



**Investorfirst** Ltd



# **Investorfirst Limited**

**ACN 124 891 685**

## **Half-Year Financial Report**

### **Appendix 4D**

**for the six months ended 31 December 2009**

---

**Lodged with the ASX under Listing Rule 4.2A.3**

This report is to be read in conjunction with the Annual Report for the year ended 30 June 2009 and any ASX and/or public announcements made by Investorfirst Limited since the release of that Report.

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

---

	<u>6 Months Ended</u> <u>31 December 2009</u> <u>\$'000</u>		<u>6 Months Ended</u> <u>31 December 2008</u> <u>\$'000</u>		<u>% Change</u>
Revenue from ordinary activities	4,095	from	3,121	Increase	31%
Net loss for the half-year attributable to members	(845)	from	(304)	Increase	178%

---

**Dividends**

It is not proposed to pay a dividend.

---

**Explanation of result**

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

---

<b>Net tangible assets per fully paid ordinary share</b>	<u>31 December 2009</u> \$0.040	<u>31 December 2008</u> \$0.035
--	------------------------------------	------------------------------------

---

**Audit Review**

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



**CORPORATE INFORMATION**

**ACN 124 891 685**

**Directors**

Mr Otto Buttula  
Mr Robert Bishop  
Mr Darren Pettiona  
Mr Robert Spano  
Mr Brett Spork

**Company Secretaries**

Mr Mark Zworestine  
Ms Andrea Steele

**Registered Office and Principal Place of Business**

Level 11, 7 Macquarie Place  
Sydney NSW 2000

**Share Registry**

Registries Limited  
Level 7, 207 Kent Street  
Sydney NSW 2000

Investorfirst Limited shares are listed on the Australian Securities Exchange (ASX Code: INQ).

**Solicitors**

Middletons  
Level 25 South Tower  
525 Collins Street  
Melbourne VIC 3000

**Auditors**

Ernst & Young  
Ernst & Young Centre  
680 George Street  
Sydney NSW 2000

**Bankers**

Australia & New Zealand Banking Group Limited  
20 Martin Place  
Sydney NSW 2000

**Internet Address**

[www.investorfirst.com.au](http://www.investorfirst.com.au)



**CONTENTS**

<b>Directors' Report</b> .....	<b>5</b>
<b>Auditor's Independence Declaration</b> .....	<b>6</b>
<b>Statement of Comprehensive Income</b> .....	<b>7</b>
<b>Statement of Financial Position</b> .....	<b>8</b>
<b>Statement of Changes in Equity</b> .....	<b>9</b>
<b>Statement of Cash Flow</b> .....	<b>10</b>
<b>Notes to the Half-Year Financial Statements</b> .....	<b>11</b>
<b>Directors' Declaration</b> .....	<b>16</b>
<b>Independent Auditor's Review Report to the members of Investorfirst Limited</b> .....	<b>17</b>



## **DIRECTOR'S REPORT**

### **DIRECTORS**

The names and details of the company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Mr Otto Buttula  
Mr Darren Pettiona  
Mr Robert Bishop  
Mr Robert Spano  
Mr Brett Spork

Company Secretaries:

Mr Mark Zworestine (appointed 21 August 2009)  
Ms Andrea Steele

### **REVIEW AND RESULTS OF OPERATIONS**

The consolidated group, which comprises Investorfirst Limited and its controlled entities ("the company") made a net loss before and after tax of \$0.84 million for the six months ending 31 December 2009. The company had previously booked a future income tax benefit of \$1.2 million. This amount is deemed adequate at this stage and accordingly, no additional tax benefit has been brought to account as at 31 December 2009.

Total revenue for the six months ending 31 December 2009 increased by 31% to \$4.1 million. Of this amount, Brokerage revenue increased by 38.5% to \$3.2 million with the balance attributable to increases in corporate and advisory fees, market movements in securities held as principal (legacy holdings to be liquidated) and interest.

Further information is provided in the announcement that accompanies this Appendix 4D.

### **EVENTS AFTER BALANCE DATE**


On 18 February 2010, the company completed a capital raising under the previously announced Share Purchase Plan. The amount raised prior to any costs associated with the capital raising was \$5.6 million.

Apart from the above, there has not arisen in the interval between 1 January 2010 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**

We have obtained the independence declaration from our auditors, Ernst & Young, a copy of which is included in the half year financial report at page 6.

Signed in accordance with a resolution of the directors.



**Brett Spork**  
**Director**

Sydney, 26 February 2010





Ernst & Young Centre  
680 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001  
Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
www.ey.com/au

## Auditor's Independence Declaration to the Directors of Investorfirst Limited

In relation to our review of the financial report of Investorfirst Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in blue ink, appearing to be "EY", is written above the text "Ernst &amp; Young".

Ernst & Young

A handwritten signature in blue ink, appearing to be "Andrew Gilder", is written above the text "Andrew Gilder Partner".

Andrew Gilder  
Partner

26 February 2010

Liability limited by a scheme approved  
under Professional Standards Legislation



**STATEMENT OF COMPREHENSIVE INCOME – 6 MONTHS ENDED 31 DECEMBER 2009**

	Notes	CONSOLIDATED 6 Months ended	
		31 December 2009 \$	31 December 2008 \$
<b>Revenue</b>			
Brokerage		3,168,658	2,287,191
Corporate and advisory		154,594	11,475
Share trading (realised and unrealised gain)		264,728	343,084
Interest and other revenue	3	507,353	479,412
		<b>4,095,333</b>	<b>3,121,162</b>
<b>Expenses</b>			
ASX and clearing expenses		316,431	736,713
Salaries and employee benefits expense	3	1,215,924	782,463
Consultant commission		1,465,115	1,211,017
Depreciation and amortisation	3	119,588	12,000
Information services		232,720	186,869
Property and occupancy costs	3	356,746	122,000
Other expenses		1,233,562	1,170,353
		<b>4,940,086</b>	<b>4,221,415</b>
<b>Loss before tax</b>		(844,753)	(1,100,253)
Income tax (benefit)/expense		-	(795,995)
<b>Comprehensive loss for the period after tax</b>		<b>(844,753)</b>	<b>(304,258)</b>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive loss for the period</b>		<b>(844,753)</b>	<b>(304,258)</b>
<b>Basic loss per share (cents per share) for the period, attributable to ordinary equity members of Investorfirst Limited</b>		(0.52)	(0.39)
<b>Diluted loss per share (cents per share) for the period, attributable to ordinary equity members of Investorfirst Limited</b>		(0.52)	(0.39)

The accompanying notes form part of these financial statements.

	Notes	CONSOLIDATED	
		31 December 2009 \$	30 June 2009 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	9,259,826	6,174,986
Receivables		4,546,738	8,007,867
Financial assets		395,636	277,545
Other current assets		7,350	98,400
Current tax receivables		127,123	114,137
<b>Total Current Assets</b>		<b>14,336,673</b>	<b>14,672,935</b>
<b>Non-Current Assets</b>			
Plant and equipment		120,922	92,058
Deferred tax assets		1,234,360	1,234,360
Intangible assets		2,849,885	2,948,921
Other non-current assets		-	25,193
<b>Total Non-Current Assets</b>		<b>4,205,167</b>	<b>4,300,532</b>
<b>Total Assets</b>		<b>18,541,840</b>	<b>18,973,467</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		8,087,039	10,205,117
Provisions		83,256	74,436
<b>Total Current Liabilities</b>		<b>8,170,295</b>	<b>10,279,553</b>
<b>Non-Current Liabilities</b>			
Provisions		11,858	13,101
<b>Total Non-Current Liabilities</b>		<b>11,858</b>	<b>13,101</b>
<b>Total Liabilities</b>		<b>8,182,153</b>	<b>10,292,654</b>
<b>Net Assets</b>		<b>10,359,687</b>	<b>8,680,813</b>
<b>EQUITY</b>			
Issued and fully paid capital	7	16,430,535	14,064,408
Issued and Partly paid capital		70,000	-
Equity reserve		285,886	198,386
Accumulated losses		(6,426,734)	(5,581,981)
<b>Total Equity</b>		<b>10,359,687</b>	<b>8,680,813</b>

The accompanying notes form part of these financial statements.





**STATEMENT OF CHANGES IN EQUITY – 6 MONTHS ENDED 31 DECEMBER 2009**

	<b>Issued Capital \$</b>	<b>CONSOLIDATED Accumulated</b>		<b>Total \$</b>
		<b>Reserves \$</b>	<b>Losses \$</b>	
<b>As at 1 July 2009</b>	<b>14,064,408</b>	<b>198,386</b>	<b>(5,581,981)</b>	<b>8,680,813</b>
Net loss for the period	-	-	(844,753)	(844,753)
Shares issued – fully paid ordinary shares placement	2,439,306	-	-	2,439,306
Cost of capital raising	(73,179)	-	-	(73,179)
Shares issued – partly paid ordinary shares	70,000	87,500	-	157,500
<b>As at 31 December 2009</b>	<b>16,500,535</b>	<b>285,886</b>	<b>(6,426,734)</b>	<b>10,359,687</b>
<b>As at 1 July 2008</b>	<b>5,722,209</b>	<b>235,003</b>	<b>(3,305,514)</b>	<b>2,651,698</b>
Loss for the period	-	-	(304,258)	(304,258)
Shares issued – business acquisitions	6,753,204	-	-	6,753,204
Shares issued – placement	1,053,992	-	-	1,053,992
Shares issued - exercise of options	300,000	-	-	300,000
Equity reserve transferred to contributed equity	235,003	(235,003)	-	-
Share-based payment reserve	-	265,865	-	265,865
<b>As at 31 December 2008</b>	<b>14,064,408</b>	<b>265,865</b>	<b>(3,609,772)</b>	<b>10,720,501</b>

The accompanying notes form part of these financial statements.

**STATEMENT OF CASH FLOW – 6 MONTHS ENDED 31 DECEMBER 2009**

	CONSOLIDATED	
	31 December 2009	30 June 2009
Notes	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	3,755,455	7,061,721
Payments to suppliers and employees	(5,618,811)	(8,072,120)
Interest received	53,996	259,712
Cash flows in relation to client and dealer balances	2,332,478	(672,123)
Income taxes paid	-	13,393
<b>Net cash from operating activities</b>	<b>523,118</b>	<b>(1,409,417)</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary, net of cash acquired	-	5,065,027
Payments for plant and equipment	(49,414)	(34,878)
Cash on deposit moved to cash and cash equivalents	25,193	-
Proceeds from sale of investments	146,637	-
<b>Net cash flows used in investing activities</b>	<b>122,416</b>	<b>5,030,149</b>
<b>Cash flows from financing activities</b>		
Acquisition costs paid	-	(85,507)
Proceeds from share placement	2,439,306	1,353,992
<b>Net cash flows used in financing activities</b>	<b>2,439,306</b>	<b>1,268,485</b>
Net increase / (decrease) in cash and cash equivalents	<b>3,084,840</b>	<b>4,889,217</b>
Cash and cash equivalents at beginning of period	6,174,986	1,285,769
<b>Cash and cash equivalents at end of period</b>	<b>9,259,826</b>	<b>6,174,986</b>

The accompanying notes form part of these financial statements.



## 1. Corporate Information

The financial report of Investorfirst Limited, for the half-year ended 31 December 2009 was authorised for issuance in accordance with a resolution of the directors on 26 February 2010. Investorfirst Limited is a company limited by shares, which are publicly traded on the Australian Securities Exchange.

## 2. Summary of Significant Accounting Policies

### a) Basis of preparation

This general purpose condensed financial report for the half-year ended 31 December 2009 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2009 and considered together with any public announcements made by Investorfirst Limited during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

### b) Changes in accounting policy AASB 134.16(a)

From 1 July 2009, subject to point (e), the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

- AASB 2 Revised *Vesting Conditions and Cancellations*.
- AASB 8 *Operating Segments*.
- AASB 101 Revised *Presentation of Financial Statements*.
- AASB 132 Revised *Puttable Financial Instruments and Obligations Arising on Liquidation*.
- AASB 123 Revised *Borrowing Costs*.

The following amending standards have also been adopted from 1 January 2009:

- AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8*.
- AASB 2007-6 *Amendment to Australian Accounting Standards arising from AASB 123*.
- AASB 2007-8 *Amendment to Australian Accounting Standards arising from AASB 101*.
- AASB 2008-1 *Amendment to Australian Accounting Standards Share-based Payments: Vesting Conditions and Cancellations*.
- AASB 2008-2 *Amendment to Australian Accounting Standards - Puttable Financial Instruments and Obligations Arising on Liquidity*.

- ASB 2008-5 *Amendment to Australian Accounting Standards arising from the Annual Improvements Project.*
- AASB 2008-6 *Amendment to Australian Accounting Standards arising from the Annual Improvements Project.*
- AASB 2008-7 *Amendment to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.*
- Interpretation 11 *IFRS 2-Group and Treasury Share Transactions.*
- Interpretation 12 *Service Concession Arrangements.*
- Interpretation 13 *Customer Loyalty Programmes.*
- Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.*
- Interpretation 16 *Hedges of a Net Investment in a Foreign Operation.*

The Group has not elected to early adopt any new standards or amendments.

#### **c) 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 2009.

#### **d) Basis of consolidation**

The half-year consolidated financial statements comprise the financial statements of Investorfirst Limited and its subsidiaries as at 31 December 2009 ('the Entity', 'the Group' or 'Investorfirst Limited').

Subsidiaries are consolidated from the date on which control is transferred to the consolidated entity. Investorfirst Limited gained control of Aequus Capital Limited on 15 December 2008 and has been consolidated into Investorfirst Limited for the half year ended 31 December 2009. Also, Findlay & Co Stockbrokers Limited, Findlay & Co Stockbrokers (Underwriters) Pty Limited and Captain Starlight Nominees Pty Limited have been consolidated into the Group.

#### **e) Changes in accounting policies**

Certain Australian Accounting Standards have recently been issued or amended but are not yet effective and have not been adopted by the company for the interim reporting period. The directors have not yet assessed the impact of these new or amended standards (to the extent relevant to the group) and interpretations.

#### **f) Estimates**

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgments made by management in applying the Group'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 2009.



	<b>CONSOLIDATED</b>	
	<b>6 Months ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>3. Revenues and Expenses</b>		
<b>Interest and Other Revenue</b>		
Finance revenue – bank interest	123,617	35,565
Client administration fees and debt recovery	383,736	443,947
	<b>507,353</b>	<b>479,512</b>
<b>Expenses</b>		
<b>(a) Depreciation and amortisation</b>		
Depreciation (plant and equipment)	20,554	12,000
Amortisation (intangibles)	99,034	-
	<b>119,588</b>	<b>12,000</b>
<b>(b) Operating lease related costs</b>		
Property and occupancy costs	<b>356,746</b>	<b>122,000</b>
<b>(c) Salaries and employee benefits expense</b>		
Share based payments	157,500	265,865
Employee provision	-	45,130
Salaries and related costs	1,058,424	471,468
	<b>1,215,924</b>	<b>782,463</b>

**4. Commitments and contingencies**

Since the last annual reporting date and to 31 December 2009, there has been no material change of any contingent liabilities or contingent assets as reported in the 30 June 2009 annual report.

**5. Segment information**

The Company operates in one industry segment, which is stockbroking, and in one geographical segment, which is Australia.

	<b>CONSOLIDATED</b>	
	<b>31 December</b>	<b>30 June</b>
	<b>2009</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>6. Cash and cash equivalents</b>		
Cash at bank	5,673,339	4,114,577
Cash on deposit	48,739	-
Customer funds in trust	3,537,748	2,060,409
	<b>9,259,826</b>	<b>6,174,986</b>

	CONSOLIDATED		CONSOLIDATED	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	Number of shares		\$	
<b>7. Contributed equity</b>				
<b>(a) Issued and paid up capital</b>				
Ordinary Shares, fully paid	187,013,433	162,620,373	16,430,535	5,722,209
<b>(b) Issued and partly paid up capital</b>				
Ordinary Shares, partly paid	3,500,000	-	70,000	-
<b>(c) Movements in shares on issue</b>				
<b>Ordinary Shares, fully paid</b>				
Beginning of the half year	162,620,373	65,013,308	14,064,408	5,722,209
Issued on 24 December 2009 for Share Placement	24,393,060	-	2,439,306	-
Costs associated with the capital placement	-	-	(73,179)	-
Issued on 1 July 2008 for joint venture purchase and for Employee Share Plan	-	1,866,688	-	235,003
Issued on 23 October 2008 for Share Placement	-	8,825,333	-	1,053,992
Issue of shares on exercise of options on 23 October 2008	-	2,500,000	-	300,000
Issue of shares to Aequus Capital Ltd shareholders	-	84,415,044	-	6,753,204
<b>End of the half-year</b>	<b>187,013,433</b>	<b>162,620,373</b>	<b>16,430,535</b>	<b>14,064,408</b>
<b>Ordinary Shares, partly paid</b>				
Beginning of the half year	-	-	-	-
Issued to the CEO as part of his contract of employment	3,500,000	-	70,000	-
<b>End of the half-year</b>	<b>3,500,000</b>	<b>-</b>	<b>70,000</b>	<b>-</b>

On 18 February 2010, the company completed the capital raising under the previously announced Share Purchase Plan. The amount raised prior to any costs associated with the capital raising was \$5.6 million and 56,104,029 fully paid ordinary shares being issued for consideration of \$0.10 (ten cents) per share.

## 8. Related party transactions

On 12 February 2010, Otto Buttula and Robert Spano were issued 150,000 shares each in respect of their subscriptions under the Company's Share Purchase Plan.

## 9. Changes to the group structure

On 30 December 2009, one of the company's wholly owned inactive subsidiaries, Aequus Corporate Pty Limited was deregistered.

**10. Top 20 Shareholders**

Following the successful completion of the capital raising under the Share Purchase Plan, the top 20 shareholders as at 22 February 2010 are as follows:

<b>Holder Name</b>	<b>Balance at 22 Feb 2010</b>	<b>%</b>
WEBINVEST PTY LIMITED <OLSB UNIT A/C>	22,150,000	9.111
ARKWRIGHT DEVELOPMENTS PTY LTD <FINDLAY FUND ACCOUNT>	15,855,550	6.522
ROWE STREET INVESTMENTS PTY LTD	7,572,437	3.115
WAVET FUND NO 2 PTY LTD	6,656,797	2.738
JASFORCE PTY LTD	6,044,767	2.486
SPANSON INVESTMENTS PTY LIMITED	5,576,932	2.294
LUSH INVESTMENTS PTY LTD <METCALFE FAMILY A/C>	4,900,000	2.015
EQUIPMENT COMPANY OF AUST PTY LTD <THE COLLECTION A/C>	4,583,205	1.885
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST A	4,540,140	1.867
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	4,098,168	1.686
MANDERRAH PTY LIMITED <GJJ FAMILY A/C>	4,080,280	1.678
SECURITIES AND INVESTMENT GROUP PTY LTD	4,000,000	1.645
BOND STREET CUSTODIANS LIMITED <MACQ AUST MICROCAP FUND A/C>	3,948,168	1.624
CAPITAL ONE SECURITIES PTY LTD	3,155,769	1.298
WILLIAM THOMAS INVESTMENTS PTY LTD	3,150,000	1.296
MANDERRAH PTY LTD <THE GJJ FAMILY A/C>	2,650,000	1.09
MRS SARAH CAMERON	2,528,448	1.04
JK NOMINEES PTY LTD <THE JK FUND A/C>	2,500,000	1.028
DR CHRISTOPHER BREMNER	2,500,000	1.028
PAPL EBSCO PTY LTD <RAND SUPER FUND A/C>	2,498,000	1.027
	<b><u>112,988,661</u></b>	<b><u>46.473</u></b>
Total fully paid ordinary shares on issue	<b><u>243,117,462</u></b>	

As at 22 February 2010, the total number of shareholders of Investorfirst comprised 943.




**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Investorfirst Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) give a true and fair view of the financial position as at 31 December 2009 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* and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**Brett Spork**  
**Director**

Sydney, 26 February 2010







Ernst & Young Centre  
680 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
www.ey.com/au

## Report on the 31 December 2009 Financial Report

We have reviewed the accompanying half-year financial report of Investorfirst Limited (the company), which comprises the condensed statement of financial position as at 31 December 2009, and the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date and other selected explanatory notes presented on pages 11-15. The consolidated entity comprises the company and the entities it controlled at the half-year 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 and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001* and the ASX Listing Rules as they relate to Appendix 4D. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, 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 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 Interim and other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and the ASX Listing Rules as they relate to Appendix 4D. As the auditor of Investorfirst Limited and the entities it controlled during the half-year period ending 31 December 2009, 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Liability limited by a scheme approved  
under Professional Standards Legislation

## 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 Investor first Limited is not in accordance with:

- a. the *Corporations Act 2001*, including:
  - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
  - ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b. the ASX Listing Rules as they relate to Appendix 4D.



Ernst & Young



Andrew Gilder  
Partner

Sydney  
26 February 2010

