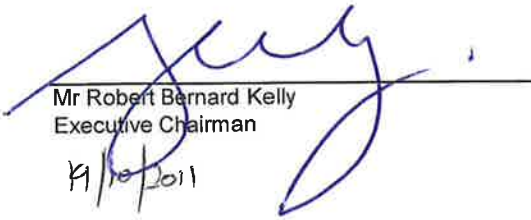


This is annexure A of 31 pages referred to in Form 388 "Copy of financial statements and reports"



Mr Robert Bernard Kelly
Executive Chairman
11/10/2011

STEADFAST GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN: 98 073 659 677

**Annual Financial Report For The Year Ended
30 June 2011**

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES

ABN: 98 073 659 677

Annual Financial Report For The Year Ended 30 June 2011

CONTENTS	Page
Directors' Report	1
Auditor's Independence Declaration	7
Consolidated Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	27
Independent Auditor's Report	28
Consolidated Itemised Profit and Loss Statement	30

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES ABN: 98 073 659 677
DIRECTORS' REPORT

Your Directors present their report, together with the financial statements of the Consolidated Group, being Steadfast Group Limited (the Company) and its Controlled Entities, for the financial year ended 30 June 2011.

The financial statements and notes, as set out on pages 8 to 26 are in accordance with the *Corporations Act 2001* and:

The principal activity of the Consolidated Group during the financial year was the provision of services to its Shareholders to reduce their overheads and increase their revenue.

Operating Results and Review of Operations for the year

Operating Results

The consolidated profit of the Consolidated Group after providing for income tax amounted to \$2,810,248 (2010: \$3,581,110)

Review of Operations

The corporate objective of the Consolidated Group was to reduce overhead costs of Australian owned general insurance brokerages and to seek out opportunities that will further enhance their returns. Specific benefits to Shareholders being targeted by the Consolidated Group at present include:

- Marketing preferred insurance partner products and premium funding products to Shareholders;
- Development of branded underwriting products;
- Best practice compliance and training solutions;
- Supply of technical operations standards manual;
- Sourcing group buying discounts and services from non-insurance providers to assist Shareholders to manage their operational costs; and
- Development of software to reduce back-office costs.

During the financial year, there was the Annual Convention held in April 2011 by Steadfast Convention Pty Ltd (Steadfast Convention). Revenue for Steadfast Convention was \$2,167,790 (2010: \$1,874,242), and expenses were \$1,954,331 (2010: \$1,985,536) resulting in a profit of \$213,459 (2010: loss of \$111,294).

Rebates Paid to Shareholders

The Company derives income as a result of the revenue generated by the sale of Steadfast preferred products by its Shareholders. Steadfast rebates for the current year to Shareholders were approved by the Board at the rate of up to 49.02% on qualifying income and amounted to \$9,637,254 (Rebates for 2010 were paid at 36.29% and amounted to \$6,145,989). Rebates to Shareholders in respect of Macquarie Premium Funding amounted to \$0 (2010: \$2,375,469). For 2011, a fully franked dividend of \$1,429,309 will be paid to participating Shareholders in lieu of a rebate.

Significant Changes in State of Affairs

During the year, there was no significant change in the state of affairs of the Company other than that referred to in the financial statements or notes thereto.

Dividends Paid or Recommended

The Company was established to provide its Shareholders with benefits that may arise from group buying rather than as a conventional investment which returns dividends and capital growth. However, the Board may declare dividends from time to time as an additional benefit to Shareholders.

Dividends declared by the Company to Shareholders for the financial year amounted to \$177,243 (2010: \$1,354,011). Dividends declared by the Company to participating Shareholders for the financial year in respect of Macquarie Premium Funding amounted to \$1,429,309. All dividends declared by the company are fully franked.

Events after the Reporting Period

Since year end, the Board have exercised their discretion under clause 12-1 of the Constitution to pay dividends in proportion to contributions.

The Directors have declared a fully franked dividend payable to Shareholders in the total sum of \$177,243 to be paid proportionally based on the Shareholders' contribution to the organisation over the past year.

Further, the Directors have declared a fully franked dividend payable to participating Shareholders in respect of Macquarie Premium Funding of \$1,429,309 to be paid proportionally based on the Shareholders' contribution to Macquarie Premium Funding over the past year.

Since year end, Stephen Donald Nichols, a Non-Executive Director and Board Member of Steadfast Foundation has resigned effective 22 September 2011. His replacement, Shayne Douglas Smith, was appointed on 19 October 2011.

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

Future Developments, Prospects and Business Strategies

The Consolidated Group will continue to develop further opportunities to reduce the overhead costs of Australian owned general insurance brokerages and further enhance their returns. The company continues to develop back office computer software solutions to further reduce operating expenses.

Environmental Issues

The Consolidated Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on Directors

Robert Bernard Kelly

— Chief Executive Officer, Chairman of the Board of Directors, Member - Finance and Audit Committee, Member - Governance Nomination and Remuneration Committee, Chairman - Professional Indemnity Board, Board Member - Steadfast Foundation, Member - SVU Committee

Qualifications

— Mr Kelly is a Qualified Practising Insurance Broker and a Fellow of the National Insurance Brokers Association (NIBA).
He is a Senior Associate, Certified Insurance Professional and holds a Diploma in Financial Services (General Insurance Broking) of the Australian and New Zealand Institute of Insurance & Finance (ANZIIF).
He also has a Diploma in Occupational Health and Safety and a Graduate Diploma in Australian Risk Management.

Experience

— He has been associated with the Insurance Industry for 42 years and has worked during this period as a Risk Manager, General Insurance Broker and Underwriting Agent.

Interest in Shares

— 5 Ordinary shares

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES ABN: 98 073 659 677
DIRECTORS' REPORT

Directorships held in other entities	<ul style="list-style-type: none"> — Mr Kelly holds a directorship in the following companies: <ul style="list-style-type: none"> - ACORD (Association for Cooperative Operations Research & Development) - Car Rental Insurance Pty Ltd - Delaney Kelly Golding Pty Ltd - Earthsure Pty Ltd - Erato Limited - Macquarie Premium Funding Pty Ltd - Miramar Underwriting Agency Pty Ltd - Premium Amortisation Corporation Pty Ltd - Rentsure Pty Ltd - Rentsure Finance and Lease Pty Ltd - SME Insurance Survey's Pty Ltd - Snowsure Pty Ltd - Steadfast Brokers Pty Ltd - Steadfast Convention Pty Ltd - Steadfast Finance Pty Limited - Steadfast Financial Planners Pty Ltd - Steadfast Financial Services Pty Ltd - Steadfast Financial Solutions Pty Ltd - Steadfast Foundation Pty Ltd ATF Steadfast Foundation - Steadfast Hub Pty Ltd - Steadfast Insurance Advisors Pty Ltd - Steadfast Insurance Brokers Pty Ltd - Steadfast Insurance Consultants Pty Ltd - Steadfast Insurance Management Pty Ltd - Steadfast Insurance Pty Ltd - Steadfast Insurance Services Pty Ltd - Steadfast NZ Pty Ltd - Steadfast Premium Funding Pty Ltd - Steadfast Risk Services Pty Ltd - Steadfast Underwriting Agency Pty Ltd - Trusted Choice Pty Ltd - Trusted Choice New Zealand Pty Ltd
Gregory John Rynenberg	<ul style="list-style-type: none"> — Deputy Chairman, Non-Executive Director, Member - Finance and Audit Committee, Member - Governance, Nomination and Remuneration Committee, Chairman - SVU Committee
Qualifications	<ul style="list-style-type: none"> — Mr Rynenberg is a Qualified Practising Insurance Broker, a Fellow of NIBA and an Associate of ANZIIF. Mr Rynenberg holds an Advanced Diploma in Financial Services (General Insurance Broking).
Experience	<ul style="list-style-type: none"> — Mr Rynenberg has 33 years experience in the General Insurance Broking Industry, 26 years of those conducting his own business.
Interest in Shares	<ul style="list-style-type: none"> — 5 Ordinary Shares
Directorships held in other entities	<ul style="list-style-type: none"> — Mr Rynenberg holds a directorship in the following companies: <ul style="list-style-type: none"> - Curthurst Pty Ltd - East West Holdings Pty Ltd - East West Insurance Brokers Pty Ltd - Erato Limited - Flexifund Australia Pty Ltd - Moreton Bay Boys College Pty Ltd - Ryno Insurance Services Pty Ltd - Steadfast Hub Pty Ltd
Christopher Baker	<ul style="list-style-type: none"> — Non-Executive Director, Member - SVU Committee
Qualifications	<ul style="list-style-type: none"> — Mr Baker is a General Insurance Broker who holds a Diploma of Financial Services (General Insurance Broking) and a Diploma in Front Line Management. He is a Certified Insurance Professional and Qualified Practising Insurance Broker. He is a member of NIBA, Australian Insurance Law Association, and a Senior Associate of ANZIIF.
Experience	<ul style="list-style-type: none"> — Mr Baker has been in the General Insurance Broking industry for 34 years, 25 years of those conducting his own business.
Interest in Shares	<ul style="list-style-type: none"> — 5 Ordinary Shares
Directorships held in other entities	<ul style="list-style-type: none"> — Mr Baker holds a directorship in the following companies: <ul style="list-style-type: none"> - ANCA (Tas) Pty Ltd - Taswide Financial Solutions Pty Ltd
Kenneth Bayley	<ul style="list-style-type: none"> — Non-Executive Director (Retired 29/11/2010)
Qualifications	<ul style="list-style-type: none"> — He holds a Diploma in Financial Services (General Insurance Broking).
Experience	<ul style="list-style-type: none"> — Mr Bayley is an Insurance Broker. He has been associated with the Insurance Industry for over 45 years, 35 years of which he has conducted his own business.
Interest in Shares	<ul style="list-style-type: none"> — 5 Ordinary Shares
Directorships held in other entities	<ul style="list-style-type: none"> — Mr Bayley holds a directorship in the following companies: <ul style="list-style-type: none"> - Bayley Superannuation Fund Pty Ltd - Cashrest Pty Ltd - Statewide Insurance Brokers Pty Ltd

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES ABN: 98 073 659 677
DIRECTORS' REPORT

Cameron Bott	
Qualifications	<ul style="list-style-type: none"> — Non-Executive Director (Appointed 29/11/2010) — Mr Bott is a Qualified Practising Insurance Broker and Fellow of the Australian and New Zealand Insurance Institute (ANZIIF).
Experience	<ul style="list-style-type: none"> — Mr Bott has more than 20 years experience in the General Insurance Industry and has gained valuable experience working in senior roles with the industry's leading organisations. For the past 7 years he has been Principal and Managing Director of his own business.
Interest in Shares	<ul style="list-style-type: none"> — 5 Ordinary Shares
Directorships held in other entities	<ul style="list-style-type: none"> — Mr Bott holds a directorship in the following companies: <ul style="list-style-type: none"> - Ascot Rise Properties Pty Ltd - Ascot Rise Pty Ltd - G.W.S Properties Pty Ltd - G.W.S. Pty Ltd
Paul Francis Moran	
Qualifications	<ul style="list-style-type: none"> — Non-Executive Director (Retired 29/11/2010) — Mr Moran is a Qualified Practising Insurance Broker and member of NIBA. He holds a Diploma of Financial Services (General Insurance Broking).
Experience	<ul style="list-style-type: none"> — Mr Moran has been associated with the Insurance Industry for 52 years, with 32 years of those conducting his own business.
Interest in Shares	<ul style="list-style-type: none"> — 5 Ordinary Shares
Directorships held in other entities	<ul style="list-style-type: none"> — Mr Moran holds a directorship in the following companies: <ul style="list-style-type: none"> - Independent Repairers and Transport Operations Pty Ltd - Moran Administration Services Pty Ltd - Moran Insurance Brokers Pty Ltd - Moran Management Services Pty Ltd - Moran Superannuation Services Pty Ltd - Moran Ultimate Extended Warranty Pty Ltd
Stephen Donald Nichols	
Qualifications	<ul style="list-style-type: none"> — Non-Executive Director, Board Member - Steadfast Foundation (Resigned 22/09/2011) — Mr Nichols is an Insurance Broker who holds a Diploma in Financial Services (General Insurance Broking).
Experience	<ul style="list-style-type: none"> — Mr Nichols has been associated with the Insurance Industry for 29 years, the last 21 of those conducting his own business.
Interest in Shares	<ul style="list-style-type: none"> — 5 Ordinary Shares
Directorships held in other entities	<ul style="list-style-type: none"> — Mr Nichols holds a directorship in the following companies: <ul style="list-style-type: none"> - Allsafe Financial Services Pty Ltd - Allsafe Insurance Brokers Pty Ltd - Cabsafe Pty Ltd - Insurance Broker Marketing Pty Ltd - Parkclose Investment Pty Ltd - Steadfast Foundation Pty Ltd ATF Steadfast Foundation
Michael Olofinsky	
Qualifications	<ul style="list-style-type: none"> — Non-Executive Director — Mr Olofinsky is a Qualified Practising Insurance Broker and an Associate of ANZIIF.
Experience	<ul style="list-style-type: none"> — He has been associated with the Insurance Industry for over 41 years.
Interest in Shares	<ul style="list-style-type: none"> — 5 Ordinary Shares
Directorships held in other entities	<ul style="list-style-type: none"> — Mr Olofinsky holds a directorship in the following companies: <ul style="list-style-type: none"> - Brookvale Finance Brokers Pty Ltd - Brookvale Insurance Brokers Pty Ltd - Isibee Pty Ltd - Miramar Underwriting Agency Pty Ltd - SME Insurance Survey's Pty Ltd
Richard John Post	
Qualifications	<ul style="list-style-type: none"> — Non-Executive Director (Appointed 29/11/2010) — Mr Post is a Qualified Practising Insurance Broker and holds a Diploma of Financial Services
Experience	<ul style="list-style-type: none"> — Mr Post has been involved in the insurance industry since 1980 and has been an insurance broker since 1997.
Interest in Shares	<ul style="list-style-type: none"> — 5 Ordinary Shares
Directorships held in other entities	<ul style="list-style-type: none"> — Mr Post holds a directorship in the following companies: <ul style="list-style-type: none"> - Centrewest Financial Services Pty Ltd - Centrewest Funding Solutions Pty Ltd - Kidoca Pty Ltd - Sparaxis Pty Ltd

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES ABN: 98 073 659 677
DIRECTORS' REPORT

Graham John Stevens

Qualifications

Experience

Interest in Shares

Directorships held in other entities

- Non-Executive Director, Member - Steadfast Foundation Board
- Mr Stevens is a Qualified Practising Insurance Broker and holds a Diploma in Financial Services (General Insurance Broking) and is a Board member of NIBA.
- He has been involved in the Insurance Industry for some 41 years
- 5 Ordinary Shares
- Mr Stevens holds a directorship in the following companies:
 - Edgewise Insurance Brokers Pty Ltd
 - Express Insurance Pty Ltd
 - GIS Pty Ltd
 - GJ Stevens Pty Ltd
 - Insurance Claims Solutions Pty Ltd
 - Insurennet Pty Ltd
 - National Insurance Brokers Association
 - ProRisk Insurance Brokers Pty Ltd
 - Steadfast Foundation Pty Ltd ATF Steadfast Foundation
 - Stevens Superannuation Pty Ltd

Gregory Stewart

Qualifications

Experience

Interest in Shares

Directorships held in other entities

- Non-Executive Director, Chairman - Convention Committee, Member - Governance Nomination and Remuneration Committee
- Mr Stewart holds a Diploma in Financial Services (General Insurance Broking).
- Mr Stewart has been associated with the insurance industry for over 19 years.
- 5 Ordinary Shares
- Mr Stewart holds a directorship in the following companies:
 - Advance Car Rentals N.T. Pty Ltd
 - Advance Car Rentals Pty Ltd
 - Advance Finance Pty Ltd
 - G + A Stewart Nominees Pty Ltd
 - Gama Finance Pty Ltd
 - Glitter Pty Ltd
 - Holdfast Finance Pty Ltd
 - Holdfast Insurance Brokers Pty Ltd
 - Macquarie Premium Funding Pty Ltd
 - Migration Corporation Of Australia Pty Ltd
 - Steadfast Convention Pty Ltd

Jonathan Upton

Qualifications

Experience

Interest in Shares

Directorships held in other entities

- Non-Executive Director, Chairman - Finance and Audit Committee, Member - Professional Indemnity Committee Board, Board Member - Steadfast Foundation
- Mr Upton is a Qualified Practising Insurance Broker (QPIB), an Associate NIBA, an Associate Fellow of Australian Institute of Management (AFAIM), holds a Diploma of Financial Services (General Insurance Broking) and is a Justice of the Peace.
- Mr Upton has 39 years in the General and Life Insurance Broking Industry, 33 years of those conducting his own business.
- 5 Ordinary Shares
- Mr Upton holds a directorship in the following companies:
 - Commercial Strata Insurance Services Pty Ltd
 - Delhi Properties Pty Ltd
 - Erato Limited
 - Indemnity Corporation Financial Advisers Pty Ltd
 - Indemnity Corporation Financial Services Pty Ltd
 - Indemnity Corporation Pty Ltd
 - NetSafe Global Pty Ltd
 - NetSafe Pty Ltd
 - OH & S Indemnity Pty Ltd
 - Steadfast Foundation Pty Ltd ATF Steadfast Foundation
 - United Underwriting Agencies Pty Ltd
 - Upton Grange Australia Pty Ltd
 - Upton Grange Holdings Pty Ltd
 - Upton Grange Nominees Pty Ltd
 - Upton Grange Pty Ltd

Joseph Vella

Qualifications

Experience

Interest in Shares

Directorships held in other entities

- Non-Executive Director, Chairman - Steadfast Foundation Board
- Mr Vella is a Qualified Practising Insurance Broker and holds a Diploma of Financial Services (General Insurance Broking). He is an Associate of NIBA and an Associate of ANZIF.
- He has been associated with the Insurance Industry for over 34 years.
- 5 Ordinary Shares
- Mr Vella holds a directorship in the following companies:
 - All Parks Insurance Pty Ltd
 - Cairns Regional Gallery Foundation
 - Data Dot Mexico Ltd
 - IDT International Limited Company (Seattle USA)
 - JG & MA Vella Superannuation Fund Pty Ltd
 - Joe Vella Insurance Brokers Pty Ltd
 - Natren Pty Ltd
 - One Group Financial Services Pty Ltd.
 - Steadfast Foundation Pty Ltd ATF Steadfast Foundation

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES ABN: 98 073 659 677
DIRECTORS' REPORT

John David Frederick Wolozny
 Qualifications
 Experience
 Interest in Shares
 Directorships held in other entities

- Non-Executive Director, Chairman - Governance, Nomination and Remuneration Committee
- Mr Wolozny is a Qualified Practising Insurance Broker and an Associate of ANZIIF.
- He has 37 years experience in the Insurance Industry.
- 5 Ordinary Shares
- Mr Wolozny holds a directorship in the following companies:
 - Penview Holdings Pty Ltd
 - Teevan Pty Ltd
 - Trident Insurance Group Pty Ltd

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Jennifer Varley — Mrs Varley holds an Associate Diploma in Business (Accounting) and is a member of the Institute of Public Accountants, National Tax and Accountants Association, Taxation Institute of Australia and the Australian Human Resources Institute and is a Justice of the Peace. She has 25 years experience in accounting.

Meetings of Directors

During the financial year, 8 meetings of Directors were held. Attendances by each director during the year were as follows:

Directors' Meetings		
	Number eligible to attend	Number attended
Robert Bernard Kelly	8	8
Gregory John Rynenberg	8	8
Christopher Baker	8	8
Kenneth Bayley	2	1
Cameron Bott	6	6
Paul Francis Moran	2	2
Stephen Donald Nichols	8	8
Michael Olofinsky	8	8
Richard John Post	6	6
Graham John Stevens	8	6
Gregory Stewart	8	8
Jonathan Upton	8	8
Joseph Vella	8	6
John David Frederick Wolozny	8	8

Steadfast Companies

Steadfast has registered the following companies whose sole Director and Secretary is Robert Bernard Kelly:

- Steadfast Brokers Pty Ltd
- Steadfast Finance Pty Ltd
- Steadfast Financial Planners Pty Ltd
- Steadfast Financial Services Pty Ltd
- Steadfast Insurance Advisors Pty Ltd
- Steadfast Insurance Brokers Pty Ltd
- Steadfast Insurance Consultants Pty Ltd
- Steadfast Insurance Management Pty Ltd
- Steadfast Insurance Pty Ltd
- Steadfast Insurance Services Pty Ltd
- Steadfast NZ Pty Ltd
- Steadfast Premium Funding Pty Ltd
- Steadfast Risk Services Pty Ltd
- Steadfast Underwriting Agency Pty Ltd
- Trusted Choice New Zealand Pty Ltd
- Trusted Choice Pty Ltd

Steadfast has registered the following company whose Directors are Robert Bernard Kelly, Gregory John Rynenberg and Jonathan Upton and the Secretary is Robert Bernard Kelly:

- Erato Limited

Steadfast has registered the following company whose Director is Robert Kelly and the Secretary is Jennifer Varley:

- Steadfast Financial Solutions Pty Ltd

Steadfast has registered the following company whose Directors are Robert Bernard Kelly, Stephen Donald Nichols (resigned), Graham John Stevens, Jonathan Upton and Joseph Vella and the Secretary is Jennifer Varley:

- Steadfast Foundation Pty Ltd

None of the above entities are trading at balance date.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES ABN: 98 073 659 677
DIRECTORS' REPORT

Steadfast has the following company that commenced trading on 1 July 2009 whose Directors are Robert Bernard Kelly and Gregory Stewart and the Secretary is Jennifer Varley:
- Steadfast Convention Pty Ltd

Steadfast has the following company that commenced trading on 1 July 2009 whose Directors are Robert Bernard Kelly and Gregory John Rynenberg and the Secretary is Jennifer Varley:
- Steadfast Hub Pty Ltd

Indemnifying Officers or Auditor

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- Premiums to insure all its Directors and Officers against liabilities for costs and expense incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or Officer of the Consolidated Group, other than conduct involving a wilful breach of duty in relation to the Consolidated Group. The total premium paid during the year was \$8,912 (2010: \$9,422)

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or 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 any part of those proceedings.

The company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 7 of the Annual Financial Report.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.



.....
Robert Bernard Kelly
Executive Chairman

Dated: 19/10/2011

Level 7, 20 Hunter Street
Sydney NSW 2000

T +61 (0)2 8236 7700
F +61 (0)2 9233 4636

www.moorestephens.com.au

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES**

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Steadfast Group Limited and its Controlled Entities for the year ended 30 June 2011, I declare to the best of my knowledge and belief, that there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2011* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Moore Stephens Sydney

Moore Stephens Sydney
Chartered Accountants

J Webster

Jenelle Webster
Partner

Dated in Sydney this 20th day of October 2011

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	3	20,903,717	17,915,098
Other income	3	662,411	1,002,028
Employee benefits expense		(3,465,361)	(3,058,399)
Other expenses		(682,727)	(596,246)
Rebates to shareholders	4	(9,637,254)	(8,521,458)
Cost of shareholder services		(3,728,947)	(2,958,621)
Board expenses	4	(1,145,817)	(1,112,189)
Administration and utility expenses		(1,073,573)	(845,948)
Research and development costs	4	(1,412,382)	(1,496,044)
Share of net profits of associates and joint venture		2,414,822	3,240,500
Profit before income tax		2,834,889	3,568,721
Income tax (expense) / benefit	5	(24,641)	12,389
Profit for the year		2,810,248	3,581,110
Other comprehensive income:			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		2,810,248	3,581,110

The accompanying notes form part of these financial statements.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	9,589,696	6,061,474
Trade and other receivables	10	8,429,158	8,765,487
Other assets	11	159,923	96,560
Current tax assets	19	-	271,992
TOTAL CURRENT ASSETS		<u>18,178,777</u>	<u>15,195,513</u>
NON-CURRENT ASSETS			
Investments accounted for using the equity method	12	1,747,285	1,619,100
Property, plant and equipment	16	3,922,224	4,059,175
Deferred tax assets	19	168,142	181,329
Other non-current assets		2,088	619
TOTAL NON-CURRENT ASSETS		<u>5,839,739</u>	<u>5,860,223</u>
TOTAL ASSETS		<u>24,018,516</u>	<u>21,055,736</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	3,741,055	3,160,497
Dividend Payable	8	-	1,354,011
Current tax liabilities	19	8,231	-
Provisions	20	9,846,444	8,730,524
TOTAL CURRENT LIABILITIES		<u>13,595,730</u>	<u>13,235,032</u>
NON-CURRENT LIABILITIES			
Borrowings	18	50,030	50,030
Deferred tax liabilities	19	10,747	7,524
Other provisions	20	217,262	243,956
TOTAL NON-CURRENT LIABILITIES		<u>278,039</u>	<u>301,510</u>
TOTAL LIABILITIES		<u>13,873,769</u>	<u>13,536,542</u>
NET ASSETS		<u>10,144,747</u>	<u>7,519,194</u>
EQUITY			
Issued capital	21	246,049	247,079
Dividends	8	-	(1,354,011)
Reserves	22	34,170	-
Retained earnings		9,864,528	8,626,126
TOTAL EQUITY		<u>10,144,747</u>	<u>7,519,194</u>

The accompanying notes form part of these financial statements.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

Note	Issued Share Capital	Share Buy Back Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Consolidated Group Balance at 1 July 2009	143,099	-	5,045,016	5,188,115
Comprehensive income				
Profit for the year	-	-	3,581,110	3,581,110
Total comprehensive income for the year	-	-	3,581,110	3,581,110
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the year	103,980	-	-	103,980
Dividends paid or provided for	-	-	(1,354,011)	(1,354,011)
Total transactions with owners and other transfers	103,980	-	(1,354,011)	(1,250,031)
Balance at 30 June 2010	247,079	-	7,272,115	7,519,194
Balance at 1 July 2010	247,079	-	7,272,115	7,519,194
Comprehensive income				
Profit for the year	-	-	2,810,248	2,810,248
Total comprehensive income for the year	-	-	2,810,248	2,810,248
Transactions with owners, in their capacity as owners, and other transfers				
Shares bought back during the year	(1,030)	(183,665)	-	(184,695)
Total transactions with owners and other transfers	(1,030)	(183,665)	-	(184,695)
Other				
Transfer to/(from) share buy back reserve	-	217,835	(217,835)	-
Total Other	-	217,835	(217,835)	-
Balance at 30 June 2011	246,049	34,170	9,864,528	10,144,747

The accompanying notes form part of these financial statements.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and shareholders		21,027,840	15,664,401
Interest received		308,547	128,955
Payments to suppliers and employees		(19,244,492)	(15,085,538)
Finance costs		(4,305)	(6,658)
Income tax refunded/(paid)		270,871	(47,813)
Net cash provided by operating activities	25	<u>2,358,461</u>	<u>653,347</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		2,220	200
Purchase of property, plant and equipment		(144,372)	(115,680)
Dividends received from associates and joint venture		2,850,619	1,253,932
Net cash provided by/(used in) investing activities		<u>2,708,467</u>	<u>1,138,452</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	103,980
Proceeds from borrowings		-	1,000,000
Share buy-back payment		(184,695)	-
Repayment of borrowings		-	(1,000,000)
Dividends paid by parent entity		(1,354,011)	-
Net cash (used in) / provided by financing activities		<u>(1,538,706)</u>	<u>103,980</u>
Net increase in cash held		3,528,222	1,895,779
Cash and cash equivalents at beginning of financial year	9	6,061,474	4,165,695
Cash and cash equivalents at end of financial year	9	<u>9,589,696</u>	<u>6,061,474</u>

The accompanying notes form part of these financial statements.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

These consolidated financial statements and notes represent those of Steadfast Group Limited and Controlled Entities (the "Consolidated Group" or "Group"). The separate financial statements of the parent entity, Steadfast Group Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Steadfast Group Limited at the end of the reporting period. A controlled entity is any entity over which Steadfast Group Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 15 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The Consolidated Group and its wholly-owned Australian subsidiaries have formed an income tax Consolidated Group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2009. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

(c) Trade and Other Receivables

Trade and other receivables are generally settled within 30 to 60 days. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts.

(d) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Buildings are accounted for on a cost basis less accumulated depreciation.

Plant and equipment

Plant and equipment is measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold property, is depreciated on a straight-line basis over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Freehold Improvements	6.67 - 100%
Furniture and fittings	20%
Office equipment	10 - 100%
Computer equipment	33.33 - 100%
Computer software	100%
Building	2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(f) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(g) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(ii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(g) Financial Instruments (continued)

Impairment

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(h) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Investments in Associates

Associates are companies in which the Group has significant influence through holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Group's profit or loss.

Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Group will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Details of the Group's investment in associates are shown at Note 13.

(j) Interests in Joint Ventures

The Group's interest in joint venture entities is recorded using the equity method of accounting in the consolidated financial statements.

Where the Group contributes assets to the joint venture or if the Group purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the Group's share of the joint venture is recognised. The Group recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(k) Intangibles

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project is expected to deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

(l) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

(m) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

(o) Revenue and Other Income

The Group has negotiated with preferred partner insurance companies and preferred premium funders to receive a marketing and administration fee based on the amount of preferred product business its Shareholders place with those companies. These amounts will be recognised as income as they are earned.

Interest revenue is recognised using the effective interest rate method.

Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue is recognised for Convention income when the convention is held.

All revenue is stated net of the amount of goods and services tax (GST).

(p) Borrowing Costs

All borrowing costs are recognised in the income statement in the period in which they are incurred.

(q) Goods and Services Tax (GST)

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

Receivables and payables are stated in the Statement of Financial Position inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(r) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy, made a retrospective restatement of items in the financial statements or reclassified items in its financial statements, an additional Statement of Financial Position as at the beginning of the earliest comparative period will be disclosed.

(s) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best reasonably available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. There is no impairment required at 30 June 2011.

(t) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to adopt early. A discussion of those future requirements and their impact on the Group is as follows:

— *AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).*

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

— *AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*

[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

This Standard is not expected to impact the Group.

(u) Segment Reporting

The Consolidated Group operates in Australia only and the principal activity is the provision of services to Shareholders to reduce their overheads and increase their revenue.

The financial report was authorised for issue on 19 October 2011 by the Directors of the company.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 2 Parent Information

The following information has been extracted from the books and records of the parent and has been prepared in accordance with the Accounting Standards.

STATEMENT OF FINANCIAL POSITION

	2011 \$	2010 \$
ASSETS		
Current Assets	18,027,413	15,013,014
Non-Current Assets	5,840,119	5,249,917
TOTAL ASSETS	<u>23,867,532</u>	<u>20,262,931</u>

LIABILITIES		
Current Liabilities	13,871,311	13,683,919
Non-Current Liabilities	254,676	301,399
TOTAL LIABILITIES	<u>14,125,987</u>	<u>13,985,318</u>

EQUITY		
Issued Capital	246,049	247,079
Retained Earnings	9,461,326	6,030,534
Reserve	34,170	-
TOTAL EQUITY	<u>9,741,545</u>	<u>6,277,613</u>

STATEMENT OF COMPREHENSIVE INCOME

Total profit	3,463,932	3,145,734
Total comprehensive income	3,463,932	3,145,734

Guarantees

Steadfast Group Limited has not entered into any guarantees, in the current or previous financial year, in relation to the debts of its subsidiaries.

Note 3 Revenue and Other Income

Revenue from continuing operations

Sales revenue	19,792,920	16,947,393
— Marketing and administration fees	802,250	838,750
— Shareholder fees received	20,595,170	17,786,143

Other revenue	308,547	128,955
— interest received	308,547	128,955

Total revenue	<u>20,903,717</u>	<u>17,915,098</u>
----------------------	-------------------	-------------------

Other income	213,459	(111,294)
— Net conference income / (loss)	946	928
— Merchandising fees	420,000	420,000
— Underwriters room fees	-	100,000
— Rebate income	28,006	14,396
— Sundry income	-	577,998
— Erato claims expense benefit	662,411	1,002,028
Total other income	<u>662,411</u>	<u>1,002,028</u>

Note 4 Profit for the Year

Profit before income tax from continuing operations includes the following specific expenses:

Rebates given to shareholders	9,637,254	8,521,458
Board expenses	1,145,817	1,112,189
Depreciation	279,103	254,332
Contributions to superannuation	304,496	226,670
Research and development costs	1,412,382	1,496,044

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 5 Income Tax Expense

	Note	2011 \$	2010 \$
(a) The components of tax expense comprise:			
Current tax		8,231	(10,028)
Deferred tax	19	<u>16,410</u>	<u>(2,361)</u>
		<u>24,641</u>	<u>(12,389)</u>
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:			
Net Profit before tax		<u>2,834,889</u>	3,568,721
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2010: 30%)		850,467	1,070,616
Add:			
Tax effect of:			
— Under provision for income tax in prior year		8,747	-
— Increase in dividends		855,186	376,180
— Franking credits		366,508	161,220
— Entertainment (non- deductible)		11,184	5,117
— Non-deductible expenditure		<u>14,802</u>	-
Less:		<u>2,106,894</u>	1,613,133
Tax effect of:			
— Share of net profits of associates and joint venture entities netted directly		724,447	972,150
— Non-deductible expenditure		-	596
— Overprovision of prior year income tax		-	14,729
— Rebates/tax offsets		1,221,694	537,399
Recoupment of prior year tax losses		<u>136,112</u>	<u>100,648</u>
Income tax attributable to entity		<u>24,641</u>	<u>(12,389)</u>
The applicable weighted average effective tax rates are as follows:		0.9%	-0.35%

Note 6 Interests of Key Management Personnel (KMP)

Management Personnel

Robert Kelly (Executive Chairman)

John Phillips (Chief Executive Officer) (Retired 31 December 2010)

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

Short-term employee benefits	444,396	594,009
Post-employment benefits	25,017	49,770
Termination benefits	<u>159,067</u>	-
	<u>628,480</u>	<u>643,779</u>

Directors' Fees

	Short-Term Employee Benefits	Post- Employment Benefits	Other Long Term Benefits	Termination Benefits	Share-Based Payments	Total
Robert Bernard Kelly	214,500	-	-	-	-	214,500
Gregory John Rynenberg	108,000	-	-	-	-	108,000
Christopher Baker	51,000	-	-	-	-	51,000
Kenneth Bayley	12,500	-	-	-	-	12,500
Cameron Bott	17,500	-	-	-	-	17,500
Paul Francis Moran	12,500	-	-	-	-	12,500
Stephen Donald Nichols	30,000	-	-	-	-	30,000
Michael Olofinsky	60,000	-	-	-	-	60,000
Richard John Post	17,500	-	-	-	-	17,500
Graham John Stevens	30,000	-	-	-	-	30,000
Gregory Stewart	133,500	-	-	-	-	133,500
Jonathan Upton	84,250	-	-	-	-	84,250
Joseph Vella	30,000	-	-	-	-	30,000
John David Frederick Wolozny	72,000	-	-	-	-	72,000
	<u>873,250</u>	-	-	-	-	<u>873,250</u>

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 7 Auditors' Remuneration

	Note	2011 \$	2010 \$
Remuneration of the auditor of the parent entity for:			
— auditing or reviewing the financial report		68,563	42,500
— taxation services		39,826	29,219
— other services		72,040	28,176

Note 8 Dividends

a) Dividends payable	-	1,354,011
b) Dividends not recognised at year-end	-	1,354,011

Since the end of the year, the Directors have declared \$177,243 fully franked dividends which has not been recognised as a liability at the end of the financial year.

Since the end of the year, the Directors have declared \$1,429,309 fully franked dividends in respect of Macquarie Premium Funding which has not been recognised as a liability at the end of the financial year.

Balance of franking account at year end adjusted for franking credits arising from:

— dividends recognised as receivables, and franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years	2,587,966	2,660,730
---	-----------	-----------

Note 9 Cash and Cash Equivalents

Cash at bank and in hand	7,589,696	4,311,330
Short-term bank deposits	2,000,000	1,750,144
	28	9,589,696
		6,061,474

The effective interest rate on short-term bank deposits was 4.90% (2010: 5.87%); these deposits have an average maturity of 90 days.

Note 10 Trade and Other Receivables

CURRENT

Trade receivables	6,124,206	5,914,868
Other receivables	2,304,952	2,850,619
	8,429,158	8,765,487

Note 11 Other Assets

CURRENT

Prepayments	159,923	96,560
	159,923	96,560

Note 12 Investments Accounted for Using the Equity Method

Associated companies	13a	1,746,785	1,618,600
Interests in joint venture entities	14b	500	500
		1,747,285	1,619,100

Note 13 Associated Companies

Interests are held in the following associated companies

Name	Principal Activities	Country of Incorporation	Class of Shares	Ownership Interest*		Carrying Amount of Investment	
				2011 %	2010 %	2011	2010
Unlisted:							
(i) Miramar Underwriting Agency Pty Ltd	Insurance underwriting	Australia	Ord	50.00%	50.00%	1,711,921	1,608,028
(ii) SME Insurance Survey's Pty Ltd	Insurance surveying	Australia	Ord	50.00%	50.00%	34,864	10,572
						1,746,785	1,618,600

* Voting power only relates to the ordinary shares ownership interest

Miramar Underwriting Agency Pty Ltd is considered to be an associate as control lies with the Executive Director of Miramar.

SME Insurance Survey's Pty Ltd is considered to be an associate as control lies with the Executive Directors of SME Insurance Survey's.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 13 Associated Companies (continued)

(a) Movements during the year in equity accounted investment in associated companies

	Note	2011 \$	2010 \$
Balance at beginning of the financial year		1,618,600	1,228,219
Add: New investments during the year			500
Share of associated company's profit after income tax (Miramar Underwriting Agency Pty Ltd)	13b	603,893	1,154,809
Share of associated company's profit after income tax (SME Insurance Survey's Pty Ltd)		24,292	10,072
Less: Dividend revenue from associated company		(500,000)	(775,000)
Balance at end of the financial year		<u>1,746,785</u>	<u>1,618,600</u>

Dividends received from Miramar Underwriting Agency Pty Ltd are shown as cash amounts. Dividends are fully franked. The grossed up value of the dividends (reflecting the attached franking credits) is \$714,286.

(b) Equity accounted profits of associates are broken down as follows:

Miramar Underwriting Agency Pty Ltd

Share of associate's profit before income tax expense	871,693	1,655,911
Share of associate's income tax expense	(267,800)	(501,102)
Share of associate's profit after income tax	<u>603,893</u>	<u>1,154,809</u>

SME Insurance Survey's Pty Ltd

Share of associate's profit before income tax expense	34,704	14,389
Share of associate's income tax expense	(10,412)	(4,317)
Share of associate's profit after income tax	<u>24,292</u>	<u>10,072</u>

(c) Summarised presentation of aggregate assets, liabilities and performance of associates

Current assets	12,269,893	14,360,552
Non-current assets	569,749	364,931
Total assets	<u>12,839,642</u>	<u>14,725,483</u>
Current liabilities	10,335,235	12,268,717
Non-current liabilities	661,791	870,600
Total liabilities	<u>10,997,026</u>	<u>13,139,317</u>
Net assets	<u>1,842,616</u>	<u>1,586,166</u>
Revenues	<u>8,939,696</u>	<u>9,124,416</u>
Profit after income tax of associates	<u>1,256,371</u>	<u>3,340,599</u>

Note 14 Joint Venture

An interest is held in the following joint venture

Name	Principal Activities	Country of Incorporation	Class of Shares	Ownership Interest		Carrying Amount of Investment	
				2011 %	2010 %	2011 \$	2010 \$
Macquarie Premium Funding Pty Ltd	Insurance premium funding	Australia	Ord	50.00%	50.00%	500	500
						<u>500</u>	<u>500</u>

(a) Movements during the year in equity accounted investment in associated companies

	Note	2011 \$	2010 \$
Balance at beginning of the financial year		500	500
Add: Share of joint venture's profit after income tax	14b	1,786,636	2,075,619
Less: Dividend revenue from joint venture		(1,786,636)	(2,075,619)
Balance at end of the financial year		<u>500</u>	<u>500</u>

(b) Equity accounted profit of joint venture is broken down as follows:

Macquarie Premium Funding Pty Ltd

Share of joint venture profit before income tax expense	2,772,658	3,278,383
Share of joint venture income tax expense	(986,022)	(1,202,764)
Share of joint venture profit after income tax	<u>1,786,636</u>	<u>2,075,619</u>

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 14 Joint Venture (continued)

(c) Summarised presentation of aggregate assets, liabilities and performance of joint ventures

	Note	2011 \$	2010 \$
Current assets		10,902,010	12,426,647
Total assets		10,902,010	12,426,647
Current liabilities		6,295,009	6,879,144
Total liabilities		6,295,009	6,879,144
Net assets		4,607,001	5,547,503
Revenues		23,882,812	23,438,938
Profit after income tax		4,606,000	5,546,502

* The assets, liabilities and performance of the Joint Venture is before dividends of \$4,606,000 declared to shareholders.

Note 15 Controlled Entities

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2011	2010
Subsidiaries of Steadfast Group Limited:			
Trading:			
Steadfast Convention Pty Ltd	Australia	100.00	100.00
Steadfast Hub Pty Ltd	Australia	100.00	100.00
Dormant:			
Erato Limited	Australia	100.00	100.00
Steadfast Brokers Pty Ltd	Australia	100.00	100.00
Steadfast Finance Pty Ltd	Australia	100.00	100.00
Steadfast Financial Planners Pty Ltd	Australia	100.00	100.00
Steadfast Financial Services Pty Ltd	Australia	100.00	100.00
Steadfast Financial Solutions Pty Ltd	Australia	100.00	-
Steadfast Foundation Pty Ltd	Australia	100.00	-
Steadfast Insurance Advisors Pty Ltd	Australia	100.00	100.00
Steadfast Insurance Brokers Pty Ltd	Australia	100.00	100.00
Steadfast Insurance Consultants Pty Ltd	Australia	100.00	100.00
Steadfast Insurance Management Pty Ltd	Australia	100.00	100.00
Steadfast Insurance Pty Ltd	Australia	100.00	100.00
Steadfast Insurance Services Pty Ltd	Australia	100.00	100.00
Steadfast NZ Pty Ltd	New Zealand	100.00	100.00
Steadfast Premium Funding Pty Ltd	Australia	100.00	100.00
Steadfast Risk Services Pty Ltd	Australia	100.00	100.00
Steadfast Underwriting Agency Pty Ltd	Australia	100.00	100.00
Trusted Choice New Zealand Pty Ltd	New Zealand	100.00	-
Trusted Choice Pty Ltd	Australia	100.00	-

* Percentage of voting power is in proportion to ownership

Note 16 Property, Plant and Equipment

LAND AND BUILDINGS

Buildings at cost:	3,624,262	3,624,262
Less accumulated depreciation	(336,858)	(246,251)
Total buildings	3,287,404	3,378,011

PLANT AND EQUIPMENT

Office Equipment at cost:	142,608	136,246
Less accumulated depreciation	(97,774)	(78,135)
	44,834	58,111

Computer Equipment at cost:	336,448	291,996
Less accumulated depreciation	(247,527)	(203,150)
	88,921	88,846

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 16 Property, Plant and Equipment (continued)

	2011 \$	2010 \$
PLANT AND EQUIPMENT (continued)		
Computer Software at cost:	75,045	53,716
Less accumulated depreciation	(75,045)	(53,716)
	<u>-</u>	<u>-</u>
Furniture and Fittings at cost:	449,813	408,328
Less accumulated depreciation	(303,126)	(244,565)
	<u>146,687</u>	<u>163,763</u>
Freehold Improvements at cost:	578,815	557,509
Less accumulated depreciation	(224,437)	(187,065)
	<u>354,378</u>	<u>370,444</u>
Total plant and equipment	<u>634,820</u>	<u>681,164</u>
Total property, plant and equipment	<u>3,922,224</u>	<u>4,059,175</u>

(a) Movements in Carrying Amounts

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

	Land & Buildings \$	Office Equipment \$	Computer Equipment \$	Computer Software \$	Furniture & Fittings \$	Freehold Improvements \$	Total \$
Consolidated Group:							
Balance at 1 July 2009	3,468,617	60,331	51,418	-	211,581	404,996	4,196,943
Additions	-	21,428	71,752	10,774	9,512	2,213	115,679
Disposals	-	(1,084)	-	-	-	-	(1,084)
Depreciation expense	(90,606)	(22,564)	(34,324)	(10,774)	(57,330)	(36,765)	(252,363)
Balance at 30 June 2010	<u>3,378,011</u>	<u>58,111</u>	<u>88,846</u>	<u>-</u>	<u>163,763</u>	<u>370,444</u>	<u>4,059,175</u>
Additions	-	13,780	46,472	21,329	41,485	21,306	144,372
Disposals	-	(200)	(2,020)	-	-	-	(2,220)
Depreciation expense	(90,607)	(26,857)	(44,377)	(21,329)	(58,561)	(37,372)	(279,103)
Balance at 30 June 2011	<u>3,287,404</u>	<u>44,834</u>	<u>88,921</u>	<u>-</u>	<u>146,687</u>	<u>354,378</u>	<u>3,922,224</u>

Note 17 Trade and Other Payables

	2011 \$	2010 \$
CURRENT		
Trade payables	896,973	833,787
Trust Account (Erato funds)	1,137,779	719,977
Sundry payables and accrued expenses	696	949
Membership received in advance	759,000	770,000
Marketing and administration fee received in advance	132,272	126,244
Donations not yet forwarded to Charities	6,220	8,720
Other tax liabilities	808,115	690,820
	<u>3,741,055</u>	<u>3,150,497</u>

Trade and sundry creditors are usually settled within the terms of payment offered which is normally 30 days. They are unsecured and non-interest bearing.

Note 18 Borrowings

NON-CURRENT

Bank loans		
Total non-current borrowings	<u>50,030</u>	50,030
Total borrowings	<u>50,030</u>	50,030

(a) The carrying amounts of non-current assets pledged as security are:
 First Mortgage: Freehold land and buildings

	<u>3,287,404</u>	3,378,011
	<u>3,287,404</u>	3,378,011

(b) The bank loan is secured by a registered first mortgage over Level 3, 99 Bathurst Street Sydney. The loan bears interest at a variable commercial rate and is repayable over a period of 5 years.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 19 Tax

	2011 \$	2010 \$
ASSET		
CURRENT		
Income tax	-	271,992
TOTAL	<u>-</u>	<u>271,992</u>
LIABILITY		
CURRENT		
Income tax	8,231	-
TOTAL	<u>8,231</u>	<u>-</u>

	Opening Balance \$	Charged to Income \$	Charged directly to Equity \$	Closing Balance \$
NON-CURRENT				
Deferred tax liabilities				
Property, plant and equipment - tax allowance	4,143	3,381	-	7,524
Balance at 30 June 2010	<u>4,143</u>	<u>3,381</u>	<u>-</u>	<u>7,524</u>
Property, Plant and Equipment - tax allowance	7,524	3,223	-	10,747
Balance at 30 June 2011	<u>7,524</u>	<u>3,223</u>	<u>-</u>	<u>10,747</u>
Deferred tax assets				
Provisions	74,559	52,303	-	126,862
Other	31,791	22,676	-	54,467
Tax losses	73,959	(73,959)	-	-
Balance at 30 June 2010	<u>180,309</u>	<u>1,020</u>	<u>-</u>	<u>181,329</u>
Provisions	126,862	41,280	-	168,142
Other	54,467	(54,467)	-	-
Balance at 30 June 2011	<u>181,329</u>	<u>(13,187)</u>	<u>-</u>	<u>168,142</u>

Note 20 Provisions

	2011 \$	2010 \$
CURRENT		
Short-term Employee Benefits		
Opening balance at 1 July 2010	178,915	76,452
Additional provisions	-	102,463
Amounts used	(32,143)	-
Balance at 30 June 2011	<u>146,772</u>	<u>178,915</u>
Rebates		
Opening balance at 1 July 2010	8,551,609	7,967,457
Additional provisions	9,637,254	8,521,458
Amounts used	(8,489,191)	(7,937,306)
Balance at 30 June 2011	<u>9,699,672</u>	<u>8,551,609</u>
Total Current Provisions	<u>9,846,444</u>	<u>8,730,524</u>
NON CURRENT		
Long-term Employee Benefits		
Opening balance at 1 July 2010	243,956	172,076
Additional provisions	(26,694)	71,880
Balance at 30 June 2011	<u>217,262</u>	<u>243,956</u>
Total Non-current Provisions	<u>217,262</u>	<u>243,956</u>
Total Provisions	<u>10,063,706</u>	<u>8,974,480</u>
Average number of employees	27	23

Provision for Long-term Employee Benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 20 Provisions (continued)

Provision for Rebates

A provision of \$9,637,254 has been recognised for estimated rebates to shareholders. The provision consists of rebates from Steadfast Group to Shareholders of \$9,637,254 (2010: 6,145,989). In the prior year a rebate attributable to Macquarie Premium Funding was accrued for \$2,375,469. This year it is being paid as a dividend. The Steadfast rebate to shareholders calculation has been determined based on 49.02% (2010: 36.29%) of eligible income received from Steadfast's preferred partner insurance companies.

Note 21 Issued Capital

	2011	2010
	\$	\$
1,390 (2010: 1,425) fully paid ordinary shares	246,049	247,079
The company has authorised share capital amounting to 100,000,000 with \$1 par value.		

(a) Ordinary Shares

	No.	No.
At the beginning of the reporting period	1,425	1,395
Shares issued during the year		
— 12 August 2009	-	5
— 28 September 2009	-	5
— 22 December 2009	-	5
— 16 February 2010	-	5
— 4 March 2010	-	5
Shares bought back during year		
— 30 June 2011	-	5
At the end of the reporting period	(35)	-
	<u>1,390</u>	<u>1,425</u>

Ordinary shares participate in dividends in proportion to the volume of business. This is as per clause 12-1 of the organisations' Constitution. Ordinary shares participate in the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the Shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Capital Management

The Directors control the capital of the Group in order to maintain a good debt to equity ratio, provide the Shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets.

There are no externally imposed capital requirements.

The Directors effectively manage the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

Note 22 Reserves

	\$	\$
(a) Reserves		
Share buy back reserve	34,170	-
	<u>34,170</u>	<u>-</u>
(b) Movements:		
Share buy back reserve		
Balance 1 July	217,835	-
Transfer to reserve from retained earnings	(183,665)	-
Balance 30 June	<u>34,170</u>	<u>-</u>

Note 23 Contingent Liabilities and Contingent Assets

Contingent Liabilities

There are no contingent liabilities requiring disclosure.

Contingent Assets

Claims Experience Benefit ('CEB')

Steadfast may receive a CEB payment or payments in respect of the 'Erato' Professional Indemnity scheme.

Both the timing and amount of any such payments are uncertain and dependent upon future events.

It is not practical to include an estimate of the financial effect of any potential CEB as considered by AASB 137.

Note 24 Operating Segments

The Group operates predominantly in one business and geographical segment being the provision of services to shareholders throughout Australia.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 25 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax	2011	2010
	\$	\$
Profit after income tax	2,810,248	3,581,110
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	279,103	254,332
Share of associated companies net profit after income tax and dividends	(2,978,804)	(1,645,397)
Decrease/(Increase) in trade and term	334,241	(2,814,544)
(Increase)/decrease in other assets	(62,744)	31,710
(Decrease)/increase in trade payables and accruals	590,558	547,843
Increase/(decrease) in tax asset	13,187	(1,020)
(Decrease)/increase in tax liabilities	283,446	(59,182)
Increase in provisions	1,089,226	758,495
Cash flow from operations	2,358,461	653,347

Note 26 Events After the Reporting Period

Since year end, the Board have exercised their discretion under clause 12-1 of the Constitution to pay dividends in proportion to contributions. The Directors have declared a fully franked dividend payable to Shareholders in the total sum of \$177,243 to be paid proportionally based on the Shareholders' contribution to the organisation over the past year.

Further, the Directors have declared a fully franked dividend payable to participating Shareholders in respect of Macquarie Premium Funding of \$1,429,309 to be paid proportionally based on the Shareholders' contribution to Macquarie Premium Funding over the past year.

Since year-end, Stephen Donald Nichols, a Non-Executive Director and Board Member - Steadfast Foundation has resigned effective 22 September 2011. His replacement, Shayne Douglas Smith, was appointed on 19 October 2011.

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

Note 27 Related Party Transactions

(a) The Group's main related parties are as follows:

i. Entities exercising control over the Group:

The ultimate parent entity, which exercises control over the group, is Steadfast Group Ltd which is incorporated in Australia.

ii. 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 are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 6: Interests of Key Management Personnel.

iii. Entities subject to significant influence by the Group:

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

For details of interests held in associated companies, refer to Note 13: Associated Companies.

iv. Joint Venture Entities that are accounted for under the equity method:

The group has a 50% interest in the joint venture entity Macquarie Premium Funding Pty Ltd. The interest in the joint venture entity is accounted for in these consolidated financial statements of the group using the equity method of accounting.

For details of interests held in joint venture entities, refer to Note 14: Joint Venture.

v. Other Related Parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel exercise significant influence.

For details of entities controlled refer to Note 15: Controlled Entities.

(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.

The following transactions occurred with related parties:

i. Associated Companies

The Company received a Marketing and Administration fee from Miramar Underwriting Agency Pty Ltd for shareholder services provided during the year

455,511 283,770

ii. Joint Venture Entities

The Company received a Marketing and Administration fee from Macquarie Premium Funding Pty Ltd during the year.

1,947,281 1,831,887

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 27 Related Party Transactions (continued)

(b) Transactions with related parties (continued):	Note	2011	2010
		\$	\$
iii. Key Management Personnel			
Amounts paid to Directors and Director-related entities on the same basis as with other shareholders (2011 includes amounts for retiring Directors).		772,323	429,354
Fees paid to Robert Kelly for provision of services on normal commercial terms.		324,500	310,000
Marketing and Administration fees received from Director-related entities during the year include:			
- Indemnity Corporation Pty Ltd		11,077	9,723
- Rentsure Pty Ltd		15,102	8,937
- Ryno Insurance Services Pty Ltd		16,218	20,190
- Trident Insurance Group Pty Ltd		4,386	7,743
Shareholder service expenses paid to Director-related entities during the year include:			
- Netsafe Global Pty Ltd		-	75,000
(c) Amounts outstanding from related parties			
Trade and Other Receivables			
Included in the trade and other debtors of the parent entity are:			
Holdfast Insurance Brokers Pty Ltd		3,025	-
Joe Vella Insurance Brokers Pty Ltd		3,065	-
Macquarie Premium Funding Pty Ltd		2,364,538	2,655,602
Miramar Underwriting Agency Pty Ltd		580,443	958,804
Ryno Insurance Services Pty Ltd		1,785	-
Statewide Insurance Brokers Pty Ltd		3,025	-
Steadfast Hub Pty Ltd		-	210
Trident Insurance Group Pty Ltd		3,025	-
Trident Underwriting Group Pty Ltd		863	-
Loans receivable			
Loan receivable by the parent entity from:			
Steadfast Convention Pty Ltd		-	100,000

Note 28 Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	9	9,589,696	6,061,474
Trade and other receivables	10	8,429,158	8,765,487
Total Financial Assets		18,018,854	14,826,961

Financial Liabilities

Trade and other payables			
Borrowings	17	3,741,055	3,150,497
Dividends payable	18	50,030	50,030
Total Financial Liabilities	8	-	1,354,011
		3,791,085	4,554,538

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors of the Group on a regular basis. These include credit risk policies and future cash flow requirements.

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES
ABN: 98 073 659 677
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Note 28 Financial Risk Management (continued)

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk and liquidity risk.

a. Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and notes to the financial statements.

The Group does not have any material credit risk exposure to a single receivable or group of receivables under financial instruments entered into by the Group.

There are no amounts of collateral held as security at 30 June 2011.

Credit risk is managed and reviewed regularly by the Directors. It primarily arises from deposits with financial institutions.

The receivables balances at 30 June 2011 and 30 June 2010 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

b. Liquidity risk

The Group managed liquidity risk by monitoring cash flow forecasts and ensuring that adequate unutilised borrowing facilities are maintained.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group Profit	Equity
	\$	\$
Year ended 30 June 2011		
+/- 2% in interest rates	94,108	94,108
Year ended 30 June 2010		
+/- 2% in interest rates	57,982	39,484

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

	Footnote	2011		2010	
		Net Carrying	Net Fair Value	Net Carrying	Net Fair Value
		Value	Value	Value	Value
		\$	\$	\$	\$
Consolidated Group					
Financial assets					
Cash and cash equivalents	(i)	9,589,696	9,589,696	6,061,474	6,061,474
Trade and other receivables	(i)	8,429,158	8,429,158	8,765,487	8,765,487
Total financial assets		18,018,854	18,018,854	14,826,961	14,826,961
Financial liabilities					
Trade and other payables	(i)	3,741,055	3,741,055	3,150,497	3,150,497
Dividend payable		-	-	1,354,011	1,354,011
Bank debt	(ii)	50,030	50,030	50,030	50,030
Total financial liabilities		3,791,085	3,791,085	4,554,538	4,554,538

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for annual leave, which is outside the scope of AASB 139.

Note 29 Company Details

The registered office of the company is:

Steadfast Group Limited
Level 3
97-99 Bathurst Street
Sydney NSW 2000

The principal places of business are:

Steadfast Group Limited
Level 3
97-99 Bathurst Street
Sydney NSW 2000

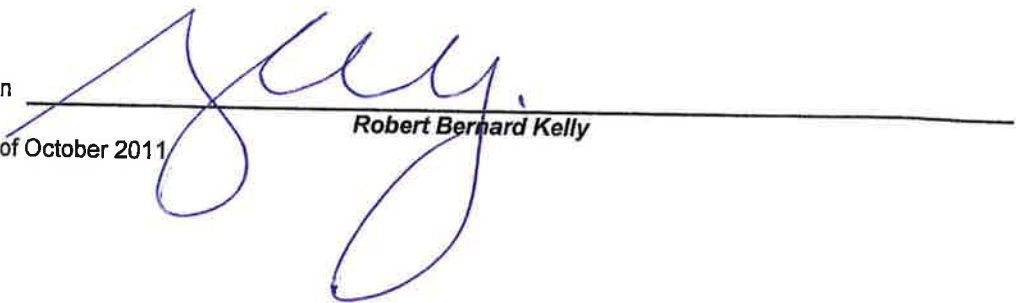
STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES ABN: 98 073 659 677
DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 26 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards and Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the Company and Consolidated Group;
2. In the Directors' opinion there are reasonable grounds to believe that the Company 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.

Executive Chairman



Robert Bernard Kelly

Dated this 19th day of October 2011

Level 7, 20 Hunter Street
Sydney NSW 2000

T +61 (0)2 8236 7700
F +61 (0)2 9233 4636

www.moorestephens.com.au

STEADFAST GROUP LIMITED AND CONTROLLED ENTITIES ABN: 98 073 659 677
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF STEADFAST GROUP

Report on the Financial Report

We have audited the accompanying financial report of Steadfast Group Limited (the company) and Steadfast Group Limited and controlled entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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 judgment, 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 entity's preparation and fair presentation of the financial report 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 entity'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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

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

Auditor's Opinion

In our opinion:

- a. the financial report of Steadfast Group Limited and Controlled Entities is in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the company and consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Moore Stephens Sydney

Moore Stephens Sydney
Chartered Accountants

J Webster

Jenelle Webster
Partner

Dated in Sydney this 20th day of October 2011