



27 August 2014

Fiducian Annual Result 2013/2014

- **Net consolidated profit after tax increase of 17.4% to \$3.98 million**
- **EBITDA increase of 26.4% to \$6.76 million**
- **Remaining debt-free with strong balance sheet**
- **Further acquisitions**

BUSINESS PERFORMANCE

Fiducian Portfolio Services Limited (ASX: FPS), a leading Australian non-bank aligned financial services organisation, has reported a net consolidated profit after tax for the 2014 financial year of \$3.98 million representing a 17.4% increase in comparison to last year. Underlying net profit after tax adjusted for amortisation was \$4.50 million and represents adjusted earnings per share of 14.5 cents for the full year. The earnings before interest expense, tax, depreciation and amortisation (EBITDA) was \$6.76 million which is a 26.4% increase compared to the same period last year.

All operational divisions contributed positively to the result. The acquisitions executed last year have assimilated well within the business. Fiducian system developments finalised predominantly last financial year also delivered greater cost efficiency and operational control.

As a result, a fully franked final dividend of 5.0 cents per share has been declared which will bring the total fully franked dividend declared for the 2014 financial year to 9.1 cents per share.

In respect of financial planning, Managing Director, Indy Singh said "The Future of Financial Advice (FOFA) regulatory changes now appear accepted within the industry. As we have said in the past, our financial planning services were FOFA compliant well in advance of the regulatory changes being proposed".

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

During the year, Fiducian added one small accounting practice and an additional small financial planning client base. Both are being serviced by existing staff. In April this year, a financial planning practice with \$66 million in funds under advice was also acquired.

Commenting on the acquisitions, Mr Singh said "As acquisitions continue to assimilate into our processes, they should deliver increased corporate strength and demonstrate our disciplined approach to balancing growth and returns". We plan to make further acquisitions in the coming year.

The Fiducian business model is vertically integrated and captures the full value chain of financial planning, portfolio administration, funds management, tax accounting and IT systems enabling growth and profitability. Each business pillar contributes individually and jointly to a superior service offering to our clients.



FINANCIAL PLANNING

During the year funds under advice grew 18.1% to 1.37 billion as financial planner productivity and net flow lifted.

Mr Singh said “Over the years, there have been large scale groups merging to become bank or institutionally aligned and a number of smaller groups becoming insolvent or wound down due to claims or compliance issues. In addition, the propensity for credit seems to have contracted and lending covenants being imposed upon to smaller dealerships appear much tighter. We shall be exploring opportunities here”.

Regulatory changes whereby accountants will be required to be licensed if they offer self managed super funds advice should also provide Fiducian further opportunities.

BUSINESS SERVICES

Fiducian Business Services (FBS) continues to provide support to accountants for accounts preparation and self managed superannuation fund administration. As such it now has two accounting practices which operate as Fiducian Accountants & Business Advisers (FABA) in New South Wales and Queensland.

Mr Singh said “Succession continues to be an issue for an ageing sole practitioner demographic”.

The Fiducian Self Managed Superannuation Fund administration facility has been showing steady growth in the number of funds administered. It is supported by our presence in India for cost effective processing. During the year one small accounting practice was purchased and absorbed into existing Sydney operations.

PLATFORM ADMINISTRATION

Funds under administration increased in total by 11% to \$1.03 billion. Net inflow continued to be positive from our aligned financial planners, both salaried and franchised.

Independent Financial Planners (IFAs)

Funds under administration for IFAs are around 10% of total funds under administration. Efforts are underway to build new relationships and net inflow from non-aligned financial planner groups.

Mr Singh said “Fiducian’s full service offer, supported by last year’s product restructure could allow a non-aligned small dealer with a Fiducian relationship to become competitive against large scale financial planning dealer groups”.

INVESTMENT MANAGEMENT

Fiducian is a multi asset, multi style investment manager. In investment performance surveys, our diversified funds remain regularly in the top quartile or top of the second quartile over multiple time periods, which is what our investment process is designed to deliver.



Last year, there were some notable performances. The Fiducian Ultra Growth Fund was ranked 1st out of its 106 fund peer group survey. Performance last year from some Fiducian specialist funds was also very pleasing, with reported annual investment returns by the Fiducian India Fund 43.0%, Fiducian Technology Fund 28.6% and the Fiducian Australian Smaller Companies Fund 28.3%.

INVESTMENT TECHNOLOGY

Fiducian Information Technology division has successfully delivered our FasTrack administration system which provides greater control, efficiency and substantial cost savings and, as well, opens up new business opportunities.

Reporting of member accounts is now also available on tablets and mobile phones. These improvements are now in place and provide greater efficiencies for financial planning groups due to integration with our on-line reporting tools and cost effective financial planning software FORCe.

OUTLOOK

The business plan for 2015 financial year looks at expanding the revenue base organically by continuing to support financial planners and making additional acquisitions.

Ends.

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About Fiducian

The Fiducian Group is a specialist financial services organisation established in 1996. Fiducian provides financial services through five key areas: funds management, portfolio administration, information technology, financial planning and accounting/accountancy resourcing. For further information visit www.fiducian.com.au