled to a discretionary cash performance bonus of up to 20% of his total package as assessed by the Remuneration Committee against performance indicators and objectives set by the Board. It is limited to being met within the budget or out of over-budget financial performance. As in previous years Mr Singh has declined to accept the entitlement that was due for the financial year.

Long-term incentives

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

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

The options are issued under the company's ESOP at the rate of 5,000 options for each one percent increase in annual profit in excess of 15% and only after approval by shareholders in the company. Mr Singh is not entitled to receive options in respect of the year.

Retirement benefits

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

B - Details of remuneration

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

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

Amounts of remuneration

Details of the remuneration of the directors, including Mr Singh, the only key management personnel of Fiducian Portfolio Services Limited, are set out in the following tables.

KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

B - Details of remuneration (continued)

Key management personnel of Fiducian Portfolio Services Limited and the Group

2011	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS		SHARE-BASED PAYMENT	
NAME	CASH SALARY AND FEES (a)	CASH BONUS	NON-MONETARY BENEFITS	SUPER-ANNUATION	RETIREMENT BENEFITS	OPTIONS (e)	TOTAL
	$	$	$	$	$	$	$
Non-executive directors							
R Bucknell (b) *(Chairman)*	128,100	-	-	-	-	-	128,100
F Khouri (c)(d)	47,511	-	-	4,201	-	-	51,712
C Stone	45,897	-	-	4,206	-	-	50,103
Executive director							
I Singh (e)	444,827	-	-	18,276	-	-	463,103
Totals	666,335	-	-	26,683	-	-	693,018

(a) Excludes GST if paid to another firm.

(b) Including amounts paid to the director's company only in respect to director's duties.

(c) This excludes gross remuneration of $238,295 for financial planning paid to companies in which the director has an interest.

(d) No Adviser Options were issued during the year to a company, in which Mr Khouri is a shareholder and director in his capacity as a financial planner.

(e) No options were issued to Mr Singh in respect of the 2011 financial year.

2010	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS		SHARE-BASED PAYMENT	
NAME	CASH SALARY AND FEES (a)	CASH BONUS	NON-MONETARY BENEFITS	SUPER-ANNUATION	RETIREMENT BENEFITS	OPTIONS (e)	TOTAL
	$	$	$	$	$	$	$
Non-executive directors							
R Bucknell (b) *(Chairman)*	135,300	-	-	-	-	-	135,300
A Koroknay (c)	23,149	-	-	1,926	-	-	25,075
F Khouri (d)(e)	39,310	-	-	3,131	-	-	42,441
C Stone	15,449	-	-	722	-	-	16,171
Executive director							
I Singh (f)	435,539	-	-	17,689	-	7,685	460,913
Totals	648,747	-	-	23,468	-	7,685	679,900

(a) Excludes GST if paid to another firm.

(b) Including amounts paid to the director's company only in respect to director's duties.

(c) Including amounts paid to the director's firm only in respect of director's duties.

(d) This excludes gross remuneration of $237,212 for financial planning paid to companies in which the director has an interest.

(e) No Adviser Options were issued during the year to a company, in which Mr Khouri is a shareholder and director in his capacity as a financial planner.

(f) 40,000 options were issued to Mr Singh in respect of the 2010 financial year. The calculated value is included above.

KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

B - Details of remuneration (continued)

C - Service Agreements and Induction Process

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

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

D - Share-based compensation

(i) Option compensation and holdings

Options over shares in Fiducian Portfolio Services 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 26.

The numbers of options for ordinary shares in the company held directly by directors of Fiducian Portfolio Services 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.

2011 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	215,000	(100,000)	40,000	-	155,000	115,000
F Khouri*	-	-	-	-	-	-

** 7,374 Adviser options, issued in prior years, are held by an entity in which F Khouri has an interest.*

2010 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	215,000	-	-	-	215,000	215,000
F Khouri*	-	-	-	-	-	-

**7,374 Adviser options, issued in prior years, are held by an entity in which F Khouri has an interest.*

Note: The assessed fair value at grant date of options granted to the individuals is detailed in Note 26.

KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

D - Share-based compensation

(ii) Share holdings

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

2011 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	9,764,580	100,000	75,000	9,939,580
R E Bucknell	1,000,000	-	(100,000)	900,000
F Khouri	194,373	-	25,000	219,373
C Stone	-	-	-	-

2010 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	9,662,380	-	102,200	9,764,580
R E Bucknell	1,069,000	-	(69,000)	1,000,000
F Khouri	134,373	-	60,000	194,373

Shares provided on exercise of options

100,000 ordinary shares in the company were provided as a result of the exercise of remuneration options to a director of Fiducian Portfolio Services Limited and other key management personnel of the Group during the period (2010: Nil).
No adviser options were exercised in an entity in which a director has an interest during the year (2010: Nil).
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 prior year. Other than a small increase of $10,000 in August 2010, there having been no other increases in base salary over the prior 2 years in these tougher economic times. Cash bonuses and entitlements have not been granted or paid in the past 2 financial years and the grant of options entitlements have been only in accordance with the incentive programs being 40,000 options in respect of the 2010 financial year only.

Details of remuneration: cash bonuses and options

For each cash bonus and grant of options included in the tables below, the percentage of the available bonus or grant that was paid, or that vested, in the financial year, and the percentage that was forfeited because the person did not meet the service and performance criteria is set out below. No part of the bonus is payable in future years. The options vest after one year, with no conditions. The minimum value of the options yet to vest is therefore the value of the option on grant date. The maximum value of the options yet to vest has been determined assuming the share price on the date the options are exercised will not exceed $1.50 for the options that vest in the 2012 financial year.

KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

E - Additional information (continued)

	CASH BONUS		OPTIONS					
NAME	PAID %	FORFEITED %	FINANCIAL YEAR GRANTED	VESTED %	FORFEITED %	FINANCIAL YEARS IN WHICH OPTIONS VEST	MINIMUM TOTAL VALUE OF GRANT YET TO VEST $	MAXIMUM TOTAL VALUE OF GRANT YET TO VEST $
I Singh	0%	100%	2011	0%	0%	N/A	-	-
	0%	100%	2010	100%	0%	2012	-	8,800

Share-based compensation: Performance based Options

Further details relating to options are set out below.

2011 NAME	A REMUNERATION CONSISTING OF OPTIONS (%)	B VALUE AT GRANT DATE $	C VALUE AT EXERCISE DATE $	D VALUE AT LAPSE DATE $	E TOTAL OF COLUMNS B-D $
I Singh	0.00%	-	-	-	-

A = The percentage of the value of remuneration consisting of options, based on the value at grant date set out in column B.

B = The value at grant date calculated in accordance with AASB 2 Share based Payment of options granted during the year as part of remuneration.

C = The value at exercise date of the options that were granted as part of remuneration and were exercised during the year.

D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year.

2010 NAME	A REMUNERATION CONSISTING OF OPTIONS (%)	B VALUE AT GRANT DATE $	C VALUE AT EXERCISE DATE $	D VALUE AT LAPSE DATE $	E TOTAL OF COLUMNS B-D $
I Singh	1.63%	7,685	-	-	7,685

A = The percentage of the value of remuneration consisting of options, based on the value at grant date set out in column B

B = The value at grant date calculated in accordance with AASB 2 Share based Payment of options granted during the year as part of remuneration.

C = The value at exercise date of the options that were granted as part of remuneration and were exercised during the year.

D = The value at lapse date of options that were granted as part of remuneration and that lapsed during the year.

Directors' superannuation

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

Loans to directors

No loans were made to directors during the financial year (2010: Nil).

Other transactions with key management personnel

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

A director, Mr F Khouri, is an authorised representative under the Fiducian Financial Services Pty Ltd Australian Financial Services Licence and is a director and shareholder of Hawkesbury Financial Services Pty Ltd, which is a franchisee of Fiducian

KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

E - Additional information (continued)

Other transactions with key management personnel (continued)

Financial Services Pty Ltd. Hawkesbury Financial Services Pty Ltd places business with and receives remuneration from the company for financial planning services. All transactions are on normal commercial terms and conditions.

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

Aggregate amounts of each of the above types of other transactions with directors of Fiducian Portfolio Services Limited:

	CONSOLIDATED	
	2011	**2010**
	$	**$**
Amounts recognised as an expense		
Directors' fees and committee fees	229,915	218,987
Financial planning remuneration paid and payable	238,295	237,213
	468,210	456,200

Shares under option

Unissued ordinary shares of Fiducian Portfolio Services Limited under option at the date of this report are disclosed in Note 26 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 Portfolio Services Limited issued during the year ended 30 June 2011 on the exercise of options granted under the Fiducian Portfolio Services Limited Employee & Director Share Option Plan and the Adviser Share Option Plan are disclosed under Note 26 to the Financial Report.

Indemnification and insurance of officers

The Constitution of Fiducian Portfolio Services Limited provides the following indemnification of officers:

(a) to indemnify officers of the company and related bodies corporate to the maximum extent permitted by law unless a liability arises out of conduct involving a lack of good faith. In the case of a related body corporate, the indemnification of officers does not extend to any proceedings for a liability incurred by the officer based upon events that occurred before that body corporate became a related body corporate.

(b) to allow the company to pay a premium for a contract insuring directors, the secretary and executive officers of Fiducian Portfolio Services 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 Portfolio Services Limited paid a premium under a combined policy of insurance for liability of officers of the company and related bodies corporate, professional indemnity and crime. In accordance with normal commercial practice, disclosure of the total amount of premium payable under, and the nature of the liabilities covered by, the insurance contract is prohibited by a confidentiality clause in the contract.

The officers of the company covered by the insurance policy include the current and previous directors: R E Bucknell, I Singh, F Khouri, C Stone, other officers of Fiducian Portfolio Services Limited and independent members of the external Compliance and Investment Committees, J Evans, P Emery and M Devlin.

Proceedings on behalf of the company

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

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

Non-audit services

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

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

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

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

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 22.

Rounding of amounts

The company is of a kind referred to in Class Order 98/0100, 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*.

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

I Singh
Director

Sydney,
24 August 2011

AUDITOR'S INDEPENDENCE DECLARATION

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Fiducian Portfolio Services Limited for the year ended 30 June 2011, 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 Portfolio Services Limited and the entities it controlled during the year.

Darren Ross
Partner
PricewaterhouseCoopers

Sydney
26 August 2011

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CORPORATE GOVERNANCE STATEMENT

Fiducian Portfolio Services Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The company and its controlled entities together are referred to as the Group in this statement.

A description of the company's main corporate governance practices is set out below. All these practices, were in place for the entire year and comply with the August 2007 *ASX Principles of Good Corporate Governance and Best Practice Recommendations*, except where noted.

Principle 1: Lay solid foundations for management and oversight

The relationship between the Board and senior management is critical to the Group's long term success. The directors are responsible to the shareholders for the performance of the Group in both the short and the longer term and seek to balance sometimes competing objectives in the best interests of the Group as a whole. Their focus is to enhance the interests of shareholders and to ensure that the Group is properly managed.

The responsibilities of the Board include:

- providing strategic guidance to the Group including contributing to the development of and approving the corporate strategy.
- reviewing and approving business plans, the annual budget and financial plans, including available resources and capital expenditure initiatives.
- overseeing and monitoring:
  - organisational performance and the achievement of the Group's strategic goals and objectives.
  - compliance with the company's Code of Conduct (see page 26).
  - progress of major capital expenditures and other significant corporate projects, including any acquisitions or divestments.
- monitoring financial performance, including approval of the annual and half-year financial reports and liaison with the company's auditors.
- appointment, performance assessment and, if necessary, removal of the Managing Director
- ratifying the appointment and /or removal and contributing to the performance assessment for the members of the senior management team.
- ensuring there are effective management processes in place and approving major corporate initiatives.
- enhancing and protecting the reputation of the organisation.
- ensuring that adequate disaster recovery and business continuity plans are regularly monitored, tested and results reported.
- overseeing the operation of the Group's system for compliance and risk management reporting to shareholders.
- balancing sometimes competing objectives in the best interests of the Group.

Day to day management of the Group's affairs and the implementation of the corporate strategies and policy initiatives are formally delegated by the Board to the Managing Director.

Principle 2: Structure the Board to add value

The Board operates in accordance with the broad principles set out in its charter which is also available on the company's website at www.fiducian.com.au. The charter details the Board's composition and responsibilities.

Board members

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

Chairman (non-executive)	R Bucknell
Executive Managing Director	I Singh
Non-executive directors	F Khouri
	C Stone

Details of each director's experience, expertise and qualifications are set out each year in the Directors' Report of the Annual Report to Shareholders under the heading 'Information on Directors'.

Principle 2: Structure the Board to add value (continued)

Board composition

The charter states:

- the Board is comprised of both an executive Director and a majority of non-executive directors, with a minimum of four directors.
- non-executive directors bring a fresh perspective to the Board's consideration of strategic, risk and performance matters.
- in recognition of the importance of independent views and the Board's role in supervising the activities of management, the majority of the Board must be independent of management and all directors are required to exercise independent judgement and review and constructively challenge the performance of management.
- the Chairman is elected by the full Board and is required to meet regularly with the Managing Director.
- the company is to maintain a mix of directors on the Board from different backgrounds with complimentary skills and experience.
- the Board is required to undertake an annual Board performance review and consider the appropriate mix of skills required by the Board to maximise its effectiveness and its contribution to the Group.

The Board seeks to ensure that:

- at any point in time, its membership represents an appropriate balance between directors irrespective of gender with experience and knowledge of the Group and directors with an external or fresh perspective.
- the size of the Board is conducive to effective discussion and efficient decision-making.

Chairman and Managing Director

The Board charter specifies that these are separate roles to be undertaken by separate people.

- The Chairman is responsible for leading the Board, ensuring that Board activities are organised and efficiently conducted, and directors are properly briefed for meetings.
- The Managing Director is responsible for implementing Group strategies and policies.

Directors' independence

Directors are obliged to be independent in judgement and ensure that all reasonable steps and due care are taken by the Board to arrive at sound decisions.

The Board has adopted specific guidelines in relation to directors' independence. These state that when determining independence, a director must be a non-executive and:

- not be a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company.
- not have been employed in an executive capacity by the Group within three years before commencing to serve on the Board.
- not have been, within the last three years, a principal of a material professional adviser or a material consultant to the Group, or an employee materially associated with the service provided.
- not have been a material supplier or customer of the Group, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- not have a material contractual relationship with the Group, other than as a director of Fiducian.
- not have been on the Board for a period which could, or could reasonably be perceived, to materially interfere with the director's independent exercise of their judgement.

Materiality for these purposes is determined on both quantitative and qualitative bases. With good cause, the Board may, at its discretion, determine that a director is independent, or has lost their independence, notwithstanding that all the above criteria are or are not satisfied.

The Board assesses independence each year. To enable this process, the directors must provide all information that may be relevant to the assessment. Matters that could affect the independence of directors are detailed on the following page:

Principle 2: Structure the Board to add value (continued)

- Mr Bucknell and Mr Singh have both served on the Board since inception of the Group, being for more than ten years. Both bring a depth of experience and independent judgement to their roles as directors and remain vital to the growth of the Group. Mr. Bucknell is deemed by the Board to be an independent director.
- Mr Khouri has business dealings with the Group as disclosed in the Annual Report at the end of each financial year. However, these are not of such a value or significance that adversely affect the director's independence. He has declared his interests in those dealings with the company and takes no part in decisions relating to them.
- Mr Stone has no business dealings with the Group either independently or through his employer.

Independent professional advice

Directors and members of Board committee have the right to obtain independent professional advice at the expense of the Group on matters arising in the course of their Board duties and responsibilities, with prior approval of the Board.

Term of office

The company's Constitution specifies that all non-executive directors must retire from office no later than the third annual general meeting following their last election. A retiring director is eligible to stand for re-election.

Induction

The induction provided to new directors enables them to actively participate in Board decision-making as soon as possible. It ensures that they have a full understanding of the company's financial position,strategies, operations and risk management policies. It also explains the respective rights, duties, responsibilities and roles of the Board.

Performance assessment

The Board undertakes an annual self assessment of its collective performance, the performance of the Chairman and of its committees. The assessment also considers the adequacy of induction and continuing education, access to information and the support provided by the Managing Director. The results and any action plans are documented together with specific performance goals which are agreed for the coming year. An assessment carried out in accordance with this process was undertaken during May, 2011.

Board committees

The board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of important aspects of the business and/or complex issues. Current committees of the board are the Remuneration, Internal Compliance, External Compliance and Risk, Investment and Audit Committees. They are comprised of a mix of executive and non-executives directors, and external specialists, the names and qualifications of whom are detailed in each Annual Report to Shareholders.

Each committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the committee is to operate. All of these charters are reviewed as required, but at least every three years. A Copy of each charter is available on the company's website.

Minutes of all committee meetings are tabled at the next Board meeting where any significant matters are addressed and resolutions or requests for further information are sent back to the relevant committee. Specific reporting by the committees to the Board are addressed in the charter of the individual committees.

Nomination Committee

The Board has considered recommendation 2.4 of the ASX Corporate Governance Principles and has taken the view that participation by the full board is more effective than a smaller Nomination Committee, particularly given the size of the board. There is therefore no Nomination Committee at present.

Remuneration Committee

The Remuneration Committee is comprised of the non-executive Chairman and one other non-executive director. The committee evaluates the Managing Director's performance, determines bonus's payable to him and establishes the salary package appropriate for each year. External advice is obtained when deemed appropriate, but at least at three yearly intervals.

Principle 2: Structure the Board to add value (continued)

Compliance committees

(a) An **Internal Compliance Committee** is comprised of the non-executive Chairman, one other non-executive Director, and the Managing Director. The Committee monitors compliance systems, procedures, policies and programs established to ensure disclosure by management to the Board of areas of operating and non-financial risk including disclosure documents required to be given under statute. The compliance officer attends and participates at the meetings.

(b) The **External Compliance and Risk Committee** is comprised of two independent members and the Managing Director. The Committee monitors compliance of systems, procedures, policies and programs established to ensure disclosure and reporting relating to compliance with obligations imposed by the corporations and superannuation laws, and that the interests of fund members are protected. The compliance officer attends and participates at the meetings.

Audit committee

The Audit Committee is comprised of the non-executive Chairman, one other non-executive Director and the Managing Director. The financial controller and auditor attend and participate at meetings. The Committee monitors all accounting policies to ensure they comply with accepted accounting standards and practices and is further discussed under Principle 4.

Investment committee

The Investment Committee is comprised of two independent members, the Managing Director and senior staff that form the Investment Management Team. The Committee monitors that procedures are fully carried out by the Investment Management Team, in accordance with the investment guidelines set by the Board.

Managing Director's attendance at Compliance and Audit committees

The Board has ensured that the Compliance and Audit committees have a majority of independent members; but it expects the Managing Director to attend these committees as a member. Attendance by the Managing Director has been beneficial as clarification can be provided promptly and any corrective measures required can be actioned swiftly and efficiently.

Commitment

The Chairman is expected to spend at least 45 days per year preparing for and attending Board meetings and meeting with the Managing Director. Other non-executive directors are expected to spend at least 20 days per year preparing for and attending Board meetings.

All non-executive directors are expected to allow sufficient additional time to attend committee meetings and associated activities.

Prior to appointment or being submitted for re-election, each non-executive director is required to specifically acknowledge that they have and will continue to have the time available to undertake relevant educational development and discharge their responsibilities to the Board and any of its committees, of which they are a member.

The number of Board and Committee meetings attended by each director during each financial year is disclosed in the Directors' Report of each Annual Report of the Group.

The Executive Director has no appointments as a director outside the Group, other than to his own family companies.

Principle 3: Promote ethical and responsible decision making

Code of conduct

The Directors and Management actively promote ethical and responsible decision making in line with the Group's motto of 'Integrity, Trust and Expertise.' Additionally the Board and management believe that shareholder and public confidence is based upon the procedures in place internally which work to promote and ensure the highest standards of ethical behaviour are maintained.

The company has developed a Code of Conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated, as necessary, to ensure it reflects the highest standards of behaviour, professionalism and practices necessary to maintain confidence in the Group's integrity and to take into account legal obligations and reasonable expectations of the company's stakeholders.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies. A copy of the Code of Conduct is available on the Company's website.

Principle 3: Promote ethical and responsible decision making (continued)

Share trading policy

The purchase and sale of company securities by directors and employees is detailed in a written policy statement on insider and personal trading. This policy is discussed with and given to each new director or employee as part of the induction process. Each director and employee is required to sign an annual declaration confirming their compliance. Generally, directors and employees are only allowed to buy or sell Fiducian securities during the six weeks immediately after the release to the market of financial information or any other major statement that may affect the share price. The compliance officer advises both directors and staff when such periods commence and conclude.

The Code requires employees who are aware of unethical practices within the group or breaches of the company's trading policy to report these using the company's whistleblower program. This can be done anonymously.

The directors are satisfied that the Group has complied with its policies on trading in securities. A copy of the the trading policy is available on the company's website.

Principle 4: Safeguard integrity in financial reporting

Audit committee

The audit committee consists of the following directors:

R Bucknell (Chairman)*
I Singh
F Khouri

** On 22 August 2011, Mr Bucknell retired as Chairman of the Audit Committee and Mr Khouri was appointed as the new Chairman.*

All members of the audit committee are financially literate and have the appropriate understanding of the industry in which the Group operates. The Chairman, Mr R Bucknell, has relevant qualifications and experience by virtue of being a former partner in a major accounting firm and Mr F Khouri is a partner in a public accounting practice and a registered company auditor.

The audit committee operates in accordance with a charter which is available on the company's website.

The main responsibilities of the audit committee are to:

- review, assess and approve the annual and half-year financial reports and all other financial information published by the company or released to the market.
- assist the Board in reviewing the effectiveness of the organisation's internal financial controls covering:
  - effectiveness and efficiency of operations.
  - reliability of financial reporting, including important judgements and accounting estimates.
  - compliance with applicable laws and regulations
  - areas of financial risk
  - security of computer systems and applications
  - fraud and theft
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and assess performance.
- consider the independence and competence of the external auditor on an ongoing basis.
- review and approve the level of non-audit services provided by the external auditors and ensure that it does not adversely impact on auditor independence.
- review and monitor related party transactions and assess their propriety.
- report to the Board on matters relevant to the committee's role and responsibilities.

In fulfilling its responsibilities, the Audit Committee

- receives regular reports from management and the external auditor.
- meets with the external auditor at least twice a year, or more frequently if necessary.
- reviews the processes the Managing Director and senior managers have in place to support their certifications to the Board

Principle 4: Safeguard integrity in financial reporting (continued)

- reviews any significant disagreements between the auditors and management, irrespective of whether they have been resolved.
- has the right of access to the external auditors at any time
- provides the external auditor with a clear line of direct communication, at any time, to the Chairman.

The audit committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

External auditors

The company and audit committee policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. PricewaterhouseCoopers has been the appointed external auditor since inception in 1996. It is PricewaterhouseCoopers policy to rotate audit engagement partners on listed companies at least every five years, and in accordance with that policy a new audit engagement partner was introduced in the financial year ended 30 June 2009.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the Directors' Report and in each Annual Report to Shareholders. It is the policy of the external auditors to provide an annual declaration of their independence to the audit committee.

The external auditor normally attends the annual general meeting to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the financial report and audit thereof.

Principles 5 and 6: Make timely and balanced disclosures and respect the rights of Shareholders

Continuous disclosure and shareholder communication

The company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Group that a reasonable person would expect to have a material effect on the price of the company's shares. In addition, the Company releases quarterly cash flow reports to the ASX.

The Managing Director has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public. Shareholders can receive updates on the Group's information released to the ASX on the ASX's website at www.asx.com.au or on the company's website.

When analysts are briefed on aspects of the Group's operations, the material used in such presentations is that already released to the ASX and posted on the company's website. Primary responsibility for compliance with Group policy on balanced and timely disclosure rests with the Managing Director who is assisted by the Group's General Counsel and the CFO.

Fiducian provides electronic reports and other communication to shareholders, who provide their email address. Hard copies will be sent to other shareholders.

All shareholders receive a copy of the company's annual and half-yearly reports. In addition, the company provides opportunities for shareholders to participate through electronic means with company announcements, media briefings, details of company meetings, press releases for the last three years and financial reports for the last five years, which are all available on the ASX's website.

Principle 7: Recognise and manage risk

The Board, through the audit, compliance and internal risk committees, is responsible for ensuring that there are adequate policies in relation to risk management, compliance and internal control systems. In summary, the company policies are designed to ensure that strategic, operational, legal, reputational and financial risks are identified, assessed effectively and efficiently managed and monitored to achieve the Group's objectives.

A detailed Risk Management Strategy and Plan is formalised which details the policies in place in relation to risk management processes, compliance and internal control systems, procedures, registers and reporting. The head of each

Principle 7: Recognise and manage risk (continued)

business unit reports monthly, by exception, against the Risk Management Plan to the General Counsel. Further, detailed checklist reports are prepared quarterly by each business unit to confirm compliance with all licensing, corporations and superannuation law requirements to the External Compliance and Risk Committee, which then reports to the Board.

In addition, the Board each year approves a strategic plan together with operating objectives and budgets which also encompasses the Group's vision and mission. The Board monitors progress against these objectives and budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature. Also, regular financial reporting is received by the Board on such matters as the Group's liquidity, funds under management inflows and outflows, funds performances and economic and financial market changes, impacts and forecasts. These measures assist the Board in managing business risk and any necessary mitigation strategies.

The environment, health and safety management systems

The Company recognises the importance of environmental and occupational health and safety (OH&S) issues and is committed to high levels of performance, whilst recognising that the Group's operations expose it to little safety risk or environmental hazards.

Corporate reporting

The Managing Director and Financial Controller have made the following signed certifications to the Board

- that the company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the company and Group and are in accordance with relevant accounting standards; and
- that the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board, and that the company's risk management and internal compliance and control is operating efficiently and effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly.

Remuneration committee

The remuneration committee consists of the following non-executive directors (both of whom are independent):

R Bucknell (Chairman)
F Khouri

The Managing Director has signed a formal employment contract at the time of his appointment covering a range of matters including his duties, rights, responsibilities and any entitlements on termination. Further information on the Managing Director's remuneration, including principles used to determine remuneration, is set out in the Directors' Report under the heading 'Remuneration Report' in each Annual Report issued by the Company. In accordance with Group policy, the Managing Director is not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

The Committee evaluates the Managing Director using criteria such as business performance, accomplishment of short and long-term strategic objectives and the development of management, taking this documented evaluation into account, and the assessment by external consultants at least every three years, when considering the Managing Director's remuneration package, to ensure that it is reasonable and competitive.

The remuneration committee advises the Board on remuneration and incentive policies and practices generally, and makes specific recommendations on remuneration packages and other terms of employment for the Managing Director.

The Board assumes responsibility for overseeing management succession planning, including the implementation of appropriate executive development programmes and ensuring adequate arrangements are in place, so that an appropriate candidate can be recruited for later promotion to the Managing Director's position.

The Managing Director is responsible for the remuneration of all other senior managers and staff.

SHAREHOLDER INFORMATION

A. DISTRIBUTION OF EQUITY SECURITY HOLDERS BY SIZE OF HOLDING

Analysis of numbers of equity security holders by size of holding, as at 18 August 2011

DISTRIBUTION :	OPTIONS	ORDINARY SHARES
1 - 1,000	1	92
1,001 - 5,000	24	351
5,001 - 10,000	6	126
10,001 - 50,000	8	128
50,001 - 100,000	2	27
100,001 - and over	1	29
Total holders	42	753

There were no holders of a less than marketable parcel of ordinary shares.

B. EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders.

The names of the twenty largest registered shareholders of quoted equity securities as at 18 August 2011, are listed below.

	NAME	NUMBER HELD	PERCENTAGE OF ISSUED SHARES
1	Indyshri Singh Pty Limited	9,168,628	28.51
2	National Nominees Limited	4,001,318	12.44
3	HSBC Custody Nominees (Australia) Limited	3,322,901	10.33
4	JP Morgan Nominees Australia Limited	1,314,012	4.09
5	Norcad Investments Pty Ltd	1,003,000	3.12
6	Hunter Place Services Pty Ltd	900,000	2.80
7	Mr Inderjit Singh	567,500	1.76
8	D R Smith Holdings Pty Ltd	550,000	1.71
9	Imperial Pacific Fund Managers Pty Ltd	492,402	1.53
10	Mr Erich Gustav Brosell	410,000	1.27
11	Citigroup Nominees Pty Limited	367,829	1.14
12	Bond Street Custodians Limited	364,536	1.13
13	Imperial Pacific Fund Managers Pty Ltd	361,000	1.12
14	Mr Walter Frederick Holland	300,000	0.93
15	Mr Victor John Plummer	300,000	0.93
16	Cogent Nominees Pty Ltd	217,000	0.67
17	Shrind Investments Pty Ltd	198,452	0.62
18	Perpetual Trustees Consolidated Limited	180,244	0.56
19	Berne No 132 Nominees Pty Ltd (323723 A/C)	150,000	0.47
20	Robcharta Nominees (NSW) Pty Ltd	150,000	0.47
		24,318,822	75.60

Unquoted equity securities

As at 18 August 2011:

TYPE OF SECURITY	NUMBER ON ISSUE	NUMBER OF HOLDERS
Options – Managing Director	155,000	1
Options – Employees	285,000	13
Options – Financial Planners	56,365	15
	469,365	29

C. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders and associates as at 18 August 2011 (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	9,939,580	30.90%
National Nominees Limited	4,001,318	12.44%
HSBC Custody Nominees (Australia) Limited	3,322,901	10.33%

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 1 vote and upon a poll 1 vote for each share held.

Options

No voting rights.

FINANCIAL REPORT

FINANCIAL REPORT

This financial report covers both Fiducian Portfolio Services Limited as an individual entity and the consolidated entity consisting of Fiducian Portfolio Services Limited and its controlled entities. The financial report is presented in Australian currency.

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

Fiducian Portfolio Services Limited
Level 4, 1 York Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities is included in the Joint Report of the Chairman and Managing Director, and in the director's report on pages 2 – 21, both of which are not part of this financial report.

The financial report was authorised for issue by the directors on 24 August 2011.
The company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.fiducian.com.au.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
Revenue from ordinary activities	**4**	23,886	22,830	21,045	19,932
Other Income	**5**	608	441	517	403
Remuneration paid to financial planners		(5,557)	(5,279)	(6,354)	(6,309)
Employee benefits expense		(8,424)	(7,947)	(6,069)	(5,580)
Depreciation and amortisation expense	**6(a)**	(296)	(277)	(172)	(175)
Other expenses	**6(b)**	(3,805)	(3,865)	(3,028)	(2,963)
Profit before income tax expense		6,392	5,903	5,939	5,308
Income tax expense	**7**	(1,956)	(1,791)	(1,800)	(1,606)
Profit for the year	**24**	4,436	4,112	4,139	3,702
Other comprehensive income for the full year, net of tax		-	-	-	-
Total comprehensive income for the year		4,436	4,112	4,139	3,702
Earnings per share	**33**				
Earnings per share from profit from continuing operations attributable to the ordinary equity holders of the company:					
Basic earnings per share		13.78 cents	12.71 cents		
Diluted earnings per share		13.44 cents	12.34 cents		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
ASSETS					
Current assets					
Cash and cash equivalents	**9**	10,150	9,478	8,332	7,128
Trade and other receivables	**10**	2,698	2,600	4,590	3,905
Total Current Assets		12,848	12,078	12,922	11,033
Non-current assets					
Receivables	**11**	2,275	2,310	2,275	2,310
Other financial assets	**12**	-	-	3,875	3,875
Other financial assets at fair value through profit or loss	**13**	425	440	425	440
Property, plant and equipment	**14**	377	166	328	113
Deferred tax assets	**15**	881	755	626	555
Intangible assets	**16**	5,624	4,283	232	340
Total Non-Current Assets		9,582	7,954	7,761	7,633
Total assets		22,430	20,032	20,683	18,666
LIABILITIES					
Current liabilities					
Payables current	**17**	2,782	2,157	2,380	1,759
Current tax liabilities	**18**	836	393	763	271
Total Current Liabilities		3,618	2,550	3,143	2,030
Non-current liabilities					
Payables non current	**19**	142	44	-	-
Deferred tax liabilities	**20**	-	-	-	-
Provisions	**21**	709	655	517	494
Total Non-Current Liabilities		851	699	517	494
Total liabilities		4,469	3,249	3,660	2,524
Net assets		17,961	16,783	17,023	16,142
EQUITY					
Contributed equity	**22**	7,827	7,847	7,827	7,847
Reserves	**23**	247	342	247	342
Retained profits	**24**	9,887	8,594	8,949	7,953
Total equity		17,961	16,783	17,023	16,142
Contingent liabilities	**28**				
Commitments for expenditure	**29**				

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

STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2011

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
Total equity at the beginning of the financial year		16,783	15,128	16,142	14,897
Profit for the year		4,436	4,112	4,139	3,702
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		4,436	4,112	4,139	3,702
Transactions with equity holders in their capacity as equity holders					
Contributions of equity, net of transaction costs	**22**	341	65	341	65
Buy back of shares, inclusive of transaction costs	**22**	(361)	(378)	(361)	(378)
Dividends provided for or paid	**8**	(3,143)	(2,186)	(3,143)	(2,186)
Employee share options exercised	**23**	(95)	42	(95)	42
Total transactions with equity holders		(3,258)	(2,457)	(3,258)	(2,457)
Total equity at the end of the financial year		17,961	16,783	17,023	16,142

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

STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2011

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		26,279	25,149	23,173	21,902
Payments to suppliers and employees (inclusive of goods and services tax)		(20,131)	(19,169)	(17,914)	(17,522)
		6,148	5,980	5,259	4,380
Interest received		611	444	520	460
Income taxes (paid) / refunded		(1,639)	(1,588)	(1,379)	(1,486)
Net cash inflow / (outflow) from operating activities	**32**	5,120	4,836	4,400	3,300
Cash flows from investing activities					
Payments for computer software		-	(55)	-	(39)
Loans to related parties (associates, planners and staff)		(73)	(205)	(73)	(205)
Investment in subsidiary		-	-	234	-
Payments in relation to acquisitions		(1,013)	(387)	-	-
Distributions from related trust		30	26	30	26
Repayment of loans by associates & planners		67	140	67	140
Payments for property, plant and equipment		(284)	(187)	(279)	(11)
Net cash inflow / (outflow) from investing activities		(1,273)	(668)	(21)	(89)
Cash flows from financing activities					
Payments for shares bought back		(85)	(378)	(85)	(378)
Proceeds on exercise of options		53	53	53	53
Dividends paid		(3,143)	(2,186)	(3,143)	(2,186)
Net cash inflow / (outflow) from financing activities		(3,175)	(2,511)	(3,175)	(2,511)
Net increase/decrease in cash held		672	1,657	1,204	700
Cash and cash equivalents at the beginning of the year		9,478	7,821	7,128	6,428
Cash and cash equivalents at the end of year	**9**	10,150	9,478	8,332	7,128

The above statements of cash flow should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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 separate financial statements for Fiducian Portfolio Services Limited as an individual entity and the Group consisting of Fiducian Portfolio Services 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*.

Compliance with IFRS

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

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 in conformity with Australian Accounting Standards (AAS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement 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 Portfolio Services Limited (company or parent entity) as at 30 June 2011 and the results of all controlled entities for the year then ended. Fiducian Portfolio Services Limited and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights.

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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group.

Investments in subsidiaries are accounted for at cost in the parent company's financial report.

Intercompany transactions and balances on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Revenue recognition

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

Revenue is recognised for the major business activities as follows:

(i) Management fees and financial planner remuneration

Revenues comprising trustee and management fees are recognised on an accruals basis. Remuneration paid to financial planners out of this revenue is recognised at the same time and on the same basis.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue recognition (continued)

(ii) Interest income

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

(iii) Dividends

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

(iv) Distributions from related trusts

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

(d) Income tax

The income tax expense or revenue 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 or 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 utilise 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.

Fiducian Portfolio Services Limited and its Australian wholly-owned operating entities have not formed a tax consolidated group.

(e) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 29). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(f) Trustee company and Responsible Entity

The company acts as a Trustee of Fiducian Superannuation Service and Responsible Entity of Fiducian Funds ('the trusts'). The accounting policies adopted by the company in the preparation of the financial reports for the year ended 30 June 2011 reflect the fiduciary nature of the company's responsibility 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 the company. 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 the company having to meet the liabilities of the trusts is remote.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of assets

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

(h) Cash and cash equivalents

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

(i) Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Receivables, which are known to be uncollectible, are written off. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (outside settlement terms) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

(j) Business combinations

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

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

The excess of the purchase consideration transferred, and the acquisition-date fair value over the fair value of the group's 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 remeasured to fair value with changes in fair value recognised in profit or loss.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Investments and other financial assets

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

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

Financial assets at fair value through profit or loss are financial assets held for trading which are acquired principally for the purpose of selling in the short term with the intention of making a profit.

(ii) Loans and receivables

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

(l) Fair value estimation

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

(m) Property, plant and equipment

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

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

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

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

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

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

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

(n) Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Intangible assets (continued)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. These units are all within the financial planning segment.

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 impairment annually, or more frequently if events or changes in circumstances 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. 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.

The carrying amounts of all capitalised expenditure are tested for impairment annually to determine whether they exceed their recoverable amount.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to 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. No such provision is required at year end.

(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 leave is brought to account as incurred.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit cost method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms of maturity and currency that match, as closely as possible, the estimated future cash outflows. \

(iii) Share-based payments

Share-based compensation benefits are provided to employees and financial planners via the two share option plans. Information relating to these schemes is set out in Note 26.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Employee benefits (continued)

No expense is recognised in respect of options granted before 7 November 2002 and vested before 1 January 2005 issued to employees for nil consideration. Shares issued following the exercise of such options are recognised at that time and the proceeds received allocated to share capital.

Subsequent options issued to employees for nil considerations have the fair value of options granted under the Fiducian Employee & Director Share Option Plan recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

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

(r) Contributed equity

Ordinary shares are classified as equity.

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

If the entity reacquires its own equity instruments, for example as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

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

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

(v) Rounding of amounts

The company is of a kind referred to in Class Order 98/100 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.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)
AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group expects this to have limited impact on the financial statements.

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)
In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party. The Group will apply the amended standard from 1 July 2011. When the amendments are applied, the Group and the parent will need to disclose any transactions between its subsidiaries and its associates. The impact will not be material as these transactions are currently reported in Note ar.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)
On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Fiducian Portfolio Services Limited is listed on the ASX and is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of the entity.

AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (effective from 1 January 2012)
In December 2010, the AASB amended AASB 112 Income Taxes to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. The Group will apply the amendment from 1 July 2012. It is currently evaluating the impact of the amendment.

IFRS 13 Fair Value Measurement (effective 1 January 2013)
IFRS 13 was released in May 2011. The AASB is expected to issue an equivalent Australian standard shortly. IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

2 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

(i) Estimated impairment of goodwill

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

(ii) Estimated impairment of client portfolios

The Group tests annually whether acquired investment or accounting portfolios have suffered any impairment, in accordance with the accounting policy stated in Note 1(n) . The recoverable amounts of cash-generating units have been determined based on discounted cash flow models which require the use of assumptions on discount rates, recurring revenues and cash flow projections. The key estimates and assumptions do not have a significant risk of causing a material adjustment within the next financial year to the carrying amount of assets and liabilities recognised in the financial report.

(iii) Valuation of illiquid unlisted unit trusts

Investments in unlisted unit trusts are generally priced at the prevailing unit price issued by the manager. Where a unit trust is frozen and redemptions are restricted the unit price issued by the manager may not reflect fair value of the underlying investment.

In such cases management may determine that an additional provision is required to reflect a liquidity or valuation discount. Such provisions are subjective as a result of limited information and therefore require a high degree of estimation.

3 SEGMENT INFORMATION

(a) Description of segments

Business segments

The Group is organised into the following divisions by product and service type.

Funds Management and Administration

The company operates in a single segment as Trustee for a public offer superannuation fund - Fiducian Superannuation Service, Operator of an Investor Directed Portfolio Service – Fiducian Investment Service and Responsible Entity for managed investment schemes - Fiducian Funds.

Financial Planning

The company continued its specialist financial planning operations through its subsidiaries, Fiducian Financial Services Pty Ltd (incorporating the operations of Harold Bodinnar & Associates Pty Ltd and Money & Advice Pty Ltd from 1 July 2010, and Millenium Financial Planning Pty Ltd from 28 June 2011).

Accountancy Resource Services

The company provides accountancy resource services through its subsidiary, Fiducian Business Services Pty Ltd. In June 2011 this entity acquired a business including a portfolio of accounting clients that will trade as Fiducian Accountants and Business Advisers. No revenue has been recognised prior to 30 June 2011 from this business, which commenced trading in July 2011.

Geographical segments

The Group operates in a single geographical segment, Australia.

3 SEGMENT INFORMATION CONTINUED

(b) Primary reporting – business segments

	FUNDS MANAGEMENT AND ADMINISTRATION	FINANCIAL PLANNING	INTER-SEGMENT ELIMINATIONS	CONSOLIDATED
	$'000	$'000	$'000	$'000
2011				
Sales to external customers	21,045	2,841	-	23,886
Intersegment sales	-	5,293	(5,293)	-
Total sales revenue	21,045	8,134	(5,293)	23,886
Other revenue	517	91	-	608
Total segment revenue	21,562	8,225	(5,293)	24,494
Profit from ordinary activities before income tax expense	5,941	451	-	6,392
Income tax (benefit)				(1,956)
Profit from ordinary activities after income tax benefit				4,436
Segment assets	20,683	4,816	(3,069)	22,430
Segment liabilities	3,660	3,202	(2,393)	4,469
Acquisitions of plant and equipment, intangibles and other non-current segment assets	279	1,562	-	1,841
Depreciation, amortisation and impairment	172	124	-	296
Net cash inflow from operating activities	4,400	720	-	5,120

3 SEGMENT INFORMATION CONTINUED

(b) Primary reporting – business segments (continued)

	FUNDS MANAGEMENT AND ADMINISTRATION	FINANCIAL PLANNING	INTER-SEGMENT ELIMINATIONS	CONSOLIDATED
	$'000	$'000	$'000	$'000
2010				
Sales to external customers	19,932	2,898	-	22,830
Intersegment sales	-	4,928	(4,928)	-
Total sales revenue	19,932	7,826	(4,928)	22,830
Other revenue	403	38	-	441
Total segment revenue	20,335	7,864	(4,928)	23,271
Profit from ordinary activities before income tax expense	5,307	596	-	5,903
Income tax (benefit)				(1,791)
Profit from ordinary activities after income tax expense				4,112
Segment assets	18,666	3,703	(2,337)	20,032
Segment liabilities	2,524	2,386	(1,661)	3,249
Acquisitions of plant and equipment, intangibles and other non-current segment assets	66	330	-	396
Depreciation, amortisation and impairment	175	102	-	277
Net cash inflow from operating activities	3,300	1,536	-	4,836

3 SEGMENT INFORMATION CONTINUED

(c) Other segment information

(i) Segment revenue

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

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

	CONSOLIDATED	
	2011 $'000	**2010 $'000**
Total segment revenue	29,179	27,758
Intersegment eliminations	(5,293)	(4,928)
Total revenue from continuing operations (Note 4)	23,886	22,830

The entity is domiciled in Australia. The amount of its revenue from external customers in Australia is $23,886,000 (2010: $22,830,000).

(ii) EBITDA

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

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

	CONSOLIDATED	
	2011 $'000	**2010 $'000**
EBITDA	6,691	6,182
Finance costs	(3)	(2)
Depreciation	(129)	(134)
Amortisation	(167)	(143)
Profit before income tax from continuing operations	6,392	5,903

(iii) Segment assets

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

All assets are located in Australia.

(iv) Segment liabilities

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

4 REVENUE

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
From continuing operations					
Sales revenue					
Fees received		23,381	22,390	20,523	19,970
Other		505	440	522	(38)
Revenue from ordinary activities		23,886	22,830	21,045	19,932

5 OTHER INCOME

	NOTES	CONSOLIDATED 2011 $'000	CONSOLIDATED 2010 $'000	PARENT ENTITY 2011 $'000	PARENT ENTITY 2010 $'000
Interest received/receivable		611	444	520	406
Distributions from related trusts		3	53	3	53
Fair value gains/(losses) on financial assets at fair value through profit or loss	**13**	(6)	(56)	(6)	(56)
		608	441	517	403

6 EXPENSES

Profit before income tax includes the following specific expenses:

(a) Depreciation, amortisation and impairment

	NOTES	CONSOLIDATED 2011 $'000	CONSOLIDATED 2010 $'000	PARENT ENTITY 2011 $'000	PARENT ENTITY 2010 $'000
Depreciation					
Furniture, office equipment and computers		60	64	48	48
Total depreciation		60	64	48	48
Amortisation					
Leasehold improvements		16	16	16	16
Capitalised computer software		69	70	66	69
Client portfolio acquisition costs		151	127	42	42
Total amortisation		236	213	124	127
Impairment					
Goodwill		-	-	-	-
Total depreciation, amortisation and impairment		296	277	172	175

(b) Other expenses

	NOTES	CONSOLIDATED 2011 $'000	CONSOLIDATED 2010 $'000	PARENT ENTITY 2011 $'000	PARENT ENTITY 2010 $'000
Other expenses					
Professional services		146	148	127	131
Sales marketing and travel		600	623	498	511
Rental expense relating to operating leases		709	647	391	378
Premises and equipment		123	139	75	73
Communication and computing		697	827	577	570
Printing and stationery		178	157	141	123
Auditors	**27**	407	395	397	385
Doubtful debts		19	(2)	-	(2)
Administration and other		926	931	822	794
		3,805	3,865	3,028	2,963

7 INCOME TAX EXPENSE

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
(a) Income tax expense					
Current tax		2,082	1,855	1,871	1,626
Deferred tax		(126)	(63)	(71)	(14)
Adjustments for current tax of prior periods		-	(1)	-	(6)
Income tax expense		1,956	1,791	1,800	1,606
Deferred income tax (revenue) expense included in income tax expense comprises:					
Decrease (increase) in deferred tax assets	**15**	(126)	(51)	(71)	(2)
(Decrease) increase in deferred tax liabilities	**20**	-	(12)	-	(12)
Deferred tax		(126)	(63)	(71)	(14)
(b) Numerical reconciliation of income tax expense to prima facie tax payable					
Profit from continuing operations before income tax expense		6,392	5,903	5,939	5,308
Tax at the Australian tax rate of 30%		1,918	1,771	1,782	1,592
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:					
Entertainment		12	12	10	10
Sundry items		26	9	8	10
		1,956	1,792	1,800	1,612
Under provision in prior years		-	(1)	-	(6)
Income tax expense		1,956	1,791	1,800	1,606
(c) Amounts recognised directly in equity					
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity					
Current tax – credited directly to equity	**22(b)**	-	-	-	-
		-	-	-	-

(d) Tax consolidation legislation

Fiducian Portfolio Services Limited and its Australian wholly-owned operating entities have not formed a tax consolidated group.

8 DIVIDENDS

	PARENT ENTITY	
	2011 $'000	2010 $'000
Ordinary shares		
Final ordinary franked dividend for the year ended 30 June 2010 of 4.75 cents (2009: Fully franked 3.0 cents) per share paid on 15 September 2010.	1,532	973
Interim ordinary fully franked dividend for the year ended 30 June 2011 of 5.0 cents (2010: Fully franked 3.75 cents) per share paid on 18 March 2011.	1,611	1,213
Total dividends paid in cash	3,143	2,186

The Directors have declared the payment of a final fully franked dividend for the year ended 30 June 2011 in the amount of 5.00 cents per ordinary share to be paid on shares registered on 8 September 2011 and payable on 22 September 2011.

Franked dividends

The franked portions of the final dividends recommended after 30 June 2011 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax for the year ending 30 June 2012.

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	5,373	5,213	4,569	4,536

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 $689,000 (2010: $656,000).

9 CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
Cash at bank and in hand	9,998	9,328	8,210	7,006
Deposits securing bank guarantees	152	150	122	122
	10,150	9,478	8,332	7,128

The Group's and the parent entity's exposure to interest rate risk is discussed in Note 35.

10 CURRENT ASSETS – TRADE, OTHER RECEIVABLES AND PREPAYMENTS

Amounts receivable from related entities:				
Controlled entities	-	-	1,966	1,343
Related trusts	1,965	1,846	1,946	1,821
Business development loans*	242	212	253	212
Staff loans*	35	24	24	24
Other receivables	100	125	5	53
Prepayments	447	465	405	461
	2,789	2,672	4,599	3,914
Less: Provision for impairment of receivables	(91)	(72)	(9)	(9)
	2,698	2,600	4,590	3,905

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

Movements in provision for impairment of receivables				
Balance at beginning of year	(72)	(74)	(9)	(9)
Written off against provision	-	-	-	-
Movement	(19)	2	-	-
Balance at end of year	(91)	(72)	(9)	(9)

At 30 June 2011, a provision for impairment exists for trade receivables outstanding greater than 120 days. There has been no history of default and no material losses are expected.

Information about the Group's and the parent entity's exposure to interest rate risk in relation to trade and other receivables is provided in Note 35.

11 NON-CURRENT ASSETS – RECEIVABLES

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Business development loans*	2,093	2,122	2,093	2,122
Loans to staff*	184	190	184	190
	2,277	2,312	2,277	2,312
Less: Provision for impairment of receivables	(2)	(2)	(2)	(2)
	2,275	2,310	2,275	2,310

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

Loans to staff members are granted for an initial term of 3 years, at commercial interest rates and secured. The board has extended these terms.

(a) Impaired receivables and receivables past due

An amount of $2,000 (2010: $2,000) has been provided against one loan. Other than this none of the non-current receivables are impaired or past due.

(b) Fair values

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

	2011		2010	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
	$'000	$'000	$'000	$'000
Business development loans	2,091	2,091	2,120	2,120
Loans to staff	184	184	190	190
	2,275	2,275	2,310	2,310

(c) Risk exposure

Information about the Group's and the parent entity's exposure to credit and interest rate risk is provided in Note 35. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

12 NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING	COST OF PARENT ENTITY'S INVESTMENT	
				2011 $'000	2010 $'000
Fiducian Financial Services Pty Ltd	Australia	Ordinary	100	3,763	100
Fiducian Financial Services Pty Ltd	Australia	Ordinary	100	10	10
Harold Bodinnar & Associates Pty Ltd	Australia	Ordinary	100	97	3,325
Money & Advice Pty Ltd	Australia	Ordinary	100	5	440
Total investment by parent entity				3,875	3,875

These financial assets are carried at cost, adjusting for the transfer of operations of Harold Bodinnar & Associates Pty Ltd and Money & Advice Pty Ltd to Fiducian Financial Services Pty Ltd.

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

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Investment in unlisted unit trust				
At beginning of year	440	506	440	506
Capital distribution	(9)	(10)	(9)	(10)
Revaluation - fair value gains / (losses)	(6)	(56)	(6)	(56)
At end of year	425	440	425	440
Investment in related trust	425	440	425	440

Financial assets held at fair value through profit and loss comprise investments into a related Fiducian trust. At the year end redemptions from this unlisted unit trust were frozen. Unit prices continue to be issued by the respective managers of the underlying unlisted unit trusts but as there is no trading following the redemption freeze estimation is required in order to determine fair value. Refer to assumptions in Note 2(iii) for further details.

Changes in fair values of these financial assets at fair value through profit or loss are recorded in Other Income in the statement of comprehensive income. Refer to Note 5.

Risk exposure

Information about the Group's and the parent entity's exposure to credit and price risk is provided in Note 35.

Investments in other financial assets continue to remain illiquid and will be held to maturity. The parent entity continues to receive income and capital distributions which are expected to continue over the life of the investment. It is valued at current published prices at 30 June 2011 against the investment. Reasonably possible shifts have been disclosed in Note 35(a).

14 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Plant and equipment				
Furniture, office equipment and computers	1,362	1,128	1,197	918
Less: Accumulated depreciation	(985)	(962)	(869)	(805)
	377	166	328	113

Movements

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

	FURNITURE AND OFFICE EQUIPMENT	COMPUTERS	LEASEHOLD IMPROVEMENTS	TOTAL
	$'000	$'000	$'000	$'000
Consolidated				
At 1 July 2009				
Cost or fair value	412	338	465	1,215
Accumulated depreciation	(350)	(254)	(410)	(1,014)
Net book amount	62	84	55	201
Year ended 30 June 2010				
Opening net book amount	62	84	55	201
Additions	32	155	-	187
Disposals	(175)	(98)	-	(273)
Depreciation / amortisation charge	150	(85)	(14)	51
Closing net book amount	69	56	41	166
At 30 June 2010				
Cost or fair value	269	395	465	1,219
Accumulated depreciation	(200)	(339)	(424)	(963)
Net book amount	69	56	41	166
Year ended 30 June 2011				
Opening net book amount	69	56	41	166
Additions	6	278	-	284
Disposals	(4)	(46)	-	(50)
Depreciation / amortisation charge	(11)	(4)	(16)	(23)
Closing net book amount	60	292	25	377
At 30 June 2011				
Cost or fair value	271	627	465	1,363
Accumulated depreciation	(211)	(335)	(440)	(986)
Net book amount	60	292	25	377

14 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT CONTINUED

	FURNITURE AND OFFICE EQUIPMENT	COMPUTERS	LEASEHOLD IMPROVEMENTS	TOTAL
	$'000	$'000	$'000	$'000
Parent entity				
At 1 July 2009				
Cost or fair value	173	270	465	908
Accumulated depreciation	(128)	(204)	(410)	(742)
Net book amount	45	66	55	166
Year ended 30 June 2010				
Opening net book amount	45	66	55	166
Additions	3	8	-	11
Depreciation / amortisation charge	(15)	(34)	(15)	(64)
Closing net book amount	33	40	40	113
At 30 June 2010				
Cost or fair value	176	278	465	919
Accumulated depreciation	(143)	(238)	(425)	(806)
Net book amount	33	40	40	113
Year ended 30 June 2011				
Opening net book amount	33	40	40	113
Additions	1	278	-	279
Depreciation / amortisation charge	(13)	(35)	(16)	(64)
Closing net book amount	21	283	24	328
At 30 June 2011				
Cost or fair value	177	556	465	1,198
Accumulated depreciation	(156)	(273)	(441)	(870)
Net book amount	21	283	24	328

15 NON-CURRENT ASSETS – DEFERRED TAX ASSETS

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
The balance comprises temporary differences attributable to:					
Doubtful Debts		27	22	3	3
Employee benefits		479	440	346	329
Accrued expenditure		15	18	15	18
Provision for audit and taxation services		40	8	40	3
Provision for depreciation		109	106	109	106
Unrealised gains (losses)		22	18	22	18
Amortisation of client portfolios		189	143	91	78
Net deferred tax assets		881	755	626	555
Movements:					
Opening balance at 1 July		755	704	555	553
Credited to the statement of income	**7**	126	51	71	2
Closing balance at 30 June		881	755	626	555
Deferred tax assets likely to be recovered within 12 months		561	488	404	353
Deferred tax likely to be recovered after 12 months		320	267	222	202
		881	755	626	555

16 NON-CURRENT ASSETS – INTANGIBLE ASSETS

Deferred expenditure				
Capitalised expenditure – computer software	5,632	5,632	5,614	5,614
Less: Accumulated amortisation	(5,514)	(5,446)	(5,497)	(5,431)
	118	186	117	183
Client portfolios				
Cost of acquisition of client portfolios	2,936	1,379	418	418
Less: Accumulated amortisation	(629)	(481)	(303)	(261)
	2,307	898	115	157
Goodwill				
Goodwill on acquisition	3,663	3,663	-	-
Less: Accumulated amortisation and impairment	(464)	(464)	-	-
	3,199	3,199	-	-
	5,624	4,283	232	340

16 NON-CURRENT ASSETS – INTANGIBLE ASSETS CONTINUED

(a) Movements

Movements in each category are set out below:

	CONSOLIDATED			
	ACQUISITION OF CLIENT PORTFOLIOS	GOODWILL ON ACQUISITION	CAPITALISED COMPUTER SOFTWARE*	TOTAL
	$'000	$'000	$'000	$'000
At 1 July 2009				
Cost	1,225	3,663	5,577	10,465
Accumulated amortisation and impairment	(354)	(464)	(5,363)	(6,181)
Net book amount	871	3,199	214	4,284
Year ended 30 June 2010				
Opening net book amount	871	3,199	214	4,284
Additions	154	-	55	209
Impairment charge	-	-	(13)	(13)
Amortisation charge	(127)	-	(70)	(197)
Closing net book amount	898	3,199	186	4,283
At 30 June 2010				
Cost	1,379	3,663	5,632	10,674
Accumulated amortisation and impairment	(481)	(464)	(5,446)	(6,391)
Net book amount	898	3,199	186	4,283
Year ended 30 June 2011				
Opening net book amount	898	3,199	186	4,283
Additions	1,557	-	-	1,557
Amortisation charge**	(148)	-	(68)	(216)
Closing net book amount	2,307	3,199	118	5,624
At 30 June 2011				
Cost	2,936	3,663	5,632	12,231
Accumulated amortisation and impairment	(629)	(464)	(5,514)	(6,607)
Net book amount	2,307	3,199	118	5,624

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

*** Amortisation of $216,000 (2010: $197,000) is included in depreciation, amortisation and impairment expense in the statement of comprehensive income.*

16 NON-CURRENT ASSETS – INTANGIBLE ASSETS CONTINUED

(b) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment. The recoverable amount of a CGU is determined based on market value calculations. These calculations use recurring income measures consistent with market valuations of similar financial services businesses.

(c) Impact of possible changes in key assumptions

Changes in assumptions made in the assessment of impairment of goodwill relate to updating the earnings multiple used to estimate sustainable revenues. These assumptions are compared to market each year and adjusted appropriately. Refer to Note 2 for details.

(d) Impairment charge

There has been no impairment charge recorded against goodwill during the financial year ended 30 June 2011 (2010: Nil).

(e) Business Acquisitions

Summary of acquisitions.

During the year the Group made the following three acquisitions:

ACQUISITION	FINANCIAL PLANNING	ACCOUNTING	CLIENT PORTFOLIO
FIDUCIAN ENTITY	**FIDUCIAN FINANCIAL SERVICES**	**FIDUCIAN BUSINESS SERVICES**	**FIDUCIAN FINANCIAL SERVICES**
Date Purchased	27 June 2011	17 May 2011	9 February 2011
	Share capital, client portfolio, trademark, software	Client portfolio, software	Client portfolio
Vendor staff employed by Group	Yes	Yes	No
Maximum purchase price	$667,196	$570,000	$303,148
Paid by 30 June 2011	$433,677	$285,000	$197,304
Deferred consideration at 30 June 2011	$233,519	$285,000	$105,844
Value attributed on the Statement of Financial Position at 30 June 2011	100%	100%	100%
Business combination or asset only	Business Combination	Business Combination	Asset only

The acquired businesses contributed nominal revenue and profits to the group at balance date. If they were acquired at the beginning of the year on 1 July 2010, management estimate a maximum revenue impact of $900,000 for the year ended 30 June 2011. It is not practicable to estimate the profit contribution given the significant change in cost basis to the operation of the business once within the Fiducian Group.

17 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Trade payables	972	822	983	819
Other payables	469	487	373	299
Amounts due to related entities	-	-	168	47
Client portfolio deferred settlement	490	44	234	-
Annual leave entitlements accrued	851	804	622	594
	2,782	2,157	2,380	1,759

Information about the Group's and the parent entity's exposure to credit and interest rate risk is shown in Note 35.

18 CURRENT LIABILITIES – CURRENT TAX LIABILITIES

Income tax	836	393	763	271

19 NON CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

Client portfolio deferred settlement	142	44	-	-

20 NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
The balance comprises temporary differences attributable to:					
Amounts recognised in profit and loss					
Income receivable		-	-	-	-
Depreciation and amortisation		-	-	-	-
Net deferred tax liabilities		-	-	-	-
Movements:					
Opening balance 1 July		-	12	-	12
Credited to the statement of income	**7**	-	(12)	-	(12)
Closing balance 30 June		-	-	-	-
Deferred tax liabilities likely to be settled within 12 months		-	-	-	-
Deferred tax liabilities likely to be settled after 12 months		-	-	-	-
		-	-	-	-

21 NON-CURRENT LIABILITIES – PROVISIONS

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Employee benefits – long service leave	709	655	517	494

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.

22 CONTRIBUTED EQUITY

(a) Share capital

	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Ordinary shares – fully paid	7,827	7,847	7,827	7,847

(b) Movements in ordinary share capital

DATE	DETAILS	NUMBER OF SHARES	AVERAGE PRICE	$'000
1 July 2009	Opening Balance	32,394,037		8,160
	Shares bought back on-market and cancelled	(261,015)	$1.44	(377)
	Buy-back transaction costs			(1)
	Current tax credit recognised directly in equity			-
	Options exercised	75,225	$0.70	53
	Transfer from share-based payments reserve			12
30 June 2010	Balance	32,208,247		7,847
	Shares bought back on-market and cancelled	(171,155)	$1.39	(239)
	Shares bought back on-market prior to 30 June and cancelled on 5 July 2011	(87,074)	$1.38	(121)
	Buy-back transaction costs			(1)
	Current tax credit recognised directly in equity			-
	Options exercised and issued	181,403	$1.10	200
	Options exercised prior to 30 June and shares issued on 5 July 2011	33,250	$1.29	43
	Transfer from share-based payments reserve			98
30 June 2011	Balance	32,164,671		7,827

(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 amounts paid on the shares held.

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

(d) Share buy-back

Between July 2010 and June 2011 the company purchased and cancelled ordinary shares on-market in order to reduce the company's capital and surplus liquidity, as originally announced in 2005 and last extended on 9 June 2011. During the financial year the shares were acquired at an average price of $1.39 per share, with prices ranging from $1.20 to $1.66. The net cost of $359,114, and $1,077 of transaction costs, was deducted from equity.

At 30 June 2011, 475,087 shares remained available to be repurchased under the most recently announced buy back notice to the ASX.

(e) Options

Information relating to Fiducian Portfolio Services Employee & Director and Adviser Option Plans and options issued, exercised and lapsed during the year is set out in Note 26.

(f) Capital risk management

The Group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, to continue to meet externally imposed capital requirements of APRA and ASIC under their Responsible Superannuation Entity (RSE) Licence and their Australian Financial Services (AFS) Licence respectively, and to continue to provide returns to shareholders and benefits for other stakeholders.

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

The externally imposed requirements are:

a. Under its AFS Licence, the parent entity must maintain net tangible assets (NTA) - as defined in the licence - of $5,000,000; and

b. Under its RSE Licence, the RSE must maintain $100,000 cash at all times.

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

The average NTA margin throughout the year over the requirement of $5,000,000 is $5,040,000 (2010: $4,890,000).

23 RESERVES

	NOTES	CONSOLIDATED		PARENT ENTITY	
		2011 $'000	2010 $'000	2011 $'000	2010 $'000
Movements					
Share based payments reserve					
Balance 1 July		342	300	342	300
Option expense		3	54	3	54
Transfer to share capital (options exercised)		(98)	(12)	(98)	(12)
Balance 30 June		247	342	247	342

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

24 RETAINED PROFITS

Movements in retained profits were as follows:

Balance 1 July		8,594	6,668	7,953	6,437
Net profit for the year		4,436	4,112	4,139	3,702
Dividend from subsidiary		-	-	-	-
Dividends paid	**8**	(3,143)	(2,186)	(3,143)	(2,186)
Balance 30 June		9,887	8,594	8,949	7,953

25 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	CONSOLIDATED		PARENT ENTITY	
	2011 $	2010 $	2011 $	2010 $
Short-term employee benefits	666,335	648,747	666,335	648,747
Post employment benefits	26,683	23,468	26,683	23,468
Share-based payments	-	7,685	-	7,685
	693,018	679,900	693,018	679,900

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

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

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

(ii) Option holdings

The numbers of options over ordinary shares in the company held during the financial year by each director of Fiducian Portfolio Services Limited, including their personally related and associated entities, are set out below. No shares were granted during the period as compensation.

2011 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*	215,000	(100,000)	40,000	-	155,000	115,000
F Khouri**	-	-	-	-	-	-

** * No options are proposed to be issued in accordance with Mr Singh's employment contract after the end of the year.*
*** 7,374 Adviser options issued in prior years are held by an entity in which F Khouri has an interest.*

2010 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*	215,000	-	-	-	215,000	215,000
F Khouri**	-	-	-	-	-	-

** 40,000 options were proposed to be issued in accordance with Mr Singh's employment contract after the end of the year.*

*** 7,374 Adviser options issued in prior years are held by an entity in which F Khouri has an interest.*

(iii) Shareholdings

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

2011 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	9,764,580	100,000	75,000	9,939,580
R E Bucknell	1,000,000	-	(100,000)	9,00,000
F Khouri	134,373	-	25,000	219,373
C Stone	-	-	-	-

2010 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	9,662,380	-	102,200	9,764,580
R E Bucknell	1,069,000	-	69,000	1,000,000
A Koroknay	-	-	-	-
F Khouri	134,373	-	60,000	194,373

Shares provided on exercise of options

100,000 ordinary shares in the company were provided as a result of the exercise of remuneration options to the Managing Director of Fiducian Portfolio Services Limited, as key management person of the Group, during the period (2010: Nil). Entities with which a director has an interest exercised no Adviser options during the year (2010: Nil). 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 (2010: Nil).

(d) Other transactions with key management personnel

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

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

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

Aggregate amounts of each of the above types of other transactions with directors of Fiducian Portfolio Services Limited:

	CONSOLIDATED	
	2011 $	2010 $
Amounts recognised as an expense		
Directors' fees and committee fees	229,915	218,987
Financial planning fees paid or payable	238,295	237,213
	468,210	456,200

Shares under option

Unissued ordinary shares of Fiducian Portfolio Services Limited under option at the date of this report are disclosed in Note 26 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 Portfolio Services Limited issued during the year ended 30 June 2011 on the exercise of options granted under the Fiducian Portfolio Services Limited Employee & Director Share Option Plan and the Adviser Share Option Plan are disclosed under Note 26 to the financial report.

26 SHARE BASED PAYMENTS

(a) Employee and director share option plan (ESOP)

The establishment of the Fiducian Portfolio Services 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 remaining 15% 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 share are traded on the Australian Securities Exchange during the month preceding the date the options are granted. The directors determined to issue no options (2010: Nil) to staff during the year, and 108,000 options expired (2010: Nil) during the year ended 30 June 2011.

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. The Directors have resolved to issue no options (2010: 40,000 options at an exercise price of $1.28) to the executive director in respect of the year ended 30 June 2011.

(b) Adviser share option plan (ASOP)

The parent entity has established the ASOP, which is designed to provide incentives to financial planning groups to reflect their ongoing commitment by way of contributions of income to the parent entity. All grants of options under the ASOP are subject to compliance with the Corporations Act 2001 and ASX Listing Rules. 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 Board may invite an adviser group to participate in the ASOP. Where the financial planning group has accepted this invitation, the adviser group will be eligible to participate in the ASOP in a particular year. No consideration is payable in respect of acceptance of an invitation to participate nor for the grant of options. Each option allows the holder to acquire one ordinary share on exercise of the option provided income to the Group is maintained in the three years after issue, or the options lapse in whole or in part. The number of options to be issued in respect of a planning group for a financial year is determined (by a formula) at the date of announcement of Fiducian's audited annual results to the ASX following the financial year.

The ASOP 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 ASOP has not been extended beyond June 2011. Options were granted for no consideration. The total Adviser options and preference shares issued since inception total 6,847,517.

26 SHARE BASED PAYMENTS CONTINUED

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

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR NUMBER	GRANTED DURING THE YEAR NUMBER	EXERCISED DURING THE YEAR NUMBER	FORFEITED DURING THE YEAR NUMBER	BALANCE AT END OF THE YEAR NUMBER	VESTED AND EXERCISABLE AT END OF THE YEAR NUMBER
Consolidated and parent entity – 2011								
ESOP – Managing Director – Note 26(a)								
26 Oct 2006	26 Oct 2011	$1.29	100,000	-	(100,000)	-	-	-
30 Oct 2007	30 Oct 2012	$2.65	100,000	-	-	-	100,000	100,000
29 Oct 2008	29 Oct 2013	$2.30	15,000	-	-	-	15,000	15,000
29 Oct 2010	29 Oct 2015	$1.28	-	40,000	-	-	40,000	
			215,000	40,000	(100,000)	-	155,000	115,000
ESOP – Staff – Note 26(a)								
3 Jul 2006	3 Jul 2011	$1.29	131,625	-	(33,250)	(3,000)	95,375	95,375
31 Jul 2007	31 Jul 2012	$2.65	130,000	-	-	-	130,000	130,000
27 Aug 2008	27 Aug 2013	$2.30	260,000	-	-	(105,000)	155,000	124,000
			521,625	-	(33,250)	(108,000)	380,375	349,375
ASOP – Advisers – Note 26(b)								
23 Aug 2005	23 Aug 2010	$0.87	81,403	-	(81,403)	-	-	-
29 Aug 2006	29 Aug 2011	$1.68	10,067	-	-	(2,744)	7,323	7,323
30 Sept 2007	30 Sept 2012	$3.45	24,842	-	-	(2,800)	22,042	22,042
30 Sept 2008	30 Sept 2013	$2.70	31,900	-	-	(4,900)	27,000	-
			148,212	-	(81,403)	(10,444)	56,365	29,365
Total			884,837	40,000	(214,653)	(118,444	591,740	493,740
Weighted average exercise price			$2.03	$1.28	$1.13	$2.30	$2.26	$2.31

The weighted average share price at the date of exercise of options exercised during the year ended 30 June 2011 was $1.30 (2010 – $1.50).

The volume weighted average remaining contractual life of share options outstanding at the end of the period was 1.53 years (2010 – 2.06 years).

26 SHARE BASED PAYMENTS CONTINUED

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF THE YEAR NUMBER	GRANTED DURING THE YEAR NUMBER	EXERCISED DURING THE YEAR NUMBER	FORFEITED DURING THE YEAR NUMBER	BALANCE AT END OF THE YEAR NUMBER	VESTED AND EXERCISABLE AT END OF THE YEAR NUMBER
Consolidated and parent entity – 2010								
ESOP – Managing Director – Note 26(a)								
26 Oct 2006	26 Oct 2011	$1.29	100,000	-	-	-	100,000	100,000
30 Oct 2007	30 Oct 2012	$2.65	100,000	-	-	-	100,000	100,000
29 Oct 2008	29 Oct 2013	$2.30	15,000	-	-	-	15,000	15,000
			200,000	-	-	-	215,000	215,000
ESOP – Staff – Note 26(a)								
24 Aug 2004	24 Aug 2009	$0.55	27,000	-	(27,000)	-	-	-
22 Feb 2005	22 Feb 2010	$0.73	33,400	-	(33,400)	-	-	-
3 Jul 2006	3 Jul 2011	$1.29	133,250	-	(1,625)	-	131,625	131,625
31 Jul 2007	31 Jul 2012	$2.65	130,000	-	-	-	130,000	104,000
27 Aug 2008	27 Aug 2013	$2.30	260,000	-	-	-	260,000	91,000
			583,650	-	(62,025)	-	521,625	326,625
ASOP – Advisers – Note 26(b)								
23 Aug 2005	23 Aug 2010	$0.87	94,603	-	(13,200)	-	81,403	81,403
29 Aug 2006	29 Aug 2011	$1.68	58,567	-	-	(48,500)	10,067	10,067
30 Sept 2007	30 Sept 2012	$3.45	25,330	-	-	(488)	24,842	-
30 Sept 2008	30 Sept 2013	$2.70	31,900	-	-	-	31,900	-
			210,400	-	(13,200)	(48,988)	148,212	91,470
Total			1,009,050	-	(75,225)	(48,988)	884,837	633,095
Weighted average exercise price			$1.92	$0.00	$0.70	$1.70	$2.03	$1.85

26 SHARE BASED PAYMENTS CONTINUED

Fair value of options granted

40,000 options were issued to the Managing Director during the year ended 30 June 2011 in respect of the prior year. The assessed fair value at grant date of the options granted during the year ended 30 June 2010 was 19 cents per option. 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 and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Options are granted for no consideration, have a five year life , and each tranche vests and is exercisable progressively after 1 year.

The model inputs for options granted during the year ended 30 June 2011 included:

		ESOP – DIRECTOR		ESOP – EMPLOYEES		ESOP – ADVISERS	
		2011	2010	2011	2010	2011	2010
(a)	exercise price	$1.28	-	-	-	-	-
(b)	grant date:	27 Oct 2010	-	-	-	-	-
(c)	expiry date:	29 Oct 2015	-	-	-	-	-
(d)	share price at grant date:	$1.41	-	-	-	-	-
(e)	expected price volatility of the company's shares:	36%	-	-	-	-	-
(f)	expected dividend yield:	5.7%	-	-	-	-	-
(g)	risk-free interest rate:	4.5%	-	-	-	-	-
(h)	lapse (exit) rate	0%	-	-	-	-	-

The expected price volatility is based on the historic volatility at grant date (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

(c) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	CONSOLIDATED		PARENT ENTITY	
	2011 $	2010 $	2011 $	2010 $
Options issued under ESOP, net of lapses	2,663	53,276	2,663	53,276

27 REMUNERATION OF AUDITORS

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

	CONSOLIDATED		PARENT ENTITY	
	2011 $	2010 $	2011 $	2010 $
(a) Audit services				
PricewaterhouseCoopers Australian firm:				
Audit and review of financial reports	107,470	114,000	97,470	104,000
Other audit related work, including audit of entities for which the parent entity is trustee, manager or responsible entity (gross of any amounts reimbursed)	299,680	281,300	299,680	281,300
(b) Non-audit services				
PricewaterhouseCoopers Australian firm:				
Non audit-related services	-	-	-	-
Total remuneration	407,150	395,300	397,150	385,300

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

28 CONTINGENT LIABILITIES

The parent entity and Group had contingent liabilities at 30 June 2011 in respect of:

(a) bank guarantees for property leases of parent and group entities amounting to $426,000. (2010: $567,000).

(b) bank guarantee for AFS licence of a subsidiary amounting to $20,000 (2010: $20,000).

Client retention service fee

Under the terms of salary agreements made by Harold Bodinnar & Associates Pty Ltd with certain long serving salaried financial planners, those advisers 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 certain income criteria that may increase or decrease prior to retirement date and in the subsequent two years. Payment of this fee is subject to further ongoing conditions, including client retention, the provision of support services to the entity to achieve this aim, and is payable in arrears out of income earned from the retained client base over a period of two years. The benefit is personal to the planner, is not transferable, can be stopped by or repaid to Harold Bodinnar & Associates Pty Ltd should there be a breach of conditions, and will be reduced if the adviser purchases some or all of their client base at or after retirement.

No material losses are anticipated in respect of the above contingent liabilities, as the expected reduction in servicing cost post retirement is estimated to offset the benefit payment.

29 COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
(a) Capital expenditure				
Commitments payable within one year	-	-	-	-
(b) Operating leases				
The Group leases various offices under non-cancellable operating leases expiring within 12 months to four years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.				
Within one year	448	358	679	358
Later than one year but not later than 5 years	715	1,338	345	1,332
	1,163	1,696	1,024	1,690

30 RELATED PARTY TRANSACTIONS

(a) Parent entity

The parent entity within the Group is Fiducian Portfolio Services Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 12.

The consolidated financial report incorporate the assets, liabilities and results of Fiducian Financial Services Pty Ltd, Harold Bodinnar & Associates Pty Ltd, Money & Advice Pty Ltd, and Fiducian Business Services Pty Ltd 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 25.

(d) Transactions with related parties

Transactions between Fiducian Portfolio Services Limited and other entities in the wholly-owned group during the years ended 30 June 2011 and 2010 consisted of:

a. Financial planning fees paid by Fiducian Portfolio Services Limited
b. Provision of software by Fiducian Portfolio Services Limited
c. Recovery of group costs, such as insurance, by Fiducian Portfolio Services Limited
d. Interest free working capital advanced by and repaid to Fiducian Portfolio Services Limited
e. Collection of fees by AFS licensed companies on behalf of other members of the group.

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

30 RELATED PARTY TRANSACTIONS CONTINUED

(d) Transactions with related parties (continued)

The following transactions occurred with related parties:

	OWNERSHIP INTEREST*	CONSOLIDATED 2011 $	CONSOLIDATED 2010 $	PARENT ENTITY 2011 $	PARENT ENTITY 2010 $
Wholly owned group					
Fiducian Financial Services Pty Ltd	100%				
Financial planning fees paid		-	-	5,128,397	2,833,808
Expenses paid and systems costs recovered		-	-	178,222	376,684
Harold Bodinnar & Associates Pty Ltd	100%				
Financial planning fees paid		-	-	-	2,004,548
Management fees and marketing incentive		-	-	-	245,453
Money & Advice Pty Ltd	100%				
Financial planning fees paid		-	-	-	89,343
Expenses paid and systems costs recovered		-	-	-	264,470
Fiducian Business Services Pty Ltd	100%	-	-	313,500	-
Capital for accountants acquistion					
Related trusts					
Fiducian Investment Service	Nil				
Operator fees income		4,076,775	4,200,166	4,076,775	4,200,166
Fiducian Superannuation Service	Nil				
Trustee fees income		12,745,279	12,417,159	12,745,279	12,417,159
Fiducian Funds	Nil				
Responsible entity fees income		3,593,587	3,344,955	3,593,587	3,344,955
Director associated entities					
Hawkesbury Financial Services Pty Ltd					
Financial planning fees paid		238,295	237,212	-	-

** 'Ownership Interest' means the percentage of capital of the company held directly and/or indirectly through another entity by Fiducian Portfolio Services Limited*

30 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:

	PARENT ENTITY	
	2011 $	**2010 $**
Current receivables (sales of goods and services)	1,965,587	1,342,895
Current receivables (income from related trusts)	1,845,890	1,821,241
	3,811,477	3,164,136
Current payables (purchases of goods and services)	168,047	46,435

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

31 ECONOMIC DEPENDENCY

The trading activity of the entity depends upon remaining as Operator of the Fiducian Investment Service, Trustee of Fiducian Superannuation Service and Responsible Entity of Fiducian Funds.

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

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
Profit for the year	4,436	4,112	4,139	3,702
Non-cash employee benefit expense	37	218	(32)	122
Dividend and investment income	(3)	(53)	(3)	(53)
Depreciation and amortisation	296	277	172	175
Net (gain) loss on sale of non-current assets	2	165	9	10
Changes in operating assets and liabilities:				
Decrease/(increase) in accounts receivable	(103)	(168)	(48)	(230)
Increase/(decrease) in income tax payable	443	266	492	134
Decrease/(increase) in other assets at fair value	6	56	6	56
Increase/(decrease) in trade creditors	150	61	164	97
Increase/(decrease) in other creditors	(18)	(35)	74	(56)
Increase/(decrease) in related entities balance	-	-	(502)	(643)
Decrease/(increase) in future income tax benefit	(126)	(51)	(71)	(2)
Increase/(decrease) in provision for deferred income tax	-	(12)	-	(12)
Net cash inflow from operating activities	5,120	4,836	4,400	3,300

33 EARNINGS PER SHARE

	CONSOLIDATED	
	2011	**2010**
Earnings per share using weighted average number of ordinary shares outstanding during the period:		
(a) Basic earnings per share		
Profit from continuing operations attributable to the ordinary equity of the company	13.78 cents	12.71 cents
(b) Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity and potential ordinary equity of the company	13.44 cents	12.34 cents

(c) Weighted average number of shares used as the denominator

	CONSOLIDATED	
	2011 NUMBER	**2010 NUMBER**
Weighted average number of shares used as the denominator:		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	32,183,956	32,351,179
Adjustments for calculation of diluted earnings per share:		
Options	817,743	959,693
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	33,001,699	33,310,872

(d) Reconciliation of earnings used in calculating basic and diluted earnings per share

	CONSOLIDATED	
	2011 $'000	**2010 $'000**
Net profit and earnings used calculating basic and diluted earnings per share	4,436	4,112

(e) Information concerning the classification of securities

Options granted to employees under the Fiducian Portfolio Services Limited Employee Share Option Plan (ESOP) and Adviser Share Option Plan (ASOP) 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 26.

34 EVENTS OCCURRING AFTER BALANCE DATE / REPORTING DATE

Under the Rules of the Adviser Share Option Plan no options are being issued this year (2010: Nil) as the plan has not been extended. Under the same rules 330 options will expire after year end.

Under the Rules of the Employee and Director Share Option Plan the Directors have not granted any options to employees or Managing Director after year end (2010: 40,000 at an exercise price of $1.28). To the date of this report 95,375 employee options have lapsed and no options have lapsed or been exercised by the Managing Director. 33,250 options exercised prior to 30 June had shares issued on 5 July 2011, as disclosed in Note 22(b). To the date of this report, 122,270 shares have been bought back on market at an average price of $1.31.

35 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and price 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 uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and aging analysis for credit risk.

The Board sets policies which are implemented by management, reviewed monthly for interest rate risk, credit risk and the investment of excess liquidity.

The Group and parent entity hold the following financial instruments:

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Financial assets				
Cash and cash equivalents	10,150	9,478	8,332	7,128
Trade and other receivables	4,973	4,910	6,865	6,215
Financial assets at fair value through profit or loss	425	440	425	440
	15,548	14,828	15,622	13,783
Financial liabilities				
Trade and other payables	2,924	2,201	2,380	1,759

35 FINANCIAL RISK MANAGEMENT CONTINUED

(a) Market risk

(i) Foreign exchange risk

The Group operates only in Australia and is not exposed to foreign exchange risk.

(ii) Price risk

The Group and parent entity are exposed to equity securities and other investment price risk. This arises from (a) unlisted investments held by the Group and classified on the statement of financial position at fair value through profit or loss, and (b) from the derivation of fees for the management of investment and superannuation funds.

Price risk on unlisted investments is discussed in Note 13 and sensitivity analysis is conducted on the upper range of outcomes of -10%. It is unlikely this investment will increase in value.

To minimise its price risk the Group and parent entity offer a range of investment funds in a variety of domestic and international equities, property and fixed interest securities, and across a number of investment managers. Exposure to these funds is driven by clients and their financial planners. Not all of the funds are publicly traded or invest in publicly traded securities. Sensitivity analysis is therefore based on the assumption that all funds under advice, administration and management had increased or decreased by 10% (2010: – 10%) against actual market movements, with all other variables held constant other than financial planning fees that are paid out of such income.

	IMPACT ON POST-TAX PROFIT		IMPACT ON EQUITY	
	2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
Revenue impact from -10% movement in valuation of unlisted unit trusts	(43)	(44)	(43)	(44)
Revenue impact from +/- 10% movement in funds under administration and management	1,754	1,681	1,754	1,681

(iii) Interest rate risk

The Group's main interest rate risk arises from deposits in Australian Dollars, and short term loans to staff and planners. The group has no borrowings.

	30 JUNE 2011		30 JUNE 2010	
	Weighted average interest rate %	**Balance $'000**	**Weighted average interest rate %**	**Balance $'000**
Cash at bank and on deposit	4.3%	10,150	4.1%	9,478
Staff & financial planner loans	7.2%	2,552	6.9%	2,546
		12,702		12,024

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

The Group's main interest rate risk arises from cash and cash equivalents with variable interest rates. At 30 June 2011 if interest rates change by +/- 100 basis points (2010: +/- 100 basis points) from the year end rates with all other variables held constant, post-tax profit would have been $89,000 higher or lower (2010: $84,000).

35 FINANCIAL RISK MANAGEMENT CONTINUED

(b) Credit risk

The Group and parent entity have negligible credit risk from receivables, as management fee and financial planning income is received within one month of it falling due, and financial planning fees are only paid following the receipt of this income.

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

	CONSOLIDATED		PARENT ENTITY	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Cash and cash equivalents				
AA	4,596	9,478	2,778	7,128
AA-	5,554	-	5,554	-
	10,150	9,478	8,332	7,128
Investment in related trust				
Unrated	425	440	425	440
Loans to staff and financial planners				
Unrated	2,275	2,310	2,275	2,310

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised on page 74.

(c) Liquidity risk

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

Due in less than 1 year	2,782	2,157	2,380	1,759
Due between 1 and 2 years	142	44	-	-
	2,924	2,201	2,380	1,759

(d) Fair value estimation

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

As of 1 July 2009, Fiducian Portfolio Services Ltd has adopted the amendment to AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by levels of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level1)

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

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

35 FINANCIAL RISK MANAGEMENT CONTINUED

(d) Fair value estimation (continued)

The following table presents the group's and the parent entity's assets and liabilities measured and recognised at fair value according to the fair value hierarchy at 30 June 2011.

Parent and Group - at 30 June 2011	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets				
Other financial assets at fair value through profit or loss				
Investment in related trust	-	-	425	425
Total assets	-	-	425	425

Parent and Group - at 30 June 2010	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Assets				
Other financial assets at fair value through profit or loss				
Investment in related trust	-	-	440	440
Total assets	-	-	440	440

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. The Group holds none of these investments.

The fair value of financial instruments that are not traded in an active market (for example, debt investments and derivative financial instruments) is determined using valuation techniques. These instruments are included in level 2. The Group held none of these investments during the year.

In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3. The Group's accounting policy is to value the investment in related trust at fair value through profit or loss, made difficult as a result of a redemption freeze. The Group has performed a review at 30 June 2011 which focussed on directional movements in the credit quality of the investments held by the underlying fund managers since the prior year, as well as monitoring the underlying funds for indicators of impairment. From this review the Group believes the value recorded represents fair value, with reasonably possible changes in fair value shown in Note 35(a)(ii).

The following table presents the changes in level 3 instruments for the year ended 30 June 2011:

Parent and Group	**2011 $'000**	**2010 $'000**
Investment in related trust –		
Opening balance	440	506
Transfers in to level 3	-	-
Capital distribution	(9)	(10)
Losses recognised in profit or loss	(6)	(56)
	425	440

The carrying amounts 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.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 33 to 77 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 2011 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.

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

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

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

I Singh
Director

Sydney,
24 August 2011

Independent auditor's report to the members of Fiducian Portfolio Services Limited

Report on the financial report

We have audited the accompanying financial report of Fiducian Portfolio Services Limited (the company), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both Fiducian Portfolio Services Limited and the Fiducian Portfolio Services Group (the consolidated entity). The consolidated entity comprises both Fiducian Portfolio Services Limited and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

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Independent auditor's report to the members of Fiducian Portfolio Services Limited (continued)

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of Fiducian Portfolio Services Limited and the Fiducian Portfolio Services Group is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company and consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 20 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of for Fiducian Portfolio Services Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

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Independent auditor's report to the members of Fiducian Portfolio Services Limited (continued)

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report and remuneration report of Fiducian Portfolio Services Limited for the year ended 30 June 2011 included on Fiducian Portfolio Services Limited's web site. The consolidated entity's directors are responsible for the integrity of the Fiducian Portfolio Services Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report and remuneration report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report or the remuneration report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report and remuneration report to confirm the information included in the audited financial report and remuneration report presented on this web site.

PricewaterhouseCoopers

PricewaterhouseCoopers

Darren Ross

Darren Ross
Partner

Sydney
26 August 2011

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