



HALF-YEAR REPORT

FOR THE HALF YEAR ENDED
31 DECEMBER 2013

CORPORATE INFORMATION

Directors

Bruce Higgins (Chairman)
Ian Litster
Hugh Robertson
Vaughan Webber

Company Secretary

Matthew Haes

Registered Office and Principal Place of Business

Level 8, The Exchange Centre
20 Bridge Street
Sydney NSW 2000

Share Registry

Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000

HUB24 Limited shares are listed on the Australian Securities Exchange (ASX: HUB).

Auditors

BDO East Coast Partnership

Level 11, 1 Margaret Street
Sydney NSW 2000

Bankers

Australia and New Zealand Banking Group Limited

20 Martin Place
Sydney NSW 2000

Website Address

www.hub24.com.au

CONTENTS

2

Results for Announcement
to the Market (Appendix 4D)

3

Directors'
Report

7

Auditor's Independence
Declaration

8

Financial
Statements

9

Statement of Profit or Loss
and Other Comprehensive
Income

10

Statement of
Financial Position

11

Statement of
Changes in Equity

12

Statement of
Cash Flows

13

Notes to the
Financial Statements

18

Directors'
Declaration

19

Independent
Auditor's Report

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Appendix 4D

	6 months ended 31 December 2013		6 months ended 31 December 2012		
	\$'000		\$'000		% change
From continuing operations					
Revenue from ordinary activities	1,637	From	764	Increase	114%
Net loss for the half-year attributable to members	(4,071)	From	(2,609)	Increase	56%
From discontinued operations					
Revenue from ordinary activities	0	From	3,786	Decrease	100%
Net loss for the half-year attributable to members	(494)	From	(3,867)	Decrease	92%
From continuing and discontinued operations					
Revenue from ordinary activities	1,637	From	4,550	Decrease	64%
Net loss for the half-year attributable to members	(4,565)	From	(6,476)	Decrease	30%

Dividends

It is not proposed to pay an interim dividend.

Explanation of result

Refer to the attached Directors' Report and review of operations for further explanation.

	31 December 2013	31 December 2012
Net tangible assets per fully paid ordinary share	\$0.344	\$0.264

Details of entities over which control has been gained or lost during the period

Nil.

Auditor Review

The report is based on accounts that have been reviewed by the company's auditors, BDO.

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of HUB24 Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2013.

Directors

The Directors were in office from the beginning of the half-year and until the date of this report, unless otherwise stated.

Bruce Higgins
Ian Litster
Hugh Robertson
Vaughan Webber

Company overview

HUB24 Limited operates the HUB24 investment and superannuation platform.

The HUB24 investment and superannuation platform is recognized as a leading independent portfolio administration service that provides financial advisers with the capability to offer their clients access to a wide range of investment options including market leading managed portfolio functionality, efficient and cost effective trading, and comprehensive reporting for all types of investors – individuals, companies, trusts or self-managed super funds.

HUB24 was established in 2007 by a team with a very strong track record of delivering market-leading solutions in the financial services industry.

Principal activities

The principal activities during the half-year of the company were the provision of investment and superannuation portfolio administration services.

Capital raising

The company conducted a capital raising during the half year ended 31 December 2013 to meet the capital expenditure requirements of the HUB24 platform and meet the increased regulatory capital requirements for IDPS Operators and providers of custodial services that come into effect from 1 July 2014.

\$10.6 million in capital was raised during the half year ended 31 December 2013 from a placement of 5,837,020 ordinary shares at \$1.30 on 11 October 2013 and 2,307,692 ordinary shares at \$1.30 on 3 December 2013. The second

tranche of the capital raising was completed following approval by shareholders at the Annual General Meeting.

Review of operations

The Board has continued to invest in the senior executive team in order to accelerate the growth of the company and funds onto the platform, culminating in the commencement of Andrew Alcock as Chief Executive Officer in July and appointment of Jason Entwistle as Director, Strategic Developments effective 29 July 2013. Monthly net inflows to the platform have increased by 58% from \$19 million per month during the year ended 30 June 2013 to \$30 million per month average to 31 January 2014.

The company held an Extraordinary General Meeting on 7 August 2013 whereupon the name of the company was approved and changed to HUB24 Limited from Investorfirst Ltd. This was an important step to reflect the single focus of the business and align our company name with our product and brand.

1,440,000 Share options in tranches with a share price hurdle of 20% for options vesting in the first year, 40% for those vesting in year 2 and 60% for those vesting in year 3 were issued to executives, 1,010,000 share options with a share price hurdle of 20% in the first year were issued to staff together with a share issue (tax exempt plan) so that all qualifying employees are now shareholders of the company. Thirty one employees were allocated a total of 1,187 shares representing \$1,000 worth of shares each for no cash consideration, with a total value of \$31,000 from the HUB24 Limited Employee Share Ownership Trust approved by shareholders at the annual general meeting on 28 November 2011. 510,000 options were issued to the Chairman in three tranches with a hurdle of 30% for options vesting in the first year, 60% for those vesting in year 2 and 90% for those vesting in year 3. The issue of share options resulted in a share based payments expense of \$250,351 for the half year ended 31 December 2013 (Nil: prior corresponding period).

New white label agreements were announced and delivered during the half year ended 31 December 2013 for Interprac, Premium and Total Financial Solutions. It is the first time HUB24 has accomplished the launch white label offerings simultaneously which is testament to HUB24's white labelling capability. These white labels are yet to feature materially within Funds Under Administration (FUA) growth set out in this report which is predominantly from the existing client base. They are expected to contribute to FUA inflows in the coming months and over the longer term.

Existing clients continue to expand their presence on the platform with the number of client accounts per adviser

DIRECTORS' REPORT

increasing by 17% and FUA per adviser increasing by 27% over the half year ended 31 December 2013.

Projects were advanced during the period to enhance HUB's operational efficiency, white labelling production capability and service capabilities for advisers to support efficient client administration. These included review and improvements of administration and platform operation functions to further support scale efficiencies in servicing the rapidly growing number of clients on the platform.

HUB24 platform

The company has succeeded in further commercialising the HUB24 platform with FUA as at 31 December 2013 reaching \$619 million, representing growth of 61% since 30 June 2013 and servicing over 310 financial advisers. Further growth in fund inflows since the end of the period has further increased FUA at 31 January 2014 to \$635 million.

The popularity and scalability of the market leading Managed Portfolio functionality within the HUB24 platform is demonstrated by the 178 managed portfolios provided by professional fund managers, dealer groups and asset consultants. This functionality is offered in addition to the

wide range of wholesale managed funds (over 900), ASX listed securities (930), 74 exchange traded funds and 12 term deposits across 4 providers in addition to multiple margin lending and insurance options.

Management believe that the HUB24 platform is well placed to grow market share as an independent platform alternative to the major corporate financial institutions. Directors and management are committed to further developing the HUB24 platform to retain and extend its market leading functionality. Directors are strongly of the view that differentiating from institutional competitors through our independence and leading platform technology will attract more financial advisory firms who will commit to adopting the HUB24 platform for their clients.

Review of financial results

The Consolidated entity recorded a net loss after tax of \$4.565 million for the half year ended 31 December 2013 (loss of \$6.476 million for the half year ended 31 December 2012 inclusive of the discontinued operation), an improvement of 30%. Revenue from ordinary activities for the same period was down 64% to \$1.637 million (\$4.550 million for the previous corresponding period inclusive of the discontinued operation).

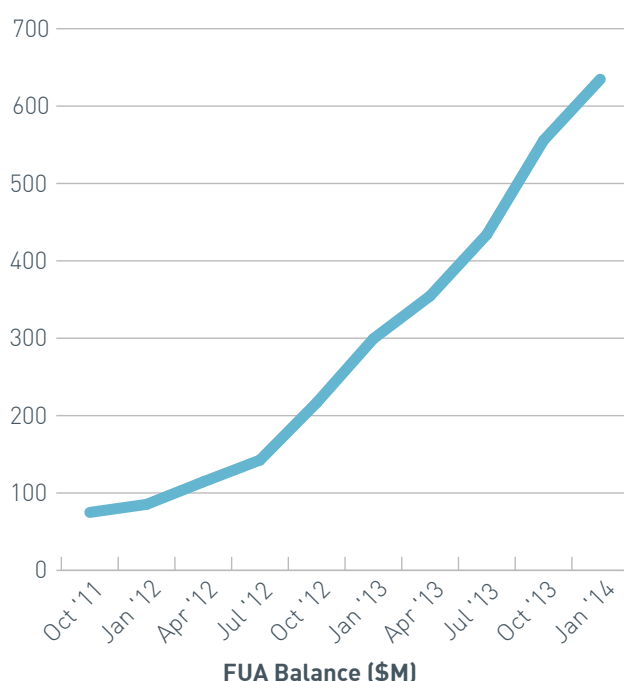
The loss after income tax from continuing operations for the half- year ended 31 December 2013 was \$4.071 million or \$3.790 million when adjusted for amortisation, capitalised development and interest (\$2.609 million or \$3.394 million when adjusted for amortisation, capitalised development and interest for the previous corresponding period).

Included in this loss were the following significant items:

Continuing operations

- An increase in operational revenue of 251% to \$1.384 million for the half year ended 31 December 2013 from \$0.394 million for the prior corresponding period driven by an increase in client FUA of 145% to \$619 million as at 31 December 2013 from \$253 million as at 31 December 2012;
- Transaction related fees increased by greater than 600% for the half year ended 31 December 2013 compared to the prior corresponding period derived from platform trading, insurance and managed fund transactions;
- Amortisation expenses of \$0.499 million for the half year ended 31 December 2013 associated with the investment platform intangible asset;

HUB24 Platform – trend of monthly funds under administration



Composition of continuing operations

Key financial results	Half year ended 31 December 2013	Half year ended 31 December 2012	% change
FUA (million)	618.9	252.7	
INCOME	\$	\$	
Revenue	1,383,969	394,020	251.2%
Platform direct costs	(1,690,043)	(1,167,647)	
Gross Profit	(306,074)	(773,627)	60.4%
Gross Profit margin	(22.1%)	(196.3%)	
Operating expenses	(1,838,932)	(1,614,611)	
EBITDA (Pre-investment)	(2,145,006)	(2,388,238)	10.2%
EBITDA (Pre-investment) margin	(155.0%)	(606.1%)	
Investment	(1,644,530)	(1,005,681)	
EBITDA (post investment)	(3,789,536)	(3,393,919)	(11.7%)
EBITDA (Post-investment) margin	(273.8%)	(861.4%)	
Capitalised development	-	927,617	
Depreciation & amortisation	(533,707)	(512,431)	
EBIT	(4,323,243)	(2,978,733)	(45.1%)
EBIT Margin	(312.4%)	(756.0%)	
Interest	252,699	369,935	
NPAT	(4,070,544)	(2,608,798)	(56.0%)
NPAT Margin	(294.1%)	(662.1%)	
Discontinued operations	(494,379)	(3,867,341)	
NPAT (post Discontinued Operations)	(4,564,923)	(6,476,139)	29.5%
NPAT (post Discontinued Operations) Margin	(329.8%)	(1643.6%)	
CASHFLOW			
Operating cashflow (including capitalised costs)	(2,889,639)	(4,855,388)	40.5%
	31 December 2013	30 June 2013	% change
FINANCIAL POSITION	\$	\$	
Net assets	23,122,971	17,322,128	33.5%
Cash & cash equivalents	16,517,158	9,542,846	73.1%

HUB24 analyses its financial results according to the above profitability lines.

DIRECTORS' REPORT

- No development expenditure was capitalised during the period (\$0.927 million: prior corresponding period);
- Share based payments expense of \$0.250 million relating to the issue of options to staff executives and a director in August 2013.

Discontinuing operations

- Insurance premium of \$0.390 million for the half year ended 31 December 2013 for 7 years Professional Indemnity and Directors and Officers liability insurance run-off cover for the discontinued stockbroking business.

Gross profit

Strong FUA inflows in the first quarter ended 30 September 2013 contributed to higher than average margin revenue for the half year ended 31 December 2013. An increase in platform direct costs was driven by increases in fixed headcount to service higher FUA and client accounts together with increased transaction costs arising from higher platform trading volumes and the launch of the HUB24 direct market trading capability in February 2013.

EBITDA (pre-investment)

EBITDA (pre-investment) is a representation of the EBITDA result HUB24 would record if the company were to service only the current amount of FUA and associated client accounts. I.e. it assumes no resource expense invested to bring additional FUA onto the platform. While HUB24 will continue to invest in the expansion of FUA and further development, EBITDA (Pre-investment) is an important internal measure and milestone for the company as it continues its pathway to profitability.

The EBITDA (Pre-investment) result for the half year ended 31 December 2013 has improved by 10.2% over the previous corresponding period, with the improvement moderated by non-recurring headcount adjustments.

EBITDA (post-investment)

EBITDA (Post investment) for the half year ended 31 December 2013 has declined by 11.7% over the previous corresponding period. This result reflects both the significant increase in FUA during the half year ended 31 December 2013 and the Board's decision to invest in the executive team and resources to accelerate the transition of FUA to the platform as HUB strives to reach profitability.

Events after balance date

There has not arisen in the interval between 1 January 2014 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the Consolidated entity in future financial years.

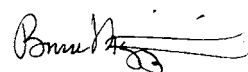
Auditor independence

A copy of the independence declaration by the lead auditor under section 307C is included in page 7 of this half-year report.

Rounding of amounts

The Company is a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the directors' and financial reports. Amounts in this report have been rounded off in accordance with that Class Order to the nearest dollar, or in certain cases to the nearest thousand dollars.

Signed in accordance with a resolution of the Directors.



Bruce Higgins
Chairman of Directors
Sydney, 26 February 2014

AUDITOR'S INDEPENDENCE DECLARATION



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY PAUL BULL TO THE DIRECTORS OF HUB24 LIMITED

As lead auditor for the review of HUB24 Limited for the half-year ended 31 December 2013, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of HUB24 Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Paul Bull', with a stylized flourish at the end.

Paul Bull
Partner

BDO East Coast Partnership

Sydney, 26 February 2014

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2013

		CONSOLIDATED	
		6 Months Ended	
		31 December	31 December
		2013	2012
	Note	\$	\$
Revenue from continuing operations			
Revenue		1,383,969	394,020
Interest and other income	3	252,699	369,935
		1,636,668	763,955
Expenses			
Platform and custody fees		(754,691)	(370,780)
Employee benefits expenses	3	(3,414,380)	(1,699,382)
Property and occupancy costs		(167,956)	(243,043)
Depreciation, amortisation and impairment	3	(533,707)	(512,431)
Administrative expenses		(836,478)	(547,117)
		(5,707,212)	(3,372,753)
Profit before income tax expense from continuing operations		(4,070,544)	(2,608,798)
Income tax expense		-	-
Loss after income tax from continuing operations		(4,070,544)	(2,608,798)
Loss after income tax from discontinued operations	6	(494,379)	(3,867,341)
Loss after income tax for the half year		(4,564,923)	(6,476,139)
Other comprehensive income		-	-
Total comprehensive loss for the half year		(4,564,923)	(6,476,139)
Total comprehensive loss for the period attributable to ordinary equity members of HUB24 Limited		(4,564,923)	(6,476,139)
		Cents	Cents
Earnings per share from continuing operations, attributable to ordinary equity members of HUB24 Limited			
Basic earnings per share		(9.73)	(9.67)
Diluted earnings per share		(9.73)	(9.67)
Earnings per share from discontinued operations, attributable to ordinary equity members of HUB24 Limited			
Basic earnings per share		(1.18)	(14.34)
Diluted earnings per share		(1.18)	(14.34)
Earnings per share for profit attributable to ordinary equity members of HUB24 Limited			
Basic earnings per share		(10.91)	(24.01)
Diluted earnings per share		(10.91)	(24.01)

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

		CONSOLIDATED	
		31 December 2013	30 June 2013
	Note	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		16,517,158	9,542,846
Trade and other receivables		463,854	1,383,130
Other current assets		531,136	343,868
Total Current Assets		17,512,148	11,269,844
Non-Current Assets			
Office equipment		96,301	54,929
Intangible assets		6,912,895	7,409,144
Other non-current assets		546,709	460,339
Total Non-Current Assets		7,555,905	7,924,412
Total Assets		25,068,053	19,194,256
LIABILITIES			
Current Liabilities			
Trade and other payables		794,688	741,399
Provisions		1,071,785	1,068,411
Total Current Liabilities		1,866,473	1,809,810
Non-Current Liabilities			
Provisions		78,609	62,318
Total Non-Current Liabilities		78,609	62,318
Total Liabilities		1,945,082	1,872,128
Net Assets		23,122,971	17,322,128
EQUITY			
Issued capital	7	76,985,141	66,843,612
Reserves		2,102,673	1,878,436
Accumulated losses		(55,964,843)	(51,399,920)
Total Equity		23,122,971	17,322,128

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

STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2013

CONSOLIDATED	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
As at 1 July 2013	66,843,612	1,878,436	(51,399,920)	17,322,128
Total comprehensive loss for the period	-	-	(4,564,923)	(4,564,923)
Transactions with equity members in their capacity as equity members				
Capital raising	10,115,415	-	-	10,115,415
Employee options granted	-	224,237	-	224,237
Employee share Issue	26,114	-	-	26,114
As at 31 December 2013	76,985,141	2,102,673	(55,964,843)	23,122,971
As at 1 July 2012	54,151,655	907,352	(41,616,953)	13,442,054
Total comprehensive loss for the period	-	-	(6,476,141)	(6,476,141)
Capital raising	8,204,754	-	-	8,204,754
Employee and advisor options granted	-	943,324	-	943,324
As at 31 December 2012	62,356,409	1,850,676	(48,093,094)	16,113,991

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

STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2013

	CONSOLIDATED 6 Months Ended	
	31 December 2013	31 December 2012
Note	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,522,366	4,571,418
Payments to suppliers and employees (inclusive of GST)	(5,771,881)	(10,050,881)
Interest received	185,715	175,890
Receipt from research and development incentive	1,174,161	-
Net movement from client and dealer balances	-	1,374,169
Net cash inflow/(outflow) from operating activities	(2,889,639)	(3,929,404)
Cash flows from investing activities		
Receipts from return of security deposits	44,674	-
Receipts from disposal of fixed assets	-	112,609
Payments for office equipment	(78,831)	-
Payments for capitalised development costs	-	(925,984)
Payments for security deposits	(217,307)	-
Net cash inflow/(outflow) from investing activities	(251,464)	(813,375)
Cash flows from financing activities		
Proceeds from capital raising	10,588,126	8,396,788
Payments for capital raising costs	(472,711)	(192,035)
Net cash inflow/(outflow) from financing activities	10,115,415	8,204,753
Net increase/(decrease) in cash and cash equivalents	6,974,312	3,461,974
Cash and cash equivalents at beginning of period	9,542,846	7,062,254
Cash and cash equivalents at end of period	16,517,158	10,524,228

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

NOTES TO THE FINANCIAL STATEMENTS

For the half-year ended 31 December 2013

1. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of HUB24 Limited for the half-year ended 31 December 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 26 February 2014.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

a) Basis of preparation

This general purpose interim financial report for the half-year ended 31 December 2013 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These half-year financial statements do not include all the notes of the type normally included in the annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the consolidated entity. Accordingly, it is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2013 and considered together with any public announcements made by HUB24 Limited ('the Company') during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations of the ASX listing rules and the *Corporations Act 2001*.

b) Statement of compliance

The financial report complies with Australian Accounting Standards applicable to interim reporting as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) applicable to interim reporting as issued by the International Accounting Standards Board.

c) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has applied all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Boards ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

- AASB 10 *Consolidated Financial Statements*

AASB 10 superseded AASB 127 *Consolidated and Separate Financial Statements*. AASB 10 revises the definition of control and provides extensive new guidance on its application.

The consolidated entity has reviewed its investments in other entities to assess whether the conclusion to consolidate is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

- AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*

AASB 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. No differences were found in the valuation approach of financial instruments and therefore no adjustments to any of the carrying amounts or disclosures in the financial statements are required as a result of the adoption of AASB 13.

NOTES TO THE FINANCIAL STATEMENTS

- AASB 119 *Employee Benefits* and AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119*

The consolidated entity has applied AASB 119 and its consequential amendments from 1 January 2013. The standard changed the definition of short-term employee benefits, from 'due to' to 'expected to' to be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

d) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2013.

e) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of the consolidated entity as at 31 December 2013.

Subsidiaries are consolidated from the date on which control is transferred to the consolidated entity.

f) Significant accounting judgements and estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In preparing this consolidated interim financial report, the significant judgments made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2013.

g) Comparative figures

Where required by the Accounting Standards and/or for improved presentation purposes, comparative figures have been adjusted to conform to changes in presentations for the current period.

Re-classification of employee benefits expense to discontinued operations

The consolidated entity has attributed additional employees in the prior period to the closure of the stockbroking business. This has resulted in a re-classification in the prior period comparatives of \$624,062 from the line item 'employee benefits expense' to the line item 'loss after income tax from discontinued operations' in the statement of profit or loss and other comprehensive income. This re-classification has had no overall impact on the reported loss after income tax for the half year ended 31 December 2012.

The re-classification of comparatives has been made as it provides a clearer indication of the performance of the continuing operations relative to the prior period.

h) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

i) Going concern

The financial report has been prepared on a going concern basis.

3. REVENUE AND EXPENSES FROM CONTINUING OPERATIONS

	CONSOLIDATED	
	6 Months Ended	
	31 December 2013 \$	31 December 2012 \$
Revenue		
Investment Platform revenue	1,383,969	394,020
Interest	237,791	169,863
Other income	14,908	200,072
	1,636,668	763,955
Expenses		
Employee benefits expenses		
Wages and salaries (incl super and payroll tax)	2,754,475	1,570,056
Other employee benefits expenses	659,905	129,326
	3,414,380	1,699,382
Depreciation, amortisation and impairment		
Depreciation and impairment of office equipment	34,893	71,369
Amortisation of intangible assets	498,814	441,062
	533,707	512,431

4. COMMITMENTS AND CONTINGENCIES

(a) Commitments

	CONSOLIDATED	
	31 December 2013 \$	30 June 2013 \$
Lease Commitments		
Within 1 year	514,765	509,879
After 1 year but not more than 5 years	1,014,608	124,451
	1,529,373	634,330

(b) Contingencies

	CONSOLIDATED	
	31 December 2013 \$	30 June 2013 \$
Contingent assets and liabilities	-	-
<u>Guarantees</u>		
Australian Securities and Investments Commission	-	20,000
Rental bond Level 45, 1 Farrer Place, Sydney	270,347	270,347
Rental bond Level 29, 55 Collins St, Melbourne	116,600	116,600
Rental bond Level 13, 115 Pitt St, Sydney	-	40,056
Rental bond Level 8, 20 Bridge St, Sydney	217,307	-
Trust Company security deposit	330,000	330,000
	934,254	777,003

NOTES TO THE FINANCIAL STATEMENTS

5. SEGMENT INFORMATION

The consolidated entity operates in one industry segment, which is Investment & Superannuation Platform Services and in one geographical segment, which is Australia.

6. DISCONTINUED OPERATIONS

During the period the consolidated entity took out run-off cover for professional Indemnity Insurance and Directors Officer Liability Insurance in respect of the discontinued stockbroking operations for a period of 7 years. The entire premium has been taken to account as a discontinued operations expense during the period (\$390,376).

7. ISSUED CAPITAL

	CONSOLIDATED		CONSOLIDATED	
	31 December 2013 Number	31 December 2012 Number	31 December 2013 \$	31 December 2012 \$
(a) Issued and paid up capital				
Ordinary shares, fully paid	47,089,181	31,158,469	76,985,141	62,506,409
(b) Other equity securities				
Treasury shares	190,908	221,908	(123,886)	(150,000)
Total Issued and paid up capital	47,280,089	31,380,377	76,861,255	62,356,409
<i>Movements in issued and paid up capital</i>				
Beginning of the financial year	38,913,469	686,544,268	66,843,612	54,301,655
Shares issued	8,144,712	559,786,011	10,588,126	8,396,788
Treasury shares assigned to employees	31,000	-	26,114	-
Total shares	47,089,181	1,246,330,279		
Capital raising costs			(472,711)	(192,034)
Share consolidation (40 for 1)	-	31,158,469		
End of the period	47,089,181	31,158,469	76,985,141	62,506,409
<i>Movement in other equity securities - treasury shares</i>				
Beginning of the financial year	221,908	8,876,274	150,000	150,000
Treasury share consolidation (40 for 1)	-	221,908	-	-
Employee share issue	(31,000)	-	(26,114)	-
End of the period	190,908	221,908	123,886	150,000

Ordinary shares

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

On 11 October 2013, the company issued 5,837,020 ordinary shares at \$1.30 per share raising \$7,588,126.

On 3 December 2013, the company issued a further 2,307,692 ordinary shares at \$1.30 per share raising \$3,000,000.

Treasury shares

Treasury shares are shares in HUB24 Limited that are held by HUB24 Employee Share Ownership Trust (ESOT) for the purpose of issuing shares under the HUB24 Employee Share Ownership Plan.

On August 7 2013, the company assigned 31,000 shares to eligible employees under the HUB24 Employee Share Ownership Plan.

8. FAIR VALUE MEASUREMENT

The consolidated entity has a number of financial instruments which are not measured at fair value in the statement of financial position. These had the following fair values at 31 December 2013:

	Carrying amount	Fair value amount
	\$	\$
Current Assets		
Rental bonds and guarantees	386,947	386,947
Non-Current Assets		
Rental bonds and guarantees	547,307	547,307
	934,254	934,254

Due to their short term nature, the carrying amounts of current trade and other receivables and current trade and other payables is assumed to approximate their fair value.

9. EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between 1 January 2014 and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years

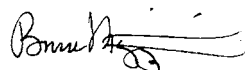
DIRECTORS' DECLARATION

In the opinion of the directors of HUB24 Limited

- a. The financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the financial position as at 31 December 2013 and of the performance for the half-year ended on that date of the consolidated entity; and
 - ii. Complying with Accounting Standard AASB 134 Interim Financial Reporting, Corporations Regulations 2001 and other mandatory professional reporting requirements; and

- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Bruce Higgins
Chairman of Directors
Sydney, 26 February 2014

INDEPENDENT AUDITOR'S REPORT



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000

Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of HUB24 Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of HUB24 Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of HUB24 Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of HUB24 Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership ABN 83 236 985 726 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO East Coast Partnership and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

INDEPENDENT AUDITOR'S REPORT



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of HUB24 Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'Paul Bull', is written over a faint, stylized 'BDO' logo.

Paul Bull
Partner

Sydney, 26 February 2014



[HUB24.COM.AU](https://hub24.com.au)