A fresh approach.

Annual Report 2016

spring FG LIMITED

ABN 87 169 037 058

Corporate Directory

Board

Guy Hedley – Chairman
Non-executive Director

Keith Cullen
Founder & Managing Director

Chris Kelesis
Executive Director

Jeff Zulman
Non-executive Director

Company Secretary

Ian Morgan

Registered Office

Level 11, 95 Pitt St
Sydney NSW 2000
Ph: 02 9248 0422
springFG.com

Share Registry

Boardroom Pty Limited
Level 12, 255 George St
Sydney NSW 2000
Ph: 02 9290 9600
boardroomlimited.com.au

ASX Listing Code

"SFL"

Solicitor

Watson Mangioni Lawyers Pty Ltd
Level 23, 85 Castlereagh St
Sydney NSW 2000
Ph: 02 9262 6666
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Auditor

BDO East Coast Partnership
Level 11, 1 Margaret St
Sydney NSW 2000
Ph: 02 9251 4100
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spring FG LIMITED

Contents

Important notice

Full details relating to the Group's financial performance and other important information are provided in the Consolidated Financial Statements.

The Consolidated Financial Statements of the Group commence from page 12 of this Annual Report and are separately indexed and page numbered from 1 to 57.

Chairman's letter

spring' FG LIMITED

A fresh approach.

24 October 2016

Dear Shareholders

FY2016 was a year of both consolidation and expansion for Spring FG Limited that has set a solid foundation for growth.

Operationally, we continued to provide our full range of wealth management services including financial planning, investment advice, insurance & super, finance, estate planning and tax & accounting from our offices in Sydney, Melbourne, Brisbane and Canberra. And our innovative digital marketing campaigns continued to attract new clients with new wealth plan engagements reaching 523 for the year (FY2015 362).

We relocated our Sydney head-office to accommodate expansion of staff numbers and more recently we finalised our first locations for the rollout of our retail branches, securing high-profile sites in the Melbourne CBD and at Erina on the NSW Central Coast. We are targeting 10 branches by the end of FY2018 with a long range goal of 80-100.

We also began the rollout of a series of exciting "fintech" initiatives with the launch of mysuper247.com, our online SMSF establishment, investing and administration service that sets new standards in affordability and ease of operation. We now plan to launch mytax247.com for the FY2017 tax season.

During the year we elected to early-adopt Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers*. Accordingly, all FY2016 figures are based on the early-adoption and all comparative figures for the prior corresponding period (PCP) to 30 June 2015 have been restated and are reflected as if AASB 15 had been applied in that year. You'll find more detailed discussion on the early-adoption in our FY2016 Consolidated Financial Statements.

From a financial perspective, Group revenue was up 18% to $11.6m. EBITDA was $2.8m or a ratio to revenue of 24% against our mid-range target of 30% and profit before tax increased 18% to $2.3m despite one-off fixed asset write-offs associated with the relocation of our head office. NPAT was $1.6m or 14% to revenue against a mid-range NPAT-to-revenue target of 20%, impacted by those write-offs and a 75.4% increase in income tax.

Net assets were up 8% on the PCP to $16.0m with current assets including cash and current cash receivables of $6.0m. Net tangible assets rose 13% to $8.7m and NTA backing per ordinary share was up 5.0% to 6.3 cents per share with the Company carrying no corporate debt as at the balance date or the date of this report. A fully-franked dividend of 1.0 cent per ordinary share has been declared with a record date of Friday 4 November 2016 and a payment date of Monday 28 November 2016.

Across all metrics we have potential to grow by expanding marketing efforts, leveraging technology and broadening services to our current lead and client base. We look forward to continuing to deliver for you and our many clients as we continue with our vision for a fresh approach to financial services in Australia.

Yours sincerely

Guy Hedley
Chairman

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T 02 9248 0422

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Managing director's report

A fresh approach

When we founded Spring Financial Group in late 2010 (and commenced commercial operations in mid-2011) it was with a vision to bring a *fresh approach* to financial advice in Australia, with an absolute focus on our clients and helping them achieve peace-of-mind in their financial lives.

In a little over five years we have grown from a team of three, operating from a single office in Sydney's CBD, to a team of 65 with offices in Sydney (head-office), Melbourne, Brisbane and Canberra and satellite offices servicing Newcastle and Wollongong.

Our range of services and expertise has grown also. From our initial specialisation in the high-growth markets of self-managed superannuation and residential property we now provide a full range of wealth management services including financial planning, investment advice, insurance & super, finance, estate planning and tax & accounting.

Our unique team-based approach

One thing that has not changed is our team-based approach to advising and delivering services to our clients. With this unique approach our full range of services is delivered to clients through a primary adviser backed by a team of head-office-based specialists.

This centralised approach to specialist advice, administration and implementation is cost-effective, scalable and ensures consistency in service delivery across broad geographical locations.

Our clients and new client acquisition

Our growth has been driven by our success in new client acquisition. We continue to build a diverse client base of wealth creators, retirement planners and retirees from all walks-of-life, all ages and with a large variance in resources and net wealth.

Our innovative digital marketing campaigns continued to attract new clients throughout FY2016 with new wealth plan engagements reaching 523 for the year (FY2015 362).

In a time-poor world our clients value being able to access a full range of products and services through a single relationship manager. The fact that we don't manufacture any of our own products or answer to an institutional master helps drive our client recruitment success also.

Through successful marketing of our expertise in SMSF and residential property advice, a large number of clients come to us seeking advice around establishment of an SMSF and/or construction of a property portfolio.

Detailed financial information and early-adoption of AASB15

Full details relating to the Group's financial performance are provided in the Consolidated Financial Statements included within this Annual Report.

All figures relative to FY2016 reflect the Group's early-adoption of Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers* and all comparative figures for the prior corresponding period (PCP) to 30 June 2015 are restated and reflected as if AASB 15 had been applied in the previous year.

FY2016 financial performance summary

New client acquisition played a key role in revenue being up 18% for the year to $11.6m.

Expansion of head-count in preparation for the launch of fintech initiatives like mysuper247 and the rollout of our retail branch network saw employment expenses rise 29.1%. Despite this we contained expenditure growth with total operating expenses increasing just 11.7%.

This resulted in EBITDA of $2.8m or a ratio to revenue of 24% against our mid-range target of 30%.

Profit before tax increased 18% to $2.3m despite one-off fixed asset write-offs of $103k associated with the relocation of our head office.

NPAT was impacted by those write-offs and a 75.4% increase in income tax.

This resulted in NPAT of $1.6m or 14% to revenue against a mid-range NPAT-to-revenue target of 20%.

As at 30 June 2016 net assets were up 8% on the PCP to $16.0m with current assets including cash and current cash receivables of $6.0m. Net tangible assets rose 13% to $8.7m and NTA backing per ordinary share was up 5.0% to 6.3 cents per share.

Our cash flow and capital management enabled us to make cash dividend payments of $1.2m (balance paid through dividend reinvestment plan); pay $838k in taxes; and invest a further $1.0m of cash in acquiring and developing new and existing assets during the period.

The early adoption of AASB 15 required retained earnings as at 30 June 2015 to be restated as $2.03m. Coupled with a total dividend of $3.03m in November 2015 retained earnings stood at just $598k as at 30 June 2016, despite NPAT of $1.6m.

A fully-franked dividend of 1.0 cent per ordinary share has been declared with a record date of Friday 4 November 2016 and a payment date of Monday 28 November 2016.

New client acquisition played a key role in revenue being up 18% for the year to $11.6m

Managing director's report

Core market size and growth

Our core markets of SMSF and residential property investment continue to provide significant upside potential for the Group.

There are now more than 575,000 SMSFs in Australia with around 1.1M members. That means about 10% of all super fund members are members of an SMSF, yet SMSFs hold a staggering $621b in assets or a disproportionate 30% of the $2 trillion in total super assets in Australia.

New SMSF setups continue to average 35,000 per year with a net increase (after wind ups) running above 27,500 p.a. When setting up an SMSF members generally do not turn to the institutions they are leaving for advice on their new SMSF.

As a result, the market remains fragmented with the average SMSF tax agent submitting just 31 returns a year and only 24 submitting more than 500 according to ATO figures.

Our specialisation in SMSFs sets us apart from institutionally owned advice groups while our fresh approach and marketing skills provide advantage over non-aligned peers and startups.

In total Australian residential property is estimated as a $6 trillion asset class. With around 2.85m dwellings being rented investment properties it is estimated that Australia's 1.85m or so residential property investors hold total portfolio assets valued at more than $1.6 trillion. That is around the same as the total of all companies listed on the ASX.

And property investment returns have been similar, with an average annual return in line with the share market over past 50 years at 11.0% pa compared to 11.5% pa.

With Australia's population growth exceeding 330,000 pa residential property investing is a natural strong growth market with around 60,000 new entrants start building a property portfolio each and every year. Those investors need and seek advice.

Yet less than 10% of Australia's estimated 18,000 advisers provide advice on or deal in residential property.

Our specialisation in residential property advice and transactions sets us apart from the majority of financial services companies while our financial advice capabilities and services set us apart from leading real estate agents and project marketers.

Branch network rollout

Our centralised approach makes our business perfectly suited to expansion through a retail branch model including through franchised outlets.

We have secured our first retail branch premises in Melbourne, which will operate as a Company branch and on the NSW Central Coast which will operate as a franchise.

Both sites present exceptional branding opportunities.

We are focused on securing premium high-profile sites like these that build brand and our goal is to open 10 branches by the end of FY2018.

We are targeting key capital city fringe and regional markets with a rollout of 80-100 branches intended over the next 5-8 years.

Fintech initiatives

With a combined online community of more than 160,000 subscribers, our Wealth Adviser 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 90 eBooks on a broad range of subjects.

Our rollout of "fintech" initiatives that commenced late in FY2016 with the launch of our SMSF setup, admin and investing platform mysuper247.com will leverage this audience.

Mysuper247.com offers self-directed investors world-class technology and a broad range of investment options, portfolio management tools and information and education resources.

Launch of our online (personally assisted) tax return service mytax247.com has been rescheduled until the FY2017 tax season.

We intend to make lots of low-risk "small bets" like these that leverage our database of 160,000 subscribers and our existing *profitable* low-volume high-value operations.

These factors put us ahead of the start-up crowd and existing online players with our digital strategies.

There are now more than 575,000 SMSFs in Australia with around 1.1M members.

Managing director's report

Further acquisition opportunities

The Group may seek further growth in client numbers and revenue and profits through the acquisition of companies, and businesses and assets in the areas of financial planning, insurance, mortgage brokerage and tax & accounting and related fields. In considering potential further acquisitions preference will be given to opportunities that have alignment with our customer-focussed fresh approach, bring scale and broaden our current product and service offerings

We will give priority to acquisitions that have a high proportion of recurring or repeat revenue and that are accretive to earnings or neutral to earnings with significant potential upside.

FY2017 and beyond

Across all metrics we have potential to grow by expanding marketing efforts, leveraging technology and broadening services to current lead and client base.

We have set a scalable platform for growth having expanded head count to support increased new client acquisition.

As we commence the rollout of our retail branches we retain an absolute commitment to centralised, structured, scalable processes and education & training to ensure consistency of service delivery and outcomes for our clients and shareholders alike.

Our "fintech" initiatives like mysuper*247*.com are expected to make meaningful contributions to revenue and profits in their own right in the mid-to-longer term, however the opportunity to recruit clients to a fully-advised environment presents perhaps the greatest growth potential for the Group.

We are targeting (and expect to deliver) a minimum of 15% year-on-year revenue growth each year to FY2020 from our core wealth management business.

Our goal is to contain operating expense increases while maintained our current COGS ratio to deliver EBITDA margin of 30% in the mid-term.

Keith Cullen
Founder & managing director

Across all metrics we have potential to grow by expanding marketing efforts, leveraging technology and broadening services to current lead and client base.

Managing director's report

Risks and risk management

In our daily operations and in pursuing our strategic goals the Group is exposed to a variety of risks. Whilst key financial risks are specifically addressed in the Consolidated Financial Statements the table below provides an overview of the general operational and strategic risks that the Group has identified and manages.

Risk	Description	Risk management strategy
Regulatory and Licensing Requirements and Compliance	Spring FG operates in highly-regulated markets that require it (through its various 100%-owned subsidiaries) to hold licences, registrations and other authorities and approvals. Risk that regulatory and supervisory requirements, if not met, or are breached could result in restrictive conditions being imposed or a suspension or cancellation of the licence or registration.	Comprehensive compliance regime. Extensive internal monitoring and reporting across all key aspects of its operations. External legal and compliance advice where deemed appropriate.
Management of Future Growth	Spring FG continues to experience and expects to continue to experience rapid growth and increase in the number of its clients, employees and officers. Risk that the scope of its supporting infrastructure will be inadequate and/or systems that are not implemented and improved in a timely manner.	Recruitment of experienced operational personnel. Use of appropriate external consultants and contractors.
Legislative and Regulatory Changes	Risk that legislative or regulatory changes could adversely affect the Group's ability to offer certain products or services and/or its ability to earn revenue and profits from them and/or affect the ability of clients or potential clients of Spring FG to access certain products or services or make them less attractive to them.	Diversify product and service offerings.
People risk	Loss of key executives. Loss of key individuals in operating businesses with consequential material business interruption.	Succession planning and appropriate restraints to protect ongoing business. Market competitive remuneration and career development opportunities.
Acquisition Strategy Risk	Risk that the Group will be unable to identify suitable acquisition targets. Risk that when the Group does make acquisitions that they will fail to deliver the revenue and profits that the Group anticipates. Risk that the overlay of the Group's business model will not be successful. Insufficient funding to make acquisitions. Deficiencies in due diligence.	Engaging external corporate and legal advisers and appointment of personnel that have experience in mergers and acquisitions. Thorough due diligence and tight acquisition agreements. Thorough integration and transition programs and ongoing monitoring of revenue and profits. Ongoing monitoring of capital and resources.
Fraud or embezzlement of Group or client funds	Risk that employee due diligence and monitoring is insufficient and/or that day-to-day operational controls are inadequate.	Fidelity and professional indemnity insurance held and appropriate policies and procedures implemented and regularly reviewed.
Investment impairment risk	Risk that investments, and in particular the value of acquired goodwill and intangible assets which are subject to a permanent decrease in value. Investment write-down or impairment results in an expense for the Group.	Close monitoring of investments. Close management of businesses operations to optimise results.
Increased competition risk	Risk that increased competition could result in margin reductions, underutilisation of employees, reduced operating margins and loss of market share or failure to gain market share.	Diversify product and service offerings. Continue to focus in natural growth areas such as SMSF. Continue to offer unique fresh approach.

We are targeting and expect to deliver a minimum of 15% year-on-year revenue growth each year to FY2020 from our core wealth management business.

Summary Financial Information

	2016 $	Restated 2015 $
Revenue and other income	11,571,745	9,852,968
Direct costs to generate revenue	(833,401)	(498,189)
Advertising & Marketing	(477,738)	(413,803)
Employee benefits expense	(4,778,510)	(3,701,295)
Consulting & Professional Fees	(278,066)	(709,086)
Rental expenses	(1,098,556)	(1,197,573)
Other operating expenses	(1,327,557)	(1,102,179)
Earnings before depreciation, amortisation, interest and tax	2,777,917	2,230,843
Less:		
Loss on fixed assets disposal	(102,509)	-
Depreciation & amortisation expense	(372,862)	(200,911)
Finance costs	(16,702)	(94,304)
Net profit before tax	2,285,844	1,935,628
Income tax expense	(681,167)	(388,268)
Net profit after tax	1,604,677	1,547,360

Earnings per share	Cents	Cents
Basic earnings per share	1.32	1.5
Diluted earnings per share	1.32	1.5

All PCP figures are adjusted to reflect the early-adoption of AASB15.
Refer to the FY2016 Financial Statements and the notes contained therein for further details

As at 30 June 2016 net assets were up 8% on the PCP to $16.0m with current assets including cash and current cash receivables of $6.0m.

Summary Financial Information

	2016 $	Restated 2015 $
ASSETS		
Current Assets		
Cash and cash equivalents	1,377,865	1,625,606
Trade and other receivables	4,630,500	3,998,737
Other assets	288,041	500,083
Total Current Assets	6,296,406	6,124,426
Non-current Assets		
Trade and other receivables	3,839,865	4,007,333
Plant and equipment	702,335	451,957
Deferred tax assets	390,828	388,070
Intangible assets	8,117,100	7,827,954
Total Non-Current Assets	14,719,745	12,675,314
TOTAL ASSETS	21,016,151	18,799,740
LIABILITIES		
Current Liabilities		
Trade and other payables	1,717,401	1,079,056
Current tax liabilities	567,370	678,203
Employee benefits	167,093	167,093
Other liabilities	354,180	1,563,604
Total Current Liabilities	2,806,044	3,487,956
Non-current Liabilities		
Deferred tax liabilities	456,102	499,536
Total non-current liabilities	456,102	499,536
TOTAL LIABILITIES	3,262,146	3,987,492
NET ASSETS	17,754,005	14,812,248
EQUITY		
Issued capital	15,376,684	12,784,962
Reserves	26,659	1,849
Retained earnings	598,482	2,025,437
TOTAL EQUITY	16,001,825	14,812,248

All PCP figures are adjusted to reflect the early-adoption of AASB15.
Refer to the FY2016 Financial Statements and the notes contained therein for further details

Shareholder Information

The shareholder information set out below was applicable as at 24 October 2016.

Distribution of equitable securities

The table below shows the distribution of the number of holders of equitable securities by size of holding ranges:

Holdings Ranges	Number of holders
1-1,000	9
1,001-5,000	43
5,001-10,000	148
10,001-100,000	171
100,001 or more	62
Totals	433
Number holding less than a marketable parcel	24

Equity security holders

Twenty largest equity security holders

The table below shows the number of shares held and the percentage of total shares on issue held by holders who are the 20 largest shareholders in the Company:

Holder Name	Number held	%
MR KEITH ROBERT CULLEN	20,426,794	16.287
C A K INVESTMENTS PTY LTD	20,228,646	16.129
KRC INVESTMENTS PTY LTD	14,289,576	11.393
IFM PTY LIMITED <IFM SUPER FUND A/C>	7,611,717	6.069
DAM ENTERPRISE SERVICES PTY LTD	7,200,000	5.741
BANNABY INVESTMENTS PTY LIMITED <BANNABY SUPER FUND A/C>	6,128,347	4.886
IFM PTY LIMITED <IFM SUPER FUND A/C>	5,999,830	4.784
MR MITCHELL ANSIEWICZ	4,741,302	3.780
ANGELOS KELESIS & VASO KELESIS <A & V KELESIS SUPER FUND A/C>	3,754,109	2.993
DIRDOT PTY LIMITED <GRIFFITH SUPER FUND A/C>	1,964,899	1.567
IAN JOYE SUPER FUND PTY LTD	1,821,560	1.452
PAUL SMSF PTY LTD <PAUL FAMILY SUPER FUND A/C>	1,799,771	1.435
PAUL BIZ HOLDINGS PTY LTD	1,774,084	1.415
NATIONAL NOMINEES LIMITED <DB A/C>	1,666,667	1.329
PFTWO PTY LTD	1,427,316	1.138
ONE MANAGED INVESTMENT FUNDS LIMITED <TI GROWTH A/C>	1,370,912	1.093
MR MIKE HALE & MRS GAIL DAVIDSON	1,355,113	1.080
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD	1,018,952	0.812
ONE MANAGED INVESTMENT FUNDS <TECHNICAL INVESTING ABSOLUTE RETURN A/C>	991,993	0.791
KTAP PTY LTD	967,631	0.772
	106,539,219	84.945

Unquoted equity securities

There are no unquoted equity securities.

Shareholder Information

Substantial holders

The table below shows the number of shares held and the percentage of total shares on issue held by holders who are substantial holders in the Company:

Holder Name	Number held	%
MR KEITH ROBERT CULLEN	20,426,794	16.287
C A K INVESTMENTS PTY LTD	20,228,646	16.129
KRC INVESTMENTS PTY LTD	14,289,576	11.393
IFM PTY LIMITED <IFM SUPER FUND A/C>	7,611,717	6.069
DAM ENTERPRISE SERVICES PTY LTD	7,200,000	5.741

Holders with greater than 20%

The table below shows the number of shares held and the percentage of total shares on issue held by holders who hold directly or indirectly more than 20% of the issued ordinary shares in the Company:

Holder Name	Number held	%
MR KEITH ROBERT CULLEN	34,716,370	27.680

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights. There are no options on issue.

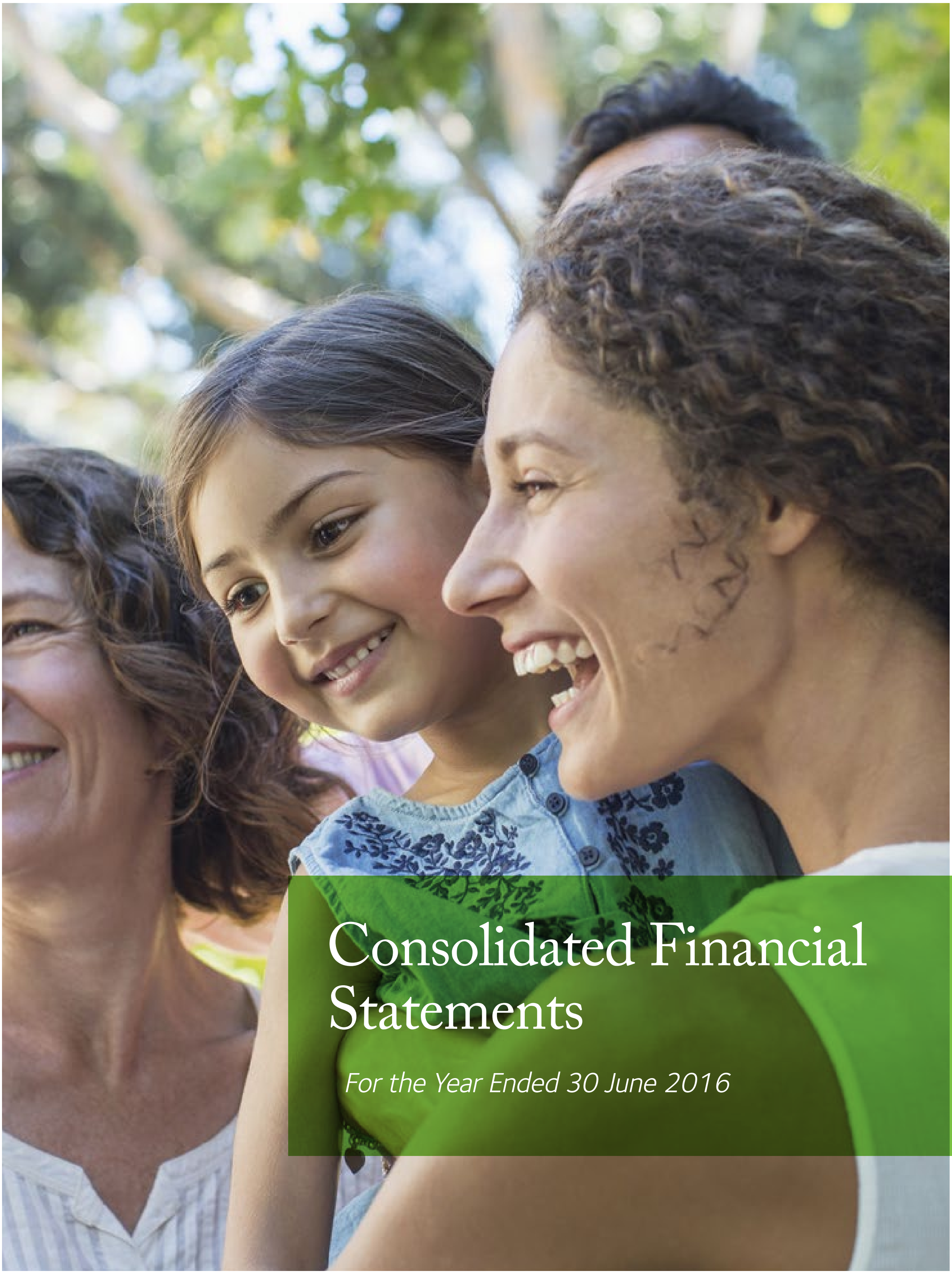
Other

There are no other classes of equity securities.

Restricted securities

The holders of ordinary shares listed in the table below have entered into voluntary escrow arrangements with the Company that prevent the holder from deposing of, or granting security over, an interest in any shares they hold a relevant interest in until the expiry date noted in this table:

Class	Holder	Expiry Date	Holding
Ordinary	Mr Keith Robert Cullen	09-Mar-17	20,426,794
Ordinary	C A K Investments Pty Ltd	09-Mar-17	20,228,646
Ordinary	KRC Investments Pty Ltd	09-Mar-17	14,289,576
Ordinary	Mr Mitchell Ansiewicz	09-Mar-17	4,741,302
Ordinary	Paul SMSF Pty Ltd <Paul Family Super Fund A/C>	09-Mar-17	1,799,771
Ordinary	Paul Biz Holdings Pty Ltd	09-Mar-17	1,774,084
Ordinary	PFTWO Pty Ltd	09-Mar-17	1,427,316
Total number of restricted securities			64,687,489



Consolidated Financial Statements

For the Year Ended 30 June 2016

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The directors present their report, together with the consolidated financial statements of Spring FG Limited (Spring FG or the Company) and its subsidiaries and controlled entities (the Group) for the financial year ended 30 June 2016 (FY2016) and the Auditor's Report thereon.

The Company listed on the ASX on 15 March 2015 (ASX code: SFL).

The Company's Corporate Governance Statement is located at www.springfg.com.

Directors

The name of each person who has been a director during the year, and to the date of this report, and their qualifications and experience are provided below. Unless otherwise stated, directors were in office for the entire period.

Guy Hedley	Chairman
Experience	Guy Hedley is a non-executive director and chairman of Spring FG Limited. Guy has a track record of success as a corporate executive in financial services. He was the founder and (for more than 10 years) head of Macquarie Private Bank and an executive director at Macquarie Group from 2002 to 2012. Under Guy's management, Macquarie Private Bank established itself as the leading private bank in the country. Guy is now the executive chairman of Atlas Advisors Australia as well as an Advisory Board Member at China House. He is on the board of the Sydney Writers Festival and chair of its finance committee. He holds an MBA (Exec.) from Australian Graduate School of Management and is a Master Stockbroker (SAA).
Interest in shares	378,645 ordinary shares
Special responsibilities	Chairman of Remuneration & Nomination Committee
Keith Cullen	Managing Director & CEO
Experience	Keith Cullen is the founder and managing director of Spring FG Limited and its subsidiary companies. Keith has extensive experience as a corporate executive, general manager and sales & marketing director in financial services, gaming & wagering technology and media. He also has considerable experience in capital markets and mergers and acquisitions. From 2004 – 2006 Keith was Group CEO of WPS Financial Group (now Anne St Partners); a diversified financial services group with offices across Australia. From 1994 – 2006 he was a founding director and shareholder of eBet Limited (now Intecq Limited) (Managing Director, 1994-2004), an ASX-listed gaming & wagering technology company with operations in Australia, NZ, USA, Canada, and various Asian countries. Prior to 1994 Keith held various sales & marketing roles with the privately-owned Australian Radio Network and ASX-listed Wesgo Communications.
Interest in shares	34,732,609 ordinary shares
Special	Member Audit & Risk Committee
Responsibilities	Member of Remuneration & Nomination Committee

Chris Kelesis	Executive Director
Experience	Chris Kelesis is a foundation shareholder and director of Spring FG Limited and its subsidiary companies and is licensee-in-charge of Spring FG Realty Pty Ltd. Chris holds primary responsibility for managing the Group's relationships with major developers and property asset managers. He is also responsible for overseeing investment property contracts, settlement and asset agreement processes for the Group's clients and assisting in the ongoing management of their property assets. Chris is also an accomplished equities trader and technical analyst with more than 10 years' experience as a private and wholesale client adviser in roles with Spring Equities, Ark Equities and the Rivkin Group.
Interest in shares	20,251,380 ordinary shares
Special responsibilities	Licensee-in-charge of Spring FG Realty Pty Ltd
Jeff Zulman	Non-executive Director
Experience	Jeff Zulman is a non-executive director of Spring FG Limited. Jeff has extensive experience at operational and board level with both private and public companies in financial services and technology. He also has extensive experience in corporate advisory including mergers and acquisitions. He is an executive director of Sydney-based corporate advisory firm, Coyne Holdings and founder and managing director of a specialist mortgage and finance brokerage advisory business, Book Buyers Brokerage Services Australia (BBBSA) Jeff is also a councillor with Woollahra Municipal Council in Sydney's eastern suburbs. Previously Jeff held roles as CEO of mortgage aggregator Vow Financial and as the CEO of Beacon IT Group. He was also a non-executive director of ASX-listed eBet Limited (Now Intecq Limited) (2001 – 2007). He holds a BA Law (Witwatersrand) and Dip. Jurisprudence (Oxford).
Interest in shares	128,601 ordinary shares
Special responsibilities	Chairman Audit & Risk Committee Member of Remuneration & Nomination Committee

Company Secretary

Ian Morgan

Ian Morgan was appointed company secretary on 18 November 2014. Ian is a Chartered Accountant and Chartered Company Secretary, with over 30 years' experience. He holds a Bachelor of Business (NSW Institute of Technology), a Master of Commercial Law (Macquarie), a Graduate Diploma of Applied Finance and Investment (Securities Institute), and is a Fellow of the Financial Services Institute of Australasia.

Prior to Ian's appointment Keith Cullen served as company secretary of Spring FG Limited. Keith Cullen remains company secretary of the Group's various subsidiary companies.

Meetings of directors

The table below sets out the meetings of directors and of sub-committees held during the period.

	Directors' Meetings		Audit & Risk Committee		Remuneration & Nomination Committee	
Director	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Keith Cullen	12	12	3	3	1	1
Chris Kelesis	12	12	-	-	-	-
Guy Hedley	12	12	3	3	1	1
Jeff Zulman	12	10	3	3	1	1

Early adoption of AASB 15 - *Revenue from Contracts with Customers*

As previously noted in the Company's Interim Report to 31 December 2015 the Company has elected to early-adopt Australian Accounting Standard AASB 15 *Revenue from Contracts with Customers*.

Accordingly, all FY2016 figures herein reflect the early-adoption and all comparative figures for the prior corresponding period (PCP) to 30 June 2015 are restated and reflected herein *as if AASB 15 had been applied in the previous year*.

The early adoption of AASB 15 represented a change to the manner in which the Group recognises revenue from 1 July 2015 and results in various impacts including (most significantly) the Group no longer recognising work in progress revenue and expenses.

This results in delayed recognition of such revenue and expenses; and impacts trade receivables and payables balances, taxation and retained earnings as at 30 June 2015.

A more detailed discussion on the impact of this early adoption, including with respect to comparative periods, can be found in Notes 1 b) and 1 c) of the Notes to the Consolidated Financial Statements below.

Principal activities

The Group's principal activities during the period were the provision of *financial planning and investment advice and related product sales*, and the provision of *accounting & taxation services* (predominately to the Group's wealth management clients). The Group's advice and product offerings are broad and include a specialisation in self-managed superannuation funds (SMSFs); and residential real estate investment.

The Group also operates a range of "fintech" services including its spring*247* personal financial management and mysuper*247* SMSF platforms and offers financial education and market information services through regular seminar programs, the publication of its *Wealthadviser* library of more than 90 eBooks, and the operation of content-rich websites, including sharecafé.com.au and wealthadviser.com.au.

The Group's products and services are delivered to clients through the Company's wholly-owned subsidiaries (and divisions) that operate under the banner of Spring Financial Group from offices in Sydney, Melbourne, Brisbane, Canberra and satellite offices in Newcastle and Wollongong. The Group is preparing for a rollout of a franchised branch office network.

The key companies within the Group are Spring FG Wealth Pty Ltd (AFSL 391655), Spring FG Realty Pty Ltd, Spring FG Accounting Pty Ltd, Spring FG Finance Pty Ltd and Spring FG Digital Pty Ltd. A listing of all of the subsidiaries and controlled entities in the Group (including non-operating entities and entities acquired during the period and the prior period) can be found in Note 22 of the financial statements.

Operating Results and Review

A. Operating results for the year

The consolidated profit of the Group after providing for income tax for FY2016 amounted to $1.60M (2015: $1.55M).

The key matters contributing to the results are as follows:

- Revenue and other income increased 17.8% to $11.60M (2015: $9.85M) driven primarily through organic growth and its ongoing investment in marketing campaigns.
- Operating profit before tax increased 18.04% to $2.29M (2015: $1.94M).
- Total operating expenses increased only 15.4% to $8.79M (2015: $7.62M) despite employment expenses increasing 29.1% to $4.78M (2015: $3.70M) as the Company expanded overall staff numbers and prepared for the launch of its new mysuper247 online service and rollout of its retail branch network.
- NPAT increased only 3.7% to $1.60M (2015: $1.55M) impacted by a $103k write-off of fixed assets associated with the relocation of the Company's head office; and a 75.4% increase in income tax to $681k (2015: $388k).

More detailed information relating to the performance of the Group's two key segments, which are "*financial planning, investment advice and product sales revenue*"; and "*accounting & taxation services*", is included at Note 4 of the financial statements.

B. Review of financial condition

Financial position

After adjusting for the early adoption of AASB 15 key matters related to and contributing to the financial position of the Group as 30 June 2016 are summarised as follows:

- During the period the Company's cash flow and capital management enabled it to make cash dividend payments of $1.20M (balance paid through dividend reinvestment plan); pay $838k in taxes; and invest a further $1.01M of cash in acquiring and developing new and existing assets.
- The Directors consider that the Company's financial position remains strong with cash and current cash receivables increasing 20.7% to $6.01M (FY2015: $4.98M).
- Net assets were up 8.0% to $16.0M (FY2015: $14.81M) with net tangible assets (NTA) increasing 12.7% to $8.70M (FY2015: $7.78M).
- NTA backing per ordinary share was up 5.0% to 6.3 cents per share (FY2015: 6.0 cents) following share issues during the period associated with the Company's DRP.
- The Company's early adoption of AASB 15 has required retained earnings as at 30 June 2015 to be restated as $2.03M. This, coupled with a total dividend of $3.03M in November 2015, has resulted in a retained earnings figure of $598k as at 30 June 2016 despite NPAT of $1.60M for FY2016.
- The Company had no debt facilities (either undrawn or drawn) in place as at 30 June 2016 (or as at today's date).

Cash from operations

Key matters related and contributing to cash from operations of the Group during the period are summarised as follows:

- Cash receipts from customers were up 18.9% to $11.1M (2015: $9.34M).
- This trend is expected to continue and further improve over FY2017 and beyond as the Company collects more than $6.8M of cash receivables related to the completion of major residential property projects in which its clients have invested.
- As detailed in Note 7 of the financial statements the timing of up to 50% of the cash receipts associated with these receivables is linked to the completion date of such projects.

Capital management

As at 30 June 2016 the Company had a total of 124,785,892 ordinary shares on issue (116,374,325 at 30 June 2015) an increase of 8,411,567 shares.

The increase was due to the issue of shares under the Company's Dividend Re-investment Plan; and the issue of shares to sophisticated and professional investors as set out in the table below.

Date	Shares	Consideration	Description
20 Nov 2015	2,449,998	$781,748	Share placement
20 Nov 2015	5,906,013	$1,860,393	Dividend Reinvestment Plan
Total	8,411,567	$2,642,141	

Dividends

The Company paid a fully-franked dividend of $3,031,632 (2.6 cents per share) on 19 November 2015. The Group's Dividend Reinvestment Plan (DRP) operated in full with respect to the dividend with 5,906,013 ordinary shares issued under the DRP at $0.315 per share for a total of $1,860,393.

Further details of dividends paid or declared by the Company are set out in detail in Note 17 of the financial statements.

Significant changes in state of affairs

During the year ended 30 June 2016 the following significant changes in the state of affairs of the Group occurred.

- The Company lodged its first Annual Report to ASX as a public listed company, on 30 October 2015, after being listed on the ASX on 15 March 2015.
- The Company entered into a lease over new premises for its head-office at Level 11, Plaza Building, Australia Square, 95 Pitt Street Sydney. The lease commenced on 1 December 2015 and is for a period of 72 months. The lease represents a total base level rental commitment of $3.1M over the lease term.
- The Company introduced its new real-time SMSF accounting and administration platform integrated with spring247.com and prepared for the rollout of a franchised branch network.

Indemnity and insurance of officers

The Company has entered into director protection deeds with each Director and an officer protection deed with the company secretary. Under these deeds, the Company has agreed to indemnify, to the extent permitted by the Corporations Act, each officer in respect of certain liabilities which the officer may incur as a result of, or by reason of (whether solely of in part), being or acting as an officer of the Company.

The Company has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

Disclosure of the insurance premiums and the nature of liabilities covered by such insurance are prohibited by the relevant contracts of insurance.

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.

Environmental regulation

The Group’s operations are not subject to any particular significant environmental regulations under a law of the Commonwealth or of a State or Territory legislation.

Audit and non-audit services

Since incorporation of the Company BDO East Coast Partnership (BDO) has acted as auditor of the parent entity. BDO was appointed as auditor of all Group entities on 24 May 2015 and is the Group’s lead auditor. Rothsay Chartered Accountants (Rothsay) was the previous auditor of the Group’s subsidiary entities.

During the financial year and/or the prior corresponding period BDO and Rothsay (and/or their related entities) performed certain other non-audit services in addition to their statutory duties. This included, but was not limited to, BDO Corporate Finance (East Coast) Pty Ltd a related-party to BDO acting in the role of Investigating Accountant associated with the Company’s IPO prospectus in the prior period.

The Board has considered the non-audit services provided by BDO and Rothsay and is satisfied that the provision of those services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group to ensure they did not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor’s own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Details of the amounts paid to the auditor BDO and Rothsay, and/or their related-party firms for audit and non-audit services provided during the financial year and/or the prior corresponding period are provided in Note 21 to the financial statements.

REMUNERATION REPORT – AUDITED

This remuneration report forms part of the Directors' Report and details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The current key management personnel all acted in their roles for entire financial year unless otherwise stated, are as follows.

The key management personnel of the Company are:

- Guy Hedley - Non-Executive Chairman
- Jeff Zulman - Non-Executive Director
- Keith Cullen – Managing Director
- Chris Kelesis – Executive Director
- Russell Scott – Chief Financial Officer & Chief Operating Officer

Other key management personnel within the Group are:

- Mitchell Ansiewicz – Group General Manager (Spring FG Wealth Pty Ltd)
- Frank Paul – Head of Advice Services (Spring FG Wealth Pty Ltd)

This remuneration report outlines the Group's remuneration principals, framework and outcomes for the financial year ended 30 June 2016 (The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Service agreements
- Additional disclosures relating to key management personnel

Principles used to determine the nature and 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 the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for the delivery of reward. The Board of Directors (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; and
- transparency

REMUNERATION REPORT – AUDITED CONTINUED

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high-performance and high-quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group. Considerations include:

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price;
- focuses on delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value;
- attracts and retains high calibre executives; and
- recognises that Group client satisfaction is a key driver to generating shareholder wealth.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth; and
- provides a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. No consultants were engaged during the period.

The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting.

REMUNERATION REPORT – AUDITED CONTINUED

Executive remuneration

The Group aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- Base pay and non-monetary benefits
- Short-term performance incentives
- Share-based payments (not currently utilised)
- Other remuneration such as superannuation and long service leave

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

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits are reviewed annually by the Nomination and Remuneration Committee, based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives (STI) program is designed to align the targets of the business units with the targets of those executives responsible for meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators (KPIs) being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

Group performance and link to remuneration

Remuneration for certain individuals may be directly linked to the performance of the Group. The bonus and incentive payments are dependent on defined KPI's being met and at the discretion of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

REMUNERATION REPORT – AUDITED CONTINUED

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables. It should be noted that new remuneration arrangement for all key management personnel came into effect (or in certain cases are yet to come into effect) in the lead up to the Company's IPO and ASX listing. Further details are provided below in the Service Agreements section of this Remuneration Report.

FY2016	Salary & fees $	Bonuses $	Allow $	Super $	Total $
Non-Executive Directors					
Guy Hedley (Chairman)	48,000	-	-	-	48,000
Jeff Zulman	35,000	-	-	-	35,000
Executive Directors					
Keith Cullen	-	-	-	22,000	22,000
Chris Kelesis	-	-	-	22,000	22,000
Other Key Management Personnel					
Russell Scott	132,000	-	15,000	33,000	180,000
Mitchell Ansiewicz	146,118	62,849	-	19,852	228,819
Frank Paul	118,721	-	-	11,278	129,999
	479,839	62,849	15,000	108,130	665,818

FY2015	Salary & fees $	Bonuses $	Allow $	Super $	Total $
Non-Executive Directors					
Guy Hedley (Chairman)	20,000	-	-	-	20,000
Jeff Zulman	20,417	-	-	-	20,417
Executive Directors					
Keith Cullen	-	-	-	18,000	18,000
Chris Kelesis	-	-	-	18,000	18,000
Other Key Management Personnel					
Russell Scott	74,448	-	8,460	18,612	101,520
Mitchell Ansiewicz	117,662	53,238	-	16,235	187,135
Frank Paul	113,394	-	-	10,772	124,166
	345,921	53,238	8,460	81,619	489,238

REMUNERATION REPORT – AUDITED CONTINUED

Fixed and at-risk remuneration

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		At Risk Remuneration	
	2016	2015	2016	2015
Non-Executive Directors				
Guy Hedley(Chairman)	100%	100%	-	-
Jeff Zulman	100%	100%	-	-
Executive Directors				
Keith Cullen	100%	100%	-	-
Chris Kelesis	100%	100%	-	-
Other Key Management Personnel				
Russell Scott	100%	-	-	-
Mitchell Ansiewicz	70%	70%	30%	30%
Frank Paul	100%	-	-	-

Share-based remuneration

The Group granted a two-year loan for $75,000 to non-executive director and Chairman Mr Guy Hedley to enable him to subscribe for 250,000 shares at the issue price of $0.30 per share under the Group's IPO.

The loan is a limited recourse loan over the shares held by Mr. Hedley. The loan accrues interest equal to the dividends paid on the shares acquired with the loan (disregarding franking) and is payable within two business days of payment of the dividend.

The loan is unsecured and is repayable by the earlier of 13 March 2017 and the date Mr Hedley resigns as a Director or the date Mr Hedley becomes ineligible to remain in the office as a Director. The closing balance of the loan as at 30 June 2016 was $75,000.

REMUNERATION REPORT – AUDITED CONTINUED

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in executive service agreements or, in the case of non-executive directors, letters of engagement. Details of these formal agreements and the effective dates (which do not necessarily reflect the date of initial engagement of the relevant personnel) are as follows:

Name:	Guy Hedley
Title:	Non-Executive Director & Chairman
Agreement commenced:	23 November 2014
Date commenced with Group:	10 April 2014
Term of agreement:	No fixed term
Details:	Director's fees for the year ending 30 June 2016 of $48,000, to be reviewed annually by the Nomination and Remuneration Committee.

Name:	Jeff Zulman
Title:	Non-Executive Director
Agreement commenced:	23 November 2014
Date commenced with Group:	23 November 2014
Term of agreement:	No fixed term
Details:	Director's fees for the year ending 30 June 2016 of $35,000, to be reviewed annually by the Nomination and Remuneration Committee.

Name:	Keith Cullen
Title:	Managing Director and Chief Executive Officer
Agreement commenced:	13 March 2015 or such other date agreed between the executive and the Company. By his own election Keith Cullen has not yet nominated a commencement date for this agreement. It is anticipated the agreement will commence operation during the course of FY2017.
Term of agreement:	3 years
Date commenced with Group:	10 October 2010
Details:	Annual remuneration of $275,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 6-month termination notice by either party, cash bonus of up to 50% of base salary at the discretion of the Board, non-solicitation and non-compete clauses.

REMUNERATION REPORT – AUDITED CONTINUED

Name:	Chris Kelesis
Title:	Executive Director
Agreement commenced:	13 March 2015 or such other date agreed between the executive and the Company. By his own election Chris Kelesis has not yet nominated a commencement date for this agreement. It is anticipated the agreement will commence operation during the course of FY2017.
Date commenced with Group:	10 October 2010
Term of agreement:	3 years
Details:	Annual remuneration of $180,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 6-month termination notice by either party, cash bonus of up to 40% of base salary at the discretion of the Board and the Managing Director, non-solicitation and non-compete clauses.

Name:	Russell Scott
Title:	Chief Financial Officer & Chief Operating Officer
Agreement commenced:	21 November 2014
Date commenced with Group:	21 November 2014
Term of agreement:	2 years
Details:	Remuneration for the year ending 30 June 2016 of $180,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 3-month termination notice by either party, cash bonus of up to 25% of base salary at the discretion of the Board and the Managing Director, non-solicitation and non-compete clauses.

Name:	Mitchell Ansiewicz
Title:	Group General Manager (Spring FG Wealth Pty Ltd)
Agreement commenced:	21 November 2014
Term of agreement:	2 years
Date commenced with Group:	9 May 2011
Details:	Remuneration for the year ending 30 June 2016 of $160,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 3-month termination notice by either party, cash bonus of up to $20,000 per quarter at the discretion of the Board and the Managing Director, non-solicitation and non-compete clauses.

REMUNERATION REPORT – AUDITED CONTINUED

Name:	Frank Paul
Title:	Head of Advice Services (Spring FG Wealth Pty Ltd)
Agreement commenced:	21 November 2014
Date commenced with Group:	1 May 2014
Term of agreement:	2 years
Details:	Remuneration for the year ending 30 June 2016 of $160,000 inclusive of superannuation, to be reviewed annually by the Nomination and Remuneration Committee. 3-month termination notice by either party, cash bonus of up to $25,000 per quarter at the discretion of the Board and the Managing Director, non-solicitation and non-compete clauses.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Additional disclosures relating to key management personnel

Shareholding

All shares held by key management personnel are at their own discretion as there is no specific requirement in the Company's constitution, in executive services agreements or in letters of engagement for key management personnel to hold shares.

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Balance at start of year	Additions	Disposals	Balance at the end of year
Guy Hedley	369,370	9,275	-	378,645
Jeff Zulman	119,863	8,738	-	128,601
Keith Cullen	32,905,489	1,827,120	-	34,732,609
Chris Kelesis	19,161,831	1,089,549	-	20,251,380
Russell Scott	75,000	100,390	-	175,390
Mitchell Ansiewicz	4,418,795	364,726	-	4,783,521
Frank Paul	4,640,850	383,055	-	5,023,905
	61,691,198	3,782,853	-	65,474,051

This concludes the Remuneration Report, which has been audited.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2016, has been received and forms part of the Directors' Report. It can be found on page 21 below.

EVENTS SUBSEQUENT TO THE REPORTING DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

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 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Signed in Sydney on 30 September 2016 in accordance with a resolution of the Board of Directors of Spring FG Limited:

Guy Hedley	Keith Cullen
Chairman	Managing Director

LEAD AUDITOR'S INDEPENDENCE DECLARATION

Under Section 307C of the Corporations Act 2001

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Australia

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF SPRING FG LIMITED

As lead auditor of Spring FG Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Spring FG Limited and the entities it controlled during the period.

Grant Saxon

Partner

BDO East Coast Partnership

Sydney, 30 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2016

	Note	2016 $	Restated 2015 $
Revenue & other income	2	11,571,745	9,852,968
Cost of sales	3	(833,401)	(498,189)
Advertising & marketing expenses	3	(477,738)	(413,803)
Employee benefits expense	3	(4,778,510)	(3,701,295)
Consulting & Professional fees	3	(278,066)	(709,086)
Other operating expenses	3	(1,327,557)	(1,102,179)
Rental expenses	3	(1,098,556)	(1,197,573)
Loss on fixed assets disposal		(102,509)	-
		2,675,408	2,230,842
Less:			
Finance costs	3	(16,702)	(94,304)
Depreciation & amortisation expense	8,9	(372,862)	(200,911)
Profit before income tax		2,285,844	1,935,619
Income tax expense	5	(681,167)	(388,268)
Profit after income tax expenses for the year		1,604,677	1,547,351

Earnings per share for profit from continuing operations attributable to the owners of Spring FG Limited

		2016	2015
Basic earnings per share (cents)		1.32	1.50
Diluted earnings per share (cents)		1.32	1.50

The above consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

ASSETS	Note	2016 $	Restated 2015 $
CURRENT ASSETS			
Cash and cash equivalents	6	1,377,865	1,625,606
Trade and other receivables	7	4,630,500	3,998,737
Other assets	10	288,041	500,083
TOTAL CURRENT ASSETS		6,296,406	6,124,426
NON-CURRENT ASSETS			
Trade and other receivables	7	3,839,865	4,007,333
Property, plant and equipment	8	702,335	451,957
Deferred tax assets	20	390,828	388,070
Intangible assets	9	8,117,100	7,827,954
TOTAL NON-CURRENT ASSETS		13,050,128	12,675,314
TOTAL ASSETS		19,346,534	18,799,740
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,717,401	1,079,056
Current tax liabilities	20	567,370	678,203
Provisions	13	249,656	167,093
Other liabilities	12	354,180	1,563,604
TOTAL CURRENT LIABILITIES		2,888,607	3,487,956
NON-CURRENT LIABILITIES			
Deferred tax liabilities	20	456,102	499,536
TOTAL NON-CURRENT LIABILITIES		456,102	499,536
TOTAL LIABILITIES		3,344,709	3,487,956
NET ASSETS		16,001,825	14,812,248
EQUITY			
Issued capital	14	15,376,684	12,784,962
Reserves		26,659	1,849
Retained earnings	16	598,482	2,025,437
TOTAL EQUITY		16,001,825	14,812,248

The above consolidated State of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

2016	Note	Ordinary Shares $	Retained Earnings $	Option Reserve $	Total $
Balance at 1 July 2015		12,784,962	2,025,437	1,849	14,812,248
Profit attributable to members of the parent entity	16	-	1,604,677	-	1,604,677
Dividends provided for or paid	17	-	(3,031,632)	-	(3,031,632)
Share based payment transactions		-	-	24,810	24,810
Shares issued during the year	14	2,642,141	-	-	2,642,141
Transaction costs	14	(50,419)	-	-	(50,419)
Balance at 30 June 2016		15,376,684	598,482	26,659	16,001,825

2015 Restated	Note	Ordinary Shares $	Retained Earnings $	Option Reserve $	Total $
Balance at 1 July 2014		6,132,365	1,712,631	-	7,844,996
Profit attributable to members of the parent entity	16	-	1,547,351	-	1,547,351
Dividends provided for or paid	17	-	(1,234,545)	-	(1,234,545)
Share based payment transactions		-		1,849	1,849
Shares issued during the year	14	7,054,575	-	-	7,054,575
Transaction costs	14	(401,978)	-	-	(401,978)
Balance at 30 June 2015		12,784,962	2,025,437	1,849	14,812,248

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	Note	2016 $	Restated 2015 $
Receipts from customers		11,094,942	9,338,179
Payments to suppliers and employees		(9,002,059)	(8,351,236)
Interest received	2	102,119	5,903
Interest paid	3	(16,702)	-
Income taxes paid		(838,192)	(873,237)
Non-recurring expenses in acquisitions		-	(879,749)
Net cash provided by/(used in) operating activities	25	1,340,108	(760,140)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment and intangible assets		(1,014,895)	(102,119)
Payments for acquisitions		-	(3,063,000)
Loans to related parties		(158,349)	10,563
Net cash used by investing activities		(1,173,244)	(3,154,556)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		856,559	5,875,445
Capital raising costs		(74,925)	(401,978)
Dividends paid by parent entity		(1,196,239)	(692,415)
Net cash used by financing activities		(414,605)	4,781,052
Net increase/(decrease) in cash and cash equivalents held		(247,741)	866,356
Cash and cash equivalents at beginning of year		1,625,606	759,250
Cash and cash equivalents at end of financial year	6	1,377,865	1,625,606

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

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out in this Note 1 a), below. These policies have been consistently applied to all the years presented except in the case of the Group's early adoption of AASB 15 *Revenue from Contracts with Customers*, which represents a change to policy with respect to revenue recognition and is referenced in more detail below in Notes 1 c) and 1 x).

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Except for the early adoption of AASB *15 Revenue from Contracts with Customers* no other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been adopted early.

Note 1. a) Basis of preparation

The financial statements are general purpose financial statements that have 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.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements are based on historical costs, except for the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities.

Note 1. b) Comparative amounts

Impact of early adoption of AASB 15 on comparative amounts and derecognition of limited recourse loans

The comparative amounts for 30 June 2015 have been restated in the Consolidated Statement of Financial Position as a result of the early adoption of AASB 15; and the reclassification of outstanding limited-recourse loans from equity in accordance with AASB 132 and AASB 2.

The early adoption of AASB 15 results in various impacts including (most significantly) the Group no longer recognising work in progress revenue (and expenses). See Note 1 c) for a more detailed discussion.

The prior period error-correction in relation to limited-recourse loans is a result of these loans being derecognised from equity in accordance with AASB 132. The effect of this adjustment was to reduce the individual line items of the comparatives shown in the balance sheet for issued capital and non-current receivables by $875,000, This amount has also been netted off the comparative amount during the year in the Statement of Changes in Equity.

In early adopting AASB 15 and correcting the treatment of the limited-recourse loans, the Group has restated its Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015 and the Statement of Financial Position as at 30 June 2015, as shown below:

Restated comparatives

	30 June 15 Unadjusted $	Adjustment for early adoption of AASB 15 $	Adjustment for de-recognition of loans $	30 June 15 Restated $
Change in revenue recognition - WIP		(3,438,636)	-	(3,438,636)
Change in revenue recognition - unearned revenue	-	(1,563,604)	-	(1,563,604)
Change in accrued costs - WIP	-	476,199	-	476,199
Change in accrued tax	-	1,358,361	-	1,358,361
Change in treatment in share options	-	(1,849)	-	(1,849)
Retained earnings	5,194,966	(3,169,529)		2,025,437
Reduction in trade debtors - WIP	-	(3,438,636)	-	(3,438,636)
Reduction in deferred tax asset - WIP	-	(142,859)	-	(142,860)
Reduction in trade debtors - limited recourse loans	-	-	(875,000)	(875,000)
Total assets	23,256,235	(3,581,495)	(875,000)	18,799,740
Increase in liabilities - unearned income	-	1,563,604	-	1,563,604
Reduction in liabilities - WIP costs	-	(476,199)	-	(476,199)
Reduction in liabilities - tax	-	(1,501,220)	-	(1,501,220)
Total liabilities	4,401,307	(413,815)	-	3,987,492
Net assets	18,854,928	(3,167,680)	(875,000)	14,812,248

Further details regarding the above restatements are set out in Note 1 c) below.

The above restatements had no net effect on the Consolidated Statement of Cash Flows.

Note 1. c) Revenue recognition principles

The early adoption of AASB 15 represents a change to the manner in which the Group recognises revenue. The impact of the early adoption of AASB 15 is set out in Note 1 b) above and discussed further below.

AASB 15 now applies to annual reporting periods beginning on or after 1 January 2018 (previously was to apply to periods commencing on or after 1 January 2017) and it may be applied to earlier reporting periods. The Group has considered it prudent to early-adopt following analysis of the Group's contracts with its customers, the rights and obligations emanating from those contracts and the possible risks associated with receiving payments for revenue generating contractual services provided by the Group.

The Group formed the opinion that the adoption of AASB 15 provides more relevant information concerning the delivery of services and the transfer of risks in providing the services. It also addresses the basis for qualified opinion of the Company's independent auditor in the 30 June 2015 financial statements with respect to property transaction revenue.

AASB 15 provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard requires: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; the determination of the transaction price, adjusted for the time value of money excluding credit risk if a significant financing component exists; allocation of the transaction price to the separate performance obligations on a basis of the relative standalone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied.

Credit risk is required to be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers.

For performance obligations satisfied over time, an appropriate measure of progress is used to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between performance and payment.

Quantitative and qualitative disclosure of the nature of contracts with customers; the significant judgments made in applying the guidance to those contracts; and details of any assets recognised from the costs to obtain or fulfil a contract with a customer are provided below.

Reasoning & impacts of Early-adoption of AASB15

Revenue of the Group is primarily from financial advice and planning fees; investment advice and execution fees; referral and/or commission fees associated with finance, financial product and real property investments; and accounting and tax services. It also includes revenue for the provision of digital online platforms for SMSF clients and advertising and media services for a broad range of advertisers.

Previously the Group recognised work-in-progress as revenue (and expenses relevant to that revenue) when (among other things) it considered that the amount of revenue could be measured reliably and the Group was able to assume that it was probable that the economic benefits associated with the transaction would flow to it; there were standing arrangements with the Group's clients and/or third-parties as to each relevant party's enforceable rights regarding the service to be provided and received by the parties; and historical outcomes provided that the stage of completion could be reliably estimated.

Previously work-in-progress revenue and expenses entries during a period may have related to:

- Professional financial services
- Financial product and real property investments referral fee and commission revenue
- Accounting and tax services

The early adoption of AASB 15 results in later recognition of revenue and expenses and impacts on trade receivables and taxation. As stated in Note 1 b), above, comparative figures in the Consolidated Statement of Financial Position and Notes to the Financial Statements have been reflected as if AASB 15 had been applied in the previous year.

The most significant impact of the early adoption of AASB 15 is with respect to work-in-progress transaction revenue (and expenses) to 30 June 2015 and the resulting trade receivables and payables balances as at that date (as well as deferred tax liability). This resulted in total of $3,438,636 of previously recognised work in progress transaction revenue, primarily associated with property transaction revenue being derecognised. Under AASB 15, transaction revenue will only be recognised as the Group satisfies specific point in time performance obligations as described in more detail below.

The early-adoption also resulted in $425,297 of revenue associated with year-end SMSF accounting and taxation services being reclassified as unearned revenue (or contract liabilities) after the Group determined that it had not satisfied its performance obligations associated with the contracts to provide those services by 30 June 2015. Those performance obligations were subsequently satisfied, and revenue then recognised in FY2016.

Similarly, a further $1,138,307 of property transaction revenue associated with executed contracts entered into by the Group's clients was reclassified as unearned income as the Group determined it has not satisfied its final performance obligations in accordance with AASB15 as at 30 June 2015. Those performance obligations were subsequently satisfied, and revenue then recognised in FY2016.

The Group also derecognised $476,000 of expenses and $1,358,361 of accrued tax liabilities associated reclassified unearned income and derecognised WIP revenue resulting in a net reduction in retained earnings of $3,169,529.

Under AASB 15 revenue continues to be measured at the fair value of the consideration received or receivable, after taking into account any discounts and rebates allowed. Revenue is stated net of the amounts of the goods and services tax (GST). Interest is recognised using the effective interest method. Other Income is recognised on an accruals basis when the Group is entitled to it.

Implementation of AASB15

In early-adopting AASB15 the Group recognises revenue from contracts that establish each party's rights related to the services to be provided; the timing for delivery of same (if applicable); and the contract price and payment terms.

In acting as principal in providing professional services directly to clients the Group's contracts are generally based on a formal authority to proceed; an engagement letter; or in some cases written or verbal instructions.

In circumstances when the Group is acting as agent (for example for a financial product provider such a lender or insurance company, or for the vendor of a property or other investment asset) it will generally do so under a formal written contract.

In circumstances where the Group acts as agent its contracts generally comprise a single distinct performance obligation such as introducing a buyer to the seller of a product, asset or service (for example).

In circumstances where the Group acts as principal its contracts may contain multiple performance obligations such as when it is engaged to provide financial advice on an ongoing basis and under the same engagement provide ongoing accounting, tax or equities brokerage services (for example).

Certain of the Group's contracts bundle a group of services together for an agreed price; such as when it provides its clients ongoing SMSF administration, compliance, real-time accounting and advice services, bundled with year-end compliance and tax services.

In such circumstances the Group allocates a portion of the contract price to each separately identifiable performance obligation or group of obligations within the bundle and recognises revenue as those obligations are satisfied.

Performance obligations may be satisfied either at a specific point in time (such as the introduction of a buyer under an agency agreement, or execution of an equities trade on behalf of a client); or over time (such as in the case of providing ongoing advice services or monthly accounting or administration services).

Whether acting as principal or agent, the Group generally recognises revenue in arrears and receives payment in arrears when it has satisfied its performance obligations.

In circumstances where the Group invoices, and/or receives payment, in advance of satisfying performance obligations, it recognises unearned revenue until such time as each of the performance obligations in the contract is satisfied.

As at 30 June 2016 the Group had $93,600 in unearned income (contract liabilities) related to year-end compliance and tax service obligations associated with bundled SMSF administration, compliance, real-time account accounting and advice services. It had a further $260,580 of unearned property transaction revenue associated with executed contracts entered into by the Group's clients.

The Group expects all performance obligations that were not satisfied as at 30 June 2016 to be satisfied within 12 months and to recognise 100% of this unearned revenue in FY2017.

The Group generally receives prompt payment when it satisfies performance obligations generally resulting in cash flow from a contract/s closely matching revenue from a contract/s during any given reporting period.

The exception to this being real property investment referral fees and commissions associated with residential property projects that the Group's clients have invested in that are yet to be completed. As set out more fully in Note 1 o); and 7 c), below, the timing of cash receipts associated with these receivables is generally split into an initial component (upfront) with a second component of (up to) 50% linked to the completion date of such projects (backend).

Note 1. d) Principles of consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a 30 June financial year end.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (CODM). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Controlled entities

A list of controlled entities is contained in Note 22 to the financial statements.

Parent entity

The Company was incorporated on 10 April 2014 as an interposed holding company above its now subsidiary Spring Financial Group Pty Ltd (itself incorporated on 10 October 2010) in preparation for its ASX listing. The Company owns 100% of the paid-up capital of its subsidiaries.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

A listing of all of the subsidiaries and controlled entities in the Company (including non-operating entities and entities acquired during the period and the prior period) can be found in Note 22 of the financial statements.

Note 1. e) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date; this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 1. f) Intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost.

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognising of intangible assets is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period:

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Insurance & Finance revenue books

Insurance and finance revenue books acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit. The expected benefit of an insurance revenue book is 15 years. The expected benefit of a finance revenue book acquired is 7.5 years.

eBook library

The eBook library acquired in a business combination is amortised on a straight-line basis over the period of their expected benefit, considered to be 10 years.

Any costs associated with adding to the eBook library or significantly updating existing eBooks are capitalised and considered to be a 'new' eBook which is them amortised over its useful life. The useful life of an eBook is considered to be 10 years.

Please refer Note 9 for a detailed break-up of all intangible assets.

Note 1. g) Income tax

Income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits.
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.
- 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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Spring FG Limited (the 'parent entity' and 'head entity') and its wholly owned subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Note 1. h) Current and non-current classification

Assets and liabilities are presented in the statement of financial position are based on current and noncurrent classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as noncurrent.

A liability is current when: it is expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are always classified as noncurrent.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Note 1. i) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Note 1. j) Goods & services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Note 1. k) Property, plant & equipment

Classes of plant and equipment are measured using the cost or revaluation model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment are measured using the cost model.

In December 2015, the Group moved its head office premises from 99 Bathurst Street to 95 Pitt Street, Sydney. In the process, all the leasehold improvements for 99 Bathurst Street were written off and recognised as loss on disposal of fixed assets.

At new head office premises at 95 Pitt Street, Sydney, the Group has recognised a make good clause provision of $144,000 amortised over the period of lease through Statement of Profit & Loss.

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Plant and Equipment	10% - 20%
Leasehold improvements	16.66%
Low Value Asset Pool	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Note 1. l) Financial instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group transferred substantially all the risks and rewards of ownership.

Note 1. m) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flow.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the current market rate of return for similar financial assets.

Note 1. n) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

Note 1. o) Cash & cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

Note 1. p) Trade & other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade receivables for professional service fees and accounting & tax services are generally within 30 to 60 days.

Trade receivables include real property investment referral fees and commissions associated with residential property projects that the Group's clients have invested in that are yet to be completed. The timing of cash receipts associated with these receivables is generally split into an initial component (upfront) with a second component of (up to) 50% linked to the completion date of such projects (backend).

In many cases these trade receivables relate to major residential projects by Australia's leading public and private developers that commonly take in excess of 18 months to complete (and with significant projects of scale occasionally up to 3 years).

Trade receivables that relate to projects that the Group anticipates will not be completed within 12 months are categorised as noncurrent. All upfront components and backend components relative to projects that the Group anticipates will be completed within 12 months are categorised as current.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised 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 (more than 60 days overdue) are considered indicators that the trade receivable may be 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.

Other receivables are recognised at amortised cost, less any provision for impairment.

Note 1. q) Trade & 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. Due to their short term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. r) Employee expenses

Short term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and leave entitlements are expected to be settled within 12 months of the reporting date and recognised in current liabilities in respect of employees' services up to the reporting date; measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are 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 credit 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 to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 1. s) Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 1. t) Fair value measurement

When an asset or liability, financial or nonfinancial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For nonfinancial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement. For recurring and nonrecurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 1. u) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

Note 1. v) Dividends

Dividends payable to shareholders are recognised when declared during the financial year and no longer at the discretion of the Company.

Note 1. w) Dividend re-investment plan

The Company operates a Dividend Reinvestment Plan (DRP) that offers shareholders the opportunity to purchase additional shares in the Company by reinvesting part or all of their periodic dividends.

Under the terms of the DRP the Directors have the ability to limit the amount of dividend which may be invested in subscription for shares under the DRP; determine the issue price for each issue of shares under the DRP and (for so long as the Company is listed on the ASX) determine the discount to the weighted average market price that will be used to calculate the issue price for each issue of shares under the DRP; and suspend, amend or terminate the DRP.

Note 1. x) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted earnings per share adjusts the 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 additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Note 1. y) Adoption of new & revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2016; the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018 (updated from 1 January 2017) however as more fully set out in Note 1 c), above the Group chosen to early-adopt this standard from 1 July 2015. As such all prior period comparisons are reflected as if the standard had been adopted from 1 July 2014.

The early-adoption has had a material impact on the manner in which the Group recognises revenue as more fully set-out in Note 1 c), above.

Accounting Standards and Interpretations issued but not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- AASB 9: Financial Instruments (December 2014) effective 1 January 2018;
- AASB 16 Leases (February 2016) effective 1 January 2019; and
- AASB 2015-2 Disclosure Initiative (January 2015) amendment to AASB101 effective 1 July 2016.

Although the directors anticip*ate that the adoption of these standards* will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

Note 1. z) Critical accounting estimates & judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position.

Estimation of useful life

The group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or nonstrategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1(m). The recoverable amounts of cash generating units have been determined based on value in use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows

Provision for employee benefits

As discussed in Note 1(q), the liability for employee benefits expected to be settled within 12 months from the reporting date. Where employee benefits are expected to be settled more than 12 months from the reporting date these are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 2. Revenue and other income

	2016 $	Restated 2015 $
Sales revenue		
- provision of services	11,449,587	9,705,926
Finance income		
- other interest received	102,119	21,652
Total operating income	11,551,706	9,727,577
Other Income		
- rental income	4,510	26,552
- other income	9,529	98,840
- net gain on disposal of property, plant and equipment	6,000	-
Total other income	20,039	125,392
Total Revenue	11,571,745	9,852,968

Finance income

Finance income includes all interest-related income, other than that arising from financial assets at fair value through profit or loss.

Income from terminated contracts

Income from terminated contracts relates to gain on termination of contracts and arrangements associated with acquisitions and/or discontinuing staff.

Rental income

Rental income relates to a sub-lease arrangement at the Group's Sydney offices.

Note 3. Expenses

Note 3. a) Total expenses

	2016 $	Restated 2015 $
Direct costs to generate revenue		
Direct Financial Planning costs	660,202	292,406
Direct Accounting Services costs	117,571	77,248
Direct Real Property costs	9,378	35,277
Direct Finance Cost	46,250	93,258
	833,401	498,189
Employee benefits expense		
Amounts paid to continuing staff	4,753,700	3,468,248
Discontinuing staff relating to acquisition	-	231,198
Share based payment	24,810	1,849
	4,778,510	3,701,295
Advertising & marketing expenses	477,738	413,803
Consulting & professional fees		
Consulting & Professional fees	278,066	328,754
Professional fees relating to IPO and ASX listing	-	368,782
Professional fees relating to acquisition of PDFG	-	11,550
	278,066	709,086
Rental expenses		
Rent & outgoings paid on continuing premises	1,098,556	1,061,619
Premises not required (relating to PDFG)	-	135,954
	1,098,556	1,197,573
Other operating expenses		
Other operating expenses	1,327,557	1,048,469
Other acquisition costs	-	53,710
	1,327,557	1,102,179
Depreciation & amortisation expense		
Fixed assets	114,808	95,298
Intangible assets	258,054	105,613
	372,862	200,911
Finance costs		
Interest paid	16,702	15,749
Finance costs related to acquisition of PDFG	-	78,555
	16,702	94,304
Total expenses	9,183,392	7,917,340

Note 3. b) Other expenses

The table below details the breakdown of expense categorised in the Group's accounts as Other Expenses.:

	2016 $	Restated 2015 $
Travel & accommodation	80,895	74,595
IT and telephone expenses	308,443	268,236
Insurance	180,901	228,275
Licences, memberships & subscriptions	292,998	163,553
Office equipment and other leases	163,528	105,240
Bad debts written-off	116,760	72,514
Provision for doubtful debts	7,496	40,760
Printing, stationery, postage and couriers	160,768	78,508
Other expenses	15,768	16,788
	1,327,557	1,048,469
Other acquisition costs	-	53,710
Total Other operating expenses	1,327,557	1,102,179

Note 3. c) Non-recurring expenses

The table below shows non-recurring expenses that were included as expenses in the statement of profit or loss and other comprehensive income for the reporting period including those relating to acquisitions or asset disposals.

	2016 $	Restated 2015 $
Accountancy fees	-	84,720
Legal fees	-	198,645
Consultancy fees	-	85,417
	-	368,782
Rent paid of premises not required	-	135,954
Redundancies and termination costs	-	170,152
Staff not continuing	-	61,046
Other non-recurring expenses	-	65,260
Interest paid relating to acquisition of PDFG	-	78,555
	-	510,967
Loss on disposal of fixed assets	102,509	-
Total	102,509	879,749

Note 4. Segment reporting

The consolidated entity is organised into two separate operating segments:

- Financial planning, investment advice and product sales; and
- Accounting and taxation services

These operating segments are based on the internal reports that are reviewed and used by the Managing Director and Board. The Managing Director has been identified as the Chief Decision Maker (CODM) is assessing performance and determining allocation of resources. There is no aggregation of operating segments.

The CODM reviews segment profits (Segment EBITDA). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements of the consolidated entity.

The information reported to the CODM is on at least a monthly basis.

The principal products and services for each of the operating segments are as follows:

Financial planning and investment advice and product sales

The provision of a diverse range of financial services encompassing financial planning in self-managed superannuation funds (SMSFs) and direct and SMSF residential real estate investment.

Accounting and taxation services

The provision of a comprehensive range of accounting and taxation advice and solutions for investors and small to medium businesses. The company's services include tax planning and structuring, management and cash flow reporting, tax returns and ASIC compliance.

Intersegment transactions were made at market rates.

Intersegment receivables and payables are eliminated on consolidation.

The table on the following page sets out the performance of each operating segment.

Note 4. a) Segment performance

2016	Financial planning investment advice & product sales $	Accounting & tax services $	Unallocated $	Total $
REVENUE				
Sales to external customers	9,888,901	1,332,657	248,068	11,469,626
Interest revenue	161	8	101,950	102,119
Total segment revenue	9,889,062	1,332,665	350,018	11,571,745
EBITDA	2,836,642	502,279	(561,004)	2,777,917
Interest expenses	(6,604)	-	(10,098)	(16,702)
Depreciation & amortisation	(281,994)	(12,064)	(78,804)	(372,862)
Once-off expenses	-	-	(102,509)	(102,509)
Net profit before tax	2,548,044	490,215	(752,415)	2,285,844
Restated 2015				
REVENUE				
Sales to external customers	8,824,808	904,876	101,632	9,831,316
Interest revenue	-	-	21,652	21,652
Total segment revenue	8,824,808	904,876	123,284	9,852,968
EBITDA	2,641,248	303,899	86,881	3,032,028
Interest expenses	-	-	(94,304)	(94,304)
Depreciation & amortisation	(193,764)	(7,147)	-	(200,911)
Once-off expenses	-	-	(801,194)	(801,194)
Net profit before tax	2,447,484	296,752	(808,617)	1,935,619

Note 4. b) Segment assets

2016	Financial planning investment advice & product sales $	Accounting & tax services $	Unallocated $	Total $
Segment assets	12,978,328	1,850,804	4,517,402	19,346,534
Segment liabilities	(1,563,120)	(207,888)	(1,573,701)	(3,344,709)
Net assets	11,415,208	1,642,916	2,943,700	16,001,825
Restated 2015				
Segment assets	12,281,910	2,203,480	4,314,350	18,799,740
Segment liabilities	(464,427)	(539,614)	(2,983,451)	(3,987,492)
Net assets	11,817,438	1,663,866	1,330,899	14,812,248

Note 5. Income tax expense

Note 5. a) Major components of income tax expense

	2016 $	Restated 2015 $
Current tax payable	727,358	678,203
Increase/decrease in movement in deferred tax asset	(2,757)	(337,266)
Increase/decrease in movement in deferred tax liability	(43,434)	47,338
Income tax expense for continuing operations	681,167	388,268
	681,167	388,268

Note 5. b) Reconciliation of income tax to accounting profit

	2016 $	Restated 2015 $
Profit	2,285,844	1,935,619
Tax	30%	30%
	685,753	580,686
Add:		
Tax effect of:		
- amortisation of intangibles	78,933	31,687
	764,686	612,373
Less:		
Tax effect of:		
- Other non-deductible expenses	55,918	180,721
- Black hole expenses	27,601	43,384
Income tax attributable to parent entity	681,167	388,268
Income tax expense	681,167	388,268

Note 6. Cash & cash equivalents

	2016 $	2015 $
Cash at bank and in hand	1,020,781	1,625,606
Short-term deposits	357,084	-
	1,377,865	1,625,606

The Group's approach to managing risk exposure associated with cash and cash equivalents is set out in Note 18 below.

Note 7. Trade and other receivables

	2016 $	Restated 2015 $
CURRENT		
Trade receivables	4,203,587	3,766,966
Provision for impairment	(45,000)	(82,245)
	4,158,587	3,684,721
Loan to related parties	435,638	277,290
Other receivables	36,275	36,726
Total current trade and other receivables	4,630,500	3,998,737
NON-CURRENT		
Trade receivables	3,839,865	4,007,333
Total non-current trade and other receivables	3,839,865	4,007,333

Note 7. a) Ageing analysis

The ageing analysis of receivables is as follows:

	2016 $	Restated 2015 $
0-3 months	1,921,228	3,915,737
Over 3 months	6,122,224	3,858,562
Total	8,043,452	7,774,299

Note 7. b) Current & non-current trade receivables

As set out in Note 1 o), above, trade receivables include real property investment referral fees and commissions associated with residential property projects that the Group's clients have invested in that are yet to be completed. The timing of cash receipts associated with these receivables is generally split into an initial component (upfront) with a second component of (up to) 50% linked to the completion date of such projects (backend).

Trade receivables that relate to projects that the Group anticipates will not be completed within 12 months are categorised as non-current. All upfront components and backend components relative to projects that the Group anticipates will be completed within 12 months are categorised as current.

Note 7. c) Property transaction-related receivables

Trade receivables include property transaction fees and commissions associated with residential property projects that the Group's clients have invested in. Many such projects are yet-to-be-completed. The timing of cash receipts associated with these receivables is generally split into an initial component (upfront) receivable on exchange of unconditional contracts; with a second component of (up to) 50% receivable upon completion and settlement of such projects (settlement).

All upfront trade receivables are categorised as current receivables as are settlement trade receivables that relate to projects that the Group anticipates will be completed within 12 months. All settlement components relative to projects that the Group anticipates will not be completed within 12 months are categorised as non-current.

	2016 $	Restated 2015 $
Current property transaction-related receivables		
Upfront	616,902	1,627,714
Settlement	3,026,330	782,075
	3,643,232	2,409,789
Non-current property transaction-related receivables		
Upfront	-	-
Settlement	3,839,965	4,007,333
	3,839,965	4,007,333
Total property transaction-related receivables	7,483,197	6,417,122

Since commencement of commercial operations in 2011 the Group has received payment for 100% of all settlement trade receivables in a timely manner as and when settlements occur (as well as 100% of all upfront receivables) and as such makes no provision for impairment of either current or non-current property-related trade receivables.

Note 7. d) Advances to executives

Movements in advances to executives are shown in table below:

	2016 $	2015 $
Balance at beginning of the year	277,290	287,290
Advances	593,677	560,130
Repayments	(435,329)	(570,130)
Balance at end of the year	435,638	277,290

Note 7. e) Limited recourse loan

In April 2014 the Company offered to grant KTM Capital Pty Limited or its nominees (KTM) a limited-recourse loan of up to $1,050,000 for it or its nominee/s to subscribe for up to 3,600,000 shares at an issue price of $0.292. On 30 October 2014 a two-year loan agreement was entered into between the Company and KTM under which with KTM nominees, Equitas Nominees Pty Ltd and TM Consulting Pty Ltd subscribed for 1,800,000 fully paid ordinary shares each in the Company at $0.292 per share.

The loan is a limited-recourse loan over the shares held by KTM Capital's nominees and is repayable on the sale of those shares. The loan accrues interest equal to the dividends paid on the shares acquired with the loan (disregarding franking) and is payable within two business days of payment of the dividend.

The outstanding balance of the loan as at 30 June 2016 was $775,494 accounting for a $250,000 repayment by KTM satisfied by way of offset of an underwriting and management fee payable to KTM with respect to its role as underwriter and manager of the Company's IPO and ASX listing. This amount has been excluded from receivables on the basis that the equity will only be recognised upon settlement in accordance with AASB 132.

Note 7. f) Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as 'trade and other receivables' is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction.

Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there is objective evidence indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table in Note 7. g) below) are considered to be of high credit quality.

Note 7. g) Impairment of trade & other receivables

2016	Gross amount $	Past due & impaired $	Within initial trade terms $
Trade receivables	8,043,452	(45,000)	7,998,452
Other receivables	471,914	-	471,914
Total	8,515,365	(45,000)	8,470,365
Restated 2015			
Trade receivables	7,774,299	(82,245)	7,692,054
Other receivables	314,016	-	314,015
Total	8,088,315	(82,245)	8,006,070

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The Group does not hold any collateral over any receivables balances. The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The other classes of receivables do not contain impaired assets.

Note 8. Property, plant & equipment

	2016 $	2015 $
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	473,970	520,777
Accumulated depreciation	(189,525)	(115,921)
Total furniture, fixtures and fittings	284,445	404,856
Office equipment		
At cost	81,527	84,661
Accumulated depreciation	(16,033)	(41,370)
Total office equipment	65,494	43,291
Leasehold improvements		
At cost	377,837	4,535
Accumulated depreciation	(25,441)	(725)
Total improvements	352,396	3,810
Total plant and equipment	702,335	451,957
Total property, plant and equipment	702,335	451,957

Note 8. a) Movements in carrying values of property, plant & equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

Year ended 30 June 2016	Furniture, fixtures and fittings	Office equipment	Leasehold improve.	Total
Balance beginning of year	404,856	43,291	3,810	451,957
Additions	53,192	48,379	377,837	479,408
Disposals	(99,076)	(16,770)	(3,432)	(119,278)
Depreciation expense	(74,527)	(9,406)	(25,819)	(109,752)
Balance at the end of the year	284,445	65,494	352,396	702,335
Year ended 30 June 2015				
Balance beginning of year	454,672	41,118	3,710	499,500
Additions	20,650	14,581	739	35,870
Depreciation expense	(70,466)	(12,408)	(639)	(83,413)
Balance at the end of the year	404,856	43,291	3,810	451,957

Note 9. Intangible assets

	2016 $	2015 $
Goodwill		
Financial advice business – at cost	4,278,334	4,278,334
Accounting & tax business – at cost	1,480,000	1,480,000
Unallocated (future: Digital Services) – at cost	458,396	458,396
Goodwill carrying value	6,216,730	6,216,730
Website development		
Cost	429,423	95,839
Accumulated amortisation and impairment	(30,509)	(12,470)
Net carrying value	398,914	83,369
Other intangible assets		
Cost	196,073	126,143
Net carrying value	196,073	126,143
Finance income book		
Cost	198,000	198,000
Accumulated amortisation	(50,067)	(23,667)
Net carrying value	147,933	174,333
eBook library		
Cost	104,897	82,500
Accumulated amortisation	(16,998)	(8,250)
Net carrying value	87,899	74,250
Lead database		
Cost	53,700	53,700
Accumulated amortisation	(9,343)	(3,973)
Net carrying value	44,357	49,727
Insurance income book		
Cost	1,173,125	1,173,125
Accumulated amortisation	(147,931)	(69,723)
Net carrying value	1,025,194	1,103,402
Total Intangibles	8,117,100	7,827,954

Note 9. a) Movements in carrying value of Intangible Assets

2016	Website development $	Insurance income book $	Finance income book $	Lead database $
Balance beginning of year	83,369	1,103,402	174,333	49,727
Additions	333,584	-	-	-
Disposals	-	-	-	-
Amortisation	(18,039)	(78,208)	(26,400)	(5,370)
Closing value at 30 June 2016	398,914	1,025,194	147,933	44,357

2016	eBook library $	Other intangible assets $	Goodwill $	Total $
Balance beginning of year	74,250	126,143	6,216,730	7,827,954
Additions	22,397	69,930	-	553,892
Disposals	-	-	-	(83,369)
Amortisation	(8,748)	-	-	(181,377)
Closing value at 30 June 2016	87,899	193,073	6,216,730	8,117,100

2015	Website development $	Insurance income book $	Finance income book $	Lead database $
Balance beginning of year	29,690	409,375	75,000	53,700
Additions	66,149	763,750	123,000	-
Additions - business combinations	-	-	-	-
Amortisation	(12,470)	(69,723)	(23,667)	(3,973)
Closing value at 30 June 2015	83,369	1,103,402	174,333	49,727

2015	eBook library $	Other intangible assets $	Goodwill $	Total $
Balance beginning of year	82,500	123,197	3,341,274	4,312,051
Additions	-	2,946	-	757,845
Additions - business combinations	-	-	2,875,456	2,875,456
Amortisation	(8,250)	-		(117,398)
Closing value at 30 June 2015	74,250	126,143	6,216,730	7,827,954

Note 9. b) Intangible Assets amortisation

Intangible assets, other than goodwill have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense in the statement of profit or loss and other comprehensive income. Goodwill has an indefinite life and is not amortised (refer Note 9 a) above).

Note 9. c) Impairment disclosure

For the purpose of impairment testing, goodwill and indefinite life intangibles are allocated to cash-generating units which are based on the Group's operating divisions. The aggregate carrying amount of goodwill allocated to each CGU is:

Description of the cash-generating unit (CGU)	2016 $	2015 $
Financial planning, investment advice & product sales	4,278,334	4,278,334
Accounting & taxation services	1,480,000	1,480,000
Unallocated	458,396	458,396
Total	6,216,730	6,216,730

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period with the period extending beyond three years' cash flow forecast extrapolated using an estimated growth rate which does not exceed the long-term growth rate for the industry. The cash flows are discounted using the yield of 5-year government bonds at the beginning of the budget period adjusted for the specific risks relating to the asset.

The following assumptions were used in the value-in-use calculations:

	Growth rate % FY2017	Growth rate % FY2018	Discount rate % FY2019	Discount rate % FY2020
Description of the cash-generating unit (CGU)				
Financial Planning, investment advice & product sales	3.00	3.00	17.62	20.00
Accounting & Taxation services	3.00	3.00	17.62	20.00
Unallocated (Future: Digital Services)	3.00	3.00	17.62	20.00

The management is expecting that revenue will grow at around 20% p.a. for the foreseeable future. However, for these calculations, the management has adopted a very conservative 3% growth rate. The growth in revenue for financial year ended 30 June 2016 was 18.39%. The management has considered the worst case scenario, where the growth is restricted to around CPI increase only.

Sensitivity to change of assumptions

As disclosed in Note 1 y), the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Profit would need to decrease by more than 50% for the financial planning, investment advice & product sales division before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 10% for the financial planning, investment advice & product sales division before goodwill would need to be impaired, with all other assumptions remaining constant.
- Profit would need to decrease by more than 25% for the accounting & taxation division before goodwill would need to be impaired, with all other assumptions remaining constant.

The discount rate would be required to increase by 10% for the accounting & taxation division before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of either the financial planning, investment advice & product sales division's or the accounting & taxation division's goodwill is based would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in an impairment charge for the identified division's goodwill.

Note 10. Other assets

	2016 $	2015 $
CURRENT		
Prepayments	139,797	293,841
Accrued income	123,244	116,920
Other assets & receivables	25,000	89,322
Total Other assets	288,041	500,083

Note 11 Trade & other payables

	2016 $	Restated 2015 $
CURRENT		
Unsecured liabilities		
Trade payables	295,690	290,741
GST payable	490,591	298,341
Superannuation Payable	141,035	80,086
Payroll Tax Payable	20,601	18,185
Accrued Wages	142,613	113,097
Accrued Professional Services	69,963	68,500
Other Accruals	412,608	210,106
Accrued occupancy costs	144,300	-
Total trade & other payables	1,717,401	1,079,056

All amounts in trade and other payables are short term and therefore classified as current liabilities. Carrying values of trade and other payables are considered to be a reasonable approximation of fair value. Refer Note 1 b) on restated 30 June 2015 comparatives.

Note 12. Other liabilities

As set out in Note 1 c), above, in circumstances where the Group invoices, and/or receives payment, in advance of satisfying contracted performance obligations, it recognises unearned revenue (contract liabilities) until such time as the performance obligations are satisfied.

All contract liabilities outstanding as at 30 June 2015 were satisfied during the period (and recognised as revenue). The Group expects all contract liabilities as at 30 June 2016 to be satisfied within 12 months and to be recognised as revenue in FY2017.

	2016 $	Restated 2015 $
CURRENT		
Unearned income (contract liabilities)	354,180	1,563,604
Total Other liabilities	354,180	1,563,604

Note 13. Provisions

	2016 $	2015 $
NON-CURRENT		
Annual leave liabilities	-	-
Present value of obligations	249,656	167,093
	249,656	167,093

Note 14. Issued capital

	2016 $	Restated 2015 $
Balance at beginning of reporting period	12,784,962	6,132,365
Issued 28 August 2014	-	1,500,002
Issued 30 October 2014	-	250000
Issued 12 December 2014	-	542,573
Issued 23 February 2015	-	4,375,000
Issued 12 May 2015	-	387,000
Issued 20 November 2015	2,642,141	-
Share issue costs	(50,419)	(401,978)
Total	15,376,684	12,784,962

Note 14. a) Ordinary shares

	2016 No.	2015 No.
At the beginning of the reporting period	116,374,325	90,020,760
Shares issued during the year		
Issued 28 August 2014	-	5,142,864
Issued 30 October 2014	-	3,600,000
Issued 12 December 2014	-	1,858,128
Issued 23 February 2015	-	14,833,333
Issued 12 May 2015	-	919,240
Issued 20 November 2015	8,411,567	-
At the end of the reporting period	124,785,892	116,374,325

Note 14. b) Voting rights

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Group. On a show of hands at meetings of the Group, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Group does not have authorised capital or par value in respect of its shares.

Note 14. c) Capital management

Capital of the Group is managed in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the Group can fund its operations and continue as a going concern.

The Group's capital comprises of share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements, except base level financial requirements prescribed in the Australian Financial Services Licence held by the Company's subsidiary Spring FG Wealth Pty Ltd.

The Group monitors capital through the gearing ratio, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is defined as equity per the consolidated statement of financial position plus net debt.

Note 14. d) Share issue costs

The table below details the capitalised transaction costs associated with the capital raisings and the issuance of shares during the period and comparative period.

	2016 $	2015 $
Accounting fees	-	85,280
Legal fees	-	22,896
Consultancy fees	-	1,296
Prospectus production	-	15,960
Underwriting fee & management fees	50,419	250,000
Share issuance fees	-	15,221
Capital raising promotion	-	11,325
Total	50,519	401,978

Note 15. Earnings per share

	2016 $	Restated 2015 $
Profit after income tax	1,604,677	1,547,351

	No.	No.
Weighted average number of shares used in calculating basic EPS	124,535,892	103,016,299
Weighted average number of shares used in calculating dilutive EPS	121,676,142	103,103,970

Earnings per share for profit from continuing operations attributable to the owners of Spring FG Limited	Cents	Cents
Basic earnings per share	1.32	1.50
Diluted earnings per share	1.32	1.50

Note 16. Retained earnings

	2016 $	Restated 2015 $
Retained earnings at the beginning of the financial year	2,025,437	1,712,633
Net profit	1,604,677	1,547,349
Ordinary dividends	(3,031,632)	(1,234,545)
Retained earnings at end of the financial year	598,482	2,025,437

Note 17. Dividends

During the financial year ended 30 June 2016, a final fully-franked dividend for 2015 of $0.026 per ordinary share was declared and paid on 19 November 2015 with the total dividend being $3,031,632

Note 17. a) Dividend re-investment plan

The Company's DRP operated in full with respect to the dividend set out above. A total of 5,906,014 shares at an issue price of $0.315 were issued under the DRP representing a total of $1,860,393.

Note 17. b) Franking credits

A final fully-franked dividend of 2.6 cents per share (FY2015: 1.25 cents per share fully-franked) was paid on 19 November 2015 for a total dividend of $3,031,632 (FY2015: $1,234,545).

	2016 $	2015 $
Opening franking account balance	344,183	-
Company tax paid	1,294,982	873,274
Franking of paid dividends	(1,299,272)	(529,091)
Closing franking credit balance	339,893	344,183

The proposed final dividend for 2016 was declared after the end of the reporting period and therefore has not been provided for in the financial statements. There are no income tax consequences arising from this dividend.

Note 18. Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The Group does not speculate in financial assets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Credit risk
- Liquidity risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables

Objectives, policies and processes

Risk management is carried out by the Directors.

The Audit & Risk Committee has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Group. These policies and procedures are then approved by the Directors.

Reports are presented to the Directors regarding the implementation and management of these policies.

Specific information regarding the mitigation of each financial risk to which Group is exposed is provided below.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods.

The Group manages its liquidity needs by carefully monitoring its cash-outflows due in day-to-day business.

Liquidity-needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity-needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, the Group expects to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any financing facilities.

The Group's liabilities have contractual maturities which are summarised below:

	1 to 3 months		3 months to 1 year	
	2016	Restated 2015	2016	Restated 2015
	$	$	$	$
Trade & other payables	1,717,402	1,555,248	-	-
Other financial liabilities - tax liabilities	266,838	-	612,447	1,147,838
Total	1,984,240	1,555,248	612,447	1,147,838

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until their credit-worthiness can be re-established.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Directors receive regular reports summarising the turnover, trade receivables balance and aging profile of customers.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets with financial institutions is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Note 19. Commitments

Operating lease commitments

Committed at the reporting date and recognised liabilities payable

	2016	2015
Within 1 year	430,440	555,741
2 to 5 years	1,621,320	146,924
	2,051,760	702,665

The total operating lease commitments of $2,042,850 above include:

A total of $1,929,000 relates to the Group's Sydney office premises which at the reporting date had a lease expiry date of 1 November 2021.

A total of $122,760 associated with IT and office equipment and operating systems with component items having expiry dates of between 12 months and three years from the reporting date.

Note 20. Tax assets & liabilities

Note 20. a) Current & deferred tax liability

	2016 $	Restated 2015 $
Income tax payable	567,370	678,203

The deferred tax liability in the table above comprises $452,198 of non-current liability associated with the amortisation of identifiable intangible assets acquired through the business combinations set out in Note 22 below; and a further $1,078,930 of deferred liability relating to work-in-progress.

Note 20. b) Recognised deferred tax assets & liabilities

	2016 $	Restated 2015 $
Deferred tax assets	390,828	388,070
Deferred tax liabilities	456,102	499,536

Note 20. c) Movement in recognised deferred tax assets & liabilities

Deferred tax assets	Opening Balance $	Charged to Income $	Closing Balance $
Provisions	24,674	(24,670)	4
Provisions - employee benefits	57,530	59,677	117,207
Accruals	20,550	(5,550)	15,000
Black hole expenses	285,316	(26,699)	258,617
Balance at 30 June 2016	388,070	2,758	390,828
Deferred tax assets			
Provisions	13,946	10,728	24,674
Provisions - employee benefits	32,521	25,009	57,530
Accruals	3,098	17,452	20,550
Black hole expenses	1,239	284,077	285,316
Balance at 30 June 2015 (Restated)	50,804	337,266	388,070

	Opening Balance $	Charged to Income $	Charged directly to Equity $	Closing Balance $
Deferred tax liabilities				
Amortisation - intangible assets	452,198	-	-	52,198
Prepayments	47,338	(43,434)	-	3,904
Balance at 30 June 2016	499,536	(43,434)	-	456,102
Deferred tax liabilities				
Amortisation - intangible assets	-	-	452,198	452,198
Prepayments	-	47,338	-	47,338
Balance at 30 June 2015 (Restated)	-	47,338	452,198	499,536

Note 21. Auditors' remuneration

Note 21. a) Auditing or review of financial reports

The table below show the amounts paid to BDO East Coast Partnership (BDO), the auditor of the parent entity, and Rothsay Chartered Accountants (Rothsay), the previous auditor of the subsidiary entities. BDO was appointed as auditor of all group entities on 24 May 2015.

	2016 $	2015 $
Remuneration to BDO	127,970	102,909
Remuneration to Rothsay	-	8,525
Total	127,970	111,434

Note 21. b) Other services

During the financial year and/or prior period, both BDO and Rothsay (and/or their related entities), performed certain other services in addition to their statutory duties. As more fully set out in the Directors' Report, the Board is satisfied that the provision of those services is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001.

	2016 $	2015 $
IPO and ASX listing and Investigating Accountant's Report		
Remuneration to BDO	-	90,000
Remuneration to Rothsay	-	40,000
Total	-	130,000

	2016 $	2015 $
Taxation, accounting & secretarial services		
Remuneration to BDO	-	5,000
Remuneration to Rothsay	21,126	12,293
Total	21,126	17,293

Note 22. Interest in subsidiaries

Name of entities	2016 % owned	2015 % owned
Spring FG Wealth Pty Ltd (formerly Spring Financial Group Pty Ltd)	100	100
Spring FG Realty Pty Ltd	100	100
Spring FG Finance Pty Ltd	100	100
Spring FG Accounting Pty Ltd	100	100
Spring FG Services Pty Ltd	100	100
Spring FG Digital Pty Ltd (formerly Digifi Group Pty Ltd)	100	100
Spring FG IP Pty Ltd (incorporated 7 March 2016)	100	-
Spring FG Branch Network Pty Ltd (incorporated 7 March 2016)	100	-
MySuper247 Pty Ltd (incorporated 7 March 2016)	100	-
PDFG Pty Ltd	100	100
PDFG Tax Services Pty Ltd (de-registered 11 February 2016)	100	100
PDFG AFSL Pty Ltd (de-registered 18 February 2016)	100	100

The principal place of business and country of incorporation of the Company and each of its subsidiaries and controlled entities is Australia.

Note 23. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2016 (30 June 2015: None).

Note 24. Related parties

Note 24. a) Summary of related parties

Key management personnel

Any person/s having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel. The key management personnel of the Group are:

- Guy Hedley - Non-Executive Chairman
- Jeff Zulman - Non-Executive Director (appointed 23 November 2014)
- Keith Cullen – Managing Director
- Chris Kelesis – Executive Director
- Russell Scott – CFO & COO (appointed 21 November 2014)
- Mitch Ansiewicz – Group General Manager (Spring FG Wealth Pty Ltd)
- Frank Paul – Head of Advice Services (Spring FG Wealth Pty Ltd)

Other related parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members. During the year there were no transactions undertaken with any Director related entities other than those disclosed below in Note 20 c).

Note 24. b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions that have occurred with related parties are set out in the table below.

	2016 $	2015 $
Interest revenue		
Shareholders	-	20,282
Trade and other receivables		
Executive loans		
- balance at the beginning of the year	277,290	287,853
- loans advanced	593,677	549,567
- loan repayment received	(435,329)	(560,130)
- balance at the end of the year	435,638	277,290

Note 25. Cash flow information

Reconciliation of net income to net cash provided by operating activities

	2016 $	Restated 2015 $
Net profit	1,604,678	1,547,349
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	372,862	200,911
- assumed expenses from acquisitions	-	200,874
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
- (increase)/decrease in trade and other receivables	(306,441)	(2,058,252)
- (increase)/decrease in deferred tax receivable	(2,758)	(337,266)
- (increase)/decrease in other assets	53,695	(226,497)
- increase/(decrease) in trade and other payables	485,286	(999,100)
- increase/(decrease) in income taxes payable	110,833	(195,036)
- increase/(decrease) in deferred taxes payable	(43,434)	499,536
- increase/(decrease) in provisions	82,563	53,952
- increase/(decrease) in other payables/other liabilities	(1,017,176)	553,389
Cash flow from operations	1,340,108	(760,140)

Note 26. Parent entity information

In accordance with Corporations Regulation 2M.3.01 set out below is the supplementary financial information about the parent entity of the Group (Spring FG Limited) presented on a stand-alone basis - that is, *excluding* the consolidation of the financial statements of its subsidiaries and controlled entities.

The parent entity is a non-operating entity.

	2016 $	Restated 2015 $
Assets		
Current assets	833,051	1,241,886
Non-current assets	13,666,021	10,011,267
Total Assets	14,499,072	11,253,153
Liabilities		
Current liabilities	(4,333,772)	(1,371,212)
Non-current liabilities	(456,102)	(1,531,127)
Total Liabilities	(4,789,874)	(2,902,339)
Net assets	9,709,197	8,350,814
Equity		
Issued capital	15,403,344	12,784,962
Retained earnings (net of dividends paid)	(5,694,147)	(4,434,048)
Option reserve	26,659	1,849
Total Equity	9,709,196	8,352,763
Total profit or loss after income tax	(858,690)	(971,595)
Total comprehensive profit or loss	(858,690)	(971,595)

Note 27. Events Occurring after the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

The financial report was authorised for issue on 30 September 2016 by the board of directors.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

In the directors' opinion:

1. The financial statements and notes for the year ended 30 June 2016 are in accordance with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
    a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
    b) give a true and fair view of the financial position and performance of the consolidated Group.
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

Guy Hedley Chairman	Keith Cullen Managing Director

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To the members of Spring FG Limited

Report on the Financial Report

We have audited the accompanying financial report of Spring FG Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company'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.

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

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Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Spring FG Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Spring FG Limited is in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 15 of the directors' report for the year ended 30 June 2016. 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.

Opinion

In our opinion, the Remuneration Report of Spring FG Limited for the year ended 30 June 2016 complies with section 300A of the Corporations Act 2001.

BDO East Coast Partnership

BDO

Grant Saxon

Grant Saxon

Partner

A fresh approach.

spring FG LIMITED

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