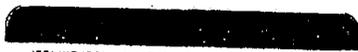


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AA 3/14/2004 *3

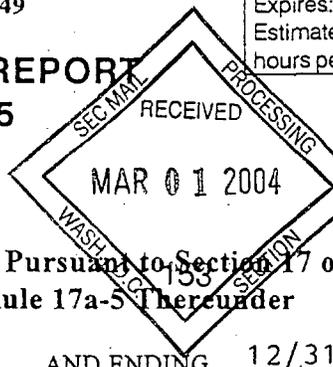
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
OMB Number: 3235-0123
Expires: October 31, 2004
Estimated average burden
hours per response..... 12.00



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ANNUAL AUDITED REPORT
FORM X-17A-5
PART III



SEC FILE NUMBER
8-27691

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

IFC Holdings, Inc. dba Invest Financial Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

2701 North Rocky Point Drive, 7th Floor

(No. and Street)

Tampa

FL

33067

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Andy Hopping

517-702-2435

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KPMG LLP

(Name - if individual, state last, first, middle name)

355 South Grand Avenue, Suite 2000

Los Angeles, CA 90071

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 29 2004

FOR OFFICIAL USE ONLY

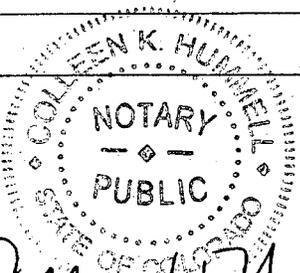
THOMSON
FINANCIAL

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

AA 3-25-04

OATH OR AFFIRMATION

I, Andy Hopping, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of IFC Holdings, Inc., as of December 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Colleen K. Hummell
Notary Public

[Signature]
Signature

Executive Vice President
Chief Financial Officer
Title

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



IFC HOLDINGS, INC.
(An Indirect, Wholly Owned Subsidiary of Prudential plc)

Consolidated Statement of Financial Condition

December 31, 2003

(With Independent Auditors' Report Thereon)

IFC HOLDINGS, INC.
(An Indirect, Wholly Owned Subsidiary of Prudential plc)
December 31, 2003

Index to Consolidated Statement of Financial Condition

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Notes to Consolidated Statement of Financial Condition	3



KPMG LLP
Suite 2000
355 South Grand Avenue
Los Angeles, CA 90071-1568

Independent Auditors' Report

*The Board of Directors and Stockholder
IFC Holdings, Inc.:*

We have audited the accompanying consolidated statement of financial condition of IFC Holdings, Inc. (the Company) (a wholly owned subsidiary of National Planning Holdings, Inc. and an indirect, wholly owned subsidiary of Prudential plc) as of December 31, 2003. This consolidated statement of financial condition is the responsibility of the Company's management. Our responsibility is to express an opinion on this consolidated financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated statement of financial condition is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated statement of financial condition. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated statement of financial condition referred to above presents fairly, in all material respects, the financial position of IFC Holdings, Inc. as of December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 5 to the consolidated statement of financial condition, the Company restated its previously reported accumulated deficit as of December 31, 2002.

January 23, 2004



IFC HOLDINGS, INC.
 (An Indirect, Wholly Owned Subsidiary of Prudential plc)
 Consolidated Statement of Financial Condition
 December 31, 2003

Assets

Assets:	
Cash and cash equivalents – unrestricted	\$ 28,638,105
Cash segregated under federal regulations	7,200,000
Commissions receivable	9,041,972
Forgivable notes receivable, net of accumulated amortization of \$2,495,308	4,686,281
Other receivables	7,386,712
Due from affiliates	332,073
Deferred tax asset	1,305,823
Fixed assets, net of accumulated depreciation of \$7,862,111	748,975
Other assets	11,514,924
Goodwill	16,814,501
Total assets	<u>\$ 87,669,366</u>

Liabilities and Stockholder's Equity

Liabilities:	
Commissions payable	\$ 5,839,096
Accounts payable and other accrued expenses	14,898,546
Payable to affiliates	<u>13,458,867</u>
Total liabilities	<u>34,196,509</u>
Stockholder's equity:	
Common stock, \$1 par value. Authorized 23,000 shares; issued and outstanding 20,242 shares	20,242
Additional paid-in capital	63,422,753
Accumulated deficit	<u>(9,970,138)</u>
Total stockholder's equity	<u>53,472,857</u>
Total liabilities and stockholder's equity	<u>\$ 87,669,366</u>

See accompanying notes to consolidated statement of financial condition.

IFC HOLDINGS, INC.
(An Indirect, Wholly Owned Subsidiary of Prudential plc)
Notes to Consolidated Statement of Financial Condition
December 31, 2003

(1) Organization and Significant Accounting Policies

(a) Organization

IFC Holdings, Inc. (the Company) is a wholly owned subsidiary of National Planning Holdings, Inc. (NPH), which in turn is an indirect, wholly owned subsidiary of Prudential plc.

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Investment Centers of America, Inc., whose accounts include those of its division, Curian Clearing, Inc. These companies are collectively referred to as the Company. All significant intercompany transactions have been eliminated in the consolidation process.

The Company is a registered broker-dealer with the Securities and Exchange Commission (SEC) and is a member of the National Association of Securities Dealers (NASD). The Company provides "introducing" broker-dealer services to customers of subscribing financial institutions located throughout the United States. The Company also began clearing operations in April 2003 to clear transactions for Curian Capital LLC, an affiliated company.

(b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and in banks including money market demand deposits, commercial paper, and certificates of deposit with maturities of three months or less and money market mutual funds.

(c) Cash Segregated under Federal Regulations

Cash of \$7,200,000 has been segregated in a special reserve bank account for the benefit of customers under Rule 15c-3-3 of the Securities and Exchange Commission and for potential refunds due to customers who did not receive the appropriate breakpoint discounts on the sale of front-end load mutual funds.

(d) Marketable Securities

Securities are carried at fair value based on quoted market prices.

(e) Fixed Assets

Fixed assets are carried at cost, less accumulated depreciation and amortization. Fixed assets consist primarily of computer hardware and furniture and equipment, which are depreciated over three to seven years.

(f) Goodwill

The Company tested goodwill for impairment using the two-step process described in Statement of Financial Accounting Standards No. 142. The first step is a screen for potential impairment, while the second step measures the amount of the impairment, if any. Based on the impairment test performed by the Company, no goodwill impairment charge was recorded for the year ended December 31, 2003.

IFC HOLDINGS, INC.
(An Indirect, Wholly Owned Subsidiary of Prudential plc)

Notes to Consolidated Statement of Financial Condition

December 31, 2003

(g) *Income Taxes*

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company is included in a consolidated federal income tax return with Holborn Delaware Corporation (Holborn), an indirect, wholly owned subsidiary of Prudential plc. The Company's tax-sharing agreement with Holborn is based on separate return calculations. The Company has a right to reimbursement for the utilization of its losses in the consolidated tax return. Intercompany balances are generally settled on a quarterly basis.

(h) *Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statement and accompanying notes. Actual results could differ from those estimates.

(2) *Income Taxes*

The tax effects of temporary differences that give rise to significant portions of the deferred income tax assets and liabilities are the treatment of depreciation, accrued expenses, deferred compensation, deferred rent, goodwill amortization, and the amortization of forgivable notes.

The Company had current taxes receivable of \$4,554,119 as of December 31, 2003, which is included in other receivables.

(3) *Clearing Agreement*

The Company is an introducing broker and clears transactions with and for customers on a fully disclosed basis with National Financial Services Corporation (NFSC) and Pershing LLC, a Bank of New York Company. The Company promptly transmits all customer funds and securities to NSFC and Pershing LLC. In connection with these arrangements, the Company is contingently liable for its customers' transactions.

(4) *Net Capital Requirements*

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule 15c3-1 (Rule 15c3-1) and is required to maintain minimum "net capital" equivalent to \$250,000, or 2% of "aggregate debit items," whichever is greater, as these terms are defined. At December 31, 2003, the Company had net capital of \$5,959,321, which was \$5,709,321 in excess of its requirement.

IFC HOLDINGS, INC.
(An Indirect, Wholly Owned Subsidiary of Prudential plc)
Notes to Consolidated Statement of Financial Condition
December 31, 2003

(5) Forgivable Notes Receivable

The Company holds forgivable notes from certain registered representatives. Under the terms of the loans, the principal and interest are forgiven over the term of the note, generally five years. The forgiveness of the notes is contingent upon the continued affiliation of the representative and the representative achieving agreed-upon production levels, measured in terms of gross dealer concessions. In circumstances when the representative achieves a predetermined percentage of the agreed-upon production levels, the term of the forgivable notes may be extended for one additional year. Under such circumstances, the unamortized balance of the note is amortized over the remaining term.

The Company records amortization of the principal balance of the notes monthly on a straight-line basis over the term of the note.

Prior to 2003, the Company was not properly amortizing the notes in certain instances when the notes were extended, restructured, or paid down. As a result, during the current year, the Company recorded a prior period adjustment of \$190,417, net of taxes of \$124,583, which represents prior years' adjustment of amortization expense had the amortization been properly recorded in those years. The prior period adjustment resulted in the restatement of the Company's accumulated deficit as of December 31, 2002.

(6) Defined Contribution Plans

The Company has defined contribution retirement plans covering all eligible full-time employees. The Company's annual contributions are based on a percentage of covered compensation paid to participating employees during each year.

(7) Related Party Transactions

The Company participates in the allocation of costs with the other wholly owned subsidiaries of NPH in which the other subsidiaries allocate a portion of their operating expenses to the Company, and the Company allocates a portion of its operating expenses to the other subsidiaries.

(8) Representative Deferred Compensation Program

The Company has a nonqualified deferred compensation plan for certain independent contractors of the Company. The Company's annual contributions are based on commission revenue production of participating independent contractors during the year. An asset, recorded in other assets, and corresponding liability are included in the consolidated statement of financial condition for \$4,616,157.

IFC HOLDINGS, INC.
(An Indirect, Wholly Owned Subsidiary of Prudential plc)
Notes to Consolidated Statement of Financial Condition
December 31, 2003

(9) Regulatory Pronouncements

In August 2003, the NASD issued *Notice to Members 03-47* (NTM 03-47). The notice required broker-dealers to evaluate customer breakpoint discounts for sales of front-end load mutual funds in 2001 and 2002. If the breakpoint discount had not been properly applied to the mutual fund traded, the notice required broker-dealers to establish a liability for the unapplied discount and segregate funds in a separate account for the benefit of customers to cover this liability. The Company recorded a liability of \$411,113 in accounts payable and other accrued expenses.

In October 2003, the NASD issued *Notice to Members 03-63* (NTM 03-63) which outlines the SEC guidance on the recording of expenses and liabilities by broker-dealers. On July 11, 2003, the Securities and Exchange Commission Division of Market Regulation issued a letter to clarify its position under SEC Rules 15c3-1, 17a-3, 17a-4, and 17a-5 regarding the treatment of broker-dealer expenses and liabilities. The letter addresses situations in which an affiliated party has agreed to pay expenses related to the business of the broker-dealer and required the broker-dealer to either record the expenses borne by the affiliate or to adjust the broker-dealer's net capital to reflect these expenses. The Company recorded a liability of \$12,791,709 in payable to affiliates for additional expenses incurred on behalf of the Company by JNL and Curian Capital LLC related to shared services for the year ended December 31, 2003. No similar amounts were recorded in 2002.