EUROZ

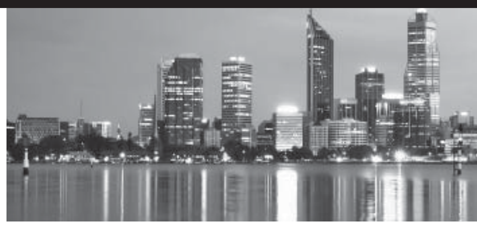
LIMITED






Annual Report 2008



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CORPORATE DIRECTORY

Euroz Limited
ABN 53 000 364 465

Directors

Peter Diamond
Executive Chairman

Andrew McKenzie
Managing Director

Jay Hughes
Executive Director

Company Secretary

Anthony Hewett (appointed 14 August 2007)

Principal Registered Office in Australia

Street Address
Level 14 The Quadrant
1 William Street
Perth Western Australia 6000

Postal Address
PO Box Z5036
St Georges Terrace
Perth Western Australia 6831

Telephone +61 8 9488 1400
Facsimile +61 8 9488 1477
Email info@euroz.com.au

Share and Debenture Registers

Computershare Investor Services Pty Ltd
Level 2 Reserve Bank Building
45 St Georges Terrace
Perth Western Australia 6000
Telephone 1300 787 575

Auditor

Mack & Co
Chartered Accountants
Level 2
35 Havelock Street
Perth Western Australia 6005

Bankers

Westpac Banking Corporation
109 St Georges Terrace
Perth Western Australia 6000

Stock Exchange Listings

Euroz Limited shares are listed
on the Australian Stock Exchange.
Code EZL

Website address

www.euroz.com.au

CHAIRMAN'S REPORT

The Directors of Euroz Limited are pleased to announce a pre-tax profit of $59,399,417 (2007: $31,593,699) and a net profit after tax of $41,931,627 (2007: $22,171,176). This profit equates to earnings per share for the financial year to 30 June 2008 of 65.5 cents.

The Directors have declared a final dividend of 47 cents per share (fully franked) in addition to the interim dividend of 7 cents per share (fully franked).

This record Euroz Group result has been achieved by a strong contribution from all our business units including Stockbroking, Corporate Finance, Funds Management and direct investment activity.

Westoz Funds Management had another successful year whereby both returns for investors and funds under management increased for the year. Funds under management as at 30 June 2008 were approximately $378m (up from $150m as at 30 June 2007). The Directors were particularly pleased with the gross investment performance of 77% for Westoz Investment Company Limited (WIC) and 10% for Ozgrowth Limited for the year.

However since year end there has been a considerable negative change in world stockmarkets. This has had the effect of negative returns in our funds under management in the first quarter of the new financial year. If this trend was to continue for the year, this would have a significant downward effect on the profitability of the funds management division for the 30 June 2009 year end.

The Directors believe that our Funds Management strategy will continue to reap benefits for shareholders and investors alike in the long term and through all market conditions. To this extent, Euroz Limited will continue to invest in Westoz Funds products and new initiatives. At the date of this report, Euroz Limited has invested approximately $40m in Westoz Investment Company Limited and Ozgrowth Limited.

The financial year ending 30 June 2008 represents the fifth consecutive year of record profits achieved as a result of buoyant market conditions, strength in commodity prices and strong export markets. However since year end, market conditions have deteriorated significantly all around the globe and Australian markets have not escaped this turmoil.

If this market volatility and uncertainty in the world financial systems continue in the short to medium term then this would have a dramatic effect on the profitability of our business, and the Directors would caution shareholders that it is extremely unlikely that our record level of profitability would be sustainable in the coming financial year.

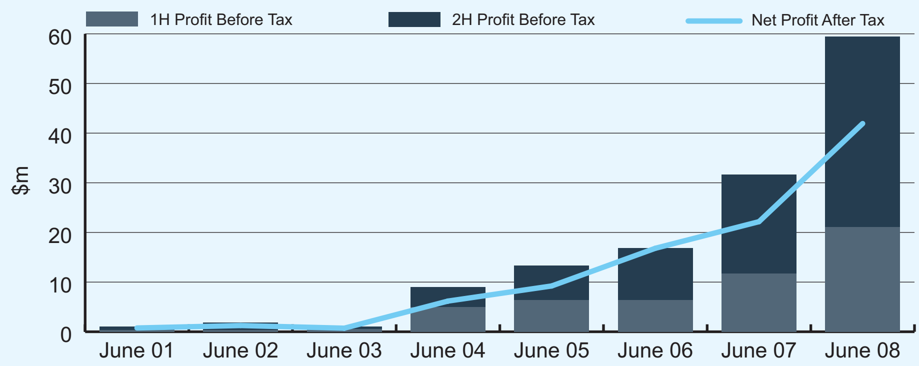
The Directors believe that our long-term future remains on track and that our expansion initiatives and our capital raising of $46.2m to strengthen our balance sheet last year will provide the group with a solid platform for future growth in the medium to long term.

The contribution of our employees this year has again, by industry standards, been a significant factor in this profit result. Our employees' motivation is also supported by their strong share ownership in the company which is currently around 50% of Euroz Limited.

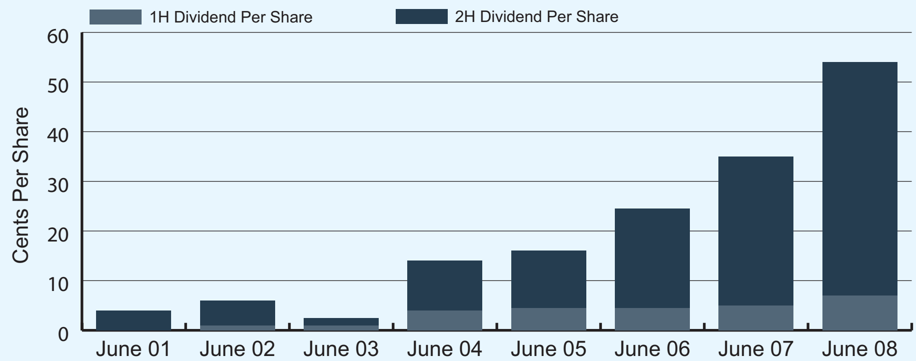
The Directors would like to thank our three core stakeholders: our shareholders, staff and clients for their support and efforts in what has been an outstanding year. Euroz Limited is currently trading profitably, has no debt and with a strong balance sheet and with our long term growth initiatives, the Euroz Group is in a strong position in the medium to long term to capitalise on behalf of its shareholders.

PETER DIAMOND
Executive Chairman

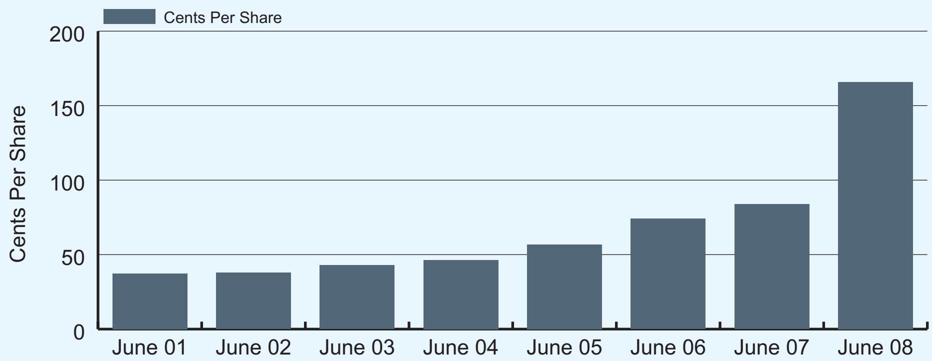
Euroz Limited Profit Before Tax & Net Profit After Tax



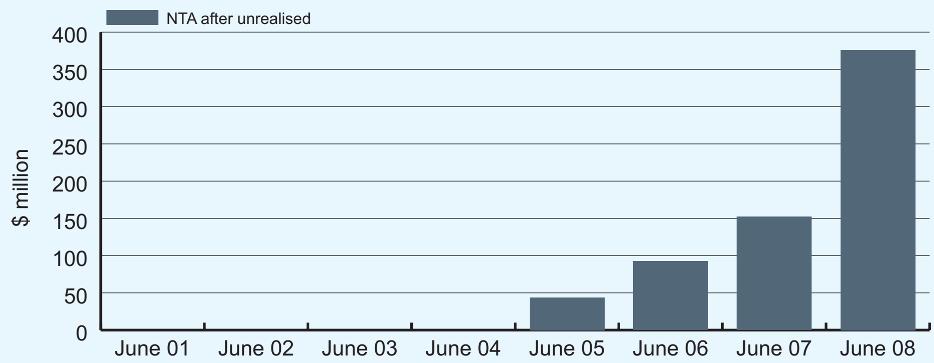
Euroz Limited Dividend History



Euroz Limited NTA Per Share



Westoz Funds Management Pty Ltd Funds Under Management



MANAGING DIRECTOR'S REPORT

Euroz Limited is a Western Australian focused company that provides highly specialised stockbroking, corporate finance and funds management services.

All of the business units within the Euroz Group of companies have combined to deliver exceptional financial results this year.

We are justifiably proud of our achievements in growing the Company over eight years and can now report to shareholders that Euroz Limited has been profitable and paid dividends for sixteen consecutive half year periods.

Key financial highlights for the past year include:

- Payment of 54c in fully franked dividends (up 54%)
- Record net profit of $41.9 million (up 91%)
- Westoz funds under management (FUM) up 117% to $379 million.

Commodity and resource related markets remained strong in the past year, despite generally weaker equity markets. All of our Group businesses have benefited from a unique combination of deal flow and leverage to unprecedented resource activity during this period.

The operational performance of our key Group businesses can be summarised as follows:

Euroz Limited

The ASX listed holding company for all our businesses which co-invests with our clients in Westoz Funds Management products and also invests directly in its own right.

Significant investments in Westoz Investment Company Limited and Ozgrowth Limited provided strong investment returns and dividends to the Group. Direct investments delivered modest returns for the past year.

Euroz Securities

Our stockbroking business provides critical deal flow and investment opportunities for all our Group activities.

Highlights for Euroz Securities include:

- ASX turnover up 40% to $7 billion
- Significant investment in expanded research coverage
- Institutional revenues up 58%
- Retail revenues up 32%
- Equity Capital Market raisings up 80% to $1.42 billion.
- Major contributions from Merger, Acquisition and Advisory revenues.

Westoz Funds Management

Our funds management operations, managing $379 million at June 30, have had a particularly successful year with rapidly expanding funds under management and excellent investment returns.

Its flagship fund, Westoz Investment Company Limited returned an exceptional 77% for the past year. The launch of our second investment product, Ozgrowth Limited via an $80 million IPO provides further funds for WA related investment opportunities.

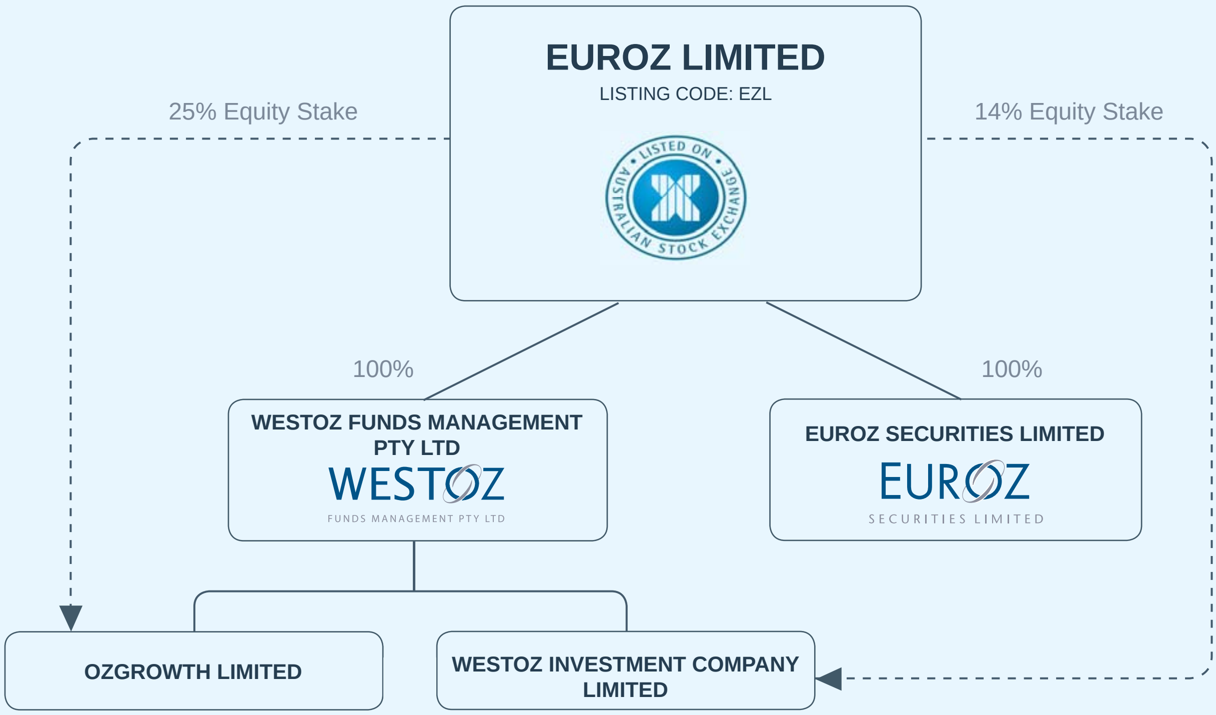
Shareholders are no doubt pleased with the returns and solid business platform that have been built during unprecedented strength in our key markets but they should also be aware that we face a significantly more difficult trading environment for the near future.

Despite the current uncertainties and challenges to the global financial system we believe that our market position, strong balance sheet and unique exposure to Western Australia will see the Euroz Group emerge stronger into the next investment cycle. Market corrections are inevitable but they also create value and opportunity for our business model.

On behalf of all Directors, I would like to again thank our shareholders, our clients and in particular all of our employees for their significant contributions and whose team based philosophy is the foundation of our combined success.

ANDREW MCKENZIE
Managing Director

EUROZ GROUP ORGANISATIONAL CHART



EUROZ SECURITIES LIMITED OPERATING DIVISIONS

RETAIL DEALING

- Team of highly experienced and qualified private client advisors
- Focus on dealing with high net worth individuals
- Extensive research support - high quality local and ASX 100 research enables our advisors to provide quality investment and trading advice
- Specialised broking allows
  - Close interaction between research analysts and private client advisors
  - Timely communication of ideas with clients
- Sophisticated investors are able to participate in many of our corporate capital raisings
- We pride ourselves on offering a tailored service to our clients based on:
  - Quality research
  - Personalised service
  - Wealth creation
- Client services
  - Exclusive web based research
  - Margin lending
  - Money market

CORPORATE FINANCE

- Our corporate business is focused on developing strong, long term relationships with our clients
- Clients are provided with specialised Corporate Advisory services in:
  - Capital Raisings
  - Mergers and Acquisitions
  - Strategic Planning and Reviews
  - Privatisation and Reconstructions
- Established track record in raising equity capital via:
  - Initial Public Offerings (IPO)
  - Placements
  - Rights Issues
- Euroz has raised $1,421,396,939 in new equity this financial year

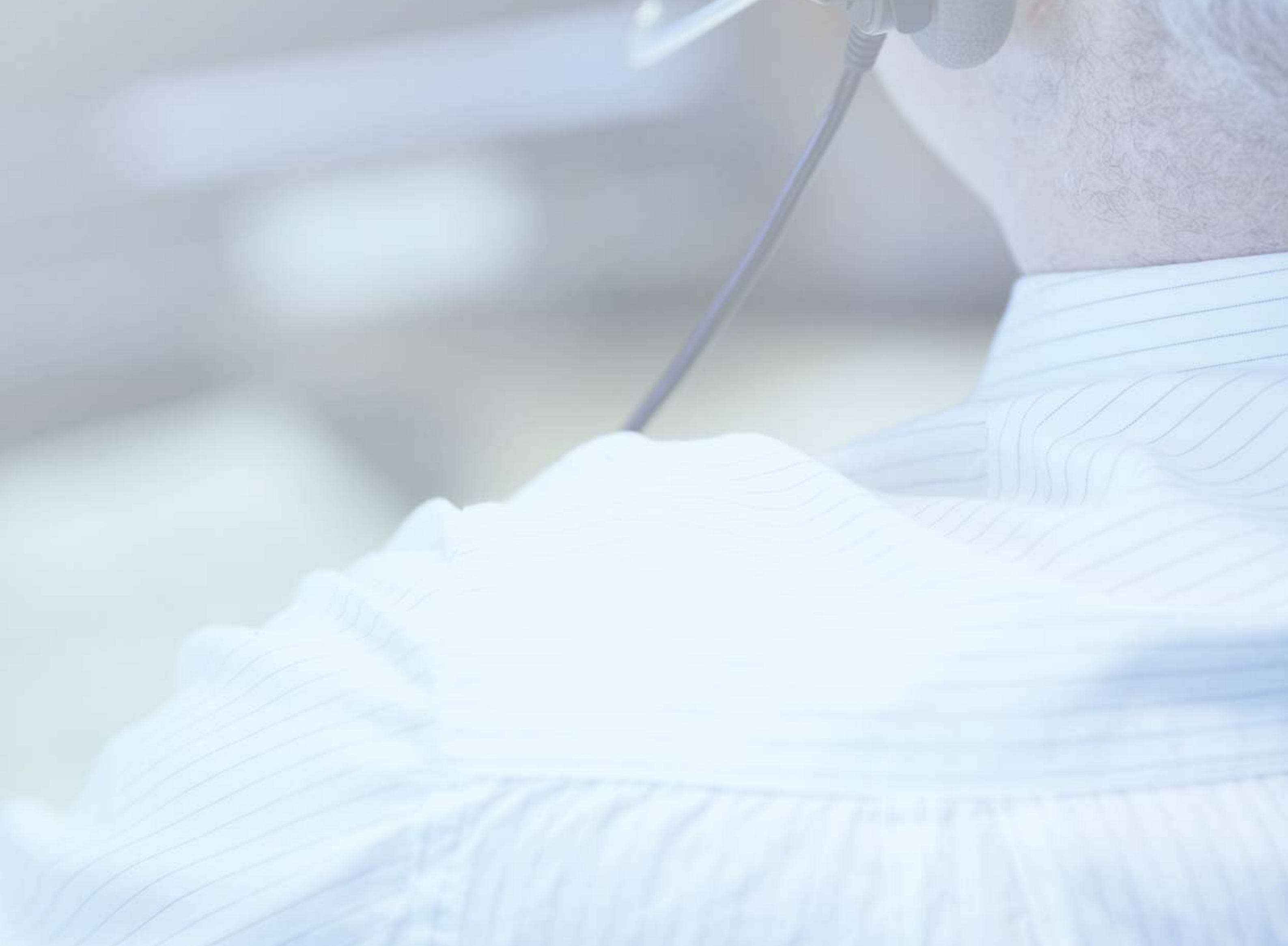
EUROZ SECURITIES LIMITED OPERATING DIVISIONS

EQUITIES RESEARCH

- Team of seven experienced analysts with access to the latest online news and financial information
- Based on fundamental analysis, strict financial modelling and regular company contact
- Goal: Identify and maximise equity investment opportunities for our clients
- Approach: Intimate knowledge of the companies we cover
- Coverage: Broad cross section of mostly WA based industrial & resource companies
- Research Products
  - Daily Briefing: Overnight market updates and ASX 100 analysis
  - Weekly Informer: Analysis on midcap companies
  - Quarterly Updates: Regular coverage on midcap companies
  - Company Reports: Detailed analysis on companies as opportunities emerge

INSTITUTIONAL DEALING

- Largest institutional dealing desk based in Western Australia
- Largest dedicated small-mid cap institutional sales team in Australia
- Team of eleven institutional dealers with an extensive client base of Australian and International investors
- Distribution network strength - long standing relationships with major institutional investors in the small to mid cap market
- Western Australia's geographic isolation makes it difficult for institutional investors to maintain close contact with companies based here - investors can rely on our "on the ground" information
- Institutional dealing team "highly focused" on providing the following services
  - Quality advice and idea generation
  - Efficient execution
  - Regular company contact
  - Site visits
  - Roadshows



EUROZ SECURITIES LIMITED DIRECTOR'S PROFILE

PETER DIAMOND Executive Chairman

Peter has worked in the stockbroking industry since 1986. He is responsible for dealing with institutional and high net worth clients both domestically and overseas. Peter holds a Bachelor of Business Degree (B.Bus) and is a Member of Australian Society of Accountants (ASA).

GREG CHESSELL Executive Director

Greg is Head of Research and is our senior resources analyst. He spent 10 years working as a geologist in WA prior to entering the stockbroking industry in 1995. Greg holds a B.App. Sc. degree in geology and a Grad. Dip. Business qualification.

ANDREW MCKENZIE Managing Director

Andrew holds a Bachelor of Economics (B. Econ) is an Associate of the Financial Services Institute of Australia (FINSIA) and is a Fellow of the Australian Institute of Company Directors (FAICD). Andrew has worked in the stockbroking industry since 1991.

OLIVER FOSTER Executive Director

Oliver is a resource analyst specialising in the oil & gas sector. He worked offshore as a Petroleum Geologist in the North West of Australia & Asia for two and a half years previously. Oliver holds a B.Sc degree in Geology, as well as a Graduate Diploma in Applied Finance and Investment with FINSIA.

JAY HUGHES Executive Director

Jay has worked in stockbroking since 1986, starting his career on the trading floor. He is an Institutional Dealer specialising in promoting Australian stocks to international clients. Jay holds a Graduate Diploma in Applied Finance and Investment from FINSIA. He was recognised as an affiliate of ASX in December 2000 and was admitted in May 2004 as a Practitioner Member (Master Stockbroking) of the Securities and Derivatives Industry Association.

ANDREW CLAYTON Executive Director

Andrew is a research analyst specialising in resource companies. He has worked in the stockbroking industry since 1994. Andrew holds a BSc (Hons) degree in Geology, as well as a Diploma in Finance with FINSIA.

L-R: Oliver Foster, Greg Chessell, Andrew Clayton, Jay Hughes, Peter Diamond, Andrew McKenzie.

EUROZ SECURITIES LIMITED DIRECTOR'S PROFILE

KARL PAGANIN Executive Director

Karl is the Head of the Corporate Finance Department. He holds degrees in Law (B JURIS, LLB) and Arts (BA) and is an Associate of the Securities Institute of Australia. Karl has extensive experience in Corporate Finance and Corporate and Commercial Law with major Australian Companies.

DOUGLAS YOUNG Executive Director

Doug has more than 25 years of corporate finance experience, covering mergers and acquisitions, debt and equity raisings in domestic and international financial markets, corporate restructuring and other corporate finance transactions. He holds a Bachelor of Commerce degree from the University of Western Australia and holds a Graduate Diploma in Applied Finance from FINSIA, is a Fellow of FINSIA and a Fellow of the Australian Society of Certified Practising Accountants.

RUSSELL KANE Executive Director

Russell has worked in the stockbroking industry since 1994. He holds a Bachelor of Business and is responsible for servicing both domestic institutions and high net worth clients, with a particular emphasis on WA based Resource and Industrial stocks.

MARK HEPBURN Executive Director

Mark has been an institutional dealer since 1994. After trading on the Sydney Futures Exchange Floor, he ran an overnight derivatives desk for 3 years with a large Eastern States broking operation. Mark is a member of the Institutional Dealing team.

SIMON YEO Executive Director

Simon is responsible for the operations of the private client division and specialises in servicing high net worth clients and domestic institutions. He has been in the stockbroking industry since 1993. Simon has a Bachelor of Commerce majoring in Accounting and Finance (UWA) and was previously a chartered accountant and member of The Institute of Chartered Accountants.

RICHARD CALDOW Executive Director

Richard holds a Bachelor of Commerce degree from UWA with a double major in Accounting & Finance. Richard has worked as an advisor in the stockbroking industry since 1992 and previously worked in chartered accounting.

L-R: Mark Hepburn, Douglas Young, Karl Paganin, Simon Yeo , Richard Caldow, Russell Kane.

WESTOZ FUNDS MANAGEMENT

WESTOZ FUNDS MANAGEMENT PTY LTD

Westoz Funds Management was established in the 2005 financial year and has completed another successful year of operations in 2008.

Westoz Funds Management has a medium to long term investment strategy that seeks to leverage our existing specialised skills in the Western Australian capital market. It will generate revenue primarily through fees based on the level of funds under management and on the performance of its strategies.

Its flagship management mandate is on behalf of Westoz Investment Company Limited. This unlisted company is structured along similar lines to listed investment companies and seeks to generate consistent positive returns through the economic cycle, predominantly from investment in WA based listed companies. The portfolio of Westoz Investment Company Limited has grown in value to $260 million at 30 June 2008 ($154 million at 30 June 2007).

Westoz Funds Management also manages the portfolio of the listed investment Company, Ozgrowth Limited. This mandate commenced on 1 January 2008.

At 30 June 2008, Westoz Funds Management Pty Ltd has in excess of $375 million in assets under management.

PHILIP REES, CHIEF INVESTMENT OFFICER

Mr Philip Rees is Chief Investment Officer of the Manager and is responsible for the operation and development of the Manager's business.

Mr Rees has worked in a range of roles focused on Australian investment markets for the last 22 years. He was the Director of Investments with the Government Employees Superannuation Board in Western Australia for a 6 year period to September 2000 and subsequently developed several early stage investment opportunities until he joined Westoz in April 2005.

EUROZ GROUP COMMUNITY ACTIVITIES

2008 has seen the consolidation and development of two of the Euroz Group of Companies initiatives; namely the Euroz Charitable Foundation and the Euroz Green Office Initiative.

Euroz Charitable Foundation

The Euroz Group has been fortunate to have been a beneficiary of strong investment markets in recent years.

This prompted us to consider ways in which we could make a contribution to the broader community and as a result the Euroz Charitable Foundation was formed in 2007. The Foundation represents our ongoing commitment to our local community.

During the past 18 months all businesses within the Euroz Group and many of our staff members have made donations to this Foundation.

It is our objective to grow the funds of the Foundation to a significant size so that we can distribute these funds to worthy WA related charities. In the past year we are pleased to have supported the following charities; Autism WA, Princess Margaret Hospital Foundation and Youth Focus.

Euroz Green Office Initiative

In recognition of changing business and community attitudes toward increasing environmental responsibility in both the home and office we have formalised some simple environmental policies for the Euroz Group of companies. The Euroz Group of companies seeks to promote an environmentally aware workplace through a series of key objectives.

The Euroz Group;

- Aims to increase recycling and reduce waste
- Aims to reduce the use of power
- Aims to reduce energy consumption
- Aims to purchase environmentally friendly products
- Is educated, engaged and aware of sustainable office management initiatives.

This initiative has been strongly supported by members of the Euroz Group of companies since its inception last year.

FINANCIAL REPORT 2008

DIRECTOR'S REPORT

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 30 June 2008.

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

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
S Gherbaz	Director	Euroz Securities Limited (resigned on 14 August 2007)
M Hepburn	Director	Euroz Securities Limited
R Kane	Director	Euroz Securities Limited
A Clayton	Director	Euroz Securities Limited
P Rees	Director	Westoz Funds Management Pty Ltd

Company Secretary

Mr Gherbaz resigned from his position as company secretary on 14 August 2007.

Anthony Hewett has been appointed Company Secretary effective 14 August 2007 and held the position at the end of the financial year.

Principal Activities

During the year the principal activities of the Euroz group consisted of:

(a) Stockbroking
(b) Corporate Finance
(c) Funds Management

Review of Results

The Directors of Euroz Limited are pleased to announce a consolidated pre tax profit of $59,399,417 for the year ended 30 June 2008 compared with the 2007 year's consolidated pre tax profit of $31,593,699.

The consolidated net profit after tax was $41,931,627 compared with the 2007 year's consolidated net profit after tax of $22,171,176. This profit represents a basic earnings per share of 66.6 cents versus 44.3 cents in the 2007 year.

The Directors have declared a final dividend of 47 cents per share fully franked which, combined with the interim dividend of 7 cents per share, represents a total dividend of 54 cents per share fully franked.

DIRECTOR'S REPORT

Review of operations

	Segment revenues 2008 $	Segment revenues 2007 $	Segment results 2008 $	Segment results 2007 $
Stockbroking	**66,217,877**	48,430,807	**27,520,428**	19,847,188
Principal Trading	**23,475,095**	4,075,154	**2,012,239**	1,596,186
Funds Management	**26,216,031**	8,818,943	**24,424,340**	7,884,070
Unallocated revenue	**4,830,215**	2,480,694	**4,292,540**	2,266,255
	120,739,218	63,805,598	**58,249,547**	31,593,699
Share of net profits of associates			**1,149,870**	-
Profit before income tax expense				
Income tax expense			**(17,467,790)**	(9,422,523)
Net profit after income tax			**41,931,627**	22,171,176

These results have been achieved through strong contributions and investment returns from all divisions of the business.

Financial Position

The net assets of the consolidated entity have increased from $43,384,387 at June 30 2007 to $102,666,685 in 2008.

This increase has largely resulted from the following factors:

- Improved operating performance of the consolidated entity;
- Appreciation of the consolidated entity's shareholdings during the year in ASX listed and unlisted companies; and
- Proceeds from issue of shares

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 $29,904,579 in 2007 to $53,240,120 in 2008.

During the past 5 years the company has invested in expanding each of its business units to secure its long term success. In particular it has made strategic investments in the investment products of Westoz Funds Management. The company's holdings in associated subsidiaries have increased from $11,700,000 in 2007 to $18,450,000 at 30 June 2008.

The Directors believe the company is in a strong and stable financial position to expand and grow its current operations.

Earnings per share	**2008 Cents**	**2007 Cents**
Basic earnings per share	**66.6**	44.3
Diluted earnings per share	**66.6**	44.3

Dividends Euroz Limited

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

	2008 $	2007 $
Interim ordinary dividend of 7 cents (2007 – 5 cents) per fully paid ordinary share was paid on 24 January 2008	**4,480,000**	2,500,000
Provision for final ordinary dividend for 30 June 2008 of 47 cents (2007 – 30 cent) per fully paid ordinary share paid on 21 July 2008	**30,080,000**	15,000,000
	34,560,000	17,500,000

Significant changes in the state of affairs

During the course of the year the company raised $46,200,000 by issuing 14,000,000 ordinary shares at $3.30 per share.

The company invested $20,000,100 in ASX listed investment company, Ozgrowth Limited, managed by Westoz Funds Management.

Other than the above mentioned, 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.

DIRECTOR'S REPORT

Share options

There are no options over ordinary shares in the company at year end or at the date of this report.

After balance date events

A further investment of $3,000,000 was made in Euroz Securities Limited on 21 August 2008.

A proposed share split of 2 for 1 was put to shareholders at a General Meeting on 7 October 2008. The resolution was approved.

Further to the above the Directors are not aware of any other matter or circumstance subsequent to 30 June 2008 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 increasingly volatile market conditions. However, it is likely that we will experience increasingly difficult trading conditions in the next financial year.

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

Particulars of Directors' interests in shares and options of Euroz Limited

Director	Experience	Special responsibilities and qualifications	Ordinary shares	Options
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 2008, and the numbers of meetings attended by each director were:

	Directors Meetings		Committee Meetings			
			Audit		Remuneration	
Director	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**
Peter Diamond	15	13	4	4	8	8
Andrew McKenzie	15	10	4	4	8	8
Jay Hughes	15	12	-	-	8	8

Remuneration Report (Audited)

This Remuneration Report outlines the Director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its regulations. It also provides the remuneration disclosures required by paragraphs Aus 25.4 to Aus 25.7.2 of AASB 124 Related Party Disclosures, which have been transferred to the Remuneration Report in accordance with Corporations Regulation 2M.6.04. For the purposes of this report Key Management Personnel of the group are defined as those persons having authority for the strategic management and direction of the group including any Director (whether executive or otherwise) of the parent company, and includes the five executives in the parent and the group receiving the highest remuneration.

Directors & Executives Remuneration

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 head of retail incentive. The company believes this policy to have been effective in increasing shareholder wealth over the past five 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.

	2004	2005	2006	2007	2008
	$	$	$	$	$
Revenue (including net profit of associates)	28,482,793	42,267,600	56,040,157	63,805,598	**121,889,088**
Net profit after tax	6,185,712	9,041,516	16,814,507	22,171,176	**41,931,627**
Share price at year end	0.93	1.59	2.55	4.4	**4**
Dividends paid or recommended	4,916,598	7,146,500	12,209,500	17,500,000	**34,560,000**

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.

DIRECTOR'S REPORT

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 28 July 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 $146,300 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

2008	**Short Term**			**Post-employment**		
Name	**Base salary $**	**Profit Share/ bonus $**	**Other benefits $**	**Super-annuation $**	**Total $**	**Performance related %**
P Diamond - Director	250,000	1,300,000	19,440	50,000	1,619,440	80
A McKenzie - Director	250,000	1,300,000	17,784	50,000	1,617,784	80
J Hughes - Director	250,000	1,300,000	18,827	50,000	1,618,827	80
Total	**750,000**	**3,900,000**	**56,051**	**150,000**	**4,856,051**	

Current Directors did not receive any Directors fees.

DIRECTOR'S REPORT

Executive Directors of Euroz Limited

2007	Short Term			Post-employment		
Name	Base salary $	Profit Share/ bonus $	Other benefits $	Super-annuation $	Total $	Performance related %
P Diamond - Director	229,964	980,000	20,996	42,140	1,273,100	77
A McKenzie - Director	229,719	980,000	15,873	42,385	1,267,977	77
J Hughes – Director	229,964	980,000	16,964	42,140	1,269,068	77
Total	**689,647**	**2,940,00**	**53,833**	**126,665**	**3,810,145**	

Current directors did not receive any directors fees.

Specified executives of the consolidated entity

2008	Short Term				Post-employ't		
Name	Base salary $	Profit Share/ bonus $	Other benefits $	Commis-sion $	Super-annuation $	Total $	Perform-ance related %
R Caldow – Director*	73,394	-	18,263	861,566	49,995	1,003,218	86
G Chessell – Director*	165,001	815,000	8,241	-	49,999	1,038,241	78
S Yeo – Director*	73,394	182,000	14,362	714,343	49,999	1,034,098	87
K Paganin – Director*	240,000	1,300,000	20,200	-	50,000	1,610,200	81
D Young – Director*	187,301	1,300,000	22,148	-	100,000	1,609,449	81
O Foster – Director*	165,000	735,000	10,261	-	50,000	960,261	77
A Clayton – Director*	121,002	510,000	11,175	-	50,000	692,177	74
R Kane – Director*	121,002	540,000	19,573	-	50,000	730,575	74
M Hepburn – Director*	157,873	470,000	11,573	-	13,129	652,575	72
P Rees – Director**	160,600	500,000	2,824	-	49,400	712,824	70
Total	**1,464,567**	**6,352,000**	**138,620**	**1,575,909**	**512,522**	**10,043,618**	

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

Specified executives of the consolidated entity

2007	Short Term				Post-employ't		
Name	Base salary $	Profit Share/ bonus $	Other benefits $	Commis-sion $	Super-annuation $	Total $	Perform-ance related %
R Caldow - Director*	73,394	-	19,499	579,885	37,105	709,883	82
G Chessell – Director*	169,200	630,000	4,518	-	42,385	846,103	74
S Yeo - Director*	73,394	164,377	16,315	491,450	37,765	783,301	84
K Paganin – Director*	224,200	980,000	13,246	-	42,385	1,259,831	78
D Young - Director*	162,406	980,000	15,424	-	104,179	1,262,009	78
O Foster – Director*	196,325	660,000	6,685	-	15,260	878,270	75
S Gherbaz (resigned effective from 14/08/07	144,031	133,240	9,345	-	39,143	325,759	41
A Clayton – Director*	158,862	380,000	3,168	-	12,140	554,170	69
R Kane – Director*	125,342	380,000	7,840	-	42,140	555,322	68
M Hepburn – Director*	128,617	430,000	5,075	-	42,385	606,077	71
T Andrews *(resigned 03/04/07)*	150,142	210,000	8,897	-	34,728	403,767	52
P Rees – Director**	167,511	220,000	3,652	-	32,488	423,651	52
Total	**1,773,424**	**5,167,617**	**113,664**	**1,071,335**	**482,103**	**8,608,143**	

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

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 2008 of $300,000 (2007 - $277,104) 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 2008 of $300,000 (2007 - $277,104) 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 2008 of $300,000 (2007 - $277,104) 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.

Greg Chessell, Director Euroz Securities Limited

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2008 of $215,000 (2007 - $211,585) 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 Limited

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2008 of $290,000 (2007 - $271,585) 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 Limited

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2008 $290,000 (2007 - $271,585) 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 Limited

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2008 of $80,000 (2007 - $80,000) plus commission.
- Payment on termination of employment by the employer, other than for gross misconduct - commission earned.

Simon Yeo, Director Euroz Securities Limited

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2008 of $80,000 (2007 - $80,000) plus HoR bonus and commission.
- Payment on termination of employment by the employer, other than for gross misconduct - commission earned.

DIRECTOR'S REPORT

Oliver Foster, Director Euroz Securities Limited

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2008 of $215,000 (2007 - $211,585) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Mark Hepburn, Director Euroz Securities Limited

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2008 of $171,002 (2007 - $171,002) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Andrew Clayton, Director Euroz Securities Limited

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2008 of $171,002 (2007 - $171,002) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Russell Kane, Director Euroz Securities Limited

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2008 of $171,002 (2007 - $171,002) 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 2008 of $210,000 (2007 - $200,000) plus bonus
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Share based compensation

No options or shares were issued to Directors or specified executives during the year ended 30 June 2008.

Option holdings

No Directors and specified executives of Euroz Limited and its consolidated entity held any options over ordinary shares in the company during and at the end of the financial year.

Share holdings

The number of shares held at the date of this report by each Director of Euroz Limited and each of the key management personnel of the consolidated entity, including their personal-related entities, are set out below.

Name	No of ordinary shares
Directors of Euroz Limited	
Ordinary shares	
P Diamond	4,500,000
A McKenzie	4,500,000
J Hughes	4,500,000
Key management personnel of the consolidated entity	
Ordinary shares	
R Caldow	2,250,000
G Chessell	1,410,000
S Yeo	1,600,000
K Paganin	2,357,761
D Young	1,910,000
O Foster	1,046,000
P Rees	500,000
M Hepburn	611,000
R Kane	1,160,000
A Clayton	1,000,000

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 2008, 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:

	2008	2007
Amounts recognised as expense	$	$
Legal Fees	**113,725**	52,326

During the year ended 30 June 2008 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:

	2008	2007
Amounts recognised as revenue	$	$
Brokerage earned by Euroz Securities Limited on Directors' accounts	**67,562**	41,905

Indemnifying Officers

During the financial year, Euroz Limited paid a premium of $146,300 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 services 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 objectivity 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 2008:

	$
Taxation services	**11,110**
Advisory services	-
	11,110

DIRECTOR'S REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2008 has been received and follows the Directors report.

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

Peter Diamond

Chairman

Jay Hughes

Director

29 August 2008

AUDITOR'S INDEPENDENCE DECLARATION

MACK & CO.
CHARTERED ACCOUNTANTS

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 30 June 2008 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	N A Calder
Mack & Co Chartered Accountants 2nd Floor, 35 Havelock Street West Perth WA 6005	N A Calder, Partner 29 August 2008

INCOME STATEMENT

For the year ended 30 June 2008

	Notes	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
Revenue	4	**120,739,218**	63,805,598	**44,366,113**	22,132,998
Share of net profits of associates		**1,149,870**	-	**-**	-
Costs related to the set up of Ozgrowth		**(186,441)**	-	**(186,441)**	-
Employee benefits expense		**(28,584,854)**	(21,268,929)	**-**	-
Depreciation and amortisation expenses	5	**(200,685)**	(315,323)	**-**	-
Regulatory expenses		**(607,761)**	(480,063)	**(79,843)**	(31,134)
Consultancy expenses		**(1,199,657)**	(918,114)	**(66,100)**	(129,000)
Conference and seminar expenses		**(926,901)**	(695,015)	**-**	-
Brokerage & underwriting expense		**(6,753,902)**	(4,047,582)	**-**	-
Communication expenses		**(258,386)**	(204,203)	**-**	-
Carrying amount of principal trading securities sold		**(21,285,429)**	(2,478,969)	**(2,932,528)**	-
Other expenses		**(2,485,655)**	(1,803,701)	**(205,291)**	(54,305)
Profit before income tax expense	5	**59,399,417**	31,593,699	**40,895,910**	21,918,559
Income tax expense	6	**(17,467,790)**	(9,422,523)	**(758,372)**	(221,901)
Profit after income tax expense attributable to members of the parent		**41,931,627**	22,171,176	**40,137,538**	21,696,658
		Cents	Cents		
Basic earnings per share	32	**66.6**	44.3		
Diluted earnings per share	32	**66.6**	44.3		

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

BALANCE SHEET

As at 30 June 2008

	Notes	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
Current assets					
Cash and cash equivalents	7	**93,464,127**	50,660,629	**67,718,666**	28,622,689
Trade and other receivables	8	**58,250,374**	39,299,366	**4,205,391**	9,326,745
Inventories	9	**2,789,989**	60,000	**1,213,449**	-
Other current assets	10	**1,394,092**	439,754	**-**	5,600
Total current assets		**155,898,582**	90,459,749	**73,137,506**	37,955,034
Non current assets					
Investments accounted for using equity method	11	**21,149,970**	-	**-**	-
Financial assets	12	**31,989,735**	14,592,911	**70,439,835**	26,292,911
Property, plant and equipment	13	**465,567**	371,649	**-**	-
Deferred tax assets	14	**483,377**	294,206	**144,967**	4,500
Total non current assets		**54,088,649**	15,258,766	**70,584,802**	26,297,411
Total assets		**209,987,231**	105,718,515	**143,722,308**	64,252,445
Current liabilities					
Trade and other payables	15	**62,072,778**	39,598,503	**62,407**	38,000
Current tax liabilities	16	**10,151,713**	5,720,216	**10,151,713**	5,720,216
Short term provisions	17	**30,433,971**	15,236,451	**30,080,000**	15,000,000
Total current liabilities		**102,658,462**	60,555,170	**40,294,120**	20,758,216
Non current liabilities					
Deferred tax liabilities	18	**4,017,755**	1,178,628	**3,548,798**	1,103,048
Long term provisions	19	**644,329**	600,330	**-**	-
Total non current liabilities		**4,662,084**	1,778,958	**3,548,798**	1,103,048
Total liabilities		**107,320,546**	62,334,128	**43,842,918**	21,861,264
Net assets		**102,666,685**	43,384,387	**99,879,390**	42,391,181
Equity					
Issued capital	20	**75,422,371**	29,222,371	**75,422,371**	29,222,371
Reserves	20	**8,466,529**	2,755,858	**8,466,529**	2,755,858
Retained earnings	20	**18,777,785**	11,406,158	**15,990,490**	10,412,952
Total equity		**102,666,685**	43,384,387	**99,879,390**	42,391,181

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2008

	Share Capital $	Retained Profit $	Asset Revaluation Reserve $	Option Premium Reserves	Total $
CONSOLIDATED ENTITY					
Balance at 1 July 2006	29,222,371	6,734,982	713,118	186,000	36,856,471
Fair value accounting of available for sale financial assets taken directly to equity	-	-	1,856,740	-	1,856,740
Profit attributable to members of parent entity	-	22,171,176	-	-	22,171,176
Dividends paid or provided for	-	(17,500,000)	-	-	(17,500,000)
Balance at 30 June 2007	**29,222,371**	**11,406,158**	**2,569,858**	**186,000**	**43,384,387**
Shares issued during the year	46,200,000	-	-	-	46,200,000
Fair value accounting of available for sale financial assets taken directly to equity	-	-	5,710,671	-	5,710,671
Profit attributable to members of parent entity	-	41,931,627	-	-	41,931,627
Dividends paid or provided for	-	(34,560,000)	-	-	(34,560,000)
Balance at 30 June 2008	**75,422,371**	**18,777,785**	**8,280,529**	**186,000**	**102,666,685**
PARENT ENTITY					
Balance at 1 July 2006	29,222,371	6,216,294	713,118	186,000	36,337,783
Fair value accounting of available for sale financial assets taken directly to equity	-	-	1,856,740	-	1,856,740
Profit attributable to members of parent entity	-	21,696,658	-	-	21,696,658
Dividends paid or provided for	-	(17,500,000)	-	-	(17,500,000)
Balance at 30 June 2007	**29,222,371**	**10,412,952**	**2,569,858**	**186,000**	**42,391,181**
Shares issued during the year	46,200,000	-	-	-	46,200,000
Fair value accounting of available for sale financial assets taken directly to equity	-	-	5,710,671	-	5,710,671
Profit attributable to members of parent entity	-	40,137,538	-	-	40,137,538
Dividends paid or provided for	-	(34,560,000)	-	-	(34,560,000)
Balance at 30 June 2008	**75,422,371**	**15,990,490**	**8,280,529**	**186,000**	**99,879,390**

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

STATEMENT OF CASHFLOWS

For the year ended 30 June 2008

	Notes	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
Cash flows from operating activities					
Receipts from customers (inclusive of goods and services tax)		**95,059,382**	56,603,333	**-**	-
Payments to suppliers and employees (inclusive of goods and services tax)		**(40,904,717)**	(29,506,475)	**(507,669)**	(215,939)
		54,154,665	27,096,858	**(507,669)**	(215,939)
Proceeds from sale of house options		**6,493**	26,656	**-**	-
Dividends received		**547,577**	379,001	**38,636,780**	21,179,001
Interest received		**4,282,278**	2,094,213	**2,487,649**	948,397
Proceeds from sale of trading shares		**23,339,899**	4,075,154	**3,697,909**	-
Income taxes (paid)/returned		**(12,833,768)**	(8,772,405)	**8,652,332**	(3,943,339)
Payments for trading shares		**(23,880,222)**	(2,538,969)	**(4,602,203)**	-
Net cash inflow (outflow) from operating activities	30	**45,616,922**	22,360,508	**48,364,798**	17,968,120
Cash flows from investing activities					
Payments for investments		**(29,238,821)**	(3,049,086)	**(29,238,821)**	(3,049,086)
Payments for investments in controlled entities		**-**	-	**(6,750,000)**	-
Payments for property, plant and equipment		**(294,603)**	(125,706)	**-**	-
Net cash inflow/(outflow) from investing activities		**(29,533,424)**	(3,174,792)	**(35,988,821)**	(3,049,086)
Cash flows from financing activities					
Proceeds from issues of shares and other equity securities		**46,200,000**	-	**46,200,000**	-
Dividends paid		**(19,480,000)**	(12,500,000)	**(19,480,000)**	(12,500,000)
Net cash inflow/(outflow) from financing activities		**26,720,000**	(12,500,000)	**26,720,000**	(12,500,000)
Net increase/(decrease) in cash held		**42,803,498**	6,685,716	**39,095,977**	2,419,034
Cash and cash equivalents at the beginning of the financial year		**50,660,629**	43,974,913	**28,622,689**	26,203,655
Cash and cash equivalents at the end of the financial year	7	**93,464,127**	50,660,629	**67,718,666**	28,622,689

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

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, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Euroz Limited is a listed public company, trading on the Australian Stock Exchange, limited by shares, incorporated and domiciled in Australia.

The financial report of Euroz Limited and controlled entities, and Euroz Limited as an individual parent entity comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS).

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

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 30 June 2008 and the results of all controlled entities for the 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.

(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.

(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.

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	25 %
Plant and equipment	5-33 %

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.

(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 date 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.

(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.

(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

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.

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. Significant Accounting Judgements and Estimates

Estimates and judgements incorporated in the financial report are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

(i) Classification of investments

The group has decided to classify investments in listed securities as held for trading. These securities are accounted for at fair value. Any increments or decrements in their value at year end are charged or credited to the income statement.

(ii) Taxation

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from temporary differences, are recognised only where it is considered more likely than not they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences are recognised to the extent that there are future profits.

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 consolidated entity provides advice in relation to fund management.

Primary reporting - business segments

	Stockbroking $	Principal Trading $	Funds Management $	Total $	Unallocated $	Consolidated $
2008						
Sales and other fees	66,217,877	23,475,095	26,216,031	115,909,003	-	115,909,003
Other revenue	-	-	-	-	4,830,215	4,830,215
Total segment revenue	66,217,877	23,475,095	26,216,031	115,909,003	4,830,215	120,739,218
Segment result	27,520,428	2,012,239	24,424,340	53,957,007	4,292,540	58,249,547
Share of net profit of associate						1,149,870
Profit before income tax expense						59,399,417
Income tax expense						(17,467,790)
Profit after income tax expense						41,931,627
Segment assets	78,345,439	2,789,989	7,510,055	88,645,483	100,191,778	188,837,261
Investments accounted for using equity method						21,149,970
Total assets						209,987,231
Segment liabilities	61,463,223	124,199	5,750,838	67,338,260	39,982,286	107,320,546
Total liabilities						107,320,546
Net assets						102,666,685
Depreciation and amortisation expense	200,685	-	-	200,685	-	200,685
Other non-cash expenses	203,984	-	-	203,984	-	203,984
2007						
Sales and other fees	48,430,807	4,075,154	8,818,943	61,324,904	-	61,324,904
Other revenue	-	-	-	-	2,480,694	2,480,694
Total segment revenue	48,430,807	4,075,154	8,818,943	61,324,904	2,480,694	63,805,598
Segment result	19,847,188	1,596,186	7,884,070	29,327,444	2,266,255	
Profit from ordinary activities before income tax expense						31,593,699
Income tax expense						(9,422,523)
Profit from ordinary activities after income tax expense						22,171,176
Segment assets	58,065,946	-	4,137,163	62,203,109	43,515,406	105,718,515
Total assets						105,718,515
Segment liabilities	46,452,891	-	3,271,137	49,724,028	12,610,100	62,334,128
Total liabilities						62, 334,128
Net assets						43,384,387
Depreciation and amortisation expense	315,323	-	-	315,323	-	315,323
Other non-cash expenses	285,477	-	-	285,477	-	285,477

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2008

Note 4. Revenue

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Revenue from operating activities				
Brokerage	**30,197,608**	21,035,002	**-**	-
Underwriting and management fees	**59,420,890**	35,368,870	**-**	-
Proceeds on sale of principal trading shares	**23,339,899**	4,075,154	**3,697,909**	-
Corporate retainers	**2,808,917**	819,222	**-**	-
House options	**6,493**	26,656	**-**	-
Fair value gains on inventories	**135,196**	-	**(456,225)**	-
	115,909,003	61,324,904	**3,241,684**	-
Other revenue				
Interest	**4,282,278**	2,094,213	**2,487,649**	953,997
Dividends	**547,577**	379,001	**38,636,780**	21,179,001
Other revenue	**360**	7,480	**-**	-
	4,830,215	2,480,694	**41,124,429**	22,132,998
Total revenue	**120,739,218**	63,805,598	**44,366,113**	22,132,998

Note 5. Expenses

Profit before income tax expense includes the following specific expenses:

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Expenses				
Depreciation				
Plant and equipment	**121,978**	172,819	**-**	-
Total depreciation	**121,978**	172,819	**-**	-
Amortisation				
Leasehold improvements	**78,707**	142,504	**-**	-
Total amortisation	**78,707**	142,504	**-**	-
Employee entitlement costs				
Movement in employee entitlements	**248,837**	286,215	**-**	-
Total employee entitlement costs	**248,837**	286,215	**-**	-
Rental expense relating to operating leases				
Minimum lease payments	**370,452**	315,971	**-**	-
Total rental expense relating to operating leases	**370,452**	315,971	**-**	-

Note 6. Income tax

	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
The components of tax expense comprise:				
Current tax	**17,265,264**	9,496,351	**900,520**	220,221
Deferred tax	**202,526**	(73,828)	**(142,148)**	1,680
	17,467,790	9,422,523	**758,372**	221,901
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% (2007: 30%)				
Economic entity	**17,819,825**	9,478,110	**-**	-
Parent entity	**-**	-	**12,268,773**	6,575,568
	17,819,825	9,478,110	**12,268,773**	6,575,568
Add				
Tax effect of:				
- imputation credits	**69,915**	48,729	**4,967,586**	2,723,014
- other non-allowable items	**131,322**	58,113	**55,895**	33
- prior year under provision	**24,738**	-	**24,738**	-
	18,045,800	9,584,952	**17,316,992**	9,298,615
Less				
Tax effect of:				
- rebateable fully franked dividends	**233,049**	162,429	**16,558,620**	9,076,714
- share of profit of associate	**344,961**	-	**-**	-
Income tax attributable to entity	**17,467,790**	9,422,523	**758,372**	221,901
The applicable weighted average effective tax rates are as follows:	**29.4%**	30%	**2%**	1%

The decrease in the weighted average effective consolidated tax rate for 2008 is a result of the tax effect of the share of Ozgrowth Limited profit not being included in the tax expenses.

Reconciliations

	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
i. Gross movements				
The overall movement in the deferred tax account is as follows:				
Opening balance	**(884,422)**	(162,504)	**(1,098,548)**	(301,122)
(Charge)/credit to income statement	**(202,526)**	73,828	**142,148**	(1,680)
Charge to equity	**(2,447,430)**	(795,746)	**(2,447,430)**	(795,746)
Closing balance	**(3,534,378)**	(884,422)	**(3,403,830)**	(1,098,548)

		Consolidated		Parent entity	
		2008	**2007**	**2008**	**2007**
		$	**$**	**$**	**$**
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	**1,101,368**	305,622	**1,101,368**	305,622
	Charged to the income statement	**2,447,430**	795,746	**2,447,430**	795,746
	Closing balance	**3,548,798**	1,101,368	**3,548,798**	1,101,368
	Other				
	Opening balance	**77,260**	139,859	**1,680**	-
	Charged to the income statement	**391,697**	(62,599)	**(1,680)**	1,680
	Closing balance	**468,957**	77,260	**-**	1,680
iii.	Deferred tax assets				
	The movement in deferred tax assets for each temporary difference during the year is as follows:				
	Provisions				
	Opening balance	**294,206**	283,777	**4,500**	4,500
	Charged to the income statement	**189,171**	10,429	**140,467**	-
	Closing balance	**483,377**	294,206	**144,967**	4,500

Tax losses

No part of the deferred tax asset shown in note 14 is attributable to tax losses. The Directors advise that the potential future income tax benefit at 30 June 2008 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 1 July 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	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Cash at bank and on hand	**93,464,127**	47,410,012	**67,718,666**	27,497,381
Deposits at call	**-**	3,250,617	**-**	1,125,308
	93,464,127	50,660,629	**67,718,666**	28,622,689

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	**93,464,127**	50,660,629	**67,718,666**	28,622,689

Deposits at call
The deposits are bearing floating interest rates between 6.15% and 7.2% (2007 – 4.68% and 6.15%).

Note 8. Current assets – Trade and other receivables

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Trade debtors	**58,250,374**	39,299,366	**-**	-
Intercompany tax related loan receivable	**-**	-	**4,205,391**	9,320,331
Goods and services tax (GST) receivable	**-**	-	**-**	6,414
	58,250,374	39,299,366	**4,205,391**	9,326,745

Note 9. Current assets – Inventories

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Trading securities - listed	**2,654,793**	60,000	**1,669,674**	-
Fair value adjustments (i)	**135,196**	-	**(456,225)**	-
	2,789,989	60,000	**1,213,449**	-

(i) The fair value adjustment is based on the closing price of each investment at year end.

Note 10. Current assets – Other current assets

	Consolidated		Parent entity	
	2008	2007	2008	2007
	$	$	$	$
Prepayments	**244,897**	182,220	**-**	-
Accrued income	**1,149,195**	257,534	**-**	5,600
	1,394,092	439,754	**-**	5,600

Note 11. Investments accounted for using the equity method

	Consolidated		Parent entity	
	2008	2007	2008	2007
	$	$	$	$
Investments in associates	**21,149,970**	-	**-**	-

Reconciliation of movement in investments accounted for using equity method

Balance at 1 July	**-**	-	**-**	-
New investments during the year	**20,000,100**	-	**-**	-
Share of profit for the year	**1,149,870**	-	**-**	-
Balance at 30 June	**21,149,970**	-	**-**	-

			Ownership interest	
	Country of		2008	2007
Name of entity	**Incorporation**	**Principal activity**	%	%
Ozgrowth Limited	Australia	Investment company	25	-

Summarised financial information in respect of the Group's associates is set out below:

	Consolidated	
	2008	2007
	$	$
Financial position:		
Total assets	**86,994,222**	-
Total liabilities (excluding dividend payable)	**2,394,641**	-
Net assets	**84,599,581**	-
Group's share of associates' net assets	**21,149,970**	-
Financial performance:		
Total revenue	**8,145,341**	-
Total profit for the year	**4,599,481**	-
Group's share of associate's profit	**1,149,870**	-

Note 12. Non current assets - Financial assets

	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
Investments traded on organised markets				
Investment in un-listed company – at cost	**20,160,408**	10,921,686	**20,160,408**	10,921,686
Fair value adjustment (i)	**11,829,327**	3,671,225	**11,829,327**	3,671,225
Investment in associate – at cost (note11)	**-**	-	**20,000,100**	-
Other (non-traded) investments				
Shares in controlled entities - at cost (note 28)	**-**	-	**18,450,000**	11,700,000
	31,989,735	14,592,911	**70,439,835**	26,292,911

(i) The unlisted company invests mainly in listed shares which are valued at year end at fair value. The unlisted company's fair value at year end is determined by movements in the value of its listed shares.

Non-current assets pledged as security
See note 31 for information on non-current assets pledged as security by the parent entity or its controlled entities.

Note 13. Non current assets - Property, plant & equipment

	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
Land & buildings				
Leasehold improvements				
At cost	**768,458**	611,292	**-**	-
Less: Accumulated amortisation	**(565,556)**	(486,849)	**-**	-
Total land and buildings	**202,902**	124,443	**-**	-
Plant and equipment				
Software				
At cost	**32,074**	32,074	**-**	-
Less: Accumulated depreciation	**(31,695)**	(24,442)	**-**	-
	379	7,632	**-**	-
Office equipment				
At cost	**392,209**	341,062	**-**	-
Less: Accumulated depreciation	**(250,451)**	(241,262)	**-**	-
	141,758	99,800	**-**	-
Furniture, fixtures & fittings				
At cost	**208,047**	326,982	**-**	-
Less: Accumulated depreciation	**(87,519)**	(187,208)	**-**	-
	120,528	139,774	**-**	-
Total plant and equipment	**262,665**	247,206	**-**	-
	465,567	371,649	**-**	-

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 $
2008			
Consolidated			
Carrying amount at 1 July 2007	**124,443**	247,206	**371,649**
Additions	**157,166**	137,437	**294,603**
Disposal/write off	**-**	-	**-**
Depreciation/amortisation expense (note 5)	**(78,707)**	(121,978)	**(200,685)**
Carrying amount at 30 June 2008	**202,902**	262,665	**465,567**
2007			
Consolidated			
Carrying amount at 1 July 2006	**210,766**	342,481	**553,247**
Additions	**56,181**	79,226	**135,407**
Disposal/write off	**-**	(1,682)	**(1,682)**
Depreciation/amortisation expense (note 5)	**(142,504)**	(172,819)	**(315,323)**
Carrying amount at 30 June 2007	**124,443**	247,206	**371,649**

Note 14. Non current assets – Deferred tax assets

	Consolidated		Parent entity	
	2008 $	2007 $	2008 $	2007 $
Deferred tax asset	**483,377**	294,206	**140,467**	4,500
Assets				
Deferred tax assets comprises:				
Provisions	**483,377**	294,206	**140,467**	4,500
Total	**483,377**	294,206	**140,467**	4,500

Note 15. Current liabilities – Trade and other payables

	Consolidated		Parent entity	
	2008 $	2007 $	2008 $	2007 $
Trade creditors	**56,618,444**	37,207,886	**-**	-
Other payables and accruals	**5,454,334**	2,390,617	**62,407**	38,000
	62,072,778	39,598,503	**62,407**	38,000

Note 16. Current liabilities – Current tax liabilities

	Consolidated		Parent entity	
	2008 $	2007 $	2008 $	2007 $
Provision for taxation	**10,151,713**	5,720,216	**10,151,713**	5,720,216

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for the year ended 30 June 2008

Note 17. Current liabilities – Short term provisions

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Dividends	**30,080,000**	15,000,000	**30,080,000**	15,000,000
Employee entitlements (annual leave)	**353,971**	236,451	**-**	-
	30,433,971	15,236,451	**30,080,000**	15,000,000

Note 18. Non current liabilities – Deferred tax liabilities

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Deferred tax liability	**4,017,755**	1,178,628	**3,548,798**	1,103,048
Deferred tax liability comprises:				
Fair value gain adjustments	**3,548,798**	1,101,368	**3,548,798**	1,103,048
Other	**468,957**	77,260	**-**	-
Total	**4,017,755**	**1,178,628**	**3,548,798**	**1,103,048**

Note 19. Non current liabilities – Long term provisions

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Lease incentive	**310,935**	353,400	**-**	-
Employee entitlements (long service leave)	**333,394**	246,930	**-**	-
	644,329	600,330	**-**	-

Note 20. Issued capital

	Parent entity		Parent entity	
	2008	2007	**2008**	2007
(a) Share capital	**Shares**	Shares	**$**	$
Ordinary shares				
Issued and paid up capital - consisting of ordinary shares	**64,000,000**	50,000,000	**75,422,371**	29,222,371

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	$
1-Jul-04	**Opening Balance**	**37,229,239**		**16,944,512**
22/07/04	Options converted	310,100	$0.50	17,099,562
27/07/04	Options converted	42,500	$0.50	17,120,812
29/07/04	Options converted	25,000	$0.50	17,133,312
4/08/04	Options converted	443,000	$0.50	17,354,812
17/08/04	Options converted	447,451	$0.50	17,578,538
25/08/04	Options converted	234,104	$0.50	17,695,590
2/09/04	Options converted	1,199,250	$0.50	18,295,215
7/09/04	Options converted	155,500	$0.50	18,372,965
9/09/04	Options converted	25,000	$0.50	18,385,465
021-9-2004	Options converted	67,500	$0.45	18,415,840
8/10/04	Options converted	429,200	$0.45	18,608,980
8/10/04	Options converted	200,000	$0.50	18,708,105
12/10/04	Capital raising	3,092,161	$0.80	21,182,833
26/10/04	Options converted	9,200	$0.45	21,186,973
26/10/04	Capital raising	250,000	$0.80	21,386,973
5/11/04	Options converted	40,000	$0.50	21,406,973
9/11/04	Options converted	123,300	$0.50	21,468,623
19/11/04	Options converted	62,495	$0.50	21,499,871
1/12/04	Options converted	61,000	$0.50	21,530,371
8/12/04	Options converted	4,000	$0.50	21,532,371
8/03/05	Options converted	300,000	$0.50	21,682,371
26/10/05	Options converted	350,000	$1.20	22,120,371
26/10/05	Shares issued	4,000,000	$1.38	27,622,371
5/04/06	Options converted	250,000	$1.20	27,922,371
27/04/06	Shares issued	650,000	$2.00	29,222,371
20/07/07	Shares issued	7,500,000	$3.30	53,972,371
9/08/07	Shares issued	6,500,000	$3.30	75,422,371
30-Jun-08	**Balance**	**64,000,000**		**75,422,371**

(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) Capital management

The Directors primary objective is to maintain a capital structure that ensures the lowest cost of capital available to the group. At balance date, the group has no external borrowings.

The Directors have no current plans to raise capital on the market through the issue of shares.

The group is not subject to any externally imposed capital requirements.

(e) Options

There were no options on issue at year end.

(f) Movements in retained earnings

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Balance 1 July2007	**11,406,158**	6,734,982	**10,412,952**	6,216,294
Net profit	**41,931,627**	22,171,176	**40,137,538**	21,696,658
Dividends paid	**(34,560,000)**	(17,500,000)	**(34,560,000)**	(17,500,000)
Balance 30 June 2008	**18,777,785**	11,406,158	**15,990,490**	10,412,952

(g) Movement in reserves

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Asset revaluation reserve				
Opening balance	**2,569,858**	713,118	**2,569,858**	713,118
Fair value of available for sale investments	**5,710,671**	1,856,740	**5,710,671**	1,856,740
Closing balance	**8,280,529**	2,569,858	**8,280,529**	2,569,858
Options reserve	**186,000**	186,000	**186,000**	186,000
Total reserves	**8,466,529**	2,755,858	**8,466,529**	2,755,858

The asset revaluation reserve is used to record increments and decrements in the fair value of available for sale investments.

There has been no movement in the options reserve.

Note 21. Dividends

	Parent entity	
	2008	**2007**
	$	**$**
Ordinary shares		
Interim dividend for the half year ended 31 December 2007 of 7 cents (2007 – 5 cents) per fully paid ordinary share paid on 24 January 2008		
Fully franked based on tax paid @ 30%	**4,480,000**	2,500,000
Final dividend declared and provided for at 30 June 2008 of 47 cents (2007 - 30 cents) per fully paid ordinary share		
Fully franked based on tax paid @ 30%	**30,080,000**	15,000,000
Total dividends provided for or paid	**34,560,000**	17,500,000

Franked dividends

The franked portions of the dividends recommended after 30 June 2008 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 2008.

	Consolidated entity	
	2008	**2007**
	$	**$**
Franking credits available for subsequent financial years based on a tax rate of 30%	**11,489,546**	6,771,301

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 22. Financial instruments

(a) Financial risk management

The group's financial instruments consist of deposits with banks, trade receivables and payables, short term investments and available for sale investments. Derivative financial instruments are not used by the group. Senior executives meet regularly to analyse and monitor the financial risk associated with the financial instruments used by the group.

(b) Financial risk exposure and management

(i) Interest rate risk

The group has no borrowings and therefore is not exposed to interest rate risk associated with debt. The group has significant cash reserves and the interest income earned from these cash reserves will be effected by movements in the interest rate. A sensitivity analysis has been provided in the note to illustrate the effect of interest rate movements on interest income earned.

(ii) Liquidity risk

The group manages liquidity risk using forward cashflow projections, maintaining cash reserves and having no borrowings or debt. In addition, at balance sheet date, the group has unutilised credit facilities totalling $20,000,000.

Trade and other payables are expected to be paid as follows:

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Less than 1 month	**62,072,778**	39,598,503	**62,407**	38,000

(iii) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or security, at balance date is the carrying amount of the financial assets disclosed in the balance sheet. There is no collateral or security held for those assets at 30 June 2008.

Credit risk arises from exposure to customers and deposits with banks. Senior management monitors its exposure to customers on a regular basis to ensure recovery and repayment of outstanding amounts. Cash deposits are only made with Australian based banks.

The group invests in listed held for trade financial assets. These investments are held in companies listed on the Australian Stock Exchange and are considered to be liquid in nature. The group also invests in unlisted available for sale financial assets. The financial performance and return of all investments are regularly reviewed by senior management.

At balance date, the aging analysis of trade receivables is as follows:

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
Days	**$**	**$**	**$**	**$**
0-30	**58,250,374**	39,299,366	**-**	-
31-60	**-**	-	**-**	-
61-90	**-**	-	**-**	-
90	**-**	-	**-**	-
	58,250,374	39,299,366	**-**	-

(iv) Net fair values

The carrying amount of financial assets and liabilities recorded in the financial statements approximate their fair value as at 30 June 2008.

(v) Financial instruments composition and materiality analysis

CONSOLIDATED ENTITY	Weighted average interest rate %	Floating interest rate $	Non interest bearing within 1 yr $	Total $
2008				
Financial assets				
Cash and deposits	7	93,464,127	-	93,464,127
Inventories	-	-	2,789,989	2,789,989
Receivables and accrued income	-	-	59,399,569	59,399,569
Other financial assets - investments	-	-	53,139,705	53,139,705
		93,464,127	115,329,263	208,793,390
Financial liabilities				
Trade and other creditors		-	62,072,778	62,072,779
Net financial assets		93,464,127	53,256,485	146,720,611
2007				
Financial assets				
Cash and deposits	6	50,660,629	-	50,660,629
Inventories	-	-	60,000	60,000
Receivables and accrued income	-	-	39,556,900	39,556,900
Other financial assets - investments	-	-	14,592,911	14,592,911
		50,660,629	54,209,811	104,870,440
Financial liabilities				
Trade and other creditors		-	39,598,503	39,598,503
Net financial assets		50,660,629	14,611,308	65,271,937
PARENT ENTITY				
2008				
Financial assets				
Cash and deposits	7	67,718,666	-	67,718,666
Inventories	-	-	1,213,449	1,213,449
Receivables and accrued income	-	-	4,205,391	4,205,391
Other financial assets - investments	-	-	70,439,835	70,439,835
		67,718,666	75,858,675	143,577,341
Financial liabilities				
Trade and other creditors		-	62,407	62,407
Net financial assets		67,718,666	75,796,268	143,514,934
2007				
Financial assets				
Cash and deposits	6	28,622,689	-	28,622,689
Receivables and accrued income	-	-	9,332,345	9,332,345
Other financial assets - investments	-	-	26,292,911	26,292,911
		28,622,689	35,625,256	64,247,945
Financial liabilities				
Trade and other creditors		-	38,000	38,000
Net financial assets		28,622,689	35,587,256	64,209,945

(vi) Sensitivity analysis

The group has performed a sensitivity analysis in relation to interest income and movements in interest rates. The analysis highlights the effect on the current year's results and equity which would have resulted from movement in interest rates with all other variables remaining constant.

	Consolidated		Parent entity	
	2008	2007	2008	2007
	$	$	$	$
Change in profit				
- increase in interest rate by 1%	**935,400**	506,606	**677,186**	286,226
- decrease in interest rate by 1%	**(935,400)**	(506,606)	**(677,186)**	(286,226)
Change in equity				
- increase in interest rate by 1%	**935,400**	506,606	**677,186**	286,226
- decrease in interest rate by 1%	**(935,400)**	(506,606)	**(677,186)**	(286,226)

Note 23. Remuneration of auditors

	Consolidated		Parent entity	
	2008	2007	2008	2007
	$	$	$	$
Assurance services				
Audit services				
Audit and review of financial reports for the company				
Fees paid to Mack & Co firm	**123,750**	145,200	**60,885**	77,000
Total remuneration for audit services	**123,750**	145,200	**60,885**	77,000
Taxation services				
Tax compliance services				
Fees paid to Mack & Co firm	**11,110**	11,550	**11,110**	11,550
Total remuneration for taxation services	**11,110**	11,550	**11,110**	11,550
Advisory services				
Compilation of financial reports and associated services				
Fees paid to Mack & Co firm	**-**	13,200	**-**	13,200
Total remuneration for advisory services	**-**	13,200	**-**	13,200

Note 24. Contingent liabilities

The parent entity and consolidated entity had contingent liabilities at 30 June 2008 as follows:

	Consolidated		Parent entity	
	2008	2007	2008	2007
	$	$	$	$
(i) Secured guarantees in respect of: operating lease of a controlled entity	**500,000**	500,000	**500,000**	500,000

(ii) The wholly owned subsidiary Euroz Securities Limited has received a claim by a client totalling $6,750,000 in relation to trading activities undertaken on behalf of a client.

The Directors have not provided for this claim in the financial statements of Euroz Securities Limited or the consolidated entity for the year ended 30 June 2008 for the following reasons:

- The Directors are of the opinion that there have been no actions by Euroz Securities Limited that support the claim and accordingly the claim will be defended by the company.
- The company has an insurance policy in place that may offset the claim.

At this stage it is difficult to estimate the legal costs that may be incurred in defending the claim.

Note 25. Commitments for expenditure

	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
Other commitments				
Commitments for the cost of services supplied to the consolidated entity but not recognised as liabilities, payable:				
Within one year	**240,000**	200,000	**-**	-
Later than one year but not later than 5 years	**200,000**	-	**-**	-
	440,000	200,000	**-**	-
Operating leases				
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	**339,551**	277,170	**-**	-
Later than one year but not later than 5 years	**1,379,476**	1,222,102	**-**	-
Later than 5 years	**218,466**	326,888	**-**	-
Commitments not recognised in the financial statements	**1,937,493**	1,826,160	**-**	-

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. The lease for Westoz Funds Management's premises at Level 1, Ernst & Young Building is for the period of 5 years commencing on 1 May 2005 and expiring on 30 April 2010.

Note 26. Employee benefits

	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
Employee benefit and related on-costs liabilities				
Provision for employee entitlements – current	**687,365**	494,610	**-**	-
Aggregate employee benefit and related on-costs liabilities	**687,365**	**494,610**	**-**	-

Note 27. Related parties

Key management personnel

(i) Details of Key Management Personnel and Shareholding in Company

Name	Opening and closing balance 30 June 2007	Balance at start of the year	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	-	4,500,000
A McKenzie	4,500,000	4,500,000	-	4,500,000
J Hughes	4,500,000	4,500,000	-	4,500,000
Key management personnel of the consolidated entity				
Ordinary shares				
R Caldow	2,000,000	2,000,000	250,000	2,250,000
G Chessell	1,393,200	1,393,200	16,800	1,410,000
S Yeo	1,500,000	1,500,000	100,000	1,600,000
K Paganin	2,000,000	2,000,000	375,761	2,375,761
D Young	1,500,000	1,500,000	410,000	1,910,000
O Foster	586,000	586,000	460,000	1,046,000
P Rees	500,000	500,000	-	500,000
M Hepburn	500,000	500,000	111,000	611,000
R Kane	1,060,000	1,060,000	100,000	1,160,000
A Clayton	900,000	900,000	100,000	1,000,000

All key management personnel have the title of Director.

(ii) Components of key management personnel.

	Consolidated		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Short-term employee benefits				
- Executive Directors	**4,706,051**	3,683,480	**-**	-
- Specified executives	**9,531,096**	8,126,040	**-**	-
	14,237,147	11,809,520	**-**	-
Post-employment benefits				
- Executive Directors	**150,000**	126,665	**-**	-
- Specified executives	**512,522**	482,103	**-**	-
	662,522	608,768	**-**	-
Total compensation	**14,899,669**	12,418,288	**-**	-

The company has applied the option under Corporations Amendments Regulation to transfer key management personnel remuneration disclosures required by AASB 124 paragraphs 25.4 to 25.7.2 to the Remuneration Report 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 and Westoz Funds Management Pty Ltd Ownership interests in these controlled entities are set out in note 28.

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

	2008	2007
	$	$
Transactions with subsidiaries consists of:		
(i) Subsidiaries company		
- Loans advanced by Euroz Limited to subsidiaries	**4,205,931**	9,320,331
- Loans repaid to Euroz Limited by subsidiaries	**9,320,331**	4,834,399
- Payments of dividends to Euroz Limited by subsidiaries	**38,100,000**	20,800,000
(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	**113,725**	**52,326**

	Parent entity	
	2008	2007
	$	$
Aggregate amounts included in the determination of profit before income tax that resulted from transactions with entities in the wholly-owned group:		
Dividend revenue	**38,100,000**	20,800,000

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 28

Note 28. Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding 2008 %	Equity holding 2007 %	Cost of parent entity's investment 2008 $	Cost of parent entity's investment 2007 $
Euroz Securities Limited	Australia	Ordinary	**100**	100	**17,000,000**	11,000,000
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	**1,450,000**	700,000

Note 29. Events occurring after reporting date

A further investment of $3,000,000 was made in Euroz Securities Limited on 21 August 2008.

A proposed share split of 2 for 1 was put to shareholders at a General Meeting on 7 October 2008. The resolution was approved by shareholders.

Further to the above the Directors are not aware of any other matter or circumstance subsequent to 30 June 2008 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 30. Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated 2008 $	Consolidated 2007 $	Parent entity 2008 $	Parent entity 2007 $
Profit after income tax	**41,931,627**	22,171,176	**40,137,538**	21,696,658
Add/subtract: non-cash items				
Depreciation and amortisation	**200,685**	315,323	**-**	-
Share of net profits of associates	**(1,149,870)**	-	**-**	-
Net (gain)/loss on sale of fixed asset	**-**	1,682	**-**	-
Changes in assets and liabilities				
Decrease/(increase) in trade debtors and other receivables	**(18,951,010)**	(15,501,428)	**5,121,353**	(4,491,263)
Decrease/(increase) in prepayments	**(62,677)**	(119,897)	**-**	-
Decrease/(increase) in accrued income	**(891,661)**	208,664	**5,600**	(5,600)
Decrease/(increase) in inventories	**(2,729,989)**	(60,000)	**(1,213,449)**	-
Decrease/(increase) in deferred tax asset	**(189,172)**	(55,429)	**(140,468)**	-
(Decrease)/increase in trade creditors and other liabilities	**22,474,276**	14,443,409	**24,407**	(1,500)
Increase/(decrease) in provision for income taxes payable	**4,431,497**	768,145	**4,431,497**	768,145
Increase/(decrease) in provision for deferred tax liabilities	**391,697**	(62,599)	**(1,680)**	1,680
(Increase)/decrease in provisions	**203,984**	285,478	**-**	-
Increase/(decrease) in lease incentives	**(42,465)**	(34,016)	**-**	-
Net cash inflow from operating activities	**45,616,922**	22,360,508	**48,364,798**	17,968,120

Note 31. Credit facilities

	Consolidated		Parent entity	
	2008	2007	2008	2007
	$	$	$	$
Unrestricted access was available at balance date to the following lines of credit:				
Credit standby arrangements				
Bank overdrafts	**20,000,000**	10,000,000	**10,000,000**	-
Unused at balance date				
Bank overdrafts	**20,000,000**	10,000,000	**10,000,000**	-

Euroz Securities Ltd, a wholly owned subsidiary of Euroz Limited, has a bank overdraft facility as at 30 June 2008 for up to $10,000,000. 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.

Euroz Limited, has a bank overdraft facility as at 30 June 2008 for up to $10,000,000. 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.

Note 32. Earnings per share

	Consolidated	
	2008	2007
	cents	Cents
Basic earnings per share	**66.6**	44.3
Diluted earnings per share	**66.6**	44.3

	Consolidated	
	2008	2007
	Number	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.	**62,915,068**	50,000,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share.	**62,915,068**	50,000,000

The profit after tax figures used to calculate the earnings per share for both the basic and diluted calculations was the same as the profit figure from the income statement.

Note 33. Standards issued but not effective

The following Australian Accounting Standards have been issued or amended but are not yet effective. They have not been adopted in the preparation of the financial statements for the year ended 30 June 2008.

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date of Group
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	Amending standard issued as a consequence of AASB 8 Operating Segments	1-Jan-09	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. However the new standard may have an impact on the segment disclosures included in the Group's financial report.	1-Jul-09
AASB 8	Operating Segments	This new standard will replace AASB 114 Segment Reporting and adopts a management approach to segment reporting.	1-Jan-09	Refer to AASB 2007-3 above.	1-Jul-09
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	Amending standard issued as a consequence of AASB 123 (revised) Borrowing Costs.	1-Jan-09	As the Group does not currently construct or produce any qualifying assets which are financed by borrowings the revised standard will have no impact.	1-Jul-09
AASB 123	Borrowing Costs	AASB 123 previously permitted entities to choose between expensing all borrowing costs and capitalizing those that were attributable to the acquisition, construction or production of a qualifying asset. The revised version of AASB 23 requires borrowing costs to be capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset.	1-Jan-09	Refer to AASB 2007-6 above.	1-Jul-09
AASB 101 (revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	1-Jan-09	These amendments are only expected to affect the presentation of the group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1-Jul-09

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date of Group
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	1-Jan-09	The group does not make share based payments. As such there will be no financial impact.	1-Jul-09
AASB 3 (revised)	Business combinations	The revised standard introduces a number of changes to the accounting for business combinations	1-Jul-09	The group has no planned business combinations. As such there will be no financial impact.	1-Jul-09
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	1-Jul-09	Refer to AASB 3 (revised) and AASB 127 (revised) above.	1-Jul-09
AASB 2007-2	Amendments to Australian Accounting Standards arising from AASB Interpretation 12	Amending standard issued as a consequence of AASB Interpretation 12 Service Concession Arrangements.	1-Jan-08	As the Group currently has no service concession arrangements or public-private-partnerships (PPP), it is expected that this interpretation will have no impact on its financial report.	1-Jul-08

Note 34. 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

DIRECTORS' DECLARATION

The Directors declare that:

1. the financial statements, notes and additional disclosures included in the Directors' report and designated as audited, 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 2008 and of their performance for the year ended on that date.

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

   (a) the financial records of the company and the consolidated entity for the financial year have been properly maintained in accordance with section 295A 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.

Peter Diamond
Chairman

Jay Hughes
Director

Perth

29 August 2008

INDEPENDENT AUDIT REPORT

Report on the Financial Report

We have audited the accompanying financial report of Euroz Limited (the Company) and the consolidated entity, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

As permitted by the Corporations Regulations 2001, the company has disclosed information about the remuneration of Directors and executives (remuneration disclosures), required by Accounting Standard AASB 124: Related Party Disclosures, under the heading 'Remuneration Policy of the Directors' report and not in the financial report.

Directors' Responsibility for the Financial Report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

The Directors also are responsible for preparation and presentation of the remuneration disclosures contained in the Directors' report in accordance with the Corporations Regulations 2001.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement and that the remuneration disclosures in the Directors' report comply with Accounting Standard AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures in the Directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. In addition to our audit report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

a. the financial report of Euroz Limited and its consolidated entities is in accordance with 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 2008 and of their performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1; and

c. the remuneration disclosures that are contained in the Directors' report and notes to the financial statements comply with Accounting Standard AASB 124 Related Party Disclosures.

MACK & CO

N A Calder

Mack & Co

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

N A Calder, Partner

29 August 2008

CORPORATE GOVERNANCE STATEMENT

Introduction – the Euroz Group

Euroz Limited ("Euroz") is the listed holding company of the Euroz group of companies (the "Euroz Group"). The Euroz Group consists of Euroz together with its wholly owned subsidiaries Euroz Securities Limited ("Euroz Securities") and Westoz Funds Management Limited ("Westoz Funds Management").

Euroz Securities conducts a substantial stockbroking and corporate advisory business which generates the majority of the revenues of the Euroz Group and employs the majority of staff within the Euroz Group. Revenue generated by Euroz Securities is paid by way of dividends to Euroz. Euroz Securities holds an Australian Financial Services Licence ("AFSL") and is regulated by the Australian Securities and Investments Commission ("ASIC") pursuant to the Corporations Act 2001. Euroz is a Participant of the ASX Group and is regulated by ASX Limited and its subsidiary ASX Markets Supervision Pty Limited (together which will be referred to as "ASX") pursuant to the ASX Operating Rules.

Westoz Funds Management also holds an AFSL and its activities are therefore also regulated by ASIC pursuant to the Corporations Act.

Approach to Corporate Governance

Euroz is committed to maintaining a high standard of corporate governance. In this regard, Euroz has decided to early adopt the ASX Corporate Governance Council's revised Corporate Governance Principles and Recommendations ("Revised Principles and Recommendations").

In considering its approach to Corporate Governance in the context of the Revised Principles and Recommendations, Euroz has taken account of the following:

- Euroz is a holding company and the majority of the activity within the Euroz Group is conducted by its wholly owned subsidiary Euroz Securities which conducts a substantial stockbroking and corporate advisory business.

- Euroz Securities and Westoz Funds Management are subject to a rigorous regulatory regime (administered by both ASX and ASIC, where applicable) which includes extensive governance, risk management and reporting obligations.

- Each member of the Board works day to day in the business of the Euroz Group and each member holds a substantial quantity of Euroz shares.

- Many staff within the Euroz Group are largely remunerated by commission based payments and many staff hold Euroz shares. In these circumstances, the interests of the Directors and staff of the Euroz Group are closely aligned to the interests of Euroz's shareholders.

- Euroz has a relatively small number of employees and operates from a single location.

In these circumstances, Euroz has decided to adopt an owner-manager model ("the Direct Governance Model") to Corporate Governance. The key features of the Direct Governance Model being that:

- each member of the Board and the senior executives work in an operational capacity in the business of the Euroz Group on a daily basis;

- Corporate Governance is largely achieved as a result of this close operational involvement rather than via the use of mechanisms and structures which are more suited to different types of businesses which have large numbers of employees who operate from various locations; and

- many corporate governance related issues are dealt with as part of compliance related activities that the Euroz Group undertakes pursuant to obligations created by the Corporations Act and the ASX Operating Rules.

More generally, Euroz believes that the Direct Governance Model (as opposed to other corporate governance mechanisms and structures) is best suited to dealing with the various types of risk that are an inherent and unavoidable part of conducting stockbroking and corporate advisory style businesses.

In accordance with ASX Listing Rule 4.10.3, Euroz provides the following statement regarding the extent to which it has followed the Revised Principles and Recommendations.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The Board has adopted a Charter which sets out the role and functions of Board. The Charter is available from Euroz's website.

In accordance with the Direct Governance Model the members of the Board are also the three most senior executives of the Euroz Group and play an integral part in the day-to-day management of the Group's activities. Accordingly Euroz does not delegate functions in the manner anticipated by this Recommendation.

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

Recommendation 1.2: Companies should disclose the process for evaluating performance of senior executives

The performance of senior executives is reviewed by the Board on an annual basis and also pursuant to the Board's involvement in the day to day operations of the Euroz Group. The performance of senior executives is assessed against 3 broad criteria:

- the financial performance of the respective group or department managed by the senior executive (as applicable);
- the extent to which the senior executive has contributed to the Euroz Group achieving its organisational aims with a particular focus on the maintenance of the commercial reputation of the Euroz Group; and
- the extent to which the senior executive has personally and each member of staff under his or her control has acted in a manner which is in accordance with Euroz's compliance related policies and procedures.

Each member of the Board assesses other Board members performance against these criteria.

The Remuneration Policy set out on pages 16-20 of the Directors Report outlines the methodology used to assess the performance and remuneration of the members of the Board.

The Directors due to their long association with Euroz, their extensive relevant business experience and the fact that their interests are closely aligned to shareholders' interests clearly understand what is required of them. Accordingly, Euroz has formed the view that letters of appointment are not required with respect to the Directors.

Similarly in the context of the matters referred to above, with respect to senior executives (including the Company Secretary and the Chief Operating Officer / Chief Financial Officer of Euroz Securities) Euroz has formed the view that written position statements are not required.

Recommendation 1.3: Companies should provide the information indicated in the Guide to reporting on Principle 1.

Refer to above and further Recommendation 2.6

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

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

In accordance with the Direct Governance Model, Euroz has elected to not comply with this recommendation. Euroz has made this decision as it has formed the view that in the circumstances set out above, the interests of the Board are so closely aligned with the interests of shareholders that independent directors are not required to achieve an effective system of corporate governance.

More generally, given the specialised nature of Euroz's business, the fact that a person, generally speaking, may not be a director of more than one ASX Group Participant and the relatively low level of fees paid to non-executive directors, Euroz has formed the view that it will be difficult to attract suitable candidates to be non-executive directors. However, the Board continues to keep this matter under review.

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 which will be not unreasonably withheld.

Recommendation 2.2: The chair should be an independent director.

In accordance with the Direct Governance Model, Euroz has elected to not comply with this recommendation. Euroz has made this decision as it has formed the view that in the circumstances set out above, the interests of the Board and its Chair are so closely aligned with the interests of shareholders that an independent director as Chair is not required to achieve an effective system of corporate governance.

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

Euroz, in its role as a holding company, does not have a Chief Executive Officer but an analogous role is undertaken in the form of the Managing Director with respect to both Euroz Limited and Euroz Securities Limited.

Recommendation 2.4: The Board should establish a nomination committee

Given its relatively small size, stable structure and the significant level of employee (of the Euroz Group) ownership, Euroz has formed the view that a nomination committee is not necessary for Euroz to achieve an effective system of corporate governance.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors

A review of the performance of the Board and its directors is undertaken by each Director with respect to each other Director and the performance of the Board itself on an annual basis and also as part of the day to day operations of the Euroz Group in accordance with the matters set out with respect to Recommendation 1.2.

The Remuneration Policy set out on pages 16-20 of the Directors Report outlines the methodology used to assess the performance and remuneration of the members of the Board.

An outcome and an advantage of the Direct Governance Model is that the Board has real time access to information regarding all aspects of Euroz's operations and has direct access, at all times, to the Company Secretary.

The Directors have extensive experience with respect to all aspects of the operations of the Euroz Group. In this regard, the section "Information on Directors" set out on page 15 of the Directors Report outlines the experience and qualifications of the Directors. The Directors, pursuant to obligations imposed by the Corporations Act and the ASX Operating Rules and generally, undertake a substantial level of continuing education.

Recommendation 2.6: Companies should provide the information indicated in the Guide to reporting on Principle 2.

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.

Board Evaluation

As per the process stated in Recommendation 2.5 both Annual and Periodic performance evaluations of the Board and its Directors have been conducted during the reporting period.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- the practices necessary to maintain confidence in the company's integrity;
- the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and
- the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

In its role as holding company and given the particular circumstances of the Euroz Group, Euroz does not have a code of conduct of the type anticipated by this recommendation. However overarching codes of ethical conduct have been adopted to provide guidance to Staff.

To this end, all Staff are expected to adhere to the fundamental principles of professional ethics as outlined in the, Regulations, miscellaneous professional statements, and standards of the Group as described in its policies. In summary;

Client Interests

The Board, Directors and Staff acknowledge their responsibility to act in best interest of shareholders and clients (as appropriate).

CORPORATE GOVERNANCE STATEMENT

Confidentiality

Staff have access to clients' confidential information, and it is a critical condition of employment that this information is treated as strictly confidential. Inappropriate use of client's confidential information would be grounds for dismissal.

Examples of inappropriate actions regarding client information are:

- Imparting information to anyone other than to a member of the Group, other than to other parties where such disclosure is normal, necessary (required by law) or client-approved
- Imparting information to clients' employees and or associates.
- Imparting to anyone the names of clients for whom the Group acts, except where such disclosures are normal, necessary (required by law) or client-approved

Disclosures

- Disclosing any information to anyone where such disclosure might be to the detriment of the client or the Group.
- Discussing with relatives or friends any matters relating to the firm's clients or their affairs.

Compliance with Ethical Considerations

All Staff members are responsible for the firm's adherence to the ethical considerations. If any staff members are concerned about any issue in relation to ethical considerations, they are empowered to communicate these concerns to a Director or other Firm Executive, as the staff member believes is appropriate.

Further, Euroz Securities and Westoz Funds Management both pursuant to the obligations imposed by the Corporations Act and the ASX Operating Rules (with respect to Euroz Securities) and generally, have detailed and extensive compliance related policies and procedures in place (including breach of disclosure and reporting procedures so as to comply with particular requirements set out in the Corporations Act and the ASX Operating Rules, as applicable).

These policies and procedures cover issues that would ordinarily be dealt with by a code of conduct and apply to all Directors and staff of the Euroz Group.

Due to their length it is not practical to make these compliance related policies and procedures available on Euroz's website. More generally, these policies and procedures contain intellectual property of the Euroz Group, the confidentiality of which the Euroz Group wishes to maintain.

The Euroz Group is committed to all 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 Euroz Group policies. Each staff member is issued with the Company's Policies and Procedures Manual at the commencement of their employment with the Euroz Group.

The Group provides a number of full time resources for the purpose of monitoring compliance with its policies. These resources report directly to the board for matters of compliance, governance and internal controls.

Recommendation 3.2: Companies should establish a policy concerning trading in company securities by directors, senior executives and employees and disclose the policy or a summary of that policy.

Pursuant to the ASX Operating Rules, all trading in company securities and any other financial product traded on the ASX Market by any Director or staff member of the Euroz Group must receive prior approval from a designated staff member within the Euroz Group and there is a written policy in place with respect to this issue. 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 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 Euroz, 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.

The prevention of insider trading both with respect to company securities and generally is dealt with as part of the Euroz Group's compliance policies and procedures and, in the context of the business conducted by the Euroz Group, is treated as a matter of the upmost importance. In accordance with the above it is not practical or desirable to place this material on Euroz's website.

Recommendation 3.3: Companies should provide the information indicated in the Guide to reporting on Principle 3.

Refer above.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1: the Board should establish an audit committee.

The Board has established an audit committee consisting of Mr Diamond and Mr McKenzie.

Recommendation 4.2: The audit committee should be structured so that it:

- consists only of non-executive directors;
- consists of a majority of independent directors;
- is chaired by an independent chair, who is not chair of the Board; and
- has at least 2 members.

Given the size and composition of the Board it is not possible for Euroz to comply with this recommendation. However, in accordance with the matter set out above, the interests of the members of the audit committee are closely aligned with the interests of shareholders in circumstances where the members of the audit committee have sufficient skills and experience such that they are properly able to discharge this function.

Recommendation 4.3: the audit committee should have a formal charter

A Charter has been adopted which sets out the role and functions of Audit Committee. The Charter is available from Euroz's website.

Further to the Charter, 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 Euroz's auditor, Mack & Co, and senior management of the Euroz Group may also attend meetings of the Audit Committee by invitation.

Given the size and nature of Euroz's business and in the context of the Direct Governance Model, Euroz has formed the view that it is not necessary for Euroz to have an internal audit function so as to achieve its corporate governance objectives.

Recommendation 4.4: Companies should provide the information indicated in the Guide to reporting on Principle 4.

External Auditors are selected by the Board in consultation with Euroz Staff as the Board see fit.

The rotation of engagement Partners is in accordance with the regulations and is on a 5 year within a 7 year basis.

Refer above.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies

Given the nature of its business, Euroz, its Directors and staff are fully aware of ASX Listing Rule disclosure requirements. In the context of the Direct Governance Model and given the close alignment between the interests of shareholders, the Directors and staff of the Euroz Group, Euroz has formed the view that it does not require written policies with respect to this issue. In this regard, Euroz views compliance with this obligation as being the collective responsibility of the Directors and the senior executives of the Euroz Group.

The Company Secretary has been appointed as the person responsible for communications with the Australian Securities Exchange. 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 Euroz's annual report.

Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5.

Refer above.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Euroz is committed to keeping shareholders fully informed of significant developments. In addition to the public announcement of its financial information and disclosure of significant matters pursuant to the ASX Listing Rules, the Company provides the opportunity for shareholders to question the Board and senior executives 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.

Euroz's website provides detailed information regarding the operations of the Euroz Group including copies of all information that has been released to the market.

Given the relative size of Euroz's shareholder base, Euroz has formed the view that it does not need to put a written communications policy in place.

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6.

Refer above.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Recommendation 7.1: Companies should establish policies for the oversight and management of business risks and disclose a summary of those policies.

Euroz undertakes risk management in the context of the activities undertaken by the Euroz Group. The Euroz Group is subject to extensive risk management obligations pursuant to the Corporations Act and the ASX Operating Rules and written policies and procedures are in place so as to ensure compliance with these obligations. Risk management is achieved by way of the implementation of these policies and procedures in the context of the day to day involvement of the Board in the business of the Euroz Group pursuant to the Direct Governance Model. In particular the financial position of Euroz and matters of risk are considered by the Board on a daily basis. The main area of exposure for Euroz is failure of trade settlements by clients and counter parties. Settlements and exposure are monitored on a daily basis. Investments made by Euroz are undertaken pursuant to criteria determined by the Board. Euroz's investments are monitored by 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 associated with being a Participant of the ASX Group, Euroz is required to submit monthly reports to the ASX which disclose information with respect to issues such as solvency, capital liquidity ratios, counter party exposure, large exposure risk and position risk.

In accordance with the above, Euroz has decided to not make the relevant policies and procedures available on its website.

Recommendation 7.2: the Board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

In accordance with the above, risk management is dealt with pursuant to the Direct Governance Model and accordingly this recommendation is not appropriate for Euroz. More generally, the Board performs an internal audit function in circumstances where the interests of the Board are closely aligned with the interests of shareholders. Euroz engages external assistance with respect to this issue, as required.

Euroz has formed the view that, in all of the circumstances set out above, it is not necessary for the Board to convene a risk management committee.

Recommendation 7.3: The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Chief Financial Officer states 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.

Recommendation 7.4: Companies should provide the information indicated in the Guide to reporting on Principle 7.

Refer above.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1: The Board should establish a remuneration committee

Euroz has formed the view that, given the relatively small size of the Board and the close alignment between the interests of Board members and the interests of shareholders, a remuneration committee is not required. Instead, the Board performs the functions that would otherwise be allocated to a remuneration committee. In this regard, the Board convenes separately as a remuneration committee. In performing the functions that would be allocated to the remuneration committee the Board undertakes its functions according to the following principles.

The objective of Euroz'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:

- 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.

In accordance with the above the remuneration committee has decided that there will be no equity-based remuneration paid to directors or staff of the Euroz Group.

Detailed information regarding the remuneration paid to directors and senior executives of the Euroz Group is set out at pages 16-20.

Recommendation 8.2: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives

Euroz does not have any non-executive directors. The remuneration structure adopted by the Euroz Group is in accordance with the mechanisms usually adopted within the stockbroking/financial advisory industries and is appropriate to Euroz's circumstances and goals.

Detailed information regarding both the remuneration paid to directors and staff of the Euroz Group and the structure that underlies remuneration payments is set out at pages 16-20.

Recommendation 8.3: Companies should provide the information indicated in the Guide to reporting on Principle 8.

Refer above.

SHAREHOLDER INFORMATION as at 30 September 2008

DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	Holders	Units	Issued Capital (%)
1 - 1000	505	268,013	0.42
1001 - 5000	789	2,279,048	3.56
5001 - 10000	328	2,645,854	4.13
10001 - 100000	348	9,874,730	15.43
100001 - 9999999999	51	48,932,355	76.46
TOTAL	**2,021**	**64,000,000**	**100**

SHAREHOLDERS - TOP 20

Rank	Name	Units	%
1	Zero Nominees Pty Ltd	22,396,118	34.99
2	Rbc Dexia Investor Services Australia Nominees Pty Ltd	9,362,222	14.63
3	Australian Executor Trustees Limited	2,318,079	3.62
4	Ice Cold Investments Pty Ltd	1,100,000	1.72
5	ANZ Nominees Limited	1,076,583	1.68
6	TPIC Pty Ltd	1,000,000	1.56
7	Yandal Investments Pty Ltd	1,000,000	1.56
8	HSBC Custody Nominees (Australia) Limited	766,245	1.2
9	Mr Geoffrey Francis Brown	650,000	1.02
10	Ice Cold Investments Pty Ltd	650,000	1.02
11	Thorney Investments Pty Ltd	535,700	0.84
12	Sir Ian Mcfarlane	500,000	0.78
13	R J Custodians Pty Ltd	464,300	0.73
14	Westrade Resources Pty Ltd	360,000	0.56
15	Onyx (WA) Pty Ltd	350,000	0.55
16	Rollason Pty Ltd	350,000	0.55
17	Mr William Hugh Mckenzie	305,000	0.48
18	Cedar Park Pty Ltd	300,000	0.47
19	Ice Cold Investments Pty Ltd	300,000	0.47
20	Mr Keith William Sheppard	285,000	0.45
	TOTAL	**44,069,247**	**68.88**

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