TRANZACT FINANCIAL SERVICES LIMITED
ABN 84 089 997 731
AND ITS CONTROLLED ENTITIES

Appendix 4E

PRELIMINARY ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2011

1. Details of the Reporting Period

This is the preliminary information given to the ASX under Listing Rule 4.3A for the Tranzact Financial Services Limited Consolidated Entity for the year ended 30 June 2011. The previous corresponding period is the year ended 30 June 2010 unless otherwise stated.

The Consolidated Entity is comprised of Tranzact Financial Services Limited as the Chief Entity and its wholly owned or controlled subsidiaries.

2. Results for Announcement to the Market

			% Change		
2.1	Revenues from ordinary activities	Up	13%	to	$8,828,000
2.2	Profit from ordinary activities after tax attributable to members	Up	6%	to	$1,606,000
2.3	Net profit for the year attributable to members	Up	6%	to	$1,606,000

2.4 A fully franked final dividend of 0.45 cents per share has been declared.

2.5 The ex dividend date is 19 September 2011, the record date is 23 September 2011 and the payment date is 7 October 2011 for the proposed dividend. There is no foreign conduit income attributable to the dividend.

2.6 Refer to the attached preliminary annual financial report for details relating to the profit information stated in 2.1 to 2.3 and the Directors' Report for information on dividends declared in 2.4.

3. Income Statement

Refer to the attached preliminary annual financial report.

4. Balance Sheet

Refer to the attached preliminary annual financial report.

5. Statement of Cash Flows

Refer to the attached preliminary annual financial report.

6. Dividends

A final dividend of 0.35 cents per share relating to the 2010 financial year amounting to $389,439 was paid on 8 October 2010. An interim 2011 dividend of 0.25 cents per share amounting to $277,939 was paid on 8 April 2011. A 2011 final dividend has been proposed as per points 2.4 & 2.5 of “Results for Announcement to the Market”.

7. Details of Dividend Reinvestment Plans

There is no dividend reinvestment plan.

8. Statement of Retained Earnings

Refer to Note 11 of the attached preliminary annual financial report.

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9. Net Tangible Assets

	30/06/2011	30/06/2010
	$	$
Net tangible asset backing per ordinary share	0.055	0.073

10. Changes in Controlled Entities

Changes in investments in Controlled Entities from the position as at 30 June 2010 are the acquisition of a 61.38% interest (at 30 June 2011) of Camelot Financial Services Limited, and the deregistration of SMSF Administrators Pty Limited and SMSF Strategist Deeds Limited. For more information see Notes 4 and 9 of the attached preliminary annual financial report.

11. Details of Associated Companies

Tranzact Financial Services Limited holds a 25% shareholding in Group Insurance & Superannuation Concepts Pty Limited (‘GIS’). The group recognised an equity accounted share of the profit of GIS of $168,137 after tax for the year ended 30 June 2011 and Earnings before tax, depreciation and amortisation ('EBTDA') for the year of $240,196.

A 33.3% shareholding in Templetons Administrative Services Pty Limited ('TAS') was acquired on 1 October 2010. The group recognised an equity accounted share of loss on TAS of $40,982 after tax for the nine months ended 30 June 2011 and EBTDA of $52,088.

12. Other Significant Information

Refer to the attached preliminary annual financial report.

13. Foreign Entity Accounting Standards

Not Applicable.

14. Commentary on Results

Refer to the Directors’ Report in the attached preliminary annual financial report.

15. Audit Report

The report is based on accounts that are in the process of being audited.

16. Statement if Accounts Not Audited

The accounts of the Tranzact Financial Services Limited Consolidated Entity for the year ended 30 June 2011 are in the process of being audited and are not likely to be subject to dispute or qualification.

17. Statement if Accounts Audited

Not Applicable.

Yours faithfully,

Anthony Ractliffe
Non-Executive Chairman
29 August 2011

TRANZACT FINANCIAL SERVICES LIMITED

ABN 84 089 997 731

AND ITS CONTROLLED ENTITIES

PRELIMINARY ANNUAL FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2011

CONTENTS

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any other public announcements made by Tranzact Financial Services Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Tranzact Financial Services Limited and the entities it controlled at the end of, or during, the year ended 30 June 2011.

This preliminary annual financial report has been prepared under Australian Equivalents to International Financial Reporting Standards (AIFRS).

Directors

The following persons were directors of Tranzact Financial Services Limited during the whole or part of the period and up to the date of this report:

Director	Period of directorship
P L Harry AM	Director since 8 February 2000
R L Rodgers	Director since 21 August 2002
A S T Yeo	Director since 24 November 2003
W A Ractliffe	Director since 24 November 2003

Review of Operations

The Directors of the Company are pleased to announce an operating profit before tax, depreciation and amortisation ("**EBTDA**") of $2.666 million (FY2010: $2.016 million) for the full year ended 30 June 2011 ("**FY2011**"). This represents a 32% increase over the FY2010 result and is consistent with the guidance provided by the Board with the release of the half yearly result in February 2011.

Net profit after tax attributable to shareholders increased by 6.4% to $1.606 million compared with $1.509 million for the previous corresponding period. This represents an increase in earnings per share to 1.44 cents from 1.34 cents per share for the previous corresponding period.

The strong growth in EBTDA was driven by the full year benefit of the successful restructure of the members' insurance arrangements in the Smartsave 'Member's Choice' Superannuation Master Plan ("**Smartsave**"), which took effect from 1 June 2010, together with a significant positive contribution from the acquisition of the Brisbane based Templetons Group financial planning business ("**Templetons**") on 1 October 2010. Moderating these factors was the lower profit in the Self Managed Superannuation Funds ("**SMSF**") business.

Depreciation and amortisation increased by $322,000 primarily because of the commencement of amortisation of intangible assets relating to the acquisition of Templetons, as well as the commencement of amortisation on a superannuation administration agreement that was re-assessed during the year. These were both non-cash items which largely explained the 19% increase in net cash flow from operating activities to $2.401 million from $2.012 million previously.

The strong operating cash flow highlighted the strength of the Company's core business operations. Moreover, when assessing the underlying performance of the Company, it should be recognised that the Company's reported earnings included non-recurring legal expenses of $288,000 compared with around $200,000 last year.

The Company's tax expense has increased by $228,000 compared with the same period last year, due to the contribution from Templetons and the increase in non-deductible amortisation expenses. It is noted that the income tax losses available to the Company over the last several years are almost fully utilised and the Company will generate franking credits from the payment of tax which should ensure that dividends remain fully franked in the future.

Operating revenues increased 12.7% from $7.831 million to $8.828 million in the current year. The increase is consistent with the significant increase in EBTDA.

The Company's net debt position at 30 June 2011 was $565,000. This was after investing over $4 million in the Partnership for Growth strategy this year - being a combination of the acquisition of Templetons and increased investments in the New Zealand based businesses.

The Directors are pleased with the Company's overall performance in what have been challenging times for the financial services sector. Fortunately, whilst a significant portion of the Company's business is located in Brisbane and there are Partnership for Growth interests represented in Christchurch, there has been no material adverse impact to the business following the severe flooding in Queensland and the earthquakes in Christchurch, New Zealand over the past 12 months.

The Directors remain confident about the future prospects for the Company in respect of each of its business segments.

Master Trust

- Total revenue from the Master Trust business of $3.823 million in FY2011 was 20.1% ahead of the previous corresponding period. EBTDA for this segment grew strongly from $428,000 in FY2010 to $801,000 in FY2011, an uplift of 87%.
- The successful completion of the members' insurance arrangements for Smartsave was the primary driver of the substantial growth in revenue for FY2011.
- Total funds under management and administration (including the pooled superannuation trusts and eligible rollover fund) decreased slightly from $297 million at 30 June 2010 to $296 million at 30 June 2011. Most of the change was due to transfers of small balances to the Australian Tax Office.
- Following the completion of the first component of the rationalisation process, the Company is very focussed on the next two phases of the process, involving the re-structuring of the investment offering and the harmonisation of the members' fee arrangements.
- The appointment during the year of a new Trustee for Smartsave, Tidswell Financial Services Limited, resulted in a delay in the restructure of the investment offering. However, the Company is committed to providing ongoing support to GIS Concepts, as promoter, and Tidswell, as Trustee, in this important initiative. It is expected that the Smartsave product offering will be significantly improved during this calendar year, although the full administration benefits may not be realised until all of the planned changes are completed, most likely to be next financial year.

Partnership for Growth

- The Partnership for Growth segment continues to perform well and returns in each of the businesses have held up well despite the ongoing market turbulence. Revenue and earnings increased significantly following a period of substantial acquisition activity in New Zealand and through the successful launch of the Partnership for Growth strategy in Australia via Templetons. The Company has enjoyed a positive association with Templetons for over five years and was very pleased with the opportunity to extend this relationship through an ownership interest under the Partnership for Growth strategy.
- The New Zealand based interests have performed well during FY2011, with continued focus on improving profitability through strategic acquisitions in the less profitable regions. Overall returns for New Zealand are approximately 13.5% based on the Company's total investments. When combined with anticipated (and unrecognised) capital improvements in the value of the investments, the Directors are pleased that the performance of the New Zealand interests have met expectations and also encouraged by their future prospects.
- Additional acquisitions of clients' registers were made during the year, resulting in a net increase in investments by the Company of over NZ$700,000. The enhanced regulatory regime in New Zealand that took full effect on 1 July 2011 offers ongoing opportunities for future acquisitions, as many advisers choose to specialise or exit the industry altogether.

- The Company is pleased that virtually all of Camelot's advisers have achieved 'Authorised Financial Adviser' status. Despite the obvious distraction necessitated by this achievement, the accomplishment will position Camelot well in the provision of professional financial advice to its clients in the future.
- In Australia, the investment in the Templetons insurance and financial planning business contributed net profit after tax to the Company of $168,000 after a share of one-off acquisition related costs of $45,000. This is a solid result for the first nine months since the acquisition, particularly given the disruptive nature of such a change.
- The Templetons administration and adviser services business, in which the Company has a 33.3% interest, contributed an equity accounted net loss of $40,982 after tax in the nine month period. Again, this company incurred significant one-off costs related to the change of ownership and structure. A combination of selective acquisitions and organic growth are being actively pursued to achieve a modest profit in FY2012, the first acquisition being completed in May 2011.
- The Board continues to support the Partnership growth initiative strongly and is pleased with Templetons' fit into the Company's business model and the overall performance of the Partnership investments to date. The Partnership strategy accounted for nearly 45% of the Company's total EBTDA for FY2011.

Self-Managed Superannuation Funds

- As reported in the half year results, the SMSF segment of the business has faced some challenging market conditions following the global financial crisis. The average portfolio values have reduced at a time when compliance costs continue to increase, reducing the economic benefits of a SMSF. This has resulted in increased fund wind-ups and reduced demand for new funds to be established.
- The impact on revenue was a reduction of 8.7% compared with the same period last year, from $3.664 million to $3.346 million. EBTDA reduced to $583,000 from $745,000 in the previous year, although this did include the impact of significant one-off restructuring costs of over $50,000. The restructure has reduced future expected operating costs.
- Importantly, the Company firmly believes the SMSF business has both the capacity and opportunity to grow profitably from its existing base. Whilst the turmoil in investment markets has impacted the SMSF industry in recent times, this is still considered to be the fastest growing sector of the superannuation market.
- To improve profitability, the Company continues to promote its expertise through consulting services and is seeking growth opportunities through closer alliances with small to medium sized accounting practices which do not have the expertise in SMSF administration.

Investor Directed Portfolio Service ("IDPS")/Custodial Services

- In line with the performance reported in the Company's half year results, the revenue and EBTDA of the IDPS/Custodial Services division declined by 10% during FY2011. This is a reflection of the reduction in funds under management due to the challenging investment markets and economic conditions.
- The closer relationship with Templetons has improved the prospects for the IDPS service and a comprehensive, fully managed investment service was recently launched to Templetons' clients.
- As signalled in previous reports, the custodial service is not considered core to the Company's business and is currently being scaled down. The net contribution of this service is not material and will not have any impact on the future prospects of the Company or the IDPS segment.

GIS Concepts

- The performance of GIS Concepts improved significantly during FY2011, with the Company's equity accounted share of net profit after tax increasing from $120,000 to $168,137. This improvement is a result of the benefits associated with the restructure of the members' insurance arrangements in Smartsave.
- As the main promoter of Smartsave, GIS Concepts is also expected to benefit when the expected future rationalisation of the fund is implemented.

Dividend and Capital Management

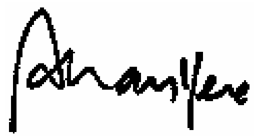
The Directors are pleased to announce a fully franked final dividend for the year of 0.45 cents per share (FY2010: 0.35 cents per share), bringing total dividends for FY2011 to 0.70 cents per share (FY2010: 0.60 cents per share). The Record Date for the final dividend is 23rd September 2011 and the Payment Date will be 7th October 2011.

The Company bought back and cancelled 555,400 shares pursuant to the Company's on market buy back program during FY2011. Additional shares have been purchased and cancelled since 30 June 2011 and this capital management programme is expected to have a favourable impact on earnings per share in the future.

Outlook

Whilst the investment markets and economic conditions are expected to remain challenging for some time to come, the Company has a solid core business and is well positioned to benefit from its past and present strategic initiatives. The Company is poised to take advantage of suitable opportunities that will inevitably arise in such volatile times and the Directors are confident of the Company's future prospects.

Anthony Ractliffe
Non-Executive Chairman



Allan S T Yeo
Managing Director

TRANZACT FINANCIAL SERVICES LIMITED AND ITS CONTROLLED ENTITIES

Consolidated Statement of Comprehensive Income
for the Year Ended 30 June 2011

	Note	Consolidated Entity 2011 $'000	2010 $'000
Revenue from continuing operations	3 (a)	8,828	7,831
Employee benefits expense		(3,087)	(2,895)
Depreciation and amortisation expenses	3 (b)	(752)	(430)
Finance costs	3 (b)	(143)	(57)
Service expenses		(1,496)	(1,456)
Occupancy expenses	3 (b)	(362)	(353)
Administration expenses		(1,186)	(1,266)
Other revenue		36	41
Share of net profit after tax of associates		128	120
Profit before income tax expense		**1,966**	**1,535**
Income tax (expense)		(254)	(26)
Profit after tax from continuing operations		1,712	1,509
Net profit for the year		1,712	1,509
Other comprehensive income		-	-
Total comprehensive income for the year		**1,712**	**1,509**
Profit for the year is attributable to:			
Owners of the Company		1,606	1,509
Non-controlling interest		106	-
		1,712	1,509
Total comprehensive income for the year is attributable to:			
Owners of the Company		1,606	1,509
Non-controlling interest		106	-
		1,712	**1,509**
		$	$
Earnings per share for profit from continuing operations attributable to owners of the Company			
Basic earnings per share		0.0144	0.0134
Diluted earnings per share		0.0144	0.0134
Earnings per share for profit attributable to owners of the Company			
Basic earnings per share		0.0144	0.0134
Diluted earnings per share		0.0144	0.0134
The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share		111,490,555	112,779,360

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes and the 30 June 2010 Annual Report.

TRANZACT FINANCIAL SERVICES LIMITED and its Controlled Entities

Consolidated Statement of Financial Position
as at 30 June 2011

	Note	Consolidated Entity 30 June 2011 $'000	Consolidated Entity 30 June 2010 $'000
CURRENT ASSETS			
Cash & cash equivalents	5	811	2,093
Trade & other receivables		1,136	801
Other current assets		109	46
TOTAL CURRENT ASSETS		**2,056**	**2,940**
NON-CURRENT ASSETS			
Available for sale financial assets	10	5,551	5,214
Investments accounted for using the equity method	10	1,618	1,249
Property, plant and equipment		531	343
Intangible assets	7	9,993	7,208
Deferred tax assets		243	159
TOTAL NON-CURRENT ASSETS		**17,936**	**14,173**
TOTAL ASSETS		**19,992**	**17,113**
CURRENT LIABILITIES			
Trade & other payables		989	1,025
Derivatives		117	105
Current tax liabilities		341	108
TOTAL CURRENT LIABILITIES		**1,447**	**1,238**
NON-CURRENT LIABILITIES			
Provisions		159	93
Interest bearing liabilities	6	1,376	-
Deferred tax liabilities		656	300
Trade and other payables		-	9
TOTAL NON-CURRENT LIABILITIES		**2,191**	**402**
TOTAL LIABILITIES		**3,638**	**1,640**
NET ASSETS		**16,354**	**15,473**
EQUITY			
Contributed equity		19,775	19,853
Accumulated losses	11	(3,672)	(4,424)
Reserves		40	44
CAPITAL AND RESERVES ATTRIBUTABLE TO OWNERS OF THE COMPANY		**16,143**	**15,473**
NON CONTROLLING INTEREST		**211**	**-**
TOTAL EQUITY		**16,354**	**15,473**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes and the 30 June 2010 Annual report.

TRANZACT FINANCIAL SERVICES LIMITED and its Controlled Entities

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2011

	Contributed equity	Employee Option reserve	Other reserve	Accumulated losses	Total	Non-controlling interest	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 30 June 2009	**20,047**	**35**	**40**	**(5,283)**	**14,839**	-	**14,839**
Profit for the year	-	-	-	1,509	1,509	-	1,509
Total comprehensive income for the year	-	-	-	**1,509**	**1,509**	-	**1,509**
Transactions with owners in their capacity as owners							
Shares issued during the period	6	(4)	-	-	2	-	2
Share buy-back	(200)	-	-	-	(200)	-	(200)
Share Options Expired	-	(27)	-	27	-	-	-
Dividends paid	-	-	-	(677)	(677)	-	(677)
	(194)	(31)	-	(650)	(875)	-	(875)
As at 30 June 2010	**19,853**	**4**	**40**	**(4,424)**	**15,473**	-	**15,473**
Profit for the year	-	-	-	1,606	1,606	106	1,712
Total comprehensive income for the year	-	-	-	**1,606**	**1,606**	**106**	**1,712**
Transactions with owners in their capacity as owners							
Shares issued during the period	8	(4)	-	(4)	-	-	-
Share buy-back	(86)	-	-	-	(86)	-	(86)
Dividends paid -Tranzact Financial Services	-	-	-	(667)	(667)	-	(667)
Dividends paid - Non-controlling interest	-	-	-	(78)	(78)	-	(78)
Recognition of non-controlling interest	-	-	-	(105)	(105)	105	-
	(78)	(4)	-	(854)	(936)	105	(831)
As at 30 June 2011	**19,775**	-	**40**	**(3,672)**	**16,143**	**211**	**16,354**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes and the 30 June 2010 Annual Report.

TRANZACT FINANCIAL SERVICES LIMITED and its Controlled Entities

Consolidated Statement of Cash Flows
for the Year Ended 30 June 2011

	Note	Consolidated Entity 30 June 2011 $'000	30 June 2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,737	8,553
Payments to suppliers and employees		(6,682)	(6,893)
Distributions and interest received		712	703
Interest and other costs of finance paid		(143)	(57)
Income taxes paid		(223)	(294)
Net cash inflow from operating activities	12	**2,401**	**2,012**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(313)	(31)
Dividends from equity accounted investees		150	112
Net loans / advances to adviser practices		(1,563)	(181)
Net loans / advances to related parties		(180)	-
Payments for the acquisition of controlled entities	4	(2,600)	-
Payments for the acquisition of associated entities	10	(391)	(160)
Proceeds from the disposal of adviser practices		999	-
Payments for acquisition of intangible assets		(333)	-
Payments for acquisition of software licences		-	(54)
Payments for acquisition of financial licences		-	(54)
Net cash outflow from investing activities		**(4,231)**	**(368)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3	2
Payments for shares repurchased		(86)	(200)
Proceeds from borrowings		2,676	-
Repayment of borrowings		(1,300)	(1,138)
Dividends paid		(745)	(678)
Net cash outflow from financing activities		**548**	**(2,014)**
NET DECREASE IN CASH HELD		(1,282)	(370)
Net cash at beginning of period		2,093	2,463
NET CASH AT END OF PERIOD		**811**	**2,093**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes and the 30 June 2010 Annual Report.

Note 1. Basis of Preparation of Preliminary Financial Report

This general purpose preliminary financial report for the year ended 30 June 2011 has been prepared in accordance with Australian Equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any other public announcements made by Tranzact Financial Services Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have generally been followed in these financial statements as compared with the most recent annual financial statements, except as follows:

Key Judgements - Superannuation Administration Agreements

Administration agreements (indefinite useful lives) relating to the Smartsave 'Member's Choice' Superannuation Master Plan totalling $1,069,173 are reassessed as having finite useful lives as at 30 June 2011 subject to amortisation over a 12 year period. This change in assessment follows the recent updating and re-signing of the administration agreement with different terms and conditions.

Key Judgements - Change in Accounting Estimates - Superannuation Administration Agreements

The reassessment of Administration agreements as detailed above has resulted in an increase in amortisation expense on this intangible asset for the period from $0 to $89,098.

Note 2. Operating Segments

Within Tranzact Financial Services Limited, the information supplied to executive management and the Board for internal reporting purposes consists of 5 reportable segments as detailed below.

The Group's business is located in Australia and New Zealand and is organised into the following divisions:

Superannuation Fund Administration, Asset Consulting & Sponsorship

The Group operates as a superannuation fund administrator, asset consultant and sponsor for a number of master trust superannuation and pooled superannuation trusts. For these services the Group receives fees and commission income.

Self Managed Superannuation Fund Administration

The Group operates as a superannuation fund administrator for self managed superannuation funds. For these services the Group receives administration fee income.

Investor Directed Portfolio Service Administration (IDPS)

Tranzact Investment Services Limited, a subsidiary of the Company, holds an Australian Financial Services Licence to operate an investor directed portfolio service (IDPS) and currently provides such a service to external clients for a fee.

Custodial Services

Tranzact Investment Services Limited, a subsidiary of the Company, holds an Australian Financial Services Licence to provide custodial services and currently provides such a service to external clients for a fee.

Partnership for Growth

The Partnership for Growth New Zealand based interests are loans to financial and insurance advisory businesses. The valuation of these financial interests utilises an equity style valuation methodology due to the unique nature of the arrangements and structure of the business. These instruments do not have a quoted market price in an active market that is reliably measurable of their market value. The range of values applicable to these instruments is significant and the probabilities of the various estimates cannot be reasonably assessed. The values depend heavily on the nature of the revenue streams, the sustainability of the revenue streams over time, and the level of continuing involvement of the practice principals in the business. The Board has accordingly retained these assets at cost.

Note 2 continued. Operating Segments

Partnership for Growth continued

The Partnership for Growth Australian based interests are in Templetons , which is a Brisbane based business specialising in the provision of insurance and financial planning services. A majority of the shares are held in Camelot Financial Services Pty Ltd ('Camelot') by a subsidiary of Tranzact Financial Services Limited, see Note 9, and the income from this investment is recorded in the Partnership segment. A 33.3% interest is held in Templetons Administrative Services Pty Ltd, which provides administration and adviser services to Camelot. The income from this investment is equity accounted.

Segment information

These reportable segments are the same as those reported in the previous annual financial statements for the financial year ended 30 June 2010.

Segment information provided to the executive management committee and the Board for the year ended 30 June 2011 is as follows:

Operating Segments

2011 Financial Year	Super Fund*	SMSF**	IDPS Admin	Custodial Services	Partnership for Growth	Head Office	Total
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
External revenues attributable to owners of the Company	3,823	3,346	147	55	1,376	29	8,776
Reportable EBTDA from segments attributable to owners of the Company	801	583	124	28	1,194	(64)	2,666
2010 Financial Year							
External revenues attributable to owners of the Company	3,184	3,664	159	65	725	206	8,003
Reportable EBTDA from segments attributable to owners of the Company	428	745	133	36	744	(70)	2,016

* Superannuation fund administration, asset consulting and sponsorship

** Self managed superannuation fund administration

Total asset amounts provided to executive management and the Board in internal reports are not broken down by segment and are therefore not disclosed.

Executive management and the Board monitor segment performance based on EBTDA attributable to the owners of the Company, which includes share of profit of equity accounted investees, but excludes taxation, depreciation, amortisation and EBTDA attributable to non-controlling interest.

Reconciliation of EBTDA from segments to profit after income tax is as follows:

	2011	2010
	$'000	**$'000**
EBTDA from operating segments reported above (including before tax share of profit of equity accounted investees)	**2,666**	**2,016**
Depreciation and amortisation	(752)	(430)
Group Taxation	(254)	(26)
Taxation on share of profit of equity accounted investees	(54)	(51)
Total comprehensive income attributable to owners of the Company	1,606	1,509

Note 3. Significant Revenues and Expenses

The following significant revenue and expense items are relevant in explaining the financial performance for the year:

	2011 $'000	2010 $'000
(a) Revenues		
Revenue from the rendering of services	6,395	6,738
Commission income	1,102	414
Bank interest	66	50
Distributions from interests in the Camelot Partnership	658	622
Dividends received	4	7
Financial planning and insurance income	603	-
	8,828	7,831
Before tax share of profit of associated entities	183	172
Less non-controlling interests share of revenue	(235)	-
	8,776	8,003
(b) Expenses		
Occupancy costs		
Rent paid relating to operating leases	294	292
Other occupancy expenses	68	61
	362	353
Amortisation and depreciation		
Amortisation	627	297
Depreciation	125	133
	752	430
Financing Costs		
Interest on borrowings	108	37
Other borrowing costs	35	20
	143	57

Note 4. Business Combination

Effective 1 October 2010, Tranzact acquired a 60.52% interest in Camelot Financial Services Pty Ltd ('Camelot'), which has appointed Templetons Administrative Services Pty Ltd (33.3% owned) to provide services (collectively referred to as Templetons). Templetons is a Brisbane business specialising in the provision of insurance and financial planning services. The consideration was paid in cash for a sum of $2,600,000, drawing on the Company's St George Bank loan facility.

On 24 June 2011, Tranzact paid a capital call to Camelot amounting to $332,658, increasing the holding to 61.38%.

The initial acquisition and subsequent capital call had the following effect on the Group's assets and liabilities:

	Fair Value $
Intangible assets	1,596,476
Deferred tax liability	(478,943)
Net identifiable assets and liabilities	1,117,533
Goodwill on acquisition	1,815,125
Net assets acquired	2,932,658
Payment for acquisition of subsidiary, net of cash acquired	2,932,658

Intangible assets are at fair value and are based on the recurring income stream expected to be realised from existing clients from contracts and relationships in place at the time of acquisition.

The goodwill is attributable to the profitability that will be generated from new business and from the strategic benefit this acquisition will bring from the extension of the Group's Partnership For Growth model in Australia.

Legal fees, stamp duties and other acquisition costs relating to the acquisition amounting to $76,814 have been included in Administration expenses in the profit or loss.

In the nine months from acquisition date, the Camelot business contributed total revenues of $607,969 and $273,526 profit after tax to the consolidated group, of which revenue of $373,171 and net profit of $167,890 after tax were attributable to the Owners of the Company.

Note 5. Cash and Cash Equivalents

	2011 $'000	2010 $'000
Cash at bank	732	2,014
Cash on deposit (1)	79	79
	811	2,093

(1) Cash on deposit includes term deposits with maturities of three months or less, that are lodged as security for Australian Financial Services Licence requirements and lease guarantees.

Note 6. Borrowings

	2011	2010
Term Borrowings	**$'000**	**$'000**
St George Bank Commercial Bill	1,376	-

See Note 12 (c) for additional information.

Note 7. Intangible Assets

	2011 $'000	2010 $'000
Promoter agreements at cost (indefinite useful lives)	2,095	2,095
Less accumulated impairment losses	-	-
	2,095	2,095
Promoter agreements at cost (finite useful lives)	140	140
Less accumulated amortisation	(70)	(23)
	70	117
Administration agreements at cost (indefinite useful lives)	-	1,069
Less accumulated impairment losses	-	-
	-	1,069
Administration agreements at cost (finite useful lives)	2,428	1,359
Less accumulated amortisation	(613)	(329)
	1,815	1,030
Client contracts and relationships at cost (finite useful lives)	1,596	-
Less accumulated amortisation	(179)	-
	1,417	-
Goodwill on acquisition (see Note 4 for details of additions in the current year)	4,470	2,655
Less accumulated impairment losses	-	-
	4,470	2,655
Licences, trade marks and other items at cost	260	260
Less accumulated amortisation	(134)	(103)
	126	157
Software & website development at cost	339	339
Less accumulated amortisation	(339)	(254)
	-	85
Total Intangible Assets	**9,993**	**7,208**

Note 8. Contingent Liabilities

At 30 June 2011, contingent liabilities consisted of one claim against a subsidiary of the Company. The most recent settlement offer from the claimant was $150,000. The Company recognises that a contingent liability between nil and $150,000 existed at year end in relation to this claim. The Company denies any liability in relation to this claim.

The contingent liabilities and values disclosed above are unchanged from those reported at 30 June 2010.

Note 9. Controlled Entities

		Equity Holding 2011	Equity Holding 2010
Tranzact Consulting Ltd	Ordinary	100%	100%
Tranzact Investment Services Ltd	Ordinary	100%	100%
Asset Custodian Nominees (Aust) Pty Ltd (1)	Ordinary	100%	100%
Australia First Financial Services Pty Ltd	Ordinary	100%	100%
Tranzact Superannuation Services Pty Ltd (2)	Ordinary	100%	100%
Tranzact Financial Solutions Pty Ltd (2)	Ordinary	100%	100%
Australian Superannuation Consultants Pty Ltd	Ordinary	100%	100%
Total Super Pty Ltd	Ordinary	100%	100%
SMSF Administrators Pty Ltd (3)	Ordinary	-	100%
SMSF Strategist Deeds Ltd (4)	Ordinary	-	100%
Camelot Financial Services Pty Ltd (5)	Ordinary	61.38%	-
Bob Templetons Australia Pty Ltd (6)	Ordinary	61.38%	-
Templetons Financial Planning Pty Ltd (6)	Ordinary	61.38%	-

(1) *Fully owned subsidiary of Tranzact Investment Services Ltd.*

(2) *Fully owned subsidiary of Australia First Financial Services Pty Ltd.*

(3) *Fully owned subsidiary of Australian Superannuation Consultants Pty Ltd deregistered on 26 August 2010*

(4) *Fully owned subsidiary of Australian Superannuation Consultants Pty Ltd deregistered on 2 September 2010*

(5) *Partly owned subsidiary of Australia First Financial Services Pty Ltd*

(6) *Fully owned subsidiary of Camelot Financial Services Pty Ltd*

Note 10. Financial assets

	2011 $'000	2010 $'000
Investments accounted for using the equity method		
Associated companies (1)	1,618	1,249
Available for sale financial assets		
Shares in unlisted entities at cost	56	56
Financial interests in Partnership for Growth (2)	5,495	5,158
	5,551	5,214
Total financial assets	7,169	6,463

(1) A 33.3% interest in Templetons Administrative Services Pty Ltd was acquired on 1 October 2010 for $333,000 plus an additional amount of $58,421 was invested on 22 June 2011 following a capital call. The holding at 30 June 2011 was 33.3%

(2) These are loans granted for interests in financial advisory practices under the "Partnership for Growth" model. The returns on the loans are aligned to the revenue of the respective advisor practices and have no pre-set maturity dates.

Note 11. Accumulated Losses

	2011 $'000	2010 $'000
Accumulated losses at the beginning of the financial year	(4,424)	(5,283)
Dividends paid	(745)	(677)
Share options exercised	(4)	27
Recognition of non-controlling interest	(105)	-
Profit attributable to owners of the company	1,606	1,509
Accumulated losses at the end of the financial year	(3,672)	(4,424)

Note 12. Cash Flow Information

(a) Reconciliation of Profit after Income tax to Net Cash Flows from Operating Activities

	30 June 2011 $'000	30 June 2010 $'000
Profit after income tax	1,712	1,509
Non-Cash Flows items in Operating Profit:		
Provision for depreciation	124	133
Provision for amortisation	627	297
Increase in provision for staff entitlements	82	3
Share of profit of associated entity	(128)	(120)
Unrealised foreign exchange losses	197	67
Changes in Assets and Liabilities:		
(Increase)/Decrease in current receivables	(130)	632
(Increase) in prepayments	(64)	(1)
(Increase) in deferred tax assets	(84)	(73)
(Decrease) in deferred tax liabilities	(124)	(94)
(Decrease) in trade and other payables	(45)	(242)
Increase/(Decrease) in current tax liabilities	234	(99)
Net Cash Inflows from Operating Activities	2,401	2,012

(b) Equity Securities Issued

	2011 Numbers	2010 Numbers	2011 $'000	2010 $'000
Ordinary shares issued (1) (3)	75,000	50,000	8	6
Ordinary shares cancelled (2) (4)	(555,400)	(1,362,146)	(86)	(200)
Options over ordinary shares issued 2007:expired 2010 (5)	-	(36,069,395)	-	-
Options over ordinary shares issued May 2010 (6) (under buy back arrangement)	-	27,953,049	-	-

12 months ended 30 June 2011:

(1) 75,000 equity securities were issued on 30 April 2011at $0.04 per security following the exercise of unlisted options under the Staff Share Option Plan. The exercise price was $0.04 per share, and a transfer of $4,613 was made from the employee options reserve.

(2) 499,900 equity securities were purchased on market between June and September 2010 at $0.15 per security, and a further 55,500 securities at $0.20 per security, under the share buy back scheme announced on 29 September 2008 and subsequent extension notice of 6 October 2010. These securities have subsequently been cancelled.

12 months ended 30 June 2010:

(3) 50,000 equity securities were issued on 30 July 2009 at $0.04 per security following the exercise of unlisted options under the Staff Share Option Plan. The exercise price was $0.04 per share, and a transfer of $3,500 was made from the employee options reserve.

(4) 1,362,146 equity securities were purchased on market between October 2009 and June 2010 at prices between $0.13 and $0.15 per security under the share buy back scheme announced on 29 September 2008 and subsequent extension notice on 28 September 2009. These securities have subsequently been cancelled.

(5) 36,069,395 options issued between May 2007 and November 2008, enabling the holder of each option to acquire a further share at $0.30 anytime before 30 April 2010, expired on 30 April 2010 with no options having been exercised.

(6) 27,953,049 free bonus options were issued to existing shareholders on 14 May 2010 enabling the holder of each option to acquire a further share at $0.25 anytime before 31 October 2012.

Note 12 Continued. Cash Flow Information

(c) Credit Standby Arrangements with Banks

	30 June 2011 $'000	30 June 2010 $'000
Credit facility	3,000	3,000
Amount utilised	1,376	-
	1,624	3,000

The above is a commercial bill variable interest rate facility of $3,000,000 provided by St George Bank, a division of Westpac Banking Corporation (2010: $3,000,000). This is a three year facility dated 16 August 2010.

Note 13. Events subsequent to the end of the reporting period

There has not arisen in the intervening period between the end of the reporting period and the date of these financial statements any item, transaction or other event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Note 14. Rounding

The Company satisfies the requirements of Class Order 98/0100 issued by the Australian Securities and Investments Commission relating to "rounding off" of amounts in the Directors' Report and the preliminary annual financial report to the nearest thousand dollars. Amounts have been rounded off in the Directors' Report and preliminary annual financial report in accordance with that Class Order.

DECLARATION BY DIRECTORS

The directors declare that the financial statements and notes set out on pages 5 to 15:

(a) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2011 and of their performance, as represented by the results of its operation and its cash flows, for the year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; 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.

This declaration is made in accordance with a resolution of the directors.

Anthony Ractliffe
Non-Executive Chairman

Allan S T Yeo
Managing Director

Sydney, NSW, Australia
29 August 2011