

**Prime Financial Group Ltd & Controlled Entities**

**ABN 70 009 487 674  
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED  
31 DECEMBER 2012**

This half-year financial report is to be read in conjunction  
with the financial report for the year ended 30 June 2012

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**Prime Financial Group Ltd & Controlled Entities**

FINANCIAL REPORT FOR THE HALF-YEAR ENDED  
31 DECEMBER 2012

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## Prime Financial Group Ltd & Controlled Entities

### Directors' Report

The Directors present their report together with the financial report of the consolidated entity consisting of Prime Financial Group Ltd (Prime) and the entities it controlled, for the half-year ended 31st December 2012 and independent review report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

### Directors Names

The names of the Directors in office at any time during or since the end of the half-year are:

<b>Name</b>	<b>Period of directorship</b>
S. James	80 months
S. Madder	73 months
P. Madder	73 months

The Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

### Review of Operations

The Financial Services sector has experienced a more positive business environment in the 6 months ending 31 December 2012 (1H2013) compared with the full year ending 30 June 2012 (FY2012) in which the Australian stockmarket declined 11% for the year.

Low investor confidence plus global and domestic uncertainty, which typified FY2012, has started to abate, particularly in the last few months of 1H2013 and the start of 2H2013. This has seen the Australian stockmarket increase 13% between July 2012 and December 2012, and more recently by 19% when January 2013 is included.

These significant increases have a positive impact on Prime's Revenue, albeit often with a partial lag effect, as 84% of Prime's Revenue is derived from Wealth Management activity.

Prime's improving Wealth Management Revenue in 1H2013 has accelerated at the commencement of 2H2013, mainly across Wealth Management New Business including 'Investment Brokerage' and 'New Issues & IPO's, but also 'Recurring Revenue' generated from Funds Under Management (FUM).

This improving activity and sentiment should be balanced against a backdrop of recent stockmarket fluctuations and the prospect of a sustained stockmarket recovery, accordingly, Prime is cautiously optimistic.

The Operational focus for Prime in 1H2013 has been;

- Restructuring the cost base, reducing ongoing costs by \$750K in 2H2013 versus 1H2013, and creating a more efficient and flexible structure leading to further reductions to be reflected in FY2014
- Improving operating cash flow, which will continue to be an ongoing focus
- Increasing Wealth Management New Business Activity through Prime's Client Engagement Model (CEM)
- Recruiting Accounting Firm Wealth Management JV Partners for Prime's CEM (10 in active discussions) whilst transitioning existing Partners to Prime's CEM, and
- Positioning Prime to allow for improved dividend payments

Prime's Normalised (excluding one-off's) Earnings Before Interest and Tax (N.EBIT) has declined 9% to \$2.43M in 1H2013. Net Profit After Tax (including one-off's) (NPAT) has declined 44% to \$1.017M. During the period the Operating Margin decreased from 41% to 38% (excluding one-off costs).

Group Funds Under Management (FUM), where Prime receives Recurring Revenue through 'Asset Based Management Fees', increased by \$82M (including market movements) between 30 June 2012 and 31 December 2012 to \$1.083B including Net New FUM of \$34.9M. This represented an increase of 8.2% compared to an overall market increase of approximately 13%.

**Low Debt**

Debt levels have remained flat since 30 June 2012 and Prime's gearing ratio has decreased from 11.3% (restated) at 30 June 2012 to 11.2% at 31 December 2012.

**Interim Dividend**

Directors have declared an Interim Dividend of 0.25cps. This represents a 40% payout ratio based on the reported half year Earnings Per Share (EPS) of 0.63cps. The Interim Dividend is payable 17 April 2013 with a Record Date of 20 March 2013.

Directors have reduced the Interim Dividend compared to 1H2012, but matched the Final Dividend for FY2012. This reduction from the previous period has been to ensure that Prime is in a position to continue to fund the growth and development of the Wealth Management division which has demonstrated improving results. The reduction in dividend is still expected to be short term with increasing dividend payments expected to commence in the next period.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration in relation to the review for the half-year is provided with this report.

Signed in accordance with a resolution of the Directors made pursuant to Section 306 (3) of the Corporations Act 2001:



Chairman ..... (S. James)

Dated: 28th day of February 2013

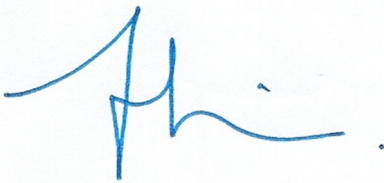
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF PRIME FINANCIAL GROUP LIMITED**

I declare that, to the best of my knowledge and belief during the half year ended 31 December 2012 there have been:

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



William Buck Audit (VIC) Pty Ltd  
ABN 59 116 151 136



**J.C. Luckins**  
Director

Dated this 28th day of February, 2013

Prime Financial Group Ltd & Controlled Entities

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Half-year	
	2012	2011 Restated (Note 7)
	\$	\$
Revenue from ordinary activities	6,975,149	6,824,764
Other income	136,999	161,776
	<u>7,112,148</u>	<u>6,986,540</u>
Employee benefits	(3,127,354)	(2,401,412)
Depreciation and amortisation	(265,169)	(195,858)
Finance costs	(297,848)	(323,308)
Information technology and communication	(460,652)	(270,965)
Insurance	(131,764)	(120,083)
Occupancy	(182,983)	(183,307)
Other expenses	(707,347)	(627,747)
	<u>(5,173,117)</u>	<u>(4,122,680)</u>
<b>Profit before income tax</b>	<u>1,939,031</u>	<u>2,863,860</u>
Income tax expense	(627,477)	(800,395)
<b>Profit after income tax</b>	<u>1,311,554</u>	<u>2,063,465</u>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<u>1,311,554</u>	<u>2,063,465</u>
Net profit attributable to:		
- Members of the parent entity	1,016,840	1,812,550
- Non-controlling interest	294,714	250,915
	<u>1,311,554</u>	<u>2,063,465</u>
<b>Earnings per share</b>		
Basic earnings per share (cents)	0.63	1.12
Diluted earnings per share (cents)	0.63	1.12

*The accompanying notes form part of these financial statements*

Prime Financial Group Ltd & Controlled Entities

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

	<b>31 Dec 2012</b>	<b>30 June 2012 Restated (Note 7)</b>	<b>1 July 2011 Restated</b>
	\$	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	218,628	290,606	408,301
Trade and other receivables	5,265,290	5,465,080	6,760,191
Other current assets	549,809	556,546	555,444
<b>Total Current Assets</b>	<u>6,033,727</u>	<u>6,312,232</u>	<u>7,723,936</u>
<b>NON CURRENT ASSETS</b>			
Receivables	5,250,530	4,737,746	1,712,635
Plant and equipment	1,387,053	1,540,294	1,505,533
Investments accounted for using the equity method	11,790,493	11,706,424	12,635,655
Intangible assets	49,014,836	49,117,837	48,374,657
Deferred tax assets	-	16,154	7,933
<b>Total Non Current Assets</b>	<u>67,442,912</u>	<u>67,118,455</u>	<u>64,236,413</u>
<b>Total Assets</b>	<u>73,476,639</u>	<u>73,430,687</u>	<u>71,960,349</u>
<b>CURRENT LIABILITIES</b>			
Bank overdraft	254,462	-	183,924
Payables	1,213,218	1,421,174	957,938
Current tax payable	1,249,032	1,124,561	1,384,107
Provisions	327,451	434,543	514,657
Borrowings	25,793	26,755	11,728
<b>Total Current Liabilities</b>	<u>3,069,956</u>	<u>3,007,033</u>	<u>3,052,354</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities	4,413	-	-
Borrowings	8,740,415	9,049,951	7,754,964
<b>Total Non Current Liabilities</b>	<u>8,744,828</u>	<u>9,049,951</u>	<u>7,754,964</u>
<b>Total Liabilities</b>	<u>11,814,784</u>	<u>12,056,984</u>	<u>10,807,318</u>
<b>NET ASSETS</b>	<u>61,661,855</u>	<u>61,373,703</u>	<u>61,153,031</u>
<b>EQUITY</b>			
Contributed equity	66,717,077	66,717,077	66,883,355
Treasury shares held	(3,507,819)	(3,447,656)	(3,402,814)
Non-controlling interest	739,238	1,004,990	961,272
Accumulated losses	(2,286,641)	(2,900,708)	(3,288,782)
<b>TOTAL EQUITY</b>	<u>61,661,855</u>	<u>61,373,703</u>	<u>61,153,031</u>

*The accompanying notes form part of these financial statements*

Prime Financial Group Ltd & Controlled Entities

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	<b>Attributable to owners of Prime Financial Group Ltd</b>		<b>Non- controlling interest</b>	<b>Total</b>
	<b>Contributed equity</b>	<b>Retained earnings</b>		
	<b>\$</b>	<b>\$</b>		
<b>Balance at 1 July 2011 (restated)</b>	<u>63,480,541</u>	<u>(3,288,782)</u>	<u>961,272</u>	<u>61,153,031</u>
Total comprehensive income for the period	-	<u>1,812,550</u>	<u>250,915</u>	<u>2,063,465</u>
<b>Transactions with equity holders in their capacity as equity holders:</b>				
Dividends paid	-	<u>(1,218,063)</u>	<u>(429,465)</u>	<u>(1,647,528)</u>
Purchase of shares made by Prime for an employee share trust	<u>(55,923)</u>	-	-	<u>(55,923)</u>
Shares bought back and cancelled	<u>(163,543)</u>	-	-	<u>(163,543)</u>
Transactions with non-controlling interests	-	-	<u>29,401</u>	<u>29,401</u>
<b>Total transactions with equity holders in their capacity as equity holders</b>	<u>(219,466)</u>	<u>(1,218,063)</u>	<u>(400,064)</u>	<u>(1,837,593)</u>
<b>Balance at 31 December 2011</b>	<u>63,261,075</u>	<u>(2,694,295)</u>	<u>812,123</u>	<u>61,378,903</u>
<b>Balance at 1 July 2012</b>	<u>63,269,421</u>	<u>(2,900,708)</u>	<u>1,004,990</u>	<u>61,373,703</u>
Total comprehensive income for the period	-	<u>1,016,840</u>	<u>294,714</u>	<u>1,311,554</u>
<b>Transactions with equity holders in their capacity as equity holders:</b>				
Dividends paid	-	<u>(402,773)</u>	<u>(534,592)</u>	<u>(937,365)</u>
Purchase of share made by Prime for an employee share trust	<u>(60,163)</u>	-	-	<u>(60,163)</u>
Transactions with non-controlling interests	-	-	<u>(25,874)</u>	<u>(25,874)</u>
<b>Total transactions with equity holders in their capacity as equity holders</b>	<u>(60,163)</u>	<u>(402,773)</u>	<u>(560,466)</u>	<u>(1,023,402)</u>
Balance at 31 December 2012	<u>63,209,258</u>	<u>(2,286,641)</u>	<u>739,238</u>	<u>61,661,855</u>

*The accompanying notes form part of these financial statements*



Prime Financial Group Ltd & Controlled Entities

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

	Half-year	
	2012	2011 Restated
	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	7,151,884	7,117,284
Payments to employees and suppliers	(5,671,202)	(4,353,743)
Interest paid	(297,848)	(323,308)
Income tax paid	(214,207)	(821,431)
<b>Net cash provided by operating activities</b>	<u>968,627</u>	<u>1,618,802</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments for intangible assets	-	(187,501)
Payments for plant and equipment	(55,162)	(260,035)
Proceeds from disposal of equity investments	75,000	-
<b>Net cash used in investing activities</b>	<u>19,838</u>	<u>(447,536)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(309,536)	-
Purchase of shares for the PFG Employee Share Plan	-	(55,954)
Receipt of Borrowings	-	611,243
Dividends paid	(401,761)	(1,215,248)
Dividends paid to non-controlling interests	(534,592)	(429,465)
Transactions with non-controlling interests	(68,054)	29,401
Share buy-back	-	(163,543)
Repayment of hire purchase agreements	(962)	-
<b>Net cash used in financing activities</b>	<u>(1,314,905)</u>	<u>(1,223,566)</u>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	(326,440)	(52,300)
Cash and cash equivalents at beginning of half year	<u>290,606</u>	<u>224,377</u>
<b>Cash and cash equivalents at end of the half-year</b>	<u>(35,834)</u>	<u>172,077</u>

*The accompanying notes form part of these financial statements*

**Prime Financial Group Ltd & Controlled Entities**

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS**

**31 DECEMBER 2012**

**Note 1: Basis of Preparation of the Half-year Financial Report**

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2012 and any public announcements made by Prime Financial Group Ltd during the half-year in accordance with any continuous disclosure obligations arising under the ASX listing rules.

**(a) Basis of preparation of the half-year financial report**

This general purpose half year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*.

The half year financial report has been prepared on an accruals basis and under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The Directors have elected under section 334 (5) of the Corporations Act 2001 to apply AASB 10 "Consolidated Financial Statements", AASB 11 "Joint Arrangements", AASB 12 "Disclosure of Interests in Other Entities", AASB 127 "Separate Financial Statement" and AASB 128 "Investments in Associates and Joint Ventures" in advance of their effective date. The standards are not effective until annual periods beginning on or after 1 January 2013. Other than the impact of the adoption of AASB 10 as disclosed in note 7 to the financial statements, the adoption of the other various Australian Accounting Standards has no impact on the Group's financial statements.

**(b) Summary of the significant accounting policies:**

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2012, except for the changes in policy related to AASB 10.

**(c) New and revised accounting requirements**

*Presentation of items of other comprehensive income*

The Group adopted AASB 2011-9: Amendments to Australian Accounting Standards – Presentation of Items and Other Comprehensive Income on 1 July 2012. AASB 2011-9 is mandatorily applicable from 1 July 2012 and amends AASB 101: Presentation of Financial Statements.

The adoption of AASB 2011-9 only changed the presentation of the Group's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the Group's financial statements.

**Note 2: Subsequent Events**

There has not been any matter or circumstance that has arisen since the end of the period, that has significantly affected, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

Prime Financial Group Ltd & Controlled Entities

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
31 DECEMBER 2012**

**Note 3: Dividends**

	Half-year	
	2012	2011
	\$	\$
Dividends paid during the half-year:		
Ordinary shares (0.25 cents per share)	<u>402,773</u>	<u>1,218,063</u>
Proposed dividends not recognised at the end of the half-year (0.25 cents per share)	<u>402,773</u>	<u>1,208,313</u>

**Note 5: Segment Information**

The Group operates in one reportable segment, being investing solely in Australia.

**Note 6: Commitments & Contingent Liabilities**

Prime Development Fund Pty Ltd continues to provide cross guarantees to Pacifica Pty Ltd for \$444,500 and Rundles Prime Pty Ltd for \$250,000

**Note 7: Critical Accounting Estimates and Judgements**

*Consolidation of entities in which the group holds 50%*

The Company has chosen to early adopt AASB 10 "Consolidated Financial Statements" as at 1 July 2011, which is not effective until annual periods beginning on or after 1 January 2013. The compulsory effective date would be for the financial year beginning 1 July 2013.

The Company has now chosen to adopt AASB 10 due to the change of definition of 'control'. The definition of 'control' has clarified Prime's position as to whether it controls its financial planning entities. Due to the new definition of 'control', Prime has determined it controls the financial planning entities and the consolidation of the financial planning entities provides the most appropriately representation. The determination was made due to the following factors, the Company holds the required AFS licence, controls the cash flow, provides the business development and marketing initiatives, provides the staffing and prepares the financials.

**Prime Financial Group Ltd & Controlled Entities**

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
31 DECEMBER 2012**

**Note 7: Restatement (continued)**

As the Company had, typically 50% shareholding in its financial planning entities, these entities were historically treated as investments in associates and were accounted for under the equity method, consistent with the requirements of AASB 128 "Investments in Associates and Joint Ventures". The financial planning entities were not consolidated under AASB 127 "Consolidation and Separate Financial Statements" as the standard did not provide guidance on circumstances where control may exist where a single investor holds less than a majority interest in an investee. The financial planning entities consolidated under the requirements of AASB 10 are listed below with Prime's % ownership:

- Aintree Group Financial Services Pty Ltd	50%
- Brentnalls NSW Financial Services Pty Ltd	50%
- Bstar Financial Services Pty Ltd	50%
- Butler Settineri Financial Services Pty Ltd	50%
- CP Financial Planners Pty Ltd	50%
- Crispin & Jeffery Financial Services Pty Ltd	50%
- Dormers Financial Services Pty Ltd	40%
- GG Financial Services Pty Ltd	50%
- Green Taylor Financial Services Pty Ltd	50%
- Hughes O'Dea Corredig Financial Services Pty Ltd	50%
- IMMS Financial Planning Pty Ltd	50%
- Madder & Co Financial Services Pty Ltd	50%
- McHenry Financial Services Pty Ltd	50%
- Munro's Financial Advisors Pty Ltd	50%
- M V Anderson Financial Services Pty Ltd	50%
- Nexia Perth Financial Planning Pty Ltd	50%
- Pascoe Partners Financial Services Pty Ltd	50%
- PRM Financial Services Pty Ltd	50%
- RMM Financial Services Pty Ltd	50%
- RJS Financial Solutions Pty Ltd	50%
- Rundles Financial Services Pty Ltd	50%
- Selingers Financial Services Pty Ltd	50%
- Signum Business Advisors Financial Services Pty Ltd	50%
- SPBS Financial Services Pty Ltd	50%
- Stanwycks Financial Services Pty Ltd	50%
- Wong and Mayes Financial Services Pty Ltd	50%
- Wynn & Bennett Financial Services Pty Ltd	50%

Effective 1 July 2011, the Company will consolidate the financial planning entities under the requirements of AASB 10. AASB 10 requires the consolidation of all entities that a company controls. AASB 10 makes it clear that determining control is not just a matter of determining whether an investor holds greater than 50% of voting rights. Control may also exist where an investor holds a substantial stake less than 50%, and the remaining voting rights are widely held. In such cases, the standard requires the exercise of judgement in determining whether the investor still has power and the ability to direct the relevant activities of the subsidiary unilaterally, despite holding less than a 50% interest in the subsidiary.

**Prime Financial Group Ltd & Controlled Entities**

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
31 DECEMBER 2012**

**Note 7: Restatement (continued)**

Control is defined in AASB 10 as existing if and only if the investor has power over an entity, exposure or rights, to variable returns from its involvement with the entity, and the ability to use its power over the entity to affect the amount of the investor's returns.

The directors have determined that the Company controls the financial planning entities, therefore the Company is now consolidating the financial planning entities and has restated comparatives in accordance with the requirements of AASB 134 "Interim Financial Reporting".

Prime Financial Group Ltd & Controlled Entities

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
31 DECEMBER 2012**

**Note 8: Restatement**

The adoption of AASB 10 has the following impact on the financial position of the Group:

	<b>30 June 2012 Previously Reported</b>	<b>Adjustments Note (a)</b>	<b>30 June 2012 Restated</b>
	\$	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	250,913	39,693	290,606
Trade and other receivables	4,470,593	994,487	5,465,080
Other current assets	388,969	167,577	556,546
<b>Total Current Assets</b>	<u>5,110,475</u>	<u>1,201,757</u>	<u>6,312,232</u>
<b>NON CURRENT ASSETS</b>			
Receivables	4,737,746	-	4,737,746
Plant and equipment	1,538,132	2,162	1,540,294
Investments accounted for using the equity method	20,432,670	(8,726,246)	11,706,424
Intangible assets	49,117,837	-	49,117,837
Deferred tax assets	16,154	-	16,154
<b>Total Non Current Assets</b>	<u>75,842,539</u>	<u>(8,724,084)</u>	<u>67,118,455</u>
<b>Total Assets</b>	<u>80,953,014</u>	<u>(7,522,327)</u>	<u>73,430,687</u>
<b>CURRENT LIABILITIES</b>			
Payables	2,500,191	1,079,017	1,421,174
Current tax payable	807,887	(316,674)	1,124,561
Provisions	434,543	-	434,543
Borrowings	26,755	-	26,755
<b>Total Current Liabilities</b>	<u>3,769,376</u>	<u>762,343</u>	<u>3,007,033</u>
<b>NON CURRENT LIABILITIES</b>			
Borrowings	9,049,951	-	9,049,951
<b>Total Non Current Liabilities</b>	<u>9,049,951</u>	<u>-</u>	<u>9,049,951</u>
<b>Total Liabilities</b>	<u>12,819,327</u>	<u>762,343</u>	<u>12,056,984</u>
<b>NET ASSETS</b>	<u>68,133,687</u>	<u>(6,759,984)</u>	<u>61,373,703</u>
<b>EQUITY</b>			
Contributed equity	66,717,077	-	66,717,077
Treasury shares held	(3,447,656)	-	(3,447,656)
Non-controlling interest	-	1,004,990	1,004,990
Accumulated profits/ (losses)	4,864,266	(7,764,974)	(2,900,708)
<b>TOTAL EQUITY</b>	<u>68,133,687</u>	<u>6,759,984</u>	<u>61,373,703</u>

Prime Financial Group Ltd & Controlled Entities

**NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS  
31 DECEMBER 2012**

**Note 8: Restatement (continued)**

The adoption of AASB 10 has the following impact on the financial performance of the Group:

	<b>Half-year ended 31 December 2011 Previously Reported \$</b>	<b>Adjustments Note (b) \$</b>	<b>Half-year ended 31 December 2011 Restated \$</b>
Revenue from ordinary activities	6,170,208	654,556	6,824,764
Other income	161,776	-	161,776
	6,331,984	654,556	6,986,540
Employee benefits	(2,388,153)	(13,259)	(2,401,412)
Depreciation and amortisation	(195,483)	(375)	(195,858)
Finance costs	(323,308)	-	(323,308)
Information technology and communication	(227,962)	(43,003)	(270,965)
Insurance	(120,083)	-	(120,083)
Occupancy	(173,095)	(10,212)	(183,307)
Other expenses	(749,819)	122,072	(627,747)
Share of net profit of associates and partnerships accounted for using the equity method	244,849	(244,849)	-
	2,398,930	464,930	2,863,860
<b>Profit before income tax</b>			
Income tax expense	(586,380)	(214,015)	(800,395)
<b>Profit after income tax</b>	1,812,550	250,915	2,063,465
Other comprehensive income	-	-	-
<b>Total comprehensive income for the period</b>	1,812,550	250,915	2,063,465
Net profit attributable to:			
- Members of the parent entity	1,812,550	-	1,812,550
- Non-controlling interest	-	250,915	250,915
	1,812,550	250,915	2,063,465
<b>Earnings per share</b>			
Basic earnings per share (cents)	1.12	-	1.12
Diluted earnings per share (cents)	1.12	-	1.12

(a) and (b) relates to the consolidation of financial planning entities rather than equity accounting.

**Prime Financial Group Ltd & Controlled Entities**

**Directors' Declaration**

The directors declare that the financial statements and notes set out on pages 10 to 15 are in accordance with the *Corporations Act 2001*, including:

- (a) Complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*, and
- (b) Giving a true and fair view of the financial position of the consolidated entity as at 31 December 2012 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Prime Financial Group Ltd 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 directors.**



Stuart James  
Chairman

Melbourne  
Date 28<sup>th</sup> February 2013



## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PRIME FINANCIAL GROUP LIMITED AND CONTROLLED ENTITIES**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Prime Financial Group Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Prime Financial Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
PRIME FINANCIAL GROUP LIMITED AND CONTROLLED ENTITIES (Continued)**

*Independence*

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

*Conclusion*

Based upon our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Prime Financial Group Limited is not in accordance with the *Corporations Act 2001* including:

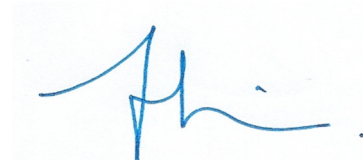
- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (ii) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

*Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report*

The auditor's review report relates to the half year financial report of Prime Financial Group Limited for the half year ended 31 December 2012 included on Prime Financial Group Limited's web site. The company's directors are responsible for the integrity of the Prime Financial Group Limited's web site. We have not been engaged to report on the integrity of the Prime Financial Group Limited's web site. The auditor's review report refers only to the half year financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half year financial report to confirm the information included in the reviewed financial report presented on this web site.



**William Buck Audit (VIC) Pty Ltd**  
ABN 59 116 151 136



**J.C. Luckins**  
Director

Dated this 28<sup>th</sup> day of February, 2013