

# Appendix 4E

## Preliminary final report

### 1. Company details

Name of entity

APA Financial Services Ltd

ABN or equivalent company reference

ABN 36 057 046 607

Financial year ended ('current period')

30 June 2010

Financial year ended ('previous period')

30 June 2009

### 2. Results for announcement to the market

\$'000's

2.1	Revenues from operations	down	100%	to	\$NIL
2.2	Profit (loss) from operations after tax attributable to members	down	100%	to	\$NIL
2.3	Net profit (loss) for the period attributable to members	up	115%	to	\$206,557
2.4	<b>Dividends</b>		Amount per security		Franked amount per security
	Final dividend proposed		Nil ¢		Nil
	Interim dividend		Nil		Nil
2.5	+Record date for determining entitlements to the final dividend.	Not applicable			
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.				
<p>The revenues from operations include the operating results of previously controlled entity Australian Portfolio Administrators Pty Ltd which was disposed of at 31 December 2009. Further information is disclosed at items 10.2 and 12 of this Appendix 4E.</p> <p>The profit of \$206,557 mostly relates to a tax refund due for research and development activities carried out by the Company in the 2009 financial year.</p>					

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**3. Statement of comprehensive income  
For the year ended 30 June 2010**

	2010	2009
	\$	\$
Revenue from continuing operations	4,691	778,692
Other revenue	286,018	360,690
<b>Total revenue</b>	<b>290,709</b>	<b>1,139,382</b>
Employee benefits expense	-	1,053,720
Depreciation and amortisation expense	-	80,053
Finance costs	-	12,597
Office rental expense	-	54,127
Communications expense	-	67,243
Legal expense	5,372	66,369
IT maintenance and supplies	769	181,888
Rebates	-	-
Marketing expense	127	16,683
Other expenses	222,687	229,013
Share of associate loss	32,435	66,583
Impairment of investment	29,125	643,438
	<b>290,515</b>	<b>2,471,714</b>
<b>Profit/(loss) before related income tax benefit</b>	<b>194</b>	<b>(1,332,332)</b>
Income tax benefit	206,363	-
<b>Total Comprehensive Income for the full-year attributable to the members of APA Financial Services Ltd</b>	<b>206,557</b>	<b>(1,332,332)</b>
	<b>Cents</b>	<b>Cents</b>
<b>Earnings per share:</b>		
Basic earnings/(loss) per share	0.41	(3.68)

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### Revision of Accounting Estimates

<b>Details of Revision of Accounting Estimates in accordance with AASB 118</b>
<i>Not Applicable</i>

#### 4. Statement of financial position As at 30 June 2010

	2010	2009
	\$	\$
<b>Current assets</b>		
Cash and cash equivalents	288,193	160,798
Trade receivables	206,363	73,284
Other receivables	4,831	2,540
<b>Total current assets</b>	499,387	236,622
<b>Non-current assets</b>		
Available for sale financial assets	470,875	493,417
Property, plant and equipment	-	-
Intangibles	-	-
<b>Total non-current assets</b>	470,875	493,417
<b>Total assets</b>	970,262	730,039
<b>Current liabilities</b>		
Borrowings	-	174,234
Trade and other payables	56,324	105,379
Provisions	-	-
<b>Total current liabilities</b>	56,324	279,613
<b>Total liabilities</b>	56,324	279,613
<b>Net assets</b>	913,938	450,426
<b>Equity</b>		
Contributed equity	7,866,059	7,609,104
Reserves	182,188	742,128
Accumulated losses	(7,134,309)	(7,900,806)
<b>Total equity</b>	913,938	450,426

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**5. Statement of cash flows**  
**For the Year ended 30 June 2010**

	2010	2009
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	3,588	1,167,516
Payments to suppliers and employees	(181,256)	(2,593,962)
Interest received	1,103	7,864
R&D grants	-	561,383
<b>Net cash (outflow) from operating activities</b>	<b>(176,565)</b>	<b>(857,199)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	-	-
Proceeds from sale of investment	247,000	-
<b>Net cash inflow/(outflow) from investing activities</b>	<b>247,000</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from Rights issue	270,288	683,668
Repayment of borrowings	(213,328)	-
Proceeds from borrowings	-	250,000
<b>Net cash inflow / (outflow) from financing activities</b>	<b>56,960</b>	<b>933,668</b>
<b>Net increase (decrease) in cash held</b>	<b>127,395</b>	<b>76,469</b>
Cash and cash equivalents at the beginning of the financial year	160,798	84,329
<b>Cash and cash equivalents at the end of the financial year</b>	<b>288,193</b>	<b>160,798</b>

**Non-cash financing and investing activities**

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

<i>Not Applicable</i>
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**Reconciliation of cash**

	30 June 2010	30 June 2009
	\$	\$
Cash on hand	46	46
Cash at bank	288,147	160,752
	<u>288,193</u>	<u>160,798</u>

**Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities**

	30 June 2010	30 June 2009
	\$	\$
Profit/(Loss) for the year	206,557	(1,332,332)
Depreciation	-	80,053
Share of loss of jointly controlled entity	32,435	66,583
Impairment of intangible assets	29,125	643,438
Net (profit)/loss on sale of non-current assets	(286,018)	-
Decrease / ( Increase ) in trade receivables	(137,908)	661,723
Increase / ( Decrease ) in trade creditors	(23,295)	(686,028)
Decrease / ( Increase ) in other receivables	2,540	(64,342)
Increase / ( Decrease ) in employee provisions	-	(226,294)
Net cash inflow / (outflow) from operating activities	<u>(176,565)</u>	<u>(857,199)</u>

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## 6. Dividends

### Individual dividends per security

		Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	<b>Final dividend:</b> Current year	N/A	N/A	N/A	N/A
	Previous year				
	<b>Interim dividend:</b> Current year	N/A	N/A	N/A	N/A
	Previous year				

### Total dividend per security (interim *plus* final)

	Current year	Previous year
+Ordinary securities	Nil	Nil

## 7. Dividend Reinvestment Plans

The +dividend or distribution plans shown below are in operation.

***Not Applicable***

The last date(s) for receipt of election notices for the +dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions).

N/A

### 8. Retained profits

	30 June 2010 \$	30 June 2009 \$
Retained losses at the beginning of the financial period	(7,900,806)	(6,575,487)
Net loss attributable to members	206,557	(1,325,319)
Reduction of capital	-	-
Transfer to accumulated losses	559,940	-
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	-	-
<b>Retained loss at end of financial period</b>	<b>(7,134,308)</b>	<b>(7,900,806)</b>

9. NTA backing	Current period (\$)	Previous corresponding Period (\$)
Net tangible asset backing per <sup>+</sup> ordinary security	N/A	N/A

### 10.1 Control gained over entities

Name of entity (or group of entities)	<i>Not Applicable</i>	
Date control gained		
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	N/A	
Profit(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A	

## 10.2 Loss of control over entities

Name of entity (or group of entities)	<b><i>Australian Portfolio Administrators Pty Ltd</i></b>
<p>APA Financial Services disposed of its share in Australian Portfolio Administrators Pty Ltd “APAPL” on 31 December 2009. Consideration received upon disposal of shares in APAPL amounted to \$247,000 and 1,883,500 shares fully paid ordinary shares in OneVue Holdings Pty Ltd (formerly Pentafin Wealth Systems Pty Ltd) “OHPL” valued at \$500,000.</p>	

## 11 Details of associates and joint venture entities

Name of associate/joint venture	Reporting entity’s percentage holding		Contribution to Net profit/(loss) (where material)	
	Current Period	Previous corresponding period	Current Period	Previous corresponding period - \$A'000
<b><i>Australian Portfolio Administrators Pty Ltd</i></b>	NIL	90%	NIL	\$(66,583)

Group’s aggregate share of associates’ and joint venture entities’ profits/(losses) (where material):	30 June 2010 \$	30 June 2009 \$
Profit/(loss) from ordinary activities before tax	-	(66,583)
Income tax on ordinary activities	-	-
<b>Profit/(loss) from ordinary activities after tax</b>	-	(66,583)
Extraordinary items net of tax	-	-
<b>Net profit/(loss)</b>	-	(66,583)
Adjustments	-	-
<b>Share of net profit/(loss) of associates and joint venture entities</b>	-	(66,583)

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## 12. Significant Information

Details of any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

APA Financial Services Ltd disposed of its share in Australian Portfolio Administrators Pty Ltd "APAPL" on 31 December 2009. Consideration received upon disposal of shares in APAPL amounted to \$247,000 and 1,883,500 shares fully paid ordinary shares in OneVue Holdings Pty Ltd (formerly Pentafin Wealth Systems Pty Ltd) "OHPL" valued at \$500,000.

Opening balance at 1 July 2009	493,417
Share of loss of associate for the period	<u>(32,435)</u>
	<u>460,982</u>

As a result of the sale in shares of APAPL, APA Financial Services Ltd acquired 1,883,500 ordinary fully paid ordinary shares in OHPL valued at \$500,000 on settlement. At year end end shares were impaired by \$29,125 resulting in the value of available for sale assets as at 30 June 2010 of \$470,875.

## 13. Commentary on results for the period

(The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results, which would include but not be limited to (1) Earnings per security and the nature of dilution aspects, (2) Returns to shareholders including distributions and buy backs, (3) Significant features of operating performance, (4) Results of segments that are significant to an understanding of the business as a whole, (5) A discussion of trends in performance and (6) Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.)

The revenues from operations include the operating results of previously controlled entity Australian Portfolio Administrators Pty Ltd which was disposed of at 31 December 2009. Further information is disclosed at items 10.2 and 12 of this Appendix 4E.

The profit of \$206,557 mostly relates to a tax refund due for research and development activities carried out by the Company in the 2009 financial year.

14. This report is based on +accounts to which one of the following applies.

(Tick one)

The +accounts have been audited.

The +accounts have been subject to review.

The +accounts are in the process of being reviewed.

Yes

**The +accounts are in the process of being audited.**

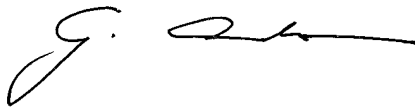
The +accounts have *not* yet been audited or reviewed.

15. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below

*Not Applicable*

16. If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

*Not Applicable*



Sign here: .....  
(Director/Company Secretary)

Date: ..31 August 2010

Print name: GRAHAM DOUGLAS ANDERSON.

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