Appendix 4E

Full year report

30 June 2006

EUROZ LIMITED	ABN 53 000 364 465

Results for announcement to the market

Extracts from this report for announcement to the market ***$A'000***

Revenue from ordinary activities	Up	32.58%	To	56,040
Profit/(Loss) from ordinary activities after tax attributable to members	Up	82.22%	To	16,814
Net Profit/(loss) for the period attributable to members	Up	82.22%	To	16,814

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	20 Cents	20 Cents
Interim dividend	4.5 Cents	4.5 Cents

Record date for determining entitlements to the dividend	29 August 2006
Dividend payable date	4 September 2006

Results commentary for announcement to the market

This record result has been achieved through a significant contribution from our 100% owned stockbroking entity Euroz Securities Limited, a profitable maiden contribution from our funds management subsidiary, Westoz Funds Management Pty Ltd and strong investment returns.

The Directors would like to caution shareholders that if recent economic and market trends continue it is unlikely that our record level of profitability can be maintained in 2007. However, the Directors believe that our expansion initiatives and growing balance sheet will provide the company with a solid platform for the future.

Reporting period

The financial information contained in this report is for the full year ended 30 June 2006

Euroz Limited

ABN 53 000 364 465

Annual report - 30 June 2006

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Directors	Peter Diamond *Chairman* Andrew McKenzie *Managing Director* Jay Hughes Shane Gherbaz (resigned 28 November 2005)
Company Secretary	Shane Gherbaz
Principal registered office in Australia	Level 14 The Quadrant 1 William Street PERTH WA 6000 Telephone: +61 8 9488 1400 Facsimile: +61 8 9488 1477 Email service@euroz.com.au Website www.euroz.com.au
Share and debenture registers	Computershare Investor Services Pty Ltd Level 2 Reserve Bank Building 45 St George's Terrace PERTH WA 6000 Telephone: 1300 787 575
Auditor	Mack & Co Chartered Accountants Level 2 35 Havelock Street WEST PERTH WA 6005 Telephone: +61 8 9322 2798
Bankers	Westpac Banking Corporation 109 St George's Terrace PERTH WA 6000
Stock exchange listings	Euroz Limited shares are listed on the Australian Stock Exchange. Code EZL
Website address	www.euroz.com.au

Your directors present their report on the consolidated entity consisting of Euroz Limited and the entities it controlled at the end of, or during the year ended June 30 2006.

Directors and Executive Disclosures
The following persons were directors of Euroz Limited at any time during or since the end of the financial year and up to the date of this report:

CHAIRMAN
Peter Diamond

EXECUTIVE DIRECTORS
Andrew McKenzie - *Managing Director*

Jay Hughes – *Director*

Shane Gherbaz – *Resigned 28 November 2005*

Executives with the greatest authority for strategic direction and management
The following persons were the executives (other than directors of the parent entity) with the greatest authority for the strategic direction and management of the consolidated entity (“specified executives”) during the financial year:

NAME	POSITION	EMPLOYER
R Caldow	Director	Euroz Securities Limited
G Chessell	Director	Euroz Securities Limited
S Yeo	Director	Euroz Securities Limited
K Paganin	Director	Euroz Securities Limited
D Young	Director	Euroz Securities Limited
O Foster	Director	Euroz Securities Limited
T Andrew	Director	Euroz Securities Limited
S Gherbaz	Director	Euroz Securities Limited
M Hepburn	Director	Euroz Securities Limited (Appointed 1 July 2006)
R Kane	Director	Euroz Securities Limited (Appointed 1 July 2006)
A Clayton	Director	Euroz Securities Limited (Appointed 1 July 2006)
P Rees	Director	Westoz Funds Management Pty Ltd

Company Secretary
The following person held the position of company secretary at the end of the financial year:

Mr Shane Gherbaz. Mr Gherbaz has worked for Euroz Limited for the past 6.5 years, performing both a director and company secretarial role in the business.

Mr Gherbaz was appointed company secretary on March 13 2001.

Principal Activities
During the year the principal continuing activities of the consolidated entity consisted of:

(a) Retail and Institutional Dealing
(b) Stock Market Research
(c) Equity Capital Market Raisings
(d) Corporate Advisory Services; and
(e) Investing

Review of Results
The directors of Euroz Limited are pleased to announce a consolidated pre-tax profit of $24,107,440 for the year ended 30 June 2006 - compared with the 2005 year's consolidated pre-tax profit of $13,080,128.

The consolidated net profit after tax was $16,814,507 compared with the 2005 year's consolidated net profit after tax of $9,041,516. This profit represents a basic earnings per share of 33.63 cents versus 21.07 cents in the 2005 year.

The directors have declared a final dividend of 20 cents per share fully franked which, combined with the interim dividend of 4.5 cents per share, represents a total dividend of 24.5 cents per share fully franked.

Review of operations

	Segment revenues		Segment results	
	2006	2005	2006	2005
	$	$	$	$
Stockbroking	42,411,450	31,000,031	18,993,533	10,308,492
Principal Trading	9,044,451	10,131,437	1,385,166	2,046,903
Funds Management	2,967,953	-	2,316,805	-
Unallocated revenue	1,616,302	1,136,132	1,411,936	724,733
	56,040,157	42,267,600	24,107,440	13,080,128
Consolidated profit from ordinary activities before income tax expense				
Income tax expense			(7,292,933)	(4,038,612)
Consolidated net profit			16,814,507	9,041,516

The primary asset of Euroz Limited is presently its 100% owned stockbroking firm - Euroz Securities Limited (Euroz Securities). The results have been achieved through strong investment returns and solid contributions from all divisions of the company's main operating subsidiary, Euroz Securities Limited. Also the first full year contribution from Westoz Funds Management Pty Ltd. On-going strength in commodity prices and buoyant small-mid cap market conditions continue to drive strong interest in our predominantly WA focused product.

The company also issued on October 26 2005 4,000,000 ordinary shares at a $1.38 per share to raise $5,520,000.

The company issued a further 650,000 ordinary shares on April 27 2006 at $2.00 per share to raise $1,300,000.

The statement of financial position has been further strengthened during the year with the exercise of 600,000 options raising additional capital of $720,000.

Financial Position

The net assets of the consolidated entity have increased by $12,858,124 from June 30 2005 to $36,856,470 in 2006.

This increase has largely resulted from the following factors:

- Improved operating performance of the consolidated entity; and
- Appreciation of the consolidated entity's shareholdings during the year in ASX listed companies; and
- Share placement / options exercised.

The company's strong financial performance has enabled it to pay higher dividends to shareholders during the year while maintaining a healthy working capital ratio. The consolidated entity's working capital, being current assets less current liabilities, has risen from $15,515,616 in 2005 to $28,006,004 in 2006.

During the past 5 years the company has invested in infrastructure to secure its long term success. In particular, a strategic investment has been made in the Westoz Investment Company Ltd to diversify the asset base as well as maintaining and expanding investment in its key Euroz Securities Ltd business segments. The company's holdings in associated subsidiaries has increased by $1,200,000 to $11,700,000.

The directors believe the company is in a strong and stable financial position to expand and grow it's current operations.

	2006	2005
Earnings per share	Cents	Cents
Basic earnings per share	35.12	21.07
Diluted earnings per share	33.63	19.94

Dividends - Euroz Limited

Dividends paid or provided for during the financial year were as follows:

	2006 $	2005 $
Provision for final ordinary dividend for 30 June 2006 of 20 cents (2005 – 11.5 cents) to be paid during September 2006	10,000,000	5,146,250
Interim ordinary dividend of 4.5 cents (2005 – 4.5 cents) per fully paid share was paid on 27 February 2006	2,209,501	2,000,250
Final ordinary dividend for 30 June 2005 of 10 cents (2004 – 10 cent) paid 7 September 2005	5,146,250	3,722,924
	17,355,751	10,869,424

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the consolidated entity during the year not otherwise dealt with in this report.

Adoption of Australian Equivalents to IFRS

As a result of the adoption of Australian equivalents to International Financial Reporting Standards (A-IFRS), the company's financial report has been prepared in accordance with those standards.

After balance date events

The directors are not aware of any matter or circumstance subsequent to 30 June 2006 that has significantly affected, or may significantly affect:

(a) the consolidated entity's operations in future financial years; or
(b) the results of those operations in future financial years; or
(c) the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The directors are confident that a strong balance sheet and established business platforms will support the company in the increasingly volatile market conditions.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to significant environmental regulation in respect of its operations.

Information on directors

Director	Experience	Special responsibilities and qualifications	Particulars of directors' interests in shares and options of Euroz Limited: Ordinary shares	Options exercised during the year
P Diamond Director	Mr Diamond has worked in the stockbroking industry since 1986.	Executive Chairman Chairman of Audit Committee Chairman of Remuneration Committee He holds a Bachelor of Business Degree (BBus) and is a member of the Australian Society of Accountants (ASA).	4,500,000	-
A McKenzie Director	Mr McKenzie has worked in the stockbroking industry since 1991.	Managing Director Member of Audit Committee Member of Remuneration Committee Holds a Bachelor of Economics Degree, is an Associate of the Financial Services Institute of Australia and is a Fellow of the Australian Institute of Company Directors.	4,500,000	-
J Hughes Director	Mr Hughes has worked in the stockbroking industry since 1986.	Member of the Remuneration Committee	4,500,000	-

Meetings of directors
The numbers of meetings of the company's board of directors held during the year ended 30 June 2006, and the numbers of meetings attended by each director were:

Director	Directors Meetings		Committee Meetings			
			Audit		Remuneration	
	Number eligible to attend	Number attended	Number eligible to attend	Number Attended	Number eligible to attend	Number attended
Peter Diamond	15	14	2	2	12	12
Andrew McKenzie	15	13	2	2	12	12
Jay Hughes	15	15	-	-	12	12
Shane Gherbaz	6	5	2	2	-	-

Shane Gherbaz resigned as a director of Euroz Limited during the year and attended meetings to the date of his resignation.

Directors & Executives Emoluments
Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the consolidated entity’s operations. The board undertakes regular reviews of its performance and the performance of the board against expectations made at the start of the year. Performance related bonuses are available to executives based on their performance and that of the company.

Remuneration Policy
The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives. There have been three methods applied in achieving this aim, the first being a participation in the profit share pool, the second being commission and the third being HOR incentive. The company believes this policy to have been effective in increasing shareholder wealth over the past four years.

The following table shows the gross revenue, profits and dividends for the last five years for the listed entity, as well as the share price at the end of the respective financial years.

	2002	2003	2004	2005	2006
	$	$	$	$	$
Revenue	5,722,611	10,026,219	28,482,793	42,267,600	56,040,157
Net profit after tax	1,247,744	718,714	6,185,712	9,041,516	16,814,507
Share price at year end	0.60	0.60	0.93	1.59	2.55
Dividends paid or recommended	1,115,851	1,214,370	4,916,598	7,146,500	12,209,500

The objective of the company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The Board / Remuneration Committee ensure that executive rewards satisfy the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linked
- transparency
- capital management.

The company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Directors' fees
No directors fees are paid.

Base pay
Directors and executives are offered a competitive base and participation in the Profit Share pool. Base pay for senior executives is reviewed semi-annually by the Remuneration Committee to ensure that executive's pay is competitive with the market, and is also reviewed upon promotion or additional responsibilities.

There is no guarantee of base pay increases fixed in any senior executive or directors contracts.

Executives are offered a competitive salary that comprises of a base salary inclusive of superannuation and a combination of some of the following, dependant on the terms of the individual employment contract:

- Participation in the profit share pool
- Commission
- HOR incentive

Equity based payments
The entitlement to equity based remuneration ceased on July 28 2003.

Commission
Executives that do not participate in the profit share pool are paid either a bonus or commission on the income they have generated for the company. This is calculated on a sliding scale set out in the employment contract. Any salary paid to the employee is deducted from the commission payment.

Short-term incentives
Cash incentives (Profit Share) are calculated on 30% of pre tax profit from Euroz Securities Limited and are payable in December and or June. Using this criteria ensures reward is only available when value has been created for shareholders. The distribution of the profit share is leveraged to performance as described below.

Profit share pool
The Remuneration Committee determines the allocation of the 30% pre-tax profit on an ongoing basis. In consultation with relevant department heads the committee uses the following informal criteria to assist in the allocation

- Ability to perform individual tasks within the relevant department
- Ability to add value and innovate beyond the job standard specifications
- Development of new and existing client relationships
- Ability to interact with other relevant departments as part of a larger team approach
- Relevant industry salary benchmarking
- General requirements to attract and retain staff.

The three executives on the Remuneration Committee are also entitled to participate in the profit share pool. In these circumstances two members assess the performance of the third member.

Head of Retail (HOR) incentive
The calculation of this payment is based on the net income generated by the members of the Retail Desk and overall management of the Retail Desk.

Details of remuneration
Details of the nature and amount of each element of the emoluments of each director of Euroz Limited and each of the specified executives of the consolidated entity are set out in the following tables. Amounts disclosed for remuneration of directors and specified executives exclude insurance premiums of $182,875 paid by the consolidated entity in respect of directors' and officers' liability insurance contracts as the contracts do not specify premiums paid in respect of individual directors and officers. Information relating to the insurance contracts is set out further in the directors' report.

Executive directors of Euroz Limited

2006	Primary			Post-employment	
	Base salary $	Profit Share/bonus $	Other benefits $	Super-annuation $	Total $
P Diamond - Director	230,519	915,000	19,978	36,447	1,201,944
A McKenzie - Director	226,406	915,000	16,990	40,560	1,198,956
J Hughes - Director	226,406	915,000	18,340	40,560	1,200,306

Current directors did not receive any directors fees from the consolidated entity.

Executive directors of Euroz Limited (continued)

2005	Primary			Post-employment	
	Base salary $	Profit Share/bonus $	Other benefits $	Super-annuation $	Total $
P Diamond - Director	256,102	544,000	15,442	11,002	826,546
A McKenzie - Director	228,402	544,000	17,168	38,702	828,272
J Hughes - Director	256,102	544,000	18,467	11,002	829,571
S Gherbaz - Director	129,051	85,000	11,203	21,002	246,256

Current directors did not receive any directors fees from the consolidated entity.

Specified executives of the consolidated entities

2006	Primary				Post-employment	Equity	
Name	Base Salary $	Profit Share/Bonus $	Other Benefits $	Commission $	Super-annuation $	Options $	Total $
R Caldow - Director*	73,394	-	13,291	371,002	22,605	-	480,292
G Chessell – Director*	197,021	915,000	62,839	-	11,447	-	1,186,307
S Yeo - Director*	73,394	159,023	13,522	421,421	28,765	-	696,125
K Paganin – Director*	212,951	915,000	15,920	-	40,560	-	1,184,431
D Young - Director*	152,478	915,000	12,614	-	100,587	-	1,180,679
O Foster – Director*	186,381	640,000	5,011	-	11,447	-	842,839
S Gherbaz – Director	150,519	99,570	8,996	-	11,447	-	270,532
T Andrews – Director	105,922	235,000	4,235	-	40,614	-	385,771
P Rees – Director ***	167,511	185,000	4,290	-	32,489	-	389,290

* Directors of Euroz Securities Limited
*** Director of Westoz Funds Management Pty Ltd

2005	Primary				Post-employment	Equity	
Name	Base Salary $	Profit Share/Bonus $	Other Benefits $	Commission $	Super-annuation $	Options $	Total $
R Caldow - Director*	65,344	-	3,294	304,064	14,655	-	387,357
G Chessell - Director*	189,518	544,000	4,089	-	11,002	-	748,609
S Yeo - Director*	89,054	60,697	14,254	316,261	17,105	-	497,371
K Paganin - Director*	152,316	544,000	17,295	-	38,703	-	752,314
D Young - Director*	112,325	544,000	14,472	-	95,980	-	766,777
O Foster – Director*	119,614	370,000	3,782	-	11,002	-	504,398
P Rees – Director ***	28,986	-	-	-	2,609	155,000	186,595

* Directors of Euroz Securities Limited

Service Agreements
Remuneration and other terms of employment for the directors and specified executives are formalised in service agreements. Each of these agreements provide for the provision of performance-related cash bonuses and other benefits. Other major provisions of the agreements relating to remuneration are set out below.

Peter Diamond, *Chairman*

- Term of contract - ongoing employment contract
- Base Salary, inclusive of superannuation for the year ended 30 June 2006 of $267,104 (2005 - $267,104) plus profit share, to be reviewed annually by the Remuneration Committee.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Andrew McKenzie, *Managing Director*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 of $267,104 (2005 - $267,104) plus profit share, to be reviewed annually by the Remuneration Committee.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Jay Hughes, *Director*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 of $267,104 (2005 - $267,104) plus profit share, to be reviewed annually by the Remuneration Committee.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Service Agreements (continued)

Shane Gherbaz, *Director, Euroz Securities*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 of $172,104 (2005 - $152,104) plus bonuses, to be reviewed annually by the Remuneration Committee.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Greg Chessell, *Director - Euroz Securities*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 of $211,585 (2005 - $200,250) plus profit share, to be reviewed annually by the Remuneration Committee.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Karl Paganin, *Director Euroz Securities*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 of $261,585 (2005 - $210,000) plus profit share, to be reviewed annually by the Remuneration Committee.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Doug Young, *Director Euroz Securities*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 $261,585 (2005 - $210,000) plus profit share, to be reviewed annually by the Remuneration Committee.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Richard Caldow, *Director Euroz Securities*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 of $80,000 (2005 - $80,000) plus commission.
- Payment on termination of employment by the employer, other than for gross misconduct - commission earned.

Simon Yeo, *Director Euroz Securities*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 of $80,000 (2005 - $80,000) plus HOR bonus and commission.
- Payment on termination of employment by the employer, other than for gross misconduct - commission earned.

Oliver Foster, *Director Euroz Securities*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 of $211,585 (2005 - $161,002) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

T Andrew,
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2006 of $211,585 (2005 - $161,002) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Phil Rees, *Director Westoz Funds Management Pty Ltd*
- Term of contract – ongoing employment contract minimum period 1 year
- Base salary. Inclusive of superannuation for the year ended 30 June 2006 of $200,000 (2005 - $200,000) plus bonus
- Payment on termination of employment by the employer other than for gross misconduct – one months salary.

Share-based compensation

No options were issued to directors or specified executives during the year ended June 30 2006.

Option holdings

The numbers of options over ordinary shares in the company held during the financial year by each director of Euroz Limited and each of the specified executives of the consolidated entity, including their personally-related entities, are set out on the following page.

Name	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Specified executives of the consolidated entity						
P Rees	500,000	-	500,000	-	-	-

Share holdings

The numbers of shares in the company held during the financial year by each director of Euroz Limited and each of the key management personnel of the consolidated entity, including their personally-related entities, are set out below.

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Euroz Limited				
Ordinary shares				
P Diamond	4,500,000			4,500,000
A McKenzie	4,500,000			4,500,000
J Hughes	4,500,000			4,500,000
Key management personnel of the consolidated entity				
Ordinary shares				
R Caldow	2,000,000			2,000,000
G Chessell	1,393,200			1,393,200
S Yeo	1,500,000			1,500,000
K Paganin	2,000,000			2,000,000
D Young	1,500,000			1,500,000
O Foster	586,000			586,000
T Andrews	-		1,000,000	1,000,000
S Gherbaz	700,000			700,000
P Rees	-	500,000		500,000

Loans to directors and executives

No loans were made to directors of Euroz Limited and the key management personnel of the consolidated entity, including their personally-related entities during the year.

Other transactions with directors and specified executives

Karl Paganin, a director of Euroz Securities Limited has a brother who is a partner in the law firm Steinepreis Paganin. During the year ended 30 June 2006, the consolidated entity received legal advisory services from Steinepreis Paganin. These services were on normal terms and conditions.

Aggregate amounts of the above types of transactions:

	2006	2005
Amounts recognised as expense	$	$
Legal Fees	12,475	53,102

During the year ended 30 June 2006 the directors and key management personnel transacted share business through Euroz Securities Limited on normal terms and conditions.

Aggregate amounts of the above transactions with directors and key management personnel of the consolidated entity:

	2006	2005
Amounts recognised as revenue	$	$
Brokerage earned by Euroz Securities Limited on directors' accounts	25,172	27,332

Shares issued on the exercise of options

During the year 600,000 options were exercised and converted to ordinary shares raising $720,000. No options were on issue at June 30 2006.

Indemnifying Officers

During the financial year, Euroz Limited paid a premium of $182,875 to insure the directors and secretaries of the company and its Australian-based controlled entities. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity.

Proceedings on Behalf of Company
No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to such proceedings during the year.

Non-Audit Services
The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non audit service during the year is compatible with the general standard of independence for auditors imposed under the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the audit committee prior to the commencement to ensure they do not adversely affect the integrity, and objectivities of the auditor; and

- The nature of the services, provided do not compromise the general principles relating to auditor independence as set out in the institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid/payable to the external auditors during the year ended June 30 2006:

	$
Taxation services	7,700
Advisory services	11,000
	18,700

Auditor
Mack & Co continue in office in accordance with section 327 of the Corporations Act 2001.

Adoption of Australian equivalents to International Financial Reporting Standards (A-IFRS)
This financial report has been prepared under A-IFRS. A reconciliation of the differences between previous Australian Generally Accepted Accounting Policies and A-IFRS has been included in Note 2.

Auditor's Independence Declaration
The lead auditor's independence declaration for the year ended June 30 2006 has been received and follows the directors report.

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

Jay Hughes
Director

Andrew McKenzie
Director

Date:

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF EUROZ LIMITED

I declare that to the best of my knowledge and belief, during the year ended June 30 2006 there have been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Mack & Co
Chartered Accountants
2nd Floor, 35 Havelock Street
West Perth WA 6005

N A Calder, Partner

Date

As the framework of how the Board of directors of Euroz Limited ("Company") carries out its duties and obligations, the Board has considered the ten principles of corporate governance as set out in the ASX Good Corporate Governance and Best Practice Recommendations.

The essential corporate governance principles are:
1. Lay the foundation for management and oversight
2. Structure the board to add value
3. Promote ethical and responsible decision making
4. Safeguard integrity in financial reporting
5. Make timely and balanced disclosure
6. Respect the rights of shareholders
7. Recognise and manage risk
8. Encourage enhanced performance
9. Remunerate fairly and responsibly
10. Recognise the legitimate interests of stakeholders

1. Lay the foundation for management and oversight

Recommendation 1.1: Formalise and disclose the functions reserved to the board and those delegated to management.

Besides governing the Company, members of the board are also executives of the Company and play an integral part in the day-to-day management of the Company's activities.

Roles and Responsibilities

The roles and responsibilities of the board are to:
- Oversee control and accountability of the company
- Set the broad targets, objectives and strategies
- Monitor financial performance
- Assess and review risk exposure and management
- Oversee compliance, corporate governance and legal obligations
- Approve all major purchases, disposals, acquisitions and issue of new shares
- Approve the annual and half-year financial statements
- Appoint and remove the Company's Auditor
- Appoint and assess the performance of the Managing Director and members of the senior management team
- Report to shareholders

2. Structure the board to add value

Recommendation 2.1: A majority of the board should be independent directors.

Recommendation 2.2: The chairperson should be an independent director.

Recommendation 2.3: The roles of chairperson and chief executive should not be exercised by the same individual.

Recommendation 2.4: The board should establish a nomination committee.

Membership

The board's membership and structure is selected to provide the Company with the most appropriate direction in the areas of business controlled by the Company. The board currently consists of 3 members; all of whom are executive directors. Refer to the Directors' Report for details of each director's profile.

Chairman and Managing Director

The roles of the Chairman and the Managing Director are separate. The Chairman is responsible for leading the Board in its duties, facilitating effective discussions at board level. The Managing Director is responsible for the efficient and effective operation of the Company.

Nomination Committee

The Board, as a whole, deals with areas that would normally fall within the charter of the Nomination Committee. These include matters relating to the renewal of Board members and Board performance.

Skills

Directors are required to have a solid understanding of financial markets. All directors meet this requirement. They bring a range of skills and backgrounds to the Board including financial services (stockbroking and investment banking), accountancy, auditing and marketing.

Experience

The directors, collectively, have 55 years experience in the financial services industry.

Meetings

The board meets at least once a month on a formal basis.

Independent professional advice

Each director has the right to seek independent professional advice at the Company's expense for which the prior approval of the Chairman is required and is not unreasonably withheld.

3. Promote ethical and responsible decision making

Recommendation 3.1: Establish a code of conduct to guide the directors, the chief executive officer (or equivalent) and any other key executives as to:

3.1.1 The practices necessary to maintain confidence in the company's integrity
3.1.2 The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

Recommendation 3.2: Disclose the policy concerning trading in company securities by directors, officers and employees.

Standards

The Company is committed to directors and employees maintaining high standards of integrity and ensuring that activities are in compliance with the letter and spirit of both the law and Company policies. Each staff member is issued with the Company's Policies and Procedures manual at the beginning of their employment with the Company.

Dealing in Company Securities

As part of its 'Policy and Procedures', employees are required to have written approval prior to the execution of any trade on the ASX, not just those in the securities of the Company. The purchase and sale of company securities by directors and employees is generally only permitted during the thirty day period following the release of the half-yearly and annual financial results to the market. The Board of Directors must approve any transactions undertaken within or outside of this window. Exceptions to this policy are considered by the board on a case-by-case basis.

Directors must advise the Company, which in turn advises the ASX, of any transaction conducted by them in the Company's securities within the specified time determined by the ASX after the transaction occurs.

4. Safeguard integrity in financial reporting

Recommendation 4.1: Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards.

Recommendation 4.2: The board should establish an audit committee.

Recommendation 4.3: Structure the audit committee so that it consists of
- Only non-executive directors
- A majority of independent directors
- An independent chairperson, who is not chairperson of the board
- At least three members.

Recommendation 4.4: The audit committee should have a formal charter.

Integrity of Company's Financial Condition

The Company's Financial Controller and Company Secretary report in writing to the Audit Committee that the consolidated financial statements of the Company and its controlled entities for the half and full financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards.

Audit Committee

Members of the Audit Committee are Peter Diamond, Andrew McKenzie and Shane Gherbaz.

The Audit Committee meets at least twice a year. Its key roles and responsibilities are to:

- Review the Company's accounting policies
- Review the content of financial statements
- Review the scope of the external audit, its effectiveness and independence of the external audit
- Ensure accounting records are maintained in accordance with statutory and accounting standard requirements
- Monitor systems used to ensure financial and other information provided is reliable, accurate and timely
- Review the audit process with the external auditors to ensure full and frank discussion of audit issues
- Present half and full year financial statements to the Board

A partner of the Company's auditor, Mack & Co, and senior management of the Company may also attend meetings of the Audit Committee by invitation.

5. Make timely and balanced disclosure

Recommendation 5.1: Establish written policies and procedures designed to ensure compliance with ASX Listing Rules disclosure requirements and to ensure accountability at a senior management level for that compliance.

Being a listed entity on the ASX, the Company has an obligation under the ASX Listing Rules to maintain an informed market with respect to its securities. Accordingly, the Company advises the market of all information required to be disclosed under the Rules which the Board believes would have a material affect on the price of the Company's securities.

The Company Secretary has been appointed as the person responsible for communications with the Australian Stock Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All shareholders receive a copy of the Company's annual report.

6. Respect the rights of shareholders

Recommendation 6.1: Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.

Recommendation 6.2: Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company is committed to keeping shareholders fully informed of significant developments at the Company. In addition to public announcements of its financial statements and significant matters, the Company provides the opportunity for shareholders to question the board and management about its activities at the Company's annual general meeting.

The Company's auditor, Mack & Co, will be in attendance at the annual general meeting and will also be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

7. Recognise and manage risk

Recommendation 7.1: The board or appropriate board committee should establish policies on risk oversight and management.

Recommendation 7.2: The chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the board that:

7.2.1 The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

7.2.2 The company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Board oversees the Company's risk profile. The financial position of the Company and matters of risk are considered by the Board on a daily basis. The main area of exposure for the Company is failure of trade settlements by clients and counter-parties. Settlements and exposure are monitored on a daily basis. Investments made by the Company are done so under criteria determined by the board. The Company's investments are monitored by the board members on a daily basis. The Board is responsible for ensuring that controls and procedures to identify, analyse, assess, prioritise, monitor and manage risk are in place, being maintained and adhered to. To satisfy certain of the requirements of a Participant of the ASX, the Company is required to submit monthly reports to the ASX which determine and show such things as solvency, capital liquidity ratios, counter-party exposure, large exposure risk and position risk.

The financial controller and company secretary state in writing to the board that:

- The statement given in accordance with best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.
- The company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

8. Encourage enhanced performance

Recommendation 8.1: Disclose the process for performance evaluation of the board, its committees and individual directors, and key executives.

Given the specific nature of the Company's activities and that all board members are executives of the Company, performance evaluation is an on-going process. Achievement of goals and business development and compliance issues is evaluated regularly on an informal basis.

Share Ownership

Directors and employees of the Company are encouraged to have a financial interest in the Company. This way Directors and employees participate in increased shareholder value on the same basis as all other shareholders.

9. Remunerate fairly and responsibly

Recommendation 9.1: Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of the policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.

Recommendation 9.2: The board should establish a remuneration committee.

Recommendation 9.3: Clearly distinguish the structure of non-executive directors' remuneration from that of executives.

Recommendation 9.4: Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.

Principles used to determine the nature and amount of remuneration

The objective of the company's remuneration framework is to ensure reward for performance is competitive and appropriate to the results delivered. The framework aligns executive reward with the creation of value for shareholders, and conforms to market best practice.

The remuneration committee ensures that executive rewards satisfy the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability the shareholders
- Performance linked
- Transparency
- Capital management

The company has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

Remuneration Committee

Members of the Remuneration Committee are Peter Diamond, Andrew McKenzie and Jay Hughes.

Equity-based executive remuneration

There is no equity-based remuneration to executives of the Company except for the payment of options to one executive of Westoz Funds Management Pty Ltd made in this financial year as part of his employment contract.

Directors' Remuneration

Further information on directors' and executives' remuneration is set out in the directors' report and note 29 to the financial statements.

The three members of the remuneration committee are also executives and board members. These three members also participate in the profit sharing pool. In these circumstances, two members evaluate the other.

10. Recognise the legitimate interests of stakeholders

Recommendation 10.1: Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.

Besides its accountability to its shareholders, the Company has expectations from a diverse group of stakeholders. The Company's policies and procedures manual outlines expectations of Directors and employees in dealing with the Company's obligations to these interested parties. It outlines responsibilities with regard to areas such as the law, the Company, the Market, Clients, ASX Listing Rules and ASX Market Rules.

Departure from Best Practice Recommendations

From 1 July 2005 to 30 June 2006, the Company complied with each of the Ten Essential Corporate Governance Principles and Best Practice Recommendations published by the ASX Corporate Governance Council, other than in relation to the table below.

General comment: The Company is not included in the ASX/S&P All Ordinaries Index and, as such, is excepted from certain of the recommendations regarding non-executive directors being on the Board and Committees. Furthermore, given the small size of the Company and the specialized financial services industry (Stockbroking) that the Company deals within, the criteria for inclusion of non-executive directors makes it difficult to attract suitable candidates; criteria such as not being a director on another company's board and low remuneration by way of director fees. However, the Board of Directors continues to review these matters.

Council Recommendation	Notification of Departure	Explanation for Departure
1.1	The board has formalised a charter.	The board was operated within its charter.
2.1	The Company has no independent directors.	Refer to the general comment above.
2.2	The Company's chairperson is not an independent director.	Refer to the general comment above.
2.3	OK	
2.4	The board does not have a nomination committee.	The whole board carries out the duties which would otherwise be undertaken by the nomination committee. The board can see no efficiencies to be gained by having a separate nomination committee given the size of the board.
3.1	The Company has a formalised a code of conduct.	The Company has an extensive Policy and Procedure manual for directors and employees of the Company - a subset of which outlines matters of conduct.

4.3	The audit committee has no non-executive directors, no majority of independent directors and a chairperson who is not independent and who is also chairperson of the board.	Refer to the general comment above.
4.4	The audit committee has formalised a charter.	The board considers that the audit committee acted in accordance with appropriate business practices.
5.1	The Company has formalised a written policy on disclosure.	The Company has operated its disclosure requirements according to its policy.
7.1	The Company has a formalised a written policy on risk management.	The Company has operated its risk management according to its policy. The whole board carries out the duties which would otherwise be undertaken by a risk management committee.
8.1	The process for evaluation of the board, individual directors and key executives has been formalised.	Performance of the board, individual directors and key executives has been conducted
9.3	N/A	The Company has no non-executive directors.
9.4	Payment of equity-based executive remuneration to an executive was not made in accordance with thresholds set in plans approved by shareholders.	No thresholds have been set in plans approved by shareholders. The Company has no intention of making further equity-based payments to executives as part of their remuneration package.
10.1	The Company has a formal Code of Conduct.	The Company has an extensive Policy and Procedure manual for directors and employees of the Company - a subset of which outlines matters of conduct.

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Euroz Limited
Income Statement
for the year ended 30 June 2006

		Consolidated		Parent entity	
	Notes	2006 $	2005 $	2006 $	2005 $
Revenue from ordinary activities	3	56,040,157	42,267,600	21,087,596	13,640,347
Employee benefits expense		(18,923,883)	(12,454,942)	-	-
Depreciation and amortisation expenses	5	(286,128)	(199,399)	-	-
Regulatory expenses		(499,238)	(442,849)	(37,836)	(34,934)
Consultancy expenses		(738,197)	(590,559)	(47,500)	(60,640)
Conference and seminar expenses		(767,715)	(533,736)	-	-
Brokerage & underwriting expense		(1,315,940)	(926,039)	-	-
Communication expenses		(169,679)	(183,407)	-	-
Write-off of costs incurred in setting up Westoz Funds Management Pty Ltd		-	(101,817)	-	(101,817)
Carrying amount of principal trading stock sold		(7,659,286)	(12,203,082)	(3,974,671)	(4,118,547)
Other expenses from ordinary activities		(1,572,651)	(1,365,642)	(35,613)	(33,311)
Share based payments		-	(186,000)	-	(186,000)
Profit from ordinary activities before related income tax expense	5	24,107,440	13,080,128	16,991,976	9,105,098
Income tax expense	6	(7,292,933)	(4,038,612)	(417,593)	(320,683)
Profit from ordinary activities after related income tax expense		16,814,507	9,041,516	16,574,383	8,784,415
Total changes in equity attributable to members of Euroz Limited other than those resulting from transactions with owners as owners		16,814,507	9,041,516	16,574,383	8,784,415
		Cents	Cents		
Basic earnings per share	34	35.12	21.07		
Diluted earnings per share	34	33.63	19.94		

The above Income Statements should be read in conjunction with the accompanying notes.

Euroz Limited
Balance Sheet
As at 30 June 2006

		Consolidated		Parent entity	
	Notes	2006	2005	2006	2005
		$	$	$	$
Current assets					
Cash and cash equivalents	7	43,974,912	20,552,956	26,203,655	11,404,527
Trade and other receivables	8	23,807,640	21,851,244	4,835,481	210,937
Inventories	9	-	1,319,508	-	-
Other current assets	10	528,521	401,805	-	88,831
Total current assets		68,311,073	44,125,513	31,039,136	11,704,295
Non-current assets					
Financial assets	11	8,891,340	8,199,671	20,591,340	18,699,672
Property, plant and equipment	12	553,247	557,734	-	-
Deferred tax assets	13	238,777	226,612	4,500	226,612
Total non-current assets		9,683,364	8,984,017	20,595,840	18,926,284
Total assets		77,994,437	53,109,530	51,634,976	30,630,579
Current liabilities					
Trade and other payables	14	25,155,094	21,645,688	39,500	37,500
Current tax liabilities	15	4,952,071	1,639,054	4,952,071	1,639,055
Short term provisions	16	10,197,904	5,325,155	10,000,000	5,146,250
Total current liabilities		40,305,069	28,609,897	14,991,571	6,822,805
Non-current liabilities					
Deferred tax liabilities	17	445,482	87,991	305,622	87,991
Long term provisions	18	387,416	413,296	-	-
Total non-current liabilities		832,898	501,287	305,622	87,991
Total liabilities		41,137,967	29,111,184	15,297,193	6,910,796
Net assets		36,856,470	23,998,346	36,337,783	23,719,783
Equity					
Issued capital	19	29,222,371	21,682,371	29,222,371	21,682,371
Reserves	20	899,118	186,000	899,118	186,000
Retained earnings	21	6,734,981	2,129,975	6,216,294	1,851,412
Total equity		36,856,470	23,998,346	36,337,783	23,719,783

The above Balance Sheet should be read in conjunction with the accompanying notes.

Euroz Limited
Statement of Changes in Equity
for the year ended 30 June 2006

	2006 $	2005 $
ECONOMIC ENTITY		
Total equity at the beginning of the year	23,998,346	17,467,662
Adjustments to opening retained earnings as a result of adoption of A-IFRS recognised directly in equity		
Option premium reserve	-	186,000
Fair value accounting of available for sale financial assets taken directly to equity		
Asset revaluation reserve – net effect after accounting for deferred tax liability arising from fair value accounting of available for sale financial assets	713,117	-
Profit for the year	16,814,507	9,041,516
Transactions with equity holders in their capacity as equity holders		
Contributions of equity net of transaction costs	7,540,000	4,737,859
Dividends provided for or paid	(12,209,500)	(7,434,691)
Total equity at the end of the year	36,856,470	23,998,346
PARENT ENTITY	23,719,783	17,446,200
Total equity at the beginning of the year		
Adjustments to opening retained earnings as a result of adoption of A-IFRS recognised directly in equity		
Option premium reserve	-	186,000
Fair value accounting of available for sale financial assets taken directly to equity		
Asset revaluation reserve – net effect after accounting for deferred tax liability arising from fair value accounting of available for sale financial assets		
Profit for the year	16,574,383	8,784,415
Transactions with equity holders in their capacity as equity holders		
Asset revaluation reserve resulting from fair value accounting of available for sale financial assets	713,118	-
Contributions of equity net of transaction costs	7,540,000	4,737,859
Dividends provided for or paid	(12,209,501)	(7,434,691)
Total equity at the end of the year	36,337,783	23,719,783

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2006 $	Consolidated 2005 $	Parent entity 2006 $	Parent entity 2005 $
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		43,185,525	25,047,249	-	9,053
Payments to suppliers and employees (inclusive of goods and services tax)		(20,330,421)	(15,622,493)	(30,119)	(127,630)
		22,855,104	9,424,756	(30,119)	(118,577)
Proceeds from sale of house options		68,111	107,728	-	-
Dividends received		4,650	56,506	15,602,500	8,339,256
Interest received		1,503,327	1,107,152	622,912	458,250
Proceeds from sale of trading shares		4,862,184	10,055,960	-	-
Net movement in client balances		-	-	-	-
Payments for setting up Westoz		-	-	-	(101,817)
Income taxes (paid)/returned		(3,940,211)	(4,439,840)	(1,594,999)	786,204
Payments for trading shares		(2,365,101)	(9,109,059)	-	-
Net cash inflow (outflow) from operating activities	32	22,988,064	7,203,203	14,600,294	9,363,316
Cash flows from investing activities					
Payments for investments		(3,647,603)	(11,256,429)	(3,647,599)	(11,256,430)
Payments for investments in controlled entities		-	-	(1,200,000)	(500,000)
Payments for property, plant and equipment		(280,371)	(193,371)	-	-
Proceeds from disposal of PPE		-	1,000	-	-
Proceeds from sale of investments		4,177,617	4,754,010	4,862,184	4,754,010
Net cash inflow/(outflow) from investing activities		249,643	(6,694,790)	14,585	(7,002,420)
Cash flows from financing activities					
Proceeds from issues of shares and other equity securities		7,540,000	4,737,859	7,540,000	4,737,859
Dividends paid		(7,355,750)	(6,011,365)	(7,355,751)	(6,011,365)
Net cash inflow/(outflow) from financing activities		184,250	(1,273,506)	184,249	(1,273,506)
Net increase/(decrease) in cash held		23,421,957	(765,093)	14,799,128	1,087,390
Cash at the beginning of the financial year		20,552,956	21,318,049	11,404,527	10,317,137
Cash at the end of the financial year	7	43,974,913	20,552,956	26,203,655	11,404,527
Non-cash financing and investing activities	33				

The above statements of cash flows should be read in conjunction with the accompanying notes.

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Note 1. Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the economic entity of Euroz Limited and controlled entities and Euroz Limited as an individual parent entity. Euroz Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Euroz Limited and controlled entities, and Euroz Limited as an individual parent entity comply with all Australian equivalents to International Financial Reporting Standards (A-IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation
First-time Adoption of Australian Equivalents to International Financial Reporting Standards
Euroz Limited and controlled entities, and Euroz Limited as an individual parent entity have prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (A-IFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the parent entity and consolidated entity accounts resulting from the introduction of A-IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These consolidated accounts are the first financial statements of Euroz Limited to be prepared in accordance with Australian equivalents to IFRS.

The accounting policies set out below have been consistently applied to all years presented. The parent and consolidated entities have however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement. Refer to Note 1 (u) for further details on changes in accounting policy.

Reconciliations of the transition from previous Australian GAAP to A-IFRS have been included in Note 2 of this report.

Reporting Basis and Conventions
The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies
(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Euroz Limited ('company' or 'parent entity') as at June 30 2006 and the results of all controlled entities for the half year then ended. Euroz Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the consolidated entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the consolidated entity.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. All controlled entities have a June financial year end.

Note 1. Basis of Preparation of financial report

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on either accounting profit or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Euroz Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. Euroz Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The group formed an income tax consolidated group to apply from July 1 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(c) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Brokerage revenue earned from share trading on behalf of clients is recognised on completion of the transactions. That is, the day the security is traded, not the day of settlement.

Underwriting, management fees and corporate retainers are brought to account when the fee in respect of the services provided is receivable.

Share trading revenue from the sale of stocks in the Jobbing account is recognised on the day the security is traded. Revenue comprises the gross proceeds on sale of the security.

Interest income is recognised as it accrues.

(e) Receivables

All trade debtors relating to brokerage and principal trading are recognised as current receivables as they are due for settlement no more than 3 days from the date of recognition.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

Note 1. Basis of Preparation of financial report

(f) Inventories

Inventories are stocks held in the operating (jobbing) account at year end. All inventory is held at fair value. Refer to Note 1 (u) (i) financial assets at fair value through profit or loss.

(g) Impairment of Assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over it recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Investments

Interests in listed and unlisted securities are initially bought to account at cost.

Controlled entities are accounted for in the consolidated financial statements as set out in note 1(a).

Other securities are included at fair value at balance date. Unrealised gains/losses on securities held for short term investment are accounted for as set out in Note 1 (u) (i) financial assets at fair value through profit or loss. Unrealised gains/losses on securities held for long term investment are accounted for as set out in Note 1 (u) (iii) available for sale financial assets.

(i) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the economic entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Plant and Equipment (cont)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	12 ½ %
Plant and equipment	5-33 %

Note 1. Basis of Preparation of financial report

(i) Property, Plant and Equipment (cont)
Depreciation (cont)
Artwork is not depreciated, but is reviewed annually for impairment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to the asset are transferred to retained earnings.

(j) Leasehold Improvements
The cost of improvements to or on leasehold properties are amortised over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity, whichever is the shorter.

(k) Leased Non Current Assets
A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

Other operating lease payments are charged to the income statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(l) Trade and Other Creditors
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Dividends
Provision is made for the amount of any dividend declared, determined, or publicly recommended by the directors on or before the end of the financial year, but not distributed at balance date.

(n) Options
The fair value of options in the shares of the company issued to directors and other parties is recognised as an expense in the financial statements in relation to the granting of these options.

(o) Employee Benefits

(i) *Wages, salaries and annual leave*
Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Employee benefits payable later than one year*
Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(iii) *Superannuation*
Contributions are made by the consolidated entity to superannuation funds as stipulated by statutory requirements and are charged as expenses when incurred.

(iv) *Employee benefit on costs*
Employee benefit on costs, including payroll tax, are recognised and included in employee benefits liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

Note 1. Basis of Preparation of financial report

(o) Employee Benefits (cont)

(v) *Options*

The fair value of options granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date.

The fair value at grant rate is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Upon the exercise of options, the balance of the share based payments relating to those options is transferred to share capital.

(vi) *Profit-sharing*

The consolidated entity recognises a liability and an expense for profit-sharing based on a formula that takes into consideration the profit attributable to the company's employees after certain adjustments.

(p) Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(q) Earnings Per Share

(i) *Basic earnings per share*

Basic earnings per share is determined by dividing the net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the consolidated entity is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the consolidated entity for similar financial instruments.

Note 1. Basis of Preparation of financial report

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(u) Financial Instruments

From 1 July 2004 to 30 June 2005

The consolidated entity has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 only from 1 July 2005. The consolidated entity has applied previous A-GAAP to the comparative information on financial instruments within the scope of AASB 132 and AASB 139. For further information on previous A-GAAP refer to the annual report for the year ended June 30 2005.

Adjustments on transition date: 1 July 2005

The nature of the main adjustments to make this information comply with AASB 132 and AASB 139 are that, with the exception of loans and receivables which are measured at amortised cost (refer below), fair value is the measurement basis. Fair value is inclusive of transaction costs. Changes in fair value are either taken to the income statement or an equity reserve (refer below). At the date of transition (1 July 2005) changes to carrying amounts are taken to retained earnings or reserves.

From 1 July 2005

The consolidated entity classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories; financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. The policy of management is to designate a financial asset if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the consolidated entity provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(iii) *Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Note 1. Basis of Preparation of financial report

(u) Financial Instruments (cont)

(iii) *Available-for-sale financial assets (cont)*

Purchases and sales of investments are recognised on trade-date being the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale investments revaluation reserve are recognised in equity in the "available for sale revaluation reserve". When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the consolidated entity establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing methods refined to reflect the issuer's specific circumstances.

The consolidated entity assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss, is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(v) Contributed Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Note 2: Explanation of Transition to A-IFRS

(a) **Consolidated Entity**
Balance Sheet and Income Statement as at June 30 2004
There were no adjustments for the impact of adoption to A-IFRS

(b) **Consolidated Entity**
Balance Sheet
As At 30 June 2005
Adjustment for the impact of adoption to A-IFRS

	Previous A-GAAP $	A-IFRS Adjustment $	A-IFRS $
CURRENT ASSETS			
Cash	20,552,956	-	20,552,956
Receivables	21,807,792	-	21,807,792
Inventories	1,319,508	-	1,319,508
Other	401,805	-	401,805
TOTAL CURRENT ASSETS	44,082,061	-	44,082,061
NON-CURRENT ASSETS			
Other financial assets	8,199,671	-	8,199,671
Property, plant and equipment	557,734	-	557,734
Deferred tax assets	226,612	-	226,612
TOTAL NON-CURRENT ASSETS	8,984,017	-	8,984,017
TOTAL ASSETS	53,066,078	-	53,066,078
CURRENT LIABILITIES			
Payables	21,602,236	-	21,602,236
Current tax liabilities	1,639,054	-	1,639,054
Provisions	5,325,155	-	5,325,155
TOTAL CURRENT LIABILITIES	28,566,445	-	28,566,445
NON-CURRENT LIABILITIES			
Deferred tax liabilities	87,991	-	87,991
Provisions	413,296	-	413,296
TOTAL NON-CURRENT LIABILITIES	501,287	-	501,287
TOTAL LIABILITIES	29,067,732	-	29,067,732
NET ASSETS	23,998,346	-	23,998,346
EQUITY			
Contributed equity	21,682,371	-	21,682,371
Option premium reserve	-	186,000	186,000
Retained profits	2,315,975	(186,000)	2,129,975
TOTAL EQUITY	23,998,346	-	23,998,346

Note 2: Explanation of Transition to A-IFRS

(b) **Consolidated Entity**
Income Statement
For the year ended 30 June 2005
Adjustment for the impact of adoption to A-IFRS

	Previous A-GAAP $	A-IFRS Adjustment $	A-IFRS $
Revenue from ordinary activities	42,267,600	-	42,267,600
Employee benefits expense	(12,670,214)	-	(12,670,214)
Depreciation and amortisation expenses	(199,399)	-	(199,399)
Regulatory expenses	(442,849)	-	(442,849)
Consultancy expenses	(650,359)	-	(650,359)
Conference and seminar expenses	(533,736)	-	(533,736)
Brokerage & underwriting expenses	(935,307)	-	(935,307)
Communication expenses	(183,407)	-	(183,407)
Write-off costs incurred in setting-up Westoz Funds Management	(101,817)	-	(101,817)
Carrying amount of principal trading stock sold	(8,084,535)	-	(8,084,535)
Carrying amount of investments sold	(4,118,547)	-	(4,118,547)
Other expenses from ordinary activities	(1,081,302)	-	(1,081,302)
Share based payments	-	(186,000)	(186,000)
Profit from ordinary activities before related income tax expense	13,266,128	(186,000)	13,080,128
Income tax expense	(4,038,612)	-	(4,038,612)
Profit from ordinary activities after related income tax expense	9,227,516	(186,000)	9,041,516
Total changes in equity attributable to members of Euroz Limited other than those resulting from transactions with owners as owners	9,227,516	(186,000)	9,041,516

Note 2: Explanation of Transition to A-IFRS

(c) **Parent Entity**
Balance Sheet and Income Statement as at June 30 2004
There were no adjustments for the impact of adoption to A-IFRS

(d) **Parent Entity**
Balance Sheet
As At 30 June 2005
Adjustment for the impact of adoption to A-IFRS

	Previous A-GAAP $	A-IFRS Adjustment $	A-IFRS $
CURRENT ASSETS			
Cash	11,404,527	-	11,404,527
Receivables	210,937	-	210,937
Inventories	-	-	-
Other	88,831	-	88,831
TOTAL CURRENT ASSETS	11,704,295	-	11,704,295
NON-CURRENT ASSETS			
Other financial assets	18,699,672	-	18,699,672
Property, plant and equipment	-	-	-
Deferred tax assets	226,612	-	226,612
TOTAL NON-CURRENT ASSETS	18,926,284	-	18,926,284
TOTAL ASSETS	30,630,579	-	30,630,579
CURRENT LIABILITIES			
Payables	37,500	-	37,500
Current tax liabilities	1,639,055	-	1,639,055
Provisions	5,146,250	-	5,146,250
TOTAL CURRENT LIABILITIES	6,822,805	-	6,822,805
NON-CURRENT LIABILITIES			
Deferred tax liabilities	87,991	-	87,991
Provisions	-	-	-
TOTAL NON-CURRENT LIABILITIES	87,991	-	87,991
TOTAL LIABILITIES	6,910,796	-	6,910,796
NET ASSETS	23,719,783	-	23,719,783
EQUITY			
Contributed equity	21,682,371	-	21,682,371
Option premium reserve	-	186,000	186,000
Retained profits	2,037,412	(186,000)	1,851,412
TOTAL EQUITY	23,719,783	-	23,719,783

Note 2: Explanation of Transition to A-IFRS

(d) **Parent Entity**

Income Statement
For the year ended 30 June 2005
Adjustment for the impact of adoption to A-IFRS

	Previous A-GAAP $	A-IFRS Adjustment $	A-IFRS $
Revenue from ordinary activities	13,640,347	- -	13,640,347
Employee benefits expense	-	-	-
Depreciation and amortisation expenses	-	-	-
Regulatory expenses	(57,244)	-	(57,244)
Consultancy expenses	(60,641)	-	(60,641)
Conference and seminar expenses	-	-	-
Brokerage & underwriting expenses	-	-	-
Communication expenses	-	-	-
Write-off costs incurred in setting-up Westoz Funds Management	(101,817)	-	(101,817)
Carrying amount of principal trading stock sold	(4,118,547)	-	(4,118,547)
Other expenses from ordinary activities	(11,000)	-	(11,000)
Share based payments	-	(186,000)	(186,000)
Profit from ordinary activities before related income tax expense	9,291,098	(186,000)	9,105,098
Income tax expense	(320,683)	-	(320,683)
Profit from ordinary activities after related income tax expense	8,970,415	(186,000)	8,784,415
Total changes in equity attributable to members of Euroz Limited other than those resulting from transactions with owners as owners	8,970,415	(186,000)	8,784,415

Note 3. Segment information

Business Segments

The consolidated entity operates in one geographical segment for secondary reporting, being Australia. The consolidated entity operates in three business segments for primary reporting, being as follows:

Stockbroking

Stockbroking business offering trading of Australian securities, post trade reporting, corporate investment opportunities, provision of company research.

Principal Trading

Principal trading relates to the purchase and sale of securities by the consolidated entity.

Funds Management

The company provides advice in relation to fund management.

Note 3. Segment information (cont)

Primary reporting - business segments

2006	Stockbroking $	Principal Trading $	Funds Management $	Unallocated $	Consolidated $
Sales and other fees	42,411,449	9,039,802	2,967,953	-	54,419,204
Other revenue	-	4,650	-	1,616,302	1,620,952
Total segment revenue	42,411,449	9,044,452	2,967,953	1,616,302	56,040,156
Segment result	18,993,533	1,385,166	2,316,805	1,411,936	
Profit from ordinary activities before income tax expense					24,107,440
Income tax expense					(7,292,933)
Profit from ordinary activities after income tax expense					16,814,507
Segment assets	40,841,182	-	1,818,402	35,333,771	77,993,355
Total assets					77,993,355
Segment liabilities	29,498,752	-	1,036,562	10,601,571	41,136,885
Total liabilities					41,136,885
Net assets					36,856,470
Acquisition of property, plant and equipment, intangibles and other non-current segment assets					
Depreciation and amortisation expense	286,128				286,128

2005	Stockbroking $	Principal Trading $	Unallocated $	Consolidated $
Sales and other fees	31,000,031	10,114,187	-	41,114,218
Other revenue	-	17,250	1,136,132	1,153,382
Total segment revenue	31,000,031	10,131,437	1,136,132	42,267,600
Segment result	10,308,492	2,046,903		12,355,395
Unallocated revenue less unallocated expenses				724,733
Profit from ordinary activities before income tax expense				13,080,128
Income tax expense				(4,038,612)
Profit from ordinary activities after income tax expense				9,041,516
Segment assets	51,563,410	1,319,508		52,882,918
Unallocated assets				226,612
Total assets				53,109,530
Segment liabilities	23,876,943			23,876,943
Unallocated liabilities				5,234,241
Total liabilities				29,111,184
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	1,222,247			1,222,247
Depreciation and amortisation expense	199,399			199,399

Notes to and forming part of the segment information
Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment. Segment assets include all assets used by a segment, net of related provisions. Segment liabilities consist primarily of trade and other creditors and provisions. Segment assets and liabilities do not include income taxes.

Note 4. Revenue

	Consolidated		Parent entity	
	2006	2005	2006	2005
	$	$	$	$
Revenue from operating activities				
Brokerage	18,273,510	13,406,955	-	-
Underwriting and management fees	26,057,781	11,830,483	-	-
Proceeds on sale of principal trading shares	4,177,617	10,114,187	-	-
Corporate retainers	980,000	809,995	-	-
House options	68,111	107,728	-	-
	49,557,019	36,269,348	-	-
Revenue from outside the operating activities				
Interest	1,503,327	1,099,237	622,912	459,581
Dividends	4,650	56,506	15,602,500	8,339,256
Other revenue	112,977	999	-	-
Proceeds on sale of investments	4,862,184	4,841,510	4,862,184	4,841,510
	6,483,138	5,998,252	21,087,596	13,640,347
Revenue from ordinary activities	56,040,157	42,267,600	21,087,596	13,640,347

Note 5. Profit from ordinary activities

Net gains and expenses
Profit from ordinary activities before income tax expense includes the following specific net gains and expenses:

Net Gains				
Net gain on disposal of investments	887,513	722,963	887,513	722,963
Expenses				
Depreciation				
Plant and equipment	157,175	107,095	-	-
Total depreciation	157,175	107,095	-	-
Amortisation				
Leasehold improvements	128,953	92,304	-	-
Total amortisation	128,953	92,304	-	-
Other charges against assets				
Reversal of provision for doubtful debts	-	(100,000)	-	-
Other Provisions				
Movement in employee entitlements	18,999	85,723	-	-
Total other provisions	18,999	85,723	-	-
Rental expense relating to operating leases				
Minimum lease payments	298,554	187,317	-	-
Total rental expense relating to operating leases	298,554	187,317	-	-

Note 6. Income tax	Consolidated 2006 $	Consolidated 2005 $	Parent entity 2006 $	Parent entity 2005 $
The components of tax expense comprise:				
Current tax	7,253,229	4,001,919	442,742	290,884
Deferred tax	39,703	36,693	(25,149)	29,799
	7,292,932	4,038,612	417,593	320,683
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2005: 30%)				
Economic entity	7,232,232	3,979,838	-	-
Parent entity	-	-	5,097,593	2,787,329
	7,232,232	3,979,838	5,097,593	2,787,329
Add				
Tax effect of:				
- imputation credits	-	-	2,005,714	1,070,225
- other non-allowable items	60,700	69,047	-	30,546
	7,292,932	4,048,885	7,103,307	3,888,100
Less				
Tax effect of:				
- rebateable fully franked dividends	-	10,273	6,685,714	3,567,417
Income tax attributable to entity	7,292,932	4,038,612	417,593	320,683
The applicable weighted average effective tax rates are as follows:	30%	31%	2%	4%

The decrease in the weighted average effective consolidated tax rate for 2006 is a result of accelerated tax allowances on provisions.

Reconciliations

i. Gross movements

The overall movement in the deferred tax account is as follows:				
Opening balance	138,621	175,314	(20,649)	9,150
(Charge)/credit to income statement	(39,703)	(36,693)	25,149	(29,799)
Charge to equity	(305,622)	-	(305,622)	-
Closing balance	(206,704)	138,621	(301,122)	(20,649)

	Consolidated		Parent entity	
	2006	2005	2006	2005
	$	$	$	$
ii. Deferred tax liability				
The movement in deferred tax liability for each temporary difference during the year is as follows:				
Fair value gain adjustments				
Opening balance	-	-	-	-
Charged to the income statement				
Charged directly to equity	305,662	-	305,662	-
Closing balance	305,662	-	305,662	-
Other				
Opening balance	87,991	27,855	26,649	-
Charged to the income statement	51,868	60,136	(26,649)	26,649
Closing balance	139,859	87,991	-	26,649
iii. Deferred tax assets				
The movement in deferred tax assets for each temporary difference during the year is as follows:				
Provisions				
Opening balance	226,612	203,169	6,000	9,150
Credited to the income statement	12,165	23,443	(1,500)	(3,150)
Closing balance	238,777	226,612	4,500	6,000

Tax losses
No part of the deferred tax asset shown in note 13 is attributable to tax losses. The directors advise that the potential future income tax benefit at June 30 2006 in respect of tax losses not brought to account is nil.

Tax consolidation legislation
Euroz Limited and its wholly-owned Australian subsidiaries implemented the tax consolidation legislation as of July 1 2003. The accounting policy on implementation of the legislation is set out in note 1(b). The impact on the income tax expense for the year is disclosed in the tax reconciliation above.

The entities have also entered into a tax sharing and funding agreement. Under the terms of this agreement, the wholly-owned entities reimburse Euroz Limited for any current income tax payable by Euroz Limited arising in respect of their activities. The reimbursements are payable at the same time as the associated income tax liability falls due and have therefore been recognised as a current tax-related receivable by Euroz Limited. In the opinion of the directors, the tax sharing agreement is also a valid agreement under the tax consolidation legislation and limits the joint and several liability of the wholly-owned entities in the case of a default by Euroz Limited.

The wholly-owned entities have fully compensated Euroz Limited for deferred tax liabilities assumed by Euroz Limited on the date of the implementation of the legislation and have been fully compensated for any deferred tax assets transferred to Euroz Limited.

On entering tax consolidation on 1 July 2003, Euroz Securities Limited transferred net deferred tax assets of $53,802 to Euroz Limited. Euroz Limited has compensated Euroz Securities for this transfer by way of a reduction of the tax related loan by Euroz Securities Limited to Euroz Limited as shown at note 8.

Note 7. Current assets - Cash and cash equivalents

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Cash at bank and on hand	40,845,222	17,532,758	25,138,810	10,394,428
Deposits at call	3,129,690	3,020,198	1,064,845	1,010,099
	43,974,912	20,552,956	26,203,655	11,404,527

The above figures are reconciled to cash at the end of the financial year as shown in the statements of cash flows as follows:

Balances as above	43,974,912	20,552,956	26,203,655	11,404,527

Deposits at call
The deposits are bearing floating interest rates between 3.5% and 4.8% (2005 – 3.08% and 4.87%).

Note 8. Current assets – Trade and other receivables

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Trade debtors	23,806,558	21,807,792	-	-
Intercompany tax related loan receivable	-	-	4,834,399	202,751
Goods and services tax (GST) receivable	1,082	43,452	1082	8,186
	23,807,640	21,851,244	4,835,481	210,937

Other debtors
These amounts generally arise from transactions outside the consolidated entity's usual operating activities.

Note 9. Current assets - Inventories

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Trading securities - listed	-	1,319,508	-	-

Note 10. Current assets – Other current assets

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Prepayments	62,323	134,537	-	-
Accrued income	466,198	267,268	-	88,831
	528,521	401,805	-	88,831

Note 11. Non-current assets - Financial assets

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Investments traded on organised markets				
Shares in other corporations - at cost		3,199,671	-	3,199,672
Investment in un-listed company – at cost	7,872,600	5,000,000	7,872,600	5,000,000
Unrealised profit – unlisted shares	1,018,740	-	1,018,740	-
Other (non-traded) investments				
Shares in controlled entities - at cost (note 28)	-	-	11,700,000	10,500,000
	8,891,340	8,199,671	20,591,340	18,699,672

Non-current assets pledged as security

See note 33 for information on non-current assets pledged as security by the parent entity or its controlled entities.

Note 12. Non-current assets - Property, plant & equipment

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Land & buildings				
Leasehold improvements				
At cost	555,111	463,325	-	-
Less: Accumulated amortisation	(344,345)	(215,392)	-	-
Total land and buildings	210,766	247,933	-	-
Plant and equipment				
Software				
At cost	32,074	29,655	-	-
Less: Accumulated depreciation	(13,731)	(3,419)	-	-
	18,343	26,236	-	-
Office equipment				
At cost	608,046	502,163	-	-
Less: Accumulated depreciation	(444,861)	(347,836)	-	-
	163,185	154,327	-	-
Furniture, fixtures & fittings				
At cost	316,420	236,136	-	-
Less: Accumulated depreciation	(155,467)	(106,898)	-	-
	160,953	129,238	-	-
Total plant and equipment	342,481	309,801	-	-
	553,247	557,734	-	-

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below:

	Leasehold improvements **$**	**Plant and equipment** **$**	**Total** **$**
2006			
Consolidated			
Carrying amount at 1 July 2005	247,933	309,801	557,734
Additions	91,786	188,585	280,371
Profit on disposals	-	1,270	1,270
Depreciation/amortisation expense (note 5)	(128,953)	(157,175)	(286,128)
Carrying amount at 30 June 2006	210,766	342,481	553,247
2005			
Consolidated			
Carrying amount at 1 July 2004	328,685	236,077	564,762
Additions	11,552	182,319	193,871
Disposals	-	(1,500)	(1,500)
Depreciation/amortisation expense (note 5)	(92,304)	(107,095)	(199,399)
Carrying amount at 30 June 2005	247,933	309,801	557,734

Note 13. Non-current assets - Deferred tax assets

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Deferred tax asset	238,777	226,612	4,500	226,612
Assets				
Deferred tax assets comprises:				
Provisions	238,777	226,612	4,500	226,612
Total	238,777	226,612	4,500	226,612

Note 14. Current liabilities – Trade and other payables

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Trade creditors	22,552,064	21,128,497	39,500	37,500
Other payables and accruals	2,603,030	517,191	-	-
	25,155,094	21,645,688	39,500	37,500

Note 15. Current liabilities - Current tax liabilities

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Provision for taxation	4,952,071	1,639,054	4,952,071	1,639,055

Note 16. Current liabilities – Short term provisions

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Dividends	10,000,000	5,146,250	10,000,000	5,146,250
Employee entitlements	197,904	178,905	-	-
	10,197,904	5,325,155	10,000,000	5,146,250

Note 17. Non-current liabilities - Deferred tax liabilities

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Deferred tax liability	445,482	87,991	305,622	26,649
Deferred tax liability comprises:				
Fair value gain adjustments	305,623	-	305,622	-
Other	139,859	87,991	-	26,649
Total	445,482	87,991	305,622	26,649

Note 18. Non-current liabilities – Long term provisions

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Provisions - lease incentive	387,416	413,296	-	-

Note 19. Issued capital

	Parent entity		Parent entity	
	2006	2005	2006	2005
(a) Share capital	Shares	Shares	$	$
Ordinary shares				
Issued and paid up capital - consisting of ordinary shares	50,000,000	44,750,000	29,222,371	21,682,371

Note 19. Issued capital (cont)

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$
1 July 2004	**Opening Balance**	**37,229,239**		**16,944,512**
22-7-2004	Options converted	310,100	$0.50	17,099,562
27-7-2004	Options converted	42,500	$0.50	17,120,812
29-7-2004	Options converted	25,000	$0.50	17,133,312
4-8-2004	Options converted	443,000	$0.50	17,354,812
17-8-2004	Options converted	447,451	$0.50	17,578,538
25-8-2004	Options converted	234,104	$0.50	17,695,590
2-9-2004	Options converted	1,199,250	$0.50	18,295,215
7-9-2004	Options converted	155,500	$0.50	18,372,965
9-9-2004	Options converted	25,000	$0.50	18,385,465
21-9-2004	Options converted	67,500	$0.45	18,415,840
8-10-2004	Options converted	429,200	$0.45	18,608,980
8-10-2004	Options converted	200,000	$0.50	18,708,105
12-10-2004	Capital raising	3,092,161	$0.80	21,182,833
26-10-2004	Options converted	9,200	$0.45	21,186,973
26-10-2004	Capital raising	250,000	$0.80	21,386,973
5-11-2004	Options converted	40,000	$0.50	21,406,973
9-11-2004	Options converted	123,300	$0.50	21,468,623
19-11-2004	Options converted	62,495	$0.50	21,499,871
1-12-2004	Options converted	61,000	$0.50	21,530,371
8-12-2004	Options converted	4,000	$0.50	21,532,371
8-3-2005	Options converted	300,000	$0.50	21,682,371
26-10-2005	Options converted	350,000	$1.20	22,120,371
26-10-2005	Shares issued	4,000,000	$1.38	27,622,371
5-04-2006	Options converted	250,000	$1.20	27,922,371
27-04-2006	Shares issued	650,000	$2.00	29,222,371
30 June 2006	Balance	50,000,000		29,222,371

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Options

Information relating to the options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year are set out below

Options on issue at start of year	600,000
Options exercised during the year	(600,000)
Balance on issue at end of year	-

There are no options on issue at year end.

	Consolidated		Parent entity	
	2006	2005	2006	2005
Note 20. Reserves	$	$	$	$
Asset revaluation reserve	713,118	-	713,118	-
Option premium reserve	186,000	186,000	186,000	186,000
	899,118	186,000	899,118	186,000

Note 21. Retained profits

Accumulated profit/(losses) at the beginning of the financial year	2,129,975	523,150	1,851,412	501,688
Net profit attributable to members of Euroz Limited	16,814,507	9,041,516	16,574,383	8,784,415
Dividends provided for or paid	(12,209,501)	(7,434,691)	(12,209,501)	(7,434,691)
Retained profits / (accumulated losses) at the end of the financial year	6,734,981	2,129,975	6,216,294	1,851,412

Note 22. Equity

Total equity at the beginning of the financial year	23,998,346	17,467,662	23,719,783	17,446,200
Total changes in equity recognised in the statements of financial performance	16,814,507	9,041,516	16,574,383	8,784,415
Options issued to directors and other related party	-	186,000	-	186,000
Asset revaluation reserve resulting from fair value accounting of available for sale financial assets	713,118	-	713,118	-
Transactions with owners as owners:				
Contributions of equity, net of transaction costs	7,540,000	4,737,859	7,540,000	4,737,859
Dividends provided for or paid	(12,209,501)	(7,434,691)	(12,209,501)	(7,434,691)
Total equity at the end of the financial year	36,856,470	23,998,346	36,337,783	23,719,783

Note 23. Dividends	Parent entity 2006 $	2005 $
Ordinary shares		
Final dividend declared and paid for the year ended 30 June 2005 of 11.5 cents (2004 – 0.8 cents)	5,146,250	288,191
Interim dividend for the half year ended 31 December 2005 of 4.5 cents (2005 – 4.5 cents) per fully paid share paid on 27 January 2006		
Fully franked based on tax paid @ 30%	2,209,501	2,000,250
Final dividend declared and provided for at 30 June 2006 of 20 cents (2005 - 11.5 cents) per fully paid ordinary share		
Fully franked based on tax paid @ 30%	10,000,000	5,146,250
Total dividends provided for or paid	17,355,751	7,434,691

Franked dividends
The franked portions of the dividends recommended after 30 June 2006 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2006.

	Consolidated entity 2006 $	2005 $
Franking credits available for subsequent financial years based on a tax rate of 30%	3,859,966	2,405,863

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
(a) franking credits that will arise from the payment of the current tax liability
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date, and
(d) franking credits that may be prevented from being distributed in subsequent financial years.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of controlled entities were paid as dividends.

Note 24. Financial instruments

(a) Net fair value of financial assets and liabilities

(i) **On-balance sheet**

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying amounts, with the exception of investments and trading securities, the fair value of which is disclosed in notes 9 and 11 respectively refer to note 1(u).

(ii) **Off-balance sheet**

There are no off-balance sheet financial assets and financial liabilities.

(b) Credit risk exposures

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

(c) Interest rate risk exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate is set out in the following table. For interest rates applicable to each class of asset or liability refer to individual notes to the financial statements.

Note 24. Financial instruments (cont)

	Weighted average interest rate	Floating interest rate	Non interest bearing	Total
2006	%	$	$	$
Financial assets				
Cash and deposits	4.0	43,974,912	-	43,974,912
Inventories	-	-	-	-
Receivables and accrued income	-	-	24,335,079	24,335,079
Other financial assets - investments	-	-	8,891,340	8,891,340
		43,974,912	33,226,419	77,201,331
Financial liabilities				
Trade and other creditors		-	25,154,012	25,154,012
Net financial assets		43,974,912	8,072,407	52,047,319
2005				
Financial assets				
Cash and deposits	4.33	20,552,956	-	20,552,956
Inventories	-	-	1,319,508	1,319,508
Receivables and accrued income	-	-	22,209,597	22,209,597
Other financial assets - investments	-	-	8,199,671	8,199,671
		20,552,956	31,728,776	52,281,732
Financial liabilities				
Trade and other creditors	-	-	21,602,236	21,602,236
Net financial assets		20,552,956	10,126,540	30,679,496

Note 25. Remuneration of auditors

	Consolidated		Parent entity	
	2006	2005	2006	2005
Assurance services	**$**	$	**$**	$
Audit services				
Audit and review of financial reports for the company				
Fees paid to PricewaterhouseCoopers Australian firm	-	55,000	-	31,680
Fees paid to Mack & Co firm	69,300	19,250	40,700	8,250
Total remuneration for audit services	69,300	74,250	40,700	39,930
Taxation services				
Tax compliance services				
Fees paid to PricewaterhouseCoopers Australian firm	-	12,100	-	8,800
Fees paid to Mack & Co firm	7,700	-	6,050	-
Total remuneration for taxation services	7,700	12,100	6,050	8,800
Advisory services				
Compilation of financial reports and associated services				
Fees paid to PricewaterhouseCoopers Australian firm	-	23,650	-	23,650
Fees paid to Mack & Co firm	11,000	2,750	11,000	2,750
Total remuneration for advisory services	11,000	26,400	11,000	26,400

Note 26. Contingent liabilities

The parent entity and consolidated entity had contingent liabilities at 30 June 2006 in respect of guarantees.

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Consolidated		Parent entity	
	2006	2005	2006	2005
	$	$	$	$
Secured guarantees in respect of:				
(a) operating lease of a controlled entity	500,000	500,000	500,000	50,000

No material losses are anticipated in respect of any of the above contingent liabilities.

Note 27. Commitments for expenditure

	Consolidated		Parent entity	
	2006	2005	2006	2005
	$	$	$	$
Other commitments				
Commitments for the cost of services supplied to the consolidated entity but not recognised as liabilities, payable:				
Within one year	240,000	220,000	-	-
Later than one year but not later than 5 years	200,000	-	-	-
	440,000	220,000	-	-
Operating leases				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	265,523	211,237	-	-
Later than one year but not later than 5 years	1,181,106	929,503	-	-
Later than 5 years	688,216	678,180	-	-
Commitments not recognised in the financial statements	2,134,845	1,818,920	-	-

The current lease on the premises at Level 14, 1 William Street is for the period of 10 years commencing on 1 February 2003 and expiring on 31 January 2013.

Note 28. Employee benefits

	Consolidated		Parent entity	
	2006	2005	2006	2005
	$	$	$	$
Employee benefit and related on-costs liabilities				
Provision for employee entitlements – current	208,396	187,132	-	-
Aggregate employee benefit and related on-costs liabilities	208,396	187,132	-	-

	Number		**Number**	
	2006	2005	2006	2005
Employee numbers				
Average number of employees during the financial year	45	41	-	-

Note 29. Related parties

Key management personnel
Disclosures relating to directors and specified executives are set out in the directors report.

Wholly-owned group
The wholly-owned group consists of Euroz Limited and its wholly-owned controlled entities, Euroz Securities Limited, Detail Nominees Pty Ltd, Zero Nominees Pty Ltd, Euroz Corporate Pty Ltd, and Westoz Funds Management Pty Ltd Ownership interests in these controlled entities are set out in note 30.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties consists of:
(i) Ultimate Holding Company
- Loans advanced by Euroz Limited
- Loans repaid to Euroz Limited
- Payments of dividends to Euroz Limited
- Transactions between Euroz Limited and its wholly-owned Australian controlled entities under the accounting tax sharing agreements described in Note 6

	2006 $	2005 $
(ii) Director related entities - Karl Paganin, Director of Euroz Securities Limited has a brother who is a partner in a law firm Steinepreis Paganin. The consolidated entity received legal advisory services from Steinepreis Paganin recognised as legal fee expense	12,475	53,102

	Parent entity	
	2006 $	2005 $
Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with entities in the wholly-owned group:		
Dividend revenue	15,600,000	8,300,000

Ownership interests in related parties
Interests held in the following classes of related parties are set out in the following notes:
(a) controlled entities - note 30

Note 30. Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding 2006 $	Equity holding 2005 %	Cost of parent entity's investment 2006 $	Cost of parent entity's investment 2005 $
Euroz Securities Limited	Australia	Ordinary	100	100	11,000,000	10,000,000
Detail Nominees Pty Limited	Australia	Ordinary	100	100	-	-
Zero Nominees Pty Limited	Australia	Ordinary	100	100	-	-
Westoz Funds Management Pty Ltd	Australia	Ordinary	100	100	700,000	500,000

The ultimate parent entity in the wholly owned group is Euroz Limited.

Note 31. Events occurring after reporting date

No matter or circumstance has arisen subsequent to 30 June 2006 that has significantly affected, or may significantly affect:
(a) the consolidated entity's operations in future financial years: or
(b) the results of those operations in future financial years: or
(c) the consolidated entity's state of affairs in future financial years.

Note 32. Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities

	Consolidated 2006 $	Consolidated 2005 $	Parent entity 2006 $	Parent entity 2005 $
Profit from ordinary activities after income tax	16,814,507	9,041,516	16,574,383	8,784,415
Depreciation and amortisation	286,128	199,399		-
Net (gain)/loss on sale of investment	(202,946)	(635,463)	(887,513)	(635,463)
Net (gain)/loss on sale of fixed asset	(1,270)	-	-	-
Changes in assets and liabilities				
Decrease/(increase) in trade debtors and other receivables	(1,998,765)	(1,089,140)	(4,624,544)	1,421,990
Decrease/(increase) in prepayments	72,215	(97,527)	-	-
Decrease/(increase) in accrued income	(198,931)	-	88,831	-
Decrease/(increase) in inventories	1,319,514	(1,024,524)	-	-
Decrease/(increase) in deferred tax asset	(12,164)	(23,443)	222,112	(23,443)
(Decrease)/increase in trade creditors and other liabilities	3,551,772	973,465	2,000	7,601
Increase/(decrease) in provision for income taxes payable	3,313,017	(437,921)	3,313,017	(437,920)
Increase/(decrease) in provision for deferred tax liabilities	51,869	60,134	(87,992)	60,136
(Increase)/decrease in provisions	18,999	-	-	-
Provision for doubtful debts	-	(100,000)	-	-
Increase/(decrease) in lease incentives	(25,881)	150,707	-	-
Adjustment resulting from adoption of A-IFRS	-	186,000	-	186,000
Net cash inflow from operating activities	22,988,064	7,203,203	14,600,294	9,363,316

Note 33. Non-cash financing and investing activities

	Consolidated		Parent entity	
	2006 $	2005 $	2006 $	2005 $
Unrestricted access was available at balance date to the following lines of credit:				
Credit standby arrangements				
Bank overdrafts	3,000,000	3,000,000	-	-
Unused at balance date				
Bank overdrafts	3,000,000	3,000,000	-	-

Euroz Securities Ltd, a wholly owned subsidiary of Euroz Limited, has a bank overdraft facility as at 30 June 2006 for up to $3,000,000 ($nil drawn down at 30 June 2006). The facility may be drawn down at any time, is repayable on demand and interest is incurred at the standard variable rate. The facility is secured by a fixed and floating charge over the assets of Euroz Limited and Euroz Securities Limited.

Note 34. Earnings per share

	Consolidated	
	2006 cents	2005 Cents
Basic earnings per share	35.12	21.07
Diluted earnings per share	33.63	19.94

	Consolidated	
	2006 Number	2005 Number
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share.	47,875,137	42,905,524
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share.	50,000,000	45,350,000

The profit figures used to calculate the earnings per share for both the basic and diluted calculations was the same as the profit figure from the statement of financial performance.

Note 35. Company details

The registered office and principal place of business address of the company is:

Euroz Limited
Level 14 The Quadrant
1 William Street
PERTH WA 6000

Euroz Limited
Directors' declaration
30 June 2006

The directors declare that:

1. the financial report comprising of the income statement, balance sheet, statement of changes in equity, statement of cash flow and notes to and forming part of the financial report, are in accordance with the Corporations Act 2001 and

   (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

2. the Chief Executive Officer and Chief Financial Officer have declared that:

   (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion 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.

Jay Hughes
Director

Andrew McKenzie
Director

Perth

Date:

INDEPENDENT AUDIT REPORT
TO MEMBERS OF EUROZ LIMITED

Scope
The financial report and directors' responsibility
The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Euroz Limited and the consolidated entity, for the year ended 30 June 2006. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach
We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.
We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.
In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration as set out in financial report has not changed as at the date of providing our audit opinion.

Audit Opinion
In our opinion, the financial report of Euroz Limited is in accordance with:
a) the Corporations Act 2001, including:
   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
   (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

Mack & Co
Chartered Accountants
2nd Floor, 35 Havelock Street
West Perth WA 6005

N A Calder, Partner

Date