

# Appendix 4E

## Preliminary Final report Year Ended 30 June 2003

Name of entity

**INVESTORINFO LIMITED**

ABN or equivalent company  
reference

22 080 838 779

Preliminary  
final *(tick)*



Financial year ended ('current period')

30 JUNE 2003  
(Previous period: 30 June 2002)

### Results for announcement to the market

*Extracts from this report for announcement to the market*

Revenues from ordinary activities	Up	7%	to	\$A'000 6,029
Profit (loss) from ordinary activities after tax attributable to members	Down	95%	to	28
Net profit (loss) for the period attributable to members	Down	95%	to	28
<b>Dividends (distributions)</b>	Amount per security		Franked amount per security	
Final dividend	TBA		TBA	
Interim dividend	Nil		Nil	
Previous corresponding period	Nil		Nil	
†Record date for determining entitlements to the dividend	TBA			
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
<ul style="list-style-type: none"> <li>Refer to Note 2 (c) &amp; commentary on results</li> <li>The Directors' are yet to declare a final dividend</li> </ul>				

### Commentary on the results

**Refer to the Managing Director's comments on the results for the year ended 30 June 2003. The results should be read in conjunction with the details and explanations provided herewith.**

† See chapter 19 for defined terms.

## Ratios and other measures

Earnings per securities (EPS)	2003	2002
Basic EPS	0.05	1.00
Diluted EPS	0.05	1.00

Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of *AASB1027*:  
*Earning per share* are as follows:

	\$	\$
Earning used in the calculation of basic per share (\$)	27,500	514,423
Adjustment to earnings	-	-
Earnings used in calculation of diluted earnings per share (\$)	27,500	514,423
Weighted average number of ordinary shares on issue used in the calculation of basic EPS (shares)	53,650,000	52,380,137
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Effect of diluted securities	-	-
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Adjusted weighted average number of ordinary Shares used in calculating diluted earnings per share	53,650,000	52,380,137

### NFA backing

Net tangible asset backing per ordinary security	2.4c	1.73c
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### Profitability measures

Profit before tax/revenue		
Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	2.1%	13.1%
Profit after tax/equity interest		
Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	1.2%	22.1%

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+ See chapter 19 for defined terms.

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	2003	2002
Revenues from ordinary activities	1	6,029,172	5,623,757
Expenses from ordinary activities	2a	(5,728,527)	(4,789,598)
Depreciation and amortisation expense	2b	(175,893)	(95,798)
<b>Profit from ordinary activities before income tax</b>		<b>124,752</b>	<b>738,361</b>
Income tax on ordinary activities	3	97,252	223,938
<b>Net profit for the period attributed to members</b>		<b>27,500</b>	<b>514,423</b>
Retained profits at the beginning of the financial period		691,207	176,784
Total available for appropriation		718,707	691,207
Dividends paid or proposed		-	-
<b>Retained profits at end of the financial period</b>		<b>718,707</b>	<b>691,207</b>

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+ See chapter 19 for defined terms.

## Notes to the consolidated statement of financial performance

<b>NOTE 1: REVENUE</b>	<b>2003</b>	<b>2002</b>
(a) Operating activities		
- sale of goods	5,941,905	5,481,368
- interest received	44,336	135,118
- rental revenue	2,683	1,690
- other revenue	(5,375)	5,581
	<u>5,983,549</u>	<u>5,623,757</u>
(b) Non-operating activities		
- proceeds on the disposal of masthead	45,000	-
- proceeds on the disposal of property plant and equipment	623	-
	<u>45,623</u>	<u>-</u>
<b>Total Revenue</b>	<u><b>6,029,172</b></u>	<u><b>5,623,757</b></u>
 <b>NOTE 2: PROFIT FROM ORDINARY ACTIVITIES</b>		
(a) Expenses:		
Operating activities:		
Cost of sales	4,267,654	3,715,144
Administration expenses	536,482	543,807
Employment expenses	641,244	504,242
Bad and Doubtful Debts	(8,931)	26,405
Office relocation expense	47,657	-
	<u>5,484,106</u>	<u>4,789,598</u>
Non-operating activities:		
Write off of Ethical Investor Masthead	244,421	-
	<u>244,421</u>	<u>-</u>
<b>Total Expenses from ordinary activities</b>	<u><b>5,728,527</b></u>	<u><b>4,789,598</b></u>
(b) Depreciation and amortisation:		
Depreciation of non-current assets	58,607	47,369
Amortisation of development expenditure	117,286	48,429
	<u>175,893</u>	<u>95,798</u>
<b>Profit from ordinary activities before income tax</b>	<u><b>124,752</b></u>	<u><b>738,361</b></u>
(c) Significant items		
Consideration on the disposal of Ethical Investor Masthead	45,000	-
Write off of Ethical Investor Masthead	(244,421)	-
	<u>(199,421)</u>	<u>-</u>
Net loss from the write off of Ethical Investor Masthead	<u>(199,421)</u>	<u>-</u>
Gross trading loss sustained on Ethical Investor	<u>(259,025)</u>	<u>(19,215)</u>
In May 2003 the Company sold Ethical Investor due to gross losses sustained on the publication. The pre tax loss including masthead write off was:	<u>(458,446)</u>	<u>(19,215)</u>

+ See chapter 19 for defined terms.

## Notes to the consolidated statement of financial performance

<b>NOTE 3: INCOME TAX EXPENSE</b>	<b>2003</b>	<b>2002</b>
The prima facie tax on profit from ordinary activities before income tax provided in the accounts as follows:-		
Profit from ordinary activities before income tax	124,752	738,361
Add permanent differences:		
Non deductible expenses	-	8,099
Non Deductible capital write off	199,421	-
Operating profit after adjusting for permanent differences	324,173	746,460
Prima facie tax payable on profit from ordinary activities before income tax at 30%	97,252	223,938
 Income tax expense attributed to profit from ordinary activities before income tax	 <u>97,252</u>	 <u>223,938</u>

## Discussion and analysis – Statement of Financial Performance

### TRENDS IN REVENUES ARISING FROM OPERATING ACTIVITIES

Revenue on the sale of goods increased by 8% to \$5.942m largely attributed to the increased contribution from our Conference and Research divisions. Fourth quarter advertising revenue declined when compared to the previous corresponding period due to a soft advertising market and prolonged bear market. Interest revenue declined by 67% to \$44,336 due to the capital return undertaken in November 2001.

### TRENDS IN COSTS ARISING FROM OPERATING ACTIVITIES

Costs of sales increased by 15% to \$4.268m largely attributed to the increased production costs of the *Ethical Investor* publication acquired in May 2002 and the costs associated with our expanding Conference division. Non production employment expenses increased by 27% to \$641,224 due to an increase in headcount. Depreciation and amortisation increased by 83% to \$175,893 due to the completion of development projects in 2002 and a year end write off amounting to \$23,536.

### MAIN INFLUENCE ON NET PROFIT

The disappointing net profit result is best explained by the gross loss of \$259,025 sustained on *Ethical Investor* which was sold in May 2003 and consequently resulted in a non deductible year end net write off of \$199,421. After adding back the combined *Ethical Investor* loss and net write off (\$458,446) to earnings before interest, tax, depreciation and amortisation (EBITDA) InvestorInfo reported a profit of \$714,756, comparing favourably to the previous corresponding EBITDA of \$699,042.

+ See chapter 19 for defined terms.

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2003**

	Notes	2003	2002
<b>CURRENT ASSETS</b>			
Cash		1,078,716	976,207
Receivables		876,589	1,109,159
Other		36,766	92,859
<b>TOTAL CURRENT ASSETS</b>		<b>1,992,071</b>	<b>2,178,225</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		750,303	777,981
Intangibles		461,679	705,550
Other		74,345	49,923
Deferred tax asset		51,159	38,822
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,337,486</b>	<b>1,572,276</b>
<b>TOTAL ASSETS</b>		<b>3,329,557</b>	<b>3,750,501</b>
<b>CURRENT LIABILITIES</b>			
Payables		377,412	526,885
Provisions		428,925	520,772
Current tax liabilities		39,582	215,360
<b>TOTAL CURRENT LIABILITIES</b>		<b>845,919</b>	<b>1,263,017</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		130,732	162,078
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>130,732</b>	<b>162,078</b>
<b>TOTAL LIABILITIES</b>		<b>976,651</b>	<b>1,425,095</b>
<b>NET ASSETS</b>		<b>2,352,906</b>	<b>2,325,406</b>
<b>EQUITY</b>			
Contributed equity	4	1,634,199	1,634,199
Retained profits	5	718,707	691,207
<b>TOTAL EQUITY</b>		<b>2,352,906</b>	<b>2,325,406</b>

+ See chapter 19 for defined terms.

## Notes to the consolidated statements of financial position

<b>NOTE 4: CONTRIBUTED EQUITY</b>	<b>2003</b>	<b>2002</b>
53,650,000 fully paid ordinary shares	<u>1,634,199</u>	<u>1,634,199</u>
<b>(a) Ordinary Shares</b>		
At the beginning of the financial year	1,634,199	7,791,735
Shares issued during the year		
- 1,500,000 issued as consideration for the purchase of Ethical Investor at 7 cents per share	-	105,000
Capital Return at 12 cents per ordinary share	-	(6,258,000)
Transaction costs relating to share issues	-	(4,536)
At the end of the financial year	<u>1,634,199</u>	<u>1,634,199</u>

(b) There are currently 2,225,000 options granted under the InvestorInfo Limited Employee option plan to purchase ordinary shares at an exercise price of:-

- \$0.08 each, exercisable on or before 11 October 2006 (525,000 options)
- \$0.08 each, vesting 30 June 2004 and exercisable on or before 11 October 2007 (525,000 options)
- \$0.08 each, vesting 11 October 2003 and exercisable on or before 30 October 2006 (391,667 options) on the provision that the share price is at least 13 cents
- \$0.08 each, vesting 11 October 2004 and exercisable on or before 11 October 2007 (783,333 options) on the provision that the share price is at least 14 cents

(c) There are currently 1,275,000 options granted under the InvestorInfo Limited Directors' option plan Ms Bernadette Brennan to purchase ordinary shares at an exercise price of:-

- \$0.08 each, vesting 11 October 2003 and exercisable on or before 11 October 2006 (425,000 options) on the provision that the share price is at least 13 cents
- \$0.08 each, vesting 11 October 2004 and exercisable on or before 11 October 2007 (850,000 options) on the provision that the share price is at least 14 cents

### NOTE 5: RETAINED PROFITS

Retained profits at the beginning of the financial period	<u>691,207</u>	<u>176,784</u>
Net profit for the period attributed to members	27,500	514,423
Dividends paid or proposed	-	-
Retained profits at the end of the financial period	<u>718,707</u>	<u>691,207</u>

## Discussion and analysis – Statement of Financial Position

### CHANGES IN THE COMPOSITION OF ASSETS

Total assets decreased by 11% to \$3.330m due to the write off of the *Ethical Investor* masthead disclosed in intangibles and reduced trade debtors as a result of lower 4<sup>th</sup> quarter sales than the previous corresponding quarter.

### CHANGES IN THE COMPOSITION OF LIABILITIES

Total liabilities decreased by 31% to \$976,651 largely attributed to a reduction in trade creditors due to lower cost of sales in 4<sup>th</sup> quarter than the previous corresponding quarter and payment of \$316,713 in income tax during the year thereby reducing current tax liabilities.

+ See chapter 19 for defined terms.

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		6,072,810	5,254,739
Payments to suppliers and employees		(5,549,808)	(4,600,180)
Interest received		40,439	155,249
Income tax paid		(316,713)	(86,406)
		<u>246,728</u>	<u>723,402</u>
<b>Net cash provided by (used in) operating activities</b>	6	246,728	723,402
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the sale of property, plant and equipment		623	-
Proceeds from the sale of masthead		45,000	-
Purchase of property, plant and equipment		(118,215)	(25,220)
Purchase of business		-	(138,871)
Purchase of Investments		(24,422)	-
Purchase of other non-current assets		(30,000)	(113,336)
		<u>(127,014)</u>	<u>(277,427)</u>
<b>Net cash provided by (used in) investing activities</b>		(127,014)	(277,427)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	-
Transaction costs relating to share issues		-	(4,535)
Dividends paid		(6,035)	(255,200)
Capital return – November 2001		(11,170)	(6,224,240)
		<u>(17,205)</u>	<u>(6,483,975)</u>
<b>Net cash provided by (used in) financing activities</b>		(17,205)	(6,483,975)
<b>Net increase/(decrease) in cash held</b>		102,509	(6,038,000)
<b>Cash at 1 July, 2002</b>		<u>976,207</u>	<u>7,014,207</u>
<b>Cash at 30 June 2003</b>		<u>1,078,716</u>	<u>976,207</u>

+ See chapter 19 for defined terms.

## Notes to the consolidated statement of Cash Flows Statement

<b>NOTE 6: CASH FLOW INFORMATION</b>	<b>2003</b>	<b>2002</b>
<b>Reconciliation of Cash Flow from Operations with Profit from ordinary activities after Income Tax:</b>		
Profit from ordinary activities after Income Tax	27,500	514,424
Items classified as investing activities:		
- (Profit)/Loss on the sale of non-current assets	(623)	-
- Net loss on disposal of Ethical Investor masthead	199,421	-
Non-cash flows in operating profit:		
- Depreciation	58,607	47,369
- Amortisation	117,286	48,429
- Doubtful debts	(8,931)	26,405
Changes in Assets & Liabilities		
Movements in income taxes payable	(175,778)	186,220
Movement in deferred taxes payable	(43,683)	(48,690)
(Increase)/decrease in receivables	251,065	(240,174)
(Increase)/decrease in prepayments	63,184	(22,390)
Increase/(decrease) in provisions	(91,847)	92,282
Increase/(decrease) in accounts payable	(149,473)	119,527
<b>Cash Flows from operations</b>	<b>246,728</b>	<b>723,402</b>

### Discussion and Analysis – Statement of Cash Flows

#### CHANGES IN CASHFLOWS FROM OPERATIONS

Operating cash flows decreased by \$476,674 due to increased costs of sales associated with full year production of *Masterfunds Quarterly*, *Ethical Investor*, additional conferencing events, and a \$230,307 increase in income tax paid.

#### CHANGES IN CASHFLOWS FROM INVESTING ACTIVITIES

Cash flows used in investing activities decreased by \$150,413 due largely to the completion of development expenditure in the prior year.

#### CHANGES IN CASHFLOWS FROM FINANCING ACTIVITIES

Cash flow used in financing activities decreased by \$6.467m due to the capital return and dividends paid in the prior year. Overall cash increased by \$102,509.

### Other Significant Information

There are no other significant events to report for the year ended 30 June 2003 and no significant events have occurred subsequent to reporting date.

+ See chapter 19 for defined terms.

## Compliance statement

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 checked="" type="checkbox"/> | The †accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The †accounts have <i>not</i> yet been audited or reviewed. |

Sign here: .....  
Company Secretary

Date: 5 August 2003

Print name: J Patrick Kelly

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† See chapter 19 for defined terms.