

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 2009

Financial year ended ('previous
period')

30 June 2008

2. Results for announcement to the market

\$A'000's

2.1	Revenues from operations	down	60%	to	\$1,368,940
2.2	Profit (loss) from operations after tax attributable to members	down	76%	to	(\$1,325,319)
2.3	Net profit (loss) for the period attributable to members	down	76%	to	(\$1,325,319)
2.4	Dividends		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>During the period the Company successfully negotiated and settled the sale of its platform operations and technology to OneVue Limited.</p>					

3. Consolidated income statement For the year ended 30 June 2009

	*Consolidated 30 June 2009 \$	Consolidated 30 June 2008 \$
Revenue from continuing operations	994,535	3,177,063
Other income	374,405	213,571
Revenue	1,368,940	3,390,634
Employee benefits expense	1,053,720	2,582,908
Depreciation and amortisation expense	80,053	838,079
Borrowing cost expense	12,597	1,284
Communication expense	67,243	159,667
Office rental expense	54,127	74,272
Marketing expense	16,622	117,725
IT maintenance and supplies	181,888	337,503
Rebates	221,798	685,484
Legal expenses	66,369	38,953
Other expenses	229,821	448,174
Share based payment expense	-	128,157
Share of loss of jointly controlled entity	66,583	-
Impairment of intangible assets	643,438	3,495,138
	2,694,259	8,888,558
Loss before income tax	(1,325,319)	(5,516,710)
Income tax expense	-	-
Loss for the period	(1,325,319)	(5,516,710)
Loss attributable to members of APA Financial Services Ltd	(1,325,319)	(5,516,710)
Basic (loss) earnings per share (cents)	(3.7)	(19.7)
Diluted (loss) earnings per share (cents)	(3.7)	(19.7)

* The results of Australian Portfolio Administrators Pty Ltd are only included up to 7 November 2008 at which time it became jointly controlled with OneVue Ltd.

Revision of Accounting Estimates

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

4. Consolidated balance sheet
As at 30 June 2009

	*Parent 30 June 2009 \$	Consolidated 30 June 2008 \$
ASSETS		
Current Assets		
Cash and cash equivalents	160,798	387,987
Trade and other receivables	73,284	54,623
Other receivables	2,540	422,652
Total Current Assets	<u>236,622</u>	<u>865,262</u>
Non Current Assets		
Plant and equipment	-	339,092
Investments	493,417	-
Non Current Assets	<u>493,417</u>	<u>339,092</u>
Total Assets	<u>730,039</u>	<u>1,204,354</u>
LIABILITIES		
Current Liabilities		
Borrowings	174,234	38,780
Trade and other payables	105,379	822,913
Provisions	-	212,249
Total Current Liabilities	<u>279,613</u>	<u>1,073,942</u>
Non Current Liabilities		
Provisions	-	14,045
Total Non Current Liabilities	<u>-</u>	<u>14,045</u>
Total Liabilities	<u>279,613</u>	<u>1,087,987</u>
Net Assets	<u>450,426</u>	<u>116,367</u>
Equity		
Contributed equity	7,609,104	6,509,666
Reserves	742,128	182,188
Accumulated losses	(7,900,806)	(6,575,487)
Total Equity	<u>450,426</u>	<u>116,367</u>

* The results of Australian Portfolio Administrators Pty Ltd are only included up to 7 November 2008 at which time it became jointly controlled with OneVue Ltd and ceased to be consolidated after that date.

5. Condensed consolidated statement of cash flows
For the Year ended 30 June 2009

	*Consolidated	Consolidated
	30 June 2009	30 June 2008
	\$	\$
Cash flows from operating activities		
Receipts from customers	1,200,630	3,088,701
Payments to suppliers and employees	(2,931,248)	(4,348,198)
Interest received	8,378	101,180
Research and development grants	561,383	-
Net cash flows used in operating activities	(1,160,857)	(1,158,317)
Cash flows from investing activities		
Payments for property, plant and equipment	-	(103,255)
Payments for intangible assets	-	(1,932,490)
Net cash flows used in investing activities	-	(2,035,745)
Cash flows from financing activities		
Proceeds from Share Issue	683,668	329,969
Proceeds from borrowings	250,000	-
Net cash flows used in financing activities	933,668	329,969
Net decrease in cash and cash equivalents	(227,189)	(2,864,093)
Cash and cash equivalents at beginning of the year	387,987	3,252,080
Cash and cash equivalents at end of the year	160,798	387,987

* The results of Australian Portfolio Administrators Pty Ltd are only included up to 7 November 2008 at which time it became jointly controlled with OneVue Ltd.

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.

Not Applicable

Reconciliation of cash

	Consolidated 30 June 2009	Consolidated 30 June 2008
	\$	\$
Cash on hand	46	91
Cash at bank	160,752	387,896
	<u>160,798</u>	<u>387,987</u>

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

	Consolidated 30 June 2009	Consolidated 30 June 2008
	\$	\$
Loss for the year	(1,325,319)	(5,497,924)
Depreciation	80,053	217,647
Amortisation	-	616,330
Share-based payment expense	-	128,157
Share of loss of jointly controlled entity	66,583	-
Impairment of intangible assets	643,438	-
Write down of property, plant & equipment	-	329,092
Write down of intangible assets	-	3,147,259
Net (profit)/loss on sale of non-current assets	-	(1,147)
Write down of software licences	-	4,103
Decrease / (Increase) in trade receivables	(20,876)	(3,000)
Increase / (Decrease) in trade creditors	(798,554)	117,957
Increase / (Decrease) in other creditors	-	37,837
Decrease / (Increase) in other receivables	420,112	(304,779)
Increase / (Decrease) in employee provisions	(226,294)	50,152
Net cash inflow / (outflow) from operating activities	<u>(1,160,857)</u>	<u>(1,158,317)</u>

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
	Final dividend: Current year	N/A	N/A	N/A	N/A
	Previous year				
	Interim dividend: 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. Consolidated retained profits

	30 June 2009 \$	30 June 2008 \$
Retained losses at the beginning of the financial period	(6,575,487)	(1,058,777)
Net loss attributable to members	(1,325,319)	(5,516,710)
Reduction of capital	-	-
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	-	-
Retained loss at end of financial period	(7,900,806)	(6,575,487)

9. NTA backing	Current period (\$)	Previous corresponding Period (\$)
Net tangible asset backing per ⁺ 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).		
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.	\$	

10.2 Loss of control over entities

Name of entity (or group of entities)	<i>Australian Portfolio Administrators Pty Ltd</i>		
Date control lost	7 November 2008		
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material).	\$6,952		
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	\$5,191		

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
<i>Australian Portfolio Administrators Pty Ltd</i>	90%	N/A	\$(66,583)	-

Group's aggregate share of associates' and joint venture entities' profits/(losses) (where material):	30 June 2009	30 June 2008
	\$	\$
Profit/(loss) from ordinary activities before tax	(66,583)	N/A
Income tax on ordinary activities	-	
Profit/(loss) from ordinary activities after tax	(66,583)	
Extraordinary items net of tax	-	
Net profit/(loss)	(66,583)	
Adjustments	-	
Share of net profit/(loss) of associates and joint venture entities	(66,583)	

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.

During the period the Company successfully negotiated and settled the sale of its platform operations and technology to OneVue Limited. As part of this transaction OneVue Ltd subscribed for 10% of the issued capital of Australian Portfolio Administrators Pty Ltd for total consideration of \$1,000,000, of which \$750,000 is uncalled as at 30 June 2009. Additionally via a series of contractual agreements both the Company and OneVue Ltd assumed joint control of the operations of Australian Portfolio Administrators Pty Ltd, which continues to operate the platform business and has effective 10 year exclusive rights to distribute the platform services within Australia and New Zealand.

As joint operating control occurred from the sale date of 7 November 2008, Australian Portfolio Administrators Pty Ltd ceased to be a controlled entity as at that date. This has significantly reduced both the revenue and expenses in comparison with the prior year.

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 year showed a substantial reduction in the impairment cost in relation to intellectual property (2009 \$643,438 2008 \$3,495,138) as in prior years development costs had been capitalised.

Other items of revenue and expenses have reduced as joint operating control occurred from the sale date of 7 November 2008, and Australian Portfolio Administrators Pty Ltd ceased to be a controlled entity as at that date.

The Board of APA remains positive about the future despite the prevailing economic conditions in the financial services industry. The company will shortly issue a partially underwritten rights issue to existing shareholders at 1.5 cents per share as indicated in the ASX Release dated 7 May 2009, after which time the company will be debt free and in a position to build upon its existing position within the financial services and investment market.

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

(Tick one)

- | | | | |
|--------------------------|-----------------------------------------------------------|--------------------------|-------------------------------------------------------------|
| <input type="checkbox"/> | The +accounts have been audited. | <input type="checkbox"/> | The +accounts have been subject to review. |
| | | <input type="checkbox"/> | The +accounts are in the process of being reviewed. |
| Yes | The +accounts are in the process of being audited. | <input type="checkbox"/> | The +accounts have <i>not</i> 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: Date: ..31 August 2009
(Director/Company Secretary)

Print name: GRAHAM DOUGLAS ANDERSON.