



ASX and Media Release
Spring FG Limited (ASX: SFL)
29 February 2016

Spring FG Limited Interim Report to 31 December 2015

Financial services company Spring FG Limited (Spring FG or the Company, ASX: SFL) is pleased to provide the following information and commentary in supplement to the Company's Interim Report and Appendix 4D for the half-year to 31 December 2015 as lodged with the ASX today.

- ✓ **Revenue up 18% on prior corresponding period**
- ✓ **Operating profit up 29% on prior corresponding period**
- ✓ **NPAT up 1.5% on prior corresponding period**
- ✓ **Company elects to early-adopt AASB 15**

The Company has elected to early-adopt Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* with effect from its 31 December 2015 Interim Report. Accordingly all figures presented in its Interim Report and Appendix 4D reflect the early-adoption.

In electing to early-adopt AASB 15 the Company no longer recognises work-in-progress revenue and expenses. This results in delayed recognition of such revenue and expenses; and impacts trade receivables and payables balances and taxation. A more detailed discussion on the impact can be found in the Interim Report and Notes to the Consolidated Financial Statements therein.

Financial Results

During the financial half-year to 31 December 2015 revenue and other income increased 18% to \$5,413,296 (2014: \$4,589,749).

Operating profit (before depreciation, amortisation, interest and income tax) increased 29% to \$1,395,138 (2014: \$1,084,467).

The consolidated profit of the Company after providing for a one-off write-off of fixed-assets associated with the relocation of its head-office; and an 89% increase in income tax for the period to \$322,280 (2014: \$169,726), was \$810,336 (2014: \$798,814).

The key matters contributing to the results are as follows:

- The increase in revenue and other income was driven through organic growth; contribution from prior acquisitions; and ongoing investment in marketing campaigns.
- The Company's transition to being an ASX-listed company, and continued expansion of its staff numbers and marketing programs, resulted in an increase in total operating expenses of 15% to \$4,018,158 (2014 \$3,505,282).
- Increase in staff numbers as the Company prepares for significant further expansion through the launch of its new *mysuper247* and *mytax247* online services and rollout of a franchised branch network saw employment expenses increase by 50% to \$2,232,444 (2014 \$1,492,715).
- Depreciation & amortisation increased 204% to \$154,501 (2014 \$51,129) due to depreciation of acquired fixed assets and amortisation of acquired intangible assets.
- The NPAT result was impacted by a one-off write-off \$102,508 of fixed assets associated with the Company's head office relocation.

Financial position

After adjusting for the early-adoption of AASB 15 the financial position of the Company as at 31 December 2015 (and related matters) are summarised as follows:

- Total assets of the Company were \$20,582,797 compared to \$19,674,738 at 30 June 2015, an increase of 4.6%.
- Total liabilities of the Company were \$3,232,253 compared to \$2,893,516 at 30 June 2015, an increase of 11.7%.
- The Company's final FY2015 fully-franked dividend which was paid on 19 November 2015 increased 145% to \$3,025,732 (2014 \$1,234,545).



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- Retained earnings of the Company at the end of half-year were \$905,864 compared to \$3,121,260 at 30 June 2015 after payment the FY2015 fully-franked dividend.
- Operating cashflow during the period was impacted by cash income tax payments of \$422,128; and delayed receipt of \$476,688 of receivables associated with completion of a major residential development being delayed until after the balance date (this project has now been completed with settlements commencing post balance date).
- The Company's balance sheet at 31 December 2015 included a total of \$7,293,898 of current and non-current receivables associated with completion of a number of major residential developments (inclusive of the aforementioned) that will be received as cash as those projects complete. Since commencing commercial operations in 2011 the Company has a track record of 100% collection of such receivables.
- The Company has no bank or other financing or debt facilities (either undrawn or drawn) in place as at 31 December 2015.

The above resulted in:

- Net assets increasing by 3.4% to \$17,350,543, compared to \$16,781,222 at 30 June 2015.
- Net tangible assets (NTA) increasing by 5.0% to \$9,492,853 compared to \$9,036,634 at 30 June 2015.
- Net cash at the end of the period was \$998,926 (2014: \$569,073).

Results Presentation and Conference Call

A results presentation will be conducted via conference call on Wednesday 2 March 2016 at 11.30am. Shareholders and interested parties are invited to attend. A copy of the presentation and dial-in details will be released to market in due course.

About Spring FG Limited - www.springFG.com - ASX: SFL

Spring FG Limited (Spring FG) is a diversified financial services company offering financial planning and investment advice; wealth management; insurance and superannuation; finance; and tax & accounting services. Its advice and product offerings are broad and include a specialisation in the high-growth markets of self-managed superannuation funds (SMSFs); and direct and SMSF residential real estate investment.

With a combined online community of more than 140,000 subscribers, the Company's *Wealthadviser* and *Spring FG Digital* divisions offer financial education and market information services free-of-charge through content-rich websites, regular seminar programs and the publication of more than 70 eBooks on a broad range of subjects.

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