



Investorfirst Ltd

Investorfirst Limited Preliminary Final Report Appendix 4E

Year ended 30 June 2011

Contents

Results for Announcement to the Market.....	1
Consolidated Statement of Comprehensive Income.....	2
Consolidated Statement of Financial Position.....	3
Consolidated Statement of Cash Flows.....	4
Consolidated Statement of Changes in Equity.....	5
Notes to the Consolidated Financial Statements.....	6

Results for Announcement to the Market

	<u>Year Ended</u> <u>30 June 2011</u> <u>\$'000</u>		<u>Year Ended</u> <u>30 June 2010</u> <u>\$'000</u>	<u>Change %</u>
Revenue from ordinary activities	8,139	Down from	8,729	(6.8%)
Loss from ordinary activities after tax attributable to owners of the parent	(4,451)	Down from	(1,068)	(316.8%)

No dividends were paid or proposed during the financial year.

<u>Net Tangible Asset (NTA) Backing</u>	<u>30 June 2011</u>	<u>30 June 2010</u>
NTA backing per ordinary share after tax	2.6 cents	4.7 cents

Report

The Report is based on accounts which are in the process of being audited.

Commentary and outlook

Refer attached announcement.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

Continuing Operations	Notes	CONSOLIDATED	
		2011	2010
		\$	\$
Revenue			
Wealth management income		7,350,448	7,592,603
Interest and other income		788,203	1,136,317
		8,138,651	8,728,920
Expenses			
Dealer commissions		(2,558,293)	(3,077,647)
Employee benefits expenses		(3,152,165)	(2,242,846)
Broking expenses		(1,060,897)	(696,418)
Information services costs		(128,925)	(86,177)
Licenses and regulatory		(40,433)	(91,605)
Professional services expenses		(980,179)	(825,132)
Public company costs		(296,873)	(277,141)
Insurances		(350,211)	(331,140)
Property & occupancy expenses		(1,049,849)	(720,970)
Administration & marketing expenses		(419,699)	(274,262)
Other expenses		(958,218)	(870,165)
Depreciation and amortisation	2	(1,589,562)	(303,480)
		(12,585,304)	(9,796,983)
Loss before income tax		(4,446,653)	(1,068,063)
Income tax expense		(4,588)	-
Loss after income tax		(4,451,241)	(1,068,063)
Other comprehensive income		-	-
Total comprehensive income		(4,451,241)	(1,068,063)
Basic loss per share (cents per share) for the period, attributable to ordinary equity holders of the parent		(0.009)	(0.005)
Diluted loss per share (cents per share) for the period, attributable to ordinary equity holders of the parent		(0.009)	(0.005)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

		CONSOLIDATED	
		2011	2010
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		17,384,300	8,540,584
Receivables		10,795,791	9,661,938
Financial assets		-	267,101
Other current assets		65,786	12,981
Total Current Assets		28,245,877	18,482,604
Non-Current Assets			
Office equipment		210,276	114,177
Deferred tax assets		1,353,114	1,348,497
Intangible assets		24,781,010	2,692,440
Total Non-Current Assets		26,344,400	4,155,114
Total Assets		54,590,277	22,637,718
LIABILITIES			
Current Liabilities			
Trade and other payables		10,500,358	7,197,523
Provisions for employee entitlements		241,851	35,993
Total Current Liabilities		10,742,209	7,233,516
Non-Current Liabilities			
Provisions for employee entitlements		12,838	12,134
Total Non-Current Liabilities		12,838	12,134
Total Liabilities		10,755,047	7,245,650
Net Assets		43,835,230	15,392,068
EQUITY			
Issued capital	3	54,301,655	21,843,726
Equity reserve		634,860	198,386
Accumulated losses	4	(11,101,285)	(6,650,044)
Total Equity		43,835,230	15,392,068

*The above Consolidated Statement of Financial Position
should be read in conjunction with the accompanying notes.*

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

		CONSOLIDATED	
		2011	2010
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers		7,416,083	7,742,256
Payments to suppliers and employees		(11,627,835)	(10,456,499)
Interest received		636,505	330,762
Payments in relation to client and dealer balances		1,182,115	(3,891,620)
Net cash outflow from operating activities	5(a)	(2,393,132)	(6,275,101)
Cash flows from investing activities			
Purchase of office equipment		(130,410)	(69,118)
Proceeds from sale of investments		355,458	930,499
Payment for acquisition of shares in subsidiaries, net of cash acquired		(927,353)	-
Net cash outflow from investing activities		(702,305)	861,381
Cash flows from financing activities			
Acquisition cost paid		(52,522)	-
Payment of share issue costs		(508,325)	(270,391)
Share placement proceeds		12,500,000	8,049,709
Net cash outflow from financing activities		11,939,153	7,779,318
Net increase in cash and cash equivalents		8,843,716	2,365,598
Cash and cash equivalents at beginning of period		8,540,584	6,174,986
Cash and cash equivalents at end of period	5(b)	17,384,300	8,540,584

*The above Consolidated Statement of Cash Flows
should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

Consolidated Entity	Issued Capital	Employee Equity Benefits Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
2011				
As at 1 July 2010	21,843,726	198,386	(6,650,044)	15,392,068
Total comprehensive income for the year	-	-	(4,451,241)	(4,451,241)
Share buy-back	(52,522)	-	-	(52,522)
Issue of shares to Alert Trader Group shareholders	763,250	-	-	763,250
Issue of shares to HUB24 Group shareholders	20,000,000	-	-	20,000,000
Issued on 1 December 2010 for Share Placement	12,500,000	-	-	12,500,000
Shares issued – placements costs	(508,325)	-	-	(508,325)
Options granted	(244,474)	436,474	-	192,000
As at 30 June 2011	54,301,655	634,860	(11,101,285)	43,835,230
2010				
As at 1 July 2009	14,064,408	198,386	(5,581,981)	8,680,813
Total comprehensive income for the year	-	-	(1,068,063)	(1,068,063)
Shares issued – placements	8,049,709	-	-	8,049,709
Shares issued – placements costs	(270,391)	-	-	(270,391)
As at 30 June 2010	21,843,726	198,386	(6,650,044)	15,392,068

*The above Consolidated Statement of Changes in Equity
should be read in conjunction with the accompanying notes.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES AND BASIS OF PREPARATION

Basis of preparation

This final report has been prepared in accordance with ASX listing rule 4.3A, the recognition and measurement requirements of Australian Accounting Standards adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The report is presented in Australian dollars and has been prepared on the basis of historical costs except in accordance with relevant accounting policies where assets and liabilities are stated at their fair values in accordance with relevant accounting policies.

The accounting policies adopted in this report have been consistently applied by each entity in the consolidated entity and are consistent with those of the previous financial year.

	CONSOLIDATED	
	2011	2010
	\$	\$
2. DEPRECIATION AND AMORTISATION		
Depreciation	90,963	46,999
Amortisation of intangibles	1,498,599	256,481
	1,589,562	303,480

3. CONTRIBUTED EQUITY

(a) Issued and paid up capital

Shares, fully paid	54,301,655	21,843,726
--------------------	-------------------	-------------------

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. CONTRIBUTED EQUITY (Cont'd)

(b) Movement in fully paid ordinary shares on issue

	2011 Number	2010 Number	2011 \$	2010 \$
Beginning of the financial year	243,117,462	162,620,373	21,843,726	14,064,408
Issued on 24 December 2009 for Share Placement	-	24,393,060	-	2,439,306
Placement costs 24 December 2009	-	-	-	(67,179)
Issued on 12 February 2010 for Share Purchase Plan - shareholders	-	10,320,000	-	1,032,000
Issued on 12 February 2010 for Share Purchase Plan - shortfall taken up by underwriters	-	45,784,029	-	4,578,403
SPP transaction costs	-	-	-	(203,212)
Share buy-back	(656,528)	-	(52,522)	-
Issue of shares to Alert Trader Group shareholders	10,750,000	-	763,250	-
Issue of shares to HUB24 Group shareholders	266,666,667	-	20,000,000	-
Issued on 1 December 2010 for Share Placement	166,666,667	-	12,500,000	-
Placement costs 1 December 2010	-	-	(508,325)	-
Options granted	-	-	(244,474)	-
End of the financial year	686,544,268	243,117,462	54,301,655	21,843,726

4. ACCUMULATED LOSSES

	2011 \$	2010 \$
Movement in accumulated losses were as follows:		
Opening balance	(6,650,044)	(5,581,981)
Net loss attributable to members	(4,451,241)	(1,068,063)
Closing balance	(11,101,285)	(6,650,044)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	CONSOLIDATED	
	2011	2010
	\$	\$
5. CASH AND CASH EQUIVALENTS		
(a) Reconciliation of the net loss after tax to cash flow from operations		
Net loss	(4,451,241)	(1,068,063)
<i>Non-cash items:</i>		
Bad and doubtful debts	-	47,023
Depreciation and amortisation	1,589,562	303,480
Share trading gain	(88,356)	(919,740)
Share-based payment expense	192,000	-
Capitalised development costs	(1,055,638)	
<i>Changes in operating assets and liabilities:</i>		
(Increase)/decrease in receivables	(148,261)	264,153
Increase in client receivables	(962,218)	(1,902,323)
(Increase)/decrease in prepayments	(23,499)	47,687
Increase/(decrease) in sundry creditors	372,134	(1,018,617)
Increase/(decrease) in client payables	2,144,332	(1,989,291)
Increase/(decrease) in provisions	38,053	(39,410)
Net cash flow from operating activities	(2,393,132)	(6,275,101)
(b) Reconciliation of cash		
Cash balance comprises:		
- Cash on hand and at bank	16,342,427	6,879,827
- Cash at bank - trust account	1,041,873	1,660,757
Closing cash balance	17,384,300	8,540,584
The net cash position from unpaid buys and cash held on behalf of clients is \$1,828,844 (2010: \$1,757,340).		
- Cash on hand and at bank	17,384,300	8,540,584
- Unpaid buys	2,870,717	3,418,097
- Cash at bank - trust account	(1,041,873)	(1,660,757)
	19,213,144	10,297,924

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6. CONTINGENCIES

Contingent Assets and Liabilities

Nil (2010: nil)

	CONSOLIDATED	
	2011	2010
	\$	\$
7. LOSS PER SHARE		
The following reflects the income and share data used in the calculations of basic and diluted loss per share:		
Net loss	(4,451,241)	(1,068,063)
Weighted average number of ordinary shares used in calculating basic and dilutive earnings per share (no dilutive shares):	502,348,532	196,703,823
Basic and diluted earnings per share	(0.009)	(0.005)

8. GROUP STRUCTURE

The following subsidiaries form the Investorfirst Limited Group:

Name	% Equity Interest		Date of change in control
	2011	2010	
Hub24 Custodial Services Limited (formerly ANZIX Ltd)	100	100	
Hub24 International Nominees Pty Ltd (formerly ANZIX Nominees Ltd)	100	100	
Capfirst Securities Ltd	100	100	
Firstfunds Ltd	100	100	
INQ Management Services Ltd	100	100	
Investorfirst Securities Ltd	100	100	
Hub24 Nominees Pty Ltd (formerly Kardinia Nominees Pty Ltd)	100	100	
Researchfirst Ltd	100	100	
Captain Starlight Nominees Pty Ltd	100	100	
Findlay & Co Stockbrokers Ltd	100	100	
Aequus Capital Ltd	100	100	
Hub24 Pty Ltd	100	-	1/12/2010
Utrade Securities Pty Ltd (formerly HUB24 Operations Pty Ltd)	100	-	1/12/2010
Hub24 Services Pty Ltd	100	-	1/12/2010
Alert Trader Pty Ltd	81	-	9/09/2010
Alert Trader Investment Management Pty Ltd	81	-	9/09/2010
Alert Trader Publishing Pty Ltd	81	-	9/09/2010
Alert Trader Securities Pty Ltd	81	-	9/09/2010
Findlay & Co Stockbrokers (Underwriters) Pty Ltd	-	100	3/11/2010

ENDS

For further information please contact:

Otto Buttula Executive Chairman Investorfirst Ltd +61 2 8274 6000	Darren Pettiona Chief Executive Office Investorfirst Ltd Phone: +61 2 8274 6000
---	---



Investorfirst Ltd
ABN 87 124 891 685
ACN 124 891 685
www.investorfirst.com.au

MELBOURNE
Level 10,
30 Collins St
Melbourne VIC 3000
Tel: (03) 9270 9160
Fax: (03) 9270 9155

SYDNEY
Level 45, Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Tel: (02) 8274 6000
Fax: (02) 9247 6428