



EUROZ
LIMITED

Annual Report 2013

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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

Doug Young
Executive Director

Greg Chessell
Executive Director

Company Secretary

Chris Webster

Principal registered office and place of business

Euroz Limited
ABN 53 000 364 465

Level 18 Alluvion
58 Mounts Bay Rd
Perth Western Australia 6000

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 WA 6000

Telephone: 1300 787 575

Auditor

PKF Mack & Co
Chartered Accountants

Level 4
35 Havelock Street
WEST PERTH WA 6005

Telephone: +61 8 9426 8999

Bankers

Westpac Banking Corporation
109 St Georges Terrace
PERTH WA 6000

Securities Exchange Listings

Euroz Limited shares and options are listed on the Australian Securities Exchange

(ASX: EZL and EZLO).

Website Address

www.euroz.com.au



Euroz

Local Knowledge
Global Distribution

We are a focused, specialist financial services company with a consistent track record of strong shareholder returns.

Chairman's Report



The Directors of Euroz Limited are pleased to announce a pre-tax profit of \$8,084,979 (2012: \$16,882,373) and a net profit after tax of \$6,304,532 (2012: \$11,760,189). This profit equates to earnings per share for the financial year to 30 June 2013 on a normalised basis of 3.8 cents.

The Directors have declared a final dividend of 5.0 cents per share (fully franked) in addition to the interim dividend of 1.5 cents per share fully franked.

The profit from last year's result was achieved in particularly challenging market conditions. Continued pressure on market volumes, particularly in small resources has affected the trading and business environment that we operate in; however we are seeing a gradual improvement in sentiment across the financial markets.

The performance from Westoz Funds Management in terms of returns for investors was up from the previous year. Funds under management as at 30 June 2013 were \$246m. The gross investment return for the year was 6% for Westoz Investment Company Limited and flat for Ozgrowth Limited. Since inception, both investment companies have returned above average returns.

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. At the date of this report Euroz Limited has invested approximately \$59.5m in Westoz Investment Company Limited and Ozgrowth Limited.

A total of \$151m of fully franked dividends have been paid to our shareholders over the last thirteen years.

The Directors believe our long term future remains in focusing on West Australian based initiatives and that from time to time conditions in our market can be very challenging. In acknowledging that we are still in a difficult market, we remain positive that our consistent strategy and strong balance sheet will provide the Group with a solid platform for growth in the medium to long term.

The contribution of our employees this year has again been a significant factor in our continued profitability. Our employees' motivation is also supported by their strong share ownership in the company which is currently around 45% of Euroz Limited.

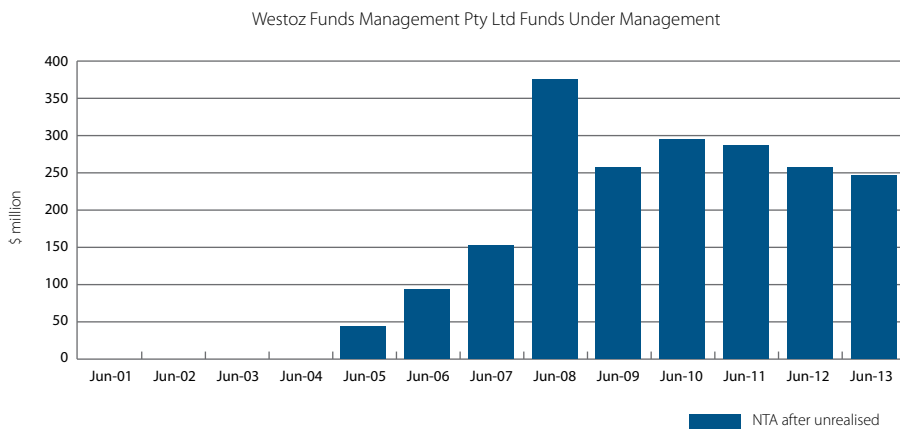
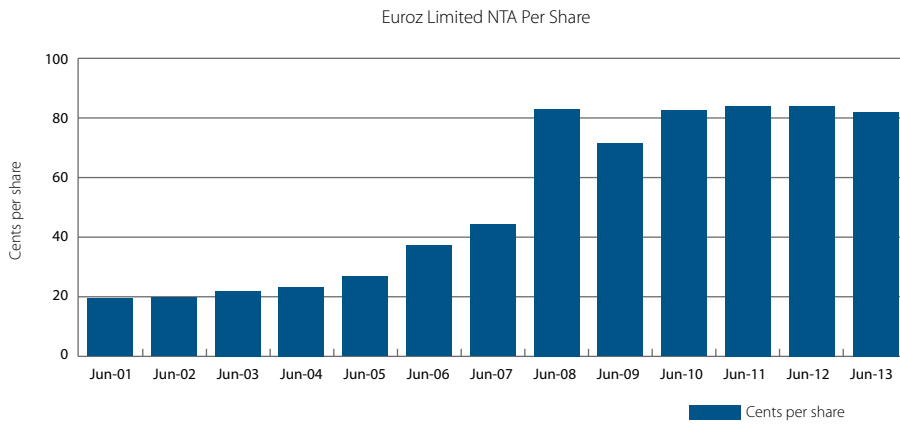
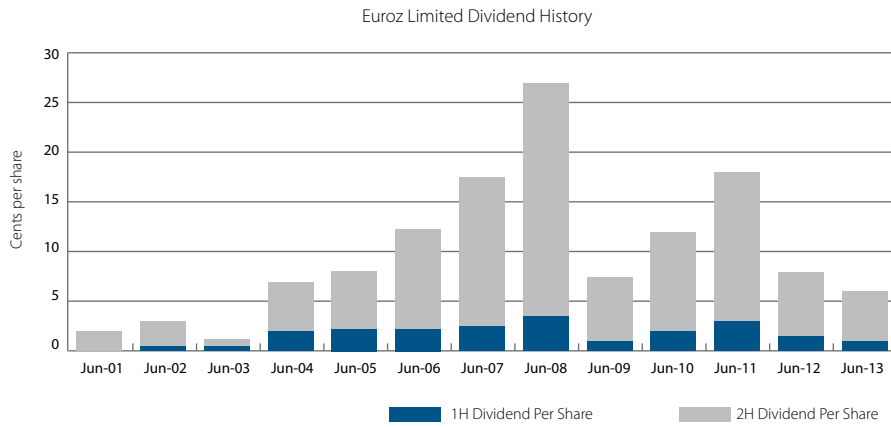
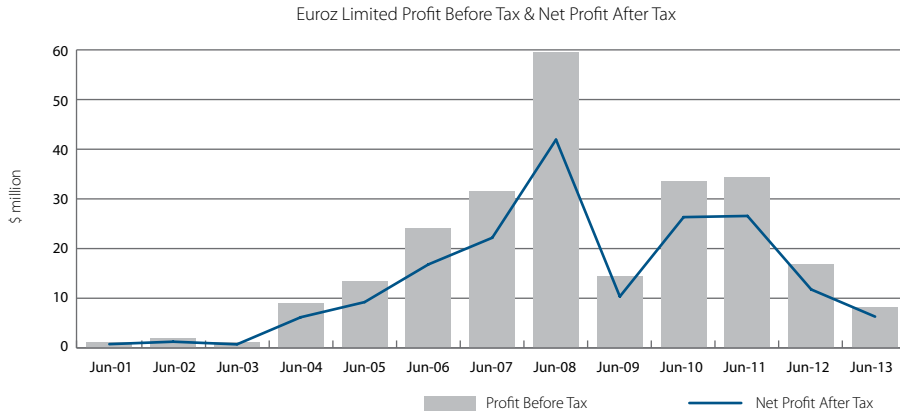
The Directors would like to thank our three core stakeholders: our shareholders, staff and clients for their support and efforts in what has been a challenging year. Euroz Limited is currently trading profitably, has no debt and with a strong balance sheet, is optimistic that even in these challenging markets we look forward to the opportunities that our strong base and motivated employees can deliver us in the future.

As disclosed to the market in August, I will be stepping down as Chairman of Euroz Limited at the 2013 Annual General Meeting. I am honoured to have served the position of Chairman for the past 13 years and look forward to enjoying the continued success of the company in a different capacity. The Company is in the good hands of an enthusiastic and talented group of individuals and I am confident of their future success.

Finally, I would like to thank all the staff, shareholders and clients who have supported me and Euroz over the last 13 years. It has been an incredible journey.

A handwritten signature in black ink, appearing to be 'Peter Diamond', written in a cursive style.

Peter Diamond
Executive Chairman



Managing Director's Report



The strong performance of both the Western Australian economy and commodity prices over our 13 year history has assisted us to report excellent shareholder returns over time. During this period we have generated \$179 million of net profits and paid \$151 million in fully franked dividends for our Euroz Limited shareholders which on any measure has been an outstanding achievement.

Whilst our businesses all remain firmly Western Australian focussed it is worth remembering that the financial performance of all our Group companies is closely linked to the market cycle. We are not a widget factory that has predictable growing demand for our products every year and whilst we always aim to improve and refine our strategies we should not forget the overarching impact that the market cycle will have on our businesses.

We should not logically expect to repeat the heady profits of 2006-2008 every single year and neither should we expect the very difficult markets of 2000-2002 or of the past financial year to repeat every year either.

Instead we should regard the cycle of the last year or so as a period in which we felt secure with our strong balance sheet, where we limited our mistakes, where we continued to retain key employees but most importantly where we are aware that this is a time of opportunity. In a time where our direct competitors are enduring further paralysing staff and cost cutting measures I am pleased to report that in recent months we have laid the foundations for an improved performance into the next cycle.

Our staff are our most important asset and we are currently going through some modest internal change and a refining of our strategies that are already generating improved commitment and sentiment in our people. In broking it can sometimes be difficult attracting quality new staff but we have been modest net hirers in recent months and I expect this trend to continue.

The past year saw a significant "hunt for yield" and a major divergence in performance occurred between industrial and resource shares. Whilst the ASX200 Accumulation index finished the financial year up 22.7% the Small Resources index, which is a good indicator for our investment universe, finished the year down by a staggering 48%.

These difficult markets for us therefore led to lower market turnover and completed equity capital raisings but we are pleased to report that our all of our businesses managed to remain profitable for the year.

Our Group net profit for the year was \$6.3 million which reflects modest profits in Euroz Securities and Westoz Funds Management plus the increasingly important equity accounted profit contributions from our investments in the Westoz Investment Company (WIC) and Ozgrowth Limited (OZG).

A summary of our major financial highlights for the year include:

- Normalised net profit of \$5.5 million.
- Payment of \$9.4 million in fully franked dividends.
- Cash and investments of \$125 million (pre- dividend).

Euroz Limited

Euroz Limited is the holding company for our two core businesses; Euroz Securities and Westoz Funds Management.

Euroz Limited also manages cash and investments in its own right with the major investments being our 24.09% holding in WIC and a 36.58% holding in OZG. These key investments cost \$59.5 million and at June 30 they had a look through (NTA) value of \$68.5 million.

Euroz Securities Limited

Euroz Securities is our highly specialised stockbroking business that provides research, dealing and corporate finance services to our well established retail, institutional and corporate client base.

Deal flow from Euroz Securities will tend to have an effect on all of our Group businesses and the past year saw more limited opportunities given the difficult macro environment.

Our Research department is the frontline of our broking organisation and their efforts in finding new coverage and in depth information will reap rewards into the next cycle.

We were pleased with the contribution from our Institutional department whose long term trusted relationships with both domestic and offshore institutional investors continue to give us excellent Equity Capital Markets distribution when deals arise.

Our Retail Dealing department has required some regeneration and we are currently hiring additional, experienced advisers to add more depth to our team.

Our Corporate Finance department has endured one of the quietest ECM markets for many years but we have also made new hiring's here and our pipeline of opportunities has recently improved.

Westoz Funds Management

Westoz Funds Management is responsible for managing the funds of the Westoz Investment Company Limited and Ozgrowth Limited. It earns income on a percentage of funds under management and on possible outperformance fees.

As we are the largest shareholder in each of these companies the performance of these funds is absolutely critical to us and similarly aligns our interests with their respective shareholders.

The Westoz Investment Company Limited reported investment returns of 6.1 % and paid dividends of \$11.5 million (9c per share) for the past financial year.

Ozgrowth Limited reported a modest fall of 0.2% over the year. Despite this fall, the Company paid dividends of \$5.4 million (1.5c per share) for the past financial year.

Both investment companies are targeting similar dividend payments in the current financial year.

We are pleased to report that Westoz Funds Management have made a number of successful initiatives to narrow the discount to NTA that these companies trade at on the ASX and we acknowledge that more work can be done in this area.

We remain very conscious that the primary desire from Euroz Limited and indeed all of their respective shareholders is improved investment performance.

Farewell/ The Future

The past 13 years has seen many great achievements at the Euroz Group where we have established a major position in WA Capital Markets and built an extremely solid balance sheet and generated significant profits for shareholders. Throughout this entire time we have been led by our Executive Chairman, Mr Peter Diamond who has recently notified us of his intention to retire at the upcoming AGM.

Peter has made a massive contribution to the entire Euroz Group during these 13 years. He has been the driving force behind the establishment of Westoz Funds Management and his vision of creating a parochial and locally focussed WA funds management group has been fully realised. Peter has also been a major architect of our strategy to build our balance sheet from some \$4 million when he started to approximately \$125 million of cash and investments today.

I have been privileged to work with Peter over the past 22 years and I thank him for the many opportunities he has brought to our Group and for his excellent counsel and advice.

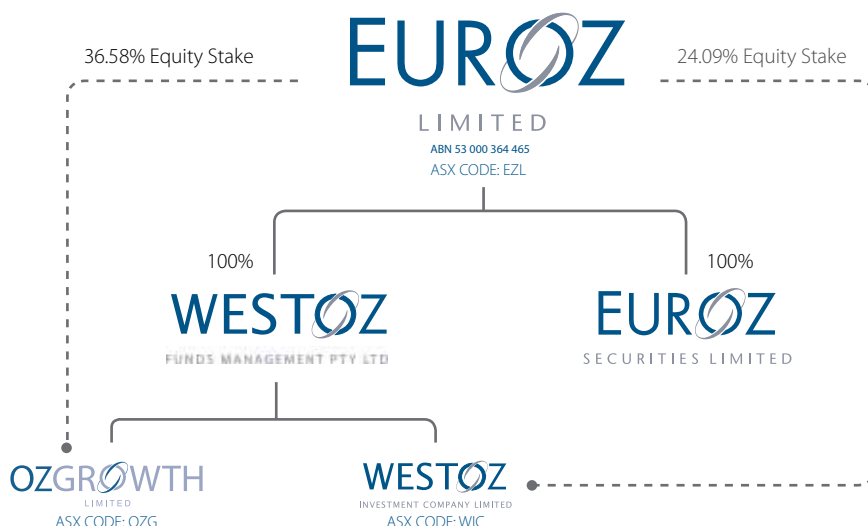
Peter leaves our Group in fantastic shape and I am sure all staff look forward to maintaining a strong relationship with him and join me in thanking him for his efforts over many years.

Our Directors are optimistic that our Group is well positioned to capitalise on improved markets and we look forward to better times ahead.



Andrew McKenzie
Managing Director

Euroz Group Organisational chart





Euroz Securities Limited Directors' Profiles

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 the Financial Services Institute of Australasia (FINSIA). He was recognised as an affiliate of the ASX in December 2000 and was admitted in May 2004 as a Practitioner Member (Master Stockbroking) of the Stockbrokers Association of Australia (SAA).

Peter Diamond
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 is also the chairman of Westoz Investment Company Limited (WIC) and Ozgrowth Limited (OZG). He holds a Bachelor of Business from Curtin University and is a Member of Certified Practising Accountants Australia (CPA).

Russell Kane
Executive Director

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

Ben Laird
Executive Director

Ben Laird has been with Euroz since 2001 working on the institutional sales desk. Ben is a Chartered Financial Analyst (CFA) and also holds a post graduate diploma from the Financial Services Institute of Australasia (FINSIA) and a Bachelor of Science Degree from Curtin University.

Andrew McKenzie
Managing Director

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

Rob Black
Executive Director

Rob is the Head of Institutional Sales and is responsible for servicing domestic and international institutions. Rob holds a Bachelor of Business from Curtin University with majors in Finance and Accounting, and is a Graduate of the Australian Institute of Company Directors (AICD).

Lucas Robinson
Executive Director

Lucas has been advising in the stockbroking industry since 1998 advising retail clients. He holds a Bachelor of Commerce from the University of Western Australia (UWA) with a double major in Finance and Marketing and a minor in Business Law.

Anthony Brittain
Executive Director

Anthony is the Chief Operating and Financial Officer. Prior to joining Euroz he spent 7 years at a WA stockbroker holding roles including Executive General Manager and Head of Operations. Prior to that Anthony worked in London and Singapore for 7 years with a UK fund manager. Anthony holds a Bachelor of Commerce (UWA), is a member of the Institute of Chartered Accountants (CA), a Certified Information Systems Auditor (CISA), holds a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia (FINSIA), is a Graduate of the Australian Institute of Company Directors and is a member (Master Stockbroking) of the Stockbrokers Association of Australia (SAA).

Simon Yeo
Executive Director

Simon is Head of Retail Dealing 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 from the University of Western Australia and was previously a member of the Institute of Chartered Accountants (CA).

James Mackie
Executive Director

James has been working in the stockbroking industry since 1998. He holds a Bachelor of Commerce from Curtin University and a Graduate Diploma from the Financial Services Institute of Australasia (FINSIA). His role is servicing high net worth investors on the retail desk.

Richard Caldwell
Executive Director

Richard holds a Bachelor of Commerce with a double major in Accounting and Finance from the University of Western Australia. Richard has worked as an advisor in the stockbroking industry since 1992 and previously as a chartered accountant.

Richard Caldwell Absent



Jon Bishop
Executive Director

Jon is a resource analyst focused upon both the mining and oil and gas sectors. He has more than 10 years technical and commercial experience within the petroleum and minerals industries. Jon holds a Bachelor of Science (Hons) in Geology from the University of Western Australia, as well as a Graduate Diploma in Applied Finance and Investment from the Financial Services Institute of Australasia (FINSIA).

Andrew Clayton
Executive Director

Andrew is a research analyst specialising in resource companies. He has worked in the stockbroking industry since 1995. Andrew holds a Bachelor of Science (Hons) in Geology from Melbourne University, as well as a Diploma in Finance from the Financial Services Institute of Australasia (FINSIA).

Greg Chessell
Head of Research

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 Bachelor of Applied Science in Geology from The University of Technology, Sydney (UTS) and a Graduate Diploma in Business from Curtin University.

Gavin Allen
Executive Director

Prior to joining Euroz Securities, Gavin was a senior manager in the Corporate Finance division of a major accounting firm, specialising in the financial analysis of mergers and acquisitions. Gavin has a Bachelor of Commerce, is a member of the Institute of Chartered Accountants in Australia (CA) and holds a Chartered Financial Analyst (CFA) designation.





Brian Beresford
Executive Director

Prior to joining Euroz, Brian was a partner in the Corporate Finance division of PwC, which he joined in 2007 when PwC acquired GEM Consulting (GEM). Brian was a director and shareholder of GEM. He has managed capital raisings, and provided advisory services to clients across the resources, mining services, engineering, technology and manufacturing sectors. Brian holds a Masters in Finance from London Business School, and a Bachelor of Commerce and Bachelor of Laws from the University of Western Australia.

Nick McGlew
Executive Director

Nick has over 12 years experience in mergers, acquisitions, corporate and commercial law and corporate finance with major firms in Australia and the United States. He holds a Bachelor in Economics from the University of Western Australia, a Bachelor of Laws from Bond (Bond) and a Master of Laws from New York University (NYU).

Douglas Young
Head of Corporate Finance

Doug is Head of Corporate Finance. He has over 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 from the University of Western Australia (UWA) and is a fellow and graduate of the Financial Services Institute of Australasia (FINSIA).

Brent Bonadeo
Executive Director

Prior to commencing employment with Euroz, Brent was Managing Director, oil and gas at RBC Capital Markets and a Director in Investment Banking at Merrill Lynch. He has profound experience in Oil and Gas, Mining and Metals, Infrastructure and Financial Services. Brent holds a Master in Business Administration for the Australian Graduate School of Management and Bachelor of Economics from the University of Western Australia.

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 research on WA based resource and industrial companies enable 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
 - Web based access to portfolios and ledgers

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
 - Weekly Informer: Compilation of all company reports throughout the preceding week
 - Quarterly and/or Semi-annual Review: Regular coverage on midcap companies in book format
 - Company Reports: Detailed analysis on companies as opportunities emerge

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 \$390m in new equity this financial year

Institutional Dealing

- Largest institutional dealing desk based in Western Australia
- Team of ten 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



Westoz Funds Management

Westoz Funds Management is responsible for \$245m of funds under management at 30 June 2013. It manages funds under mandates from two Listed Investment Companies; Westoz Investment Company Limited and Ozgrowth Limited. Both companies have enjoyed competitive portfolio returns since inception.

Westoz Investment Company Limited commenced trading on the ASX in September 2009 after 4 years as an unlisted company. Since inception in May 2005, Westoz Investment Company Limited has grown its net asset per share from \$1.00 to \$1.22 at 30 June 2013 and has paid 54.0 cents per share in fully franked dividends.

Ozgrowth Limited has been listed on the ASX since January 2008. Having raised its capital at its capital at 20.0 cents per share at its establishment, it has grown net assets per share to 21.1 cents at 30 June 2013 and paid 5.8 cents per share in dividends.

Westoz Investment Company Limited and Ozgrowth Limited have now paid \$85m in dividends to shareholders since inception.

Philip Rees
Executive Director
(Westoz Funds Management)

Mr Philip Rees is an Executive Director 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 26 years. He has previously managed large institutional investment portfolios and developed several early stage investment opportunities until he joined Westoz in April 2005.

Dermot Woods
Executive Director
(Westoz Funds Management)

Mr Dermot Woods is an Executive Director of the manager and oversees the construction of its investment portfolios.

Mr Woods joined Westoz Funds Management in 2007. He has previously worked as an industrial analyst for Euroz Securities and prior to this role, as a fund manager specialising in European equities.

Euroz Group Community Activities

Euroz Charitable Foundation

The Euroz Group has been fortunate to have benefited from strong investment markets and a vibrant local economy over many years. Euroz are proudly West Australian focused and we believe we have an obligation to give back to Western Australian charities in need.

In 2007, the Euroz Charitable Foundation was formed in a Private Ancillary Fund (PAF) structure through which Euroz could make donations, invest these funds and make distributions to worthy charities and contribute to the broader community.

During the past 6 years all businesses within the Euroz Group and many of our staff members have made consistent donations to the Foundation. The funds of the Foundation continue to contribute and make a difference to Western Australian charities.

Euroz Securities Scholarships

In addition to direct donations, Euroz have collaborated with the University of Western Australia in a program to provide financial assistance to outstanding students who otherwise would not have the opportunity to further their studies.

Euroz Securities is offering equity and merit based scholarships to assist students in financial hardship and achieve academic success.

The scholarship program was inaugurated in 2012 and currently supports 6 students through to graduation. Each year we will support 3 more students – by 2014, 9 students will benefit from a Euroz Securities Scholarship.

Beneficiaries

The Euroz Charitable Foundation has been delighted to support the following charities, amongst others, during the past financial year:



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.

Our move to a new, premium 4.5 star NABERS Energy rated building in early September 2010 is consistent with our green office initiatives and has facilitated the achievement of some of our targets whereby we aim to increase recycling and reduce waste, reduce the use of power, reduce energy consumption and purchase environmentally friendly products.

This initiative has been strongly supported by members of the Euroz Group of companies since its inception 5 years ago.



Financial Report 2013

Directors' Report

Your Directors present their report on the consolidated group consisting of Euroz Limited and the entities it controlled at the end of, or during the year ended 30 June 2013.

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:

Executive Chairman

Peter Diamond

Executive Directors

Andrew McKenzie - *Managing Director*

Jay Hughes - *Director*

Doug Young - *Director*

Greg Chessell - *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 and up to the date of this report:

Name	Position	Employer
R Caldwell	Director	Euroz Securities Limited
S Yeo	Director	Euroz Securities Limited
R Kane	Director	Euroz Securities Limited
A Clayton	Director	Euroz Securities Limited
A Brittain	Director	Euroz Securities Limited
G Allen	Director	Euroz Securities Limited
R Black	Director	Euroz Securities Limited
B Beresford	Director	Euroz Securities Limited
B Laird	Director	Euroz Securities Limited
J Bishop	Director	Euroz Securities Limited
J Mackie	Director	Euroz Securities Limited
N McGlew	Director	Euroz Securities Limited
A Fresson	Director	Euroz Securities Limited (Resigned 8 May 2013)
L Robinson	Director	Euroz Securities Limited
B Bonadeo	Director	Euroz Securities Limited (Appointed 5 July 2013)
P Rees	Director	Westoz Funds Management Pty Ltd
D Woods	Director	Westoz Funds Management Pty Ltd
S Joyner	Non - Executive Director	Westoz Funds Management Pty Ltd (Appointed 19 September 2012)

Company Secretary

Chris Webster held the position of Company Secretary at the end of the financial year. Chris was appointed Company Secretary in January 2013. Chris has worked in the Financial Services Industry since 2003 holding a variety of positions in Sales, Operations, Risk and Compliance with Euroz in Perth and Deutsche Bank in London.

Directors' Report

Principal activities

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

- (a) Stockbroking;
- (b) Corporate Finance; and
- (c) Funds Management
- (d) Investing

Review of results

The Directors of Euroz Limited are pleased to announce a consolidated pre-tax profit of \$8,084,979 for the year ended 30 June 2013.

The consolidated net profit after tax was \$6,304,532 compared with the 2012 year consolidated net profit after tax of \$11,760,189. This profit represents basic earnings per share of 4.38 cents versus 8.20 cents in the 2012 year.

The Directors have declared a final dividend of 5.0 cents per share fully franked which, combined with the interim dividend of 1.5 cent per share, represents a total dividend of 6.5 cents per share fully franked.

Review of operations

	Segment revenues		Segment results	
	2013	2012	2013	2012
	\$	\$	\$	\$
Stockbroking	23,936,708	47,564,481	2,049,475	9,652,609
Principal Trading	9,819,875	45,889,043	(240,619)	(132,361)
Funds Management	2,839,100	2,882,683	1,371,224	1,441,604
Unallocated revenue	3,557,169	2,403,935	3,124,452	798,337
	40,152,852	98,740,142	6,304,532	11,760,189

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

Operating and Financial Review

The purpose of this review is to set out information that shareholders may require to assess Euroz's operations, financial position, and business strategies and prospects for future financial years. This information complements and supports the Financial Report presented herein.

Disclosure of operations

The Euroz Group is principally involved in the following activities:

- (a) Stockbroking;
- (b) Corporate Finance;
- (c) Funds Management, and
- (d) Investing

Directors' Report

Our operations are conducted entirely from one office in Perth, Western Australia. Details regarding our operations are outlined below:

(a) Stockbroking

Our stockbroking division comprises 3 main areas as follows:

(i) Equities Research

- Highly rated research from market leading research team of 6 analysts
- Our views are highly rated by Australian and international institutions
- 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:
 - Morning Note: Overnight market updates
 - Weekly Informer: Compilation of all company reports throughout the preceding week
 - Quarterly and/or Semi-annual Review: Regular coverage on mid-cap companies in book format
 - Company Reports: Detailed analysis on companies as opportunities emerge

(ii) Institutional Dealing

- One of the largest institutional small to mid-cap dealing desks in the Australian market
- Extensive client base of Australian and International institutional investors with strong relationships with the small company fund managers
- 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

(iii) Retail Dealing

- A unique and predominantly "high net worth" client base (s.708 compliant investors)
- Significant capacity to support new issues and construct first class retail share registers
- Exposure to high net worth clients via in-house conferences and one-on-one presentations
- Team of highly experienced and qualified private client advisors
- Extensive research support - high quality research on WA based resource and industrial companies enable 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

Directors' Report

(b) 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:
 - Equity Capital Raisings and Underwriting
 - 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

(c) Funds Management

Westoz Funds Management is responsible for \$246m of funds under management at 30 June 2013. It manages funds under mandates from two Listed Investment Companies; Westoz Investment Company Limited and Ozgrowth Limited. Both companies have enjoyed competitive portfolio returns since inception.

Westoz Investment Company Limited commenced trading on the ASX in September 2009 after 4 years as an unlisted company. Westoz Investment Company Limited reported an investment return in line with the small to mid-cap market for the past year and declared 9¢ in fully franked dividends for FY 2013 (compared with 4¢ in FY 2012).

Ozgrowth Limited has been listed on the ASX since January 2008 and reported a small positive investment return and a fully franked dividend of 1.5¢ for FY 2013 (compared with 1¢ in FY 2012).

Westoz Investment Company Limited and Ozgrowth Limited have now paid \$85m in dividends to shareholders since inception.

(d) Investing

Our core investments consist of significant shareholdings in Westoz Investment Company Limited (WIC.ASX) totalling 24.09% and Ozgrowth Limited. (OZG.ASX) totalling 36.58%. The investment focus of these funds is on small to mid-cap ASX listed securities, generally with a connection to Western Australia.

Disclosure of operations — Profit

Net profit after tax for FY 2013 was \$6.3m down by 47% from \$11.8m.

The Directors are pleased with this result and that all of our operating businesses remained profitable for the year. Our business model has withstood extremely challenging business conditions during this period.

The equity accounted value of our investments in the Westoz Investment Company Limited ("WIC") and Ozgrowth Limited ("OZG") can have a major impact on our reported profit numbers. Whilst the value of these investments was up on the full year, our group normalised net profit after tax was lower than at the half year result due to a fall in the value of these investments in the second half.

Disclosure of operations — Sales

Revenue has decreased by 59% from \$98.8m to \$40.1m with significant reductions in stockbroking and principal trading revenue.

(a) Stockbroking and Corporate Finance

Stockbroking revenue was down by 46% from \$47.5m in FY12 to \$25.8m in FY13 as a result of lower brokerage volumes and the lower volume of equity market capital raisings in our Corporate Finance division. Reduced brokerage in equities trading reflects the depressed equities market volumes in small to mid-cap equities. Euroz Securities is solely focused on the ASX cash equities market and although our market share of ASX trading volumes has remained relatively consistent over the past 5 years the overall turnover of ASX cash equities was down on the previous year.

In addition the lower volume of equity market capital raisings in our Corporate Finance division was offset only slightly by increased corporate advisory mandates. In FY13 Euroz raised \$391m of new capital compared to \$810m in FY12. Again this is a reflection of the depressed state of the small to mid-cap equities market.

Directors' Report

(b) Principal Trading

Revenue from principal trading reduced by 78% from \$45.9m in FY12 to \$9.8m in FY13. Trading volumes from Principal Trading was unusually high in FY12 due to a number of in-the-money option exercises conducted and funded for a small number of high net worth corporate clients.

(c) Funds Management

Revenue from Funds Management was stable at \$2.8m for FY13 compared to \$2.8m for FY12 division reflecting consistent management fee revenues on relatively unchanged levels of funds under management without any performance fees having been generated for FY12 or FY13.

Disclosure of business strategies and prospects — Growth

Volatile commodity prices and resource markets continue to affect our deal flow and turnover in the short term but we remain confident that our Group is well positioned for better markets when they return.

This year's result was achieved in particularly challenging market conditions. Turbulence in financial markets around the world has affected the trading and business environment that we operate in, and we expect these conditions to continue in the near future.

The Directors believe our long term future remains in focusing on West Australian based initiatives and that from time to time conditions in our market can be very challenging. In acknowledging that we are still in a difficult market, we remain positive that our consistent strategy and strong balance sheet will provide the Group with a solid platform for growth in the medium to long term.

Disclosure of business strategies and prospects—Material business risks

The past year continues the six year trend of extremely volatile trading conditions since the GFC. Like many businesses we have experienced solid trading months which are often then undermined by any combination of uncertainties. These may take the form of European concerns, weaker Chinese growth and/or alternating commodity price movements.

Stable market conditions give traditional investors the confidence to invest and this continuing volatility is clearly affecting this decision making. This lack of investor confidence is demonstrated through lower overall daily ASX turnover for all participants in the past year.

We continue to see unprecedented competition from both small and larger players. We have previously reported that our competition has been severely impacted by these difficult trading conditions and we believe that over time our relative market position and profitability will be seen to have improved. Given this backdrop and the increasingly competitive landscape it has created, we are extremely pleased with our overall results for the financial year. Our entire team has worked hard to produce profits and dividends that, whilst down on previous periods, are significantly better than almost all of our competitors, either large or small.

Financial position

The net assets of the consolidated group have decreased from \$120,722,032 at 30 June 2012 to \$117,752,143 in 2013. This decrease has largely resulted from adjustments to the carrying value of investments as at 30 June 2013.

The company's financial performance has enabled it to continue to pay dividends to shareholders during the year while maintaining a healthy working capital ratio. The consolidated group's working capital, being current assets less current liabilities, has decreased from \$45,918,414 in 2012 to \$42,025,077 in 2013.

During the past seven 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 Pty Ltd. The company's holdings in associated entities are \$68,515,611 as at 30 June 2013.

Our Group remains in an extremely sound financial position with cash and investments of \$125m as at 30 June 2013. We have Net Tangible Assets (NTA) of 82¢ per share and no debt. Euroz has a proud history of consistent profits and dividends having paid \$151m in fully franked dividends over 13 years.

Directors' Report

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

	2013 Cents	2012 Cents
Earnings per share		
Basic earnings per share	4.38	8.20
Diluted earnings per share	4.35	8.11
	2013 \$	2012 \$
Dividends Euroz Limited		
Dividends paid or provided for during the financial year were as follows:		
Interim ordinary dividend of 1.5 cents (2012 – 1.5 cents) per fully paid ordinary share was paid on 25 January 2013.	1,549,718	2,554,359
Provision for final ordinary dividend for 30 June 2013 of 5.0 cents (2012 – 6.5 cents) per fully paid ordinary share paid on 31 July 2013	7,802,622	9,341,110
	9,352,340	11,895,469

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the consolidated group during the year.

Share options

A total of 105,092 options were exercised during the year at an exercise price of \$0.75. At the date of this report, there are 3,437,996 unissued ordinary shares of Euroz Limited under option.

Environmental regulation

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

After balance date events

Peter Diamond, the Chairman of the Company has announced his intention to retire at the forthcoming Annual General Meeting. Mr Diamond has been an Executive Director and Chairman of the Company for 13 years.

It is the intention, following Mr Diamond's retirement, that Mr Andrew McKenzie, the current Managing Director will be appointed Executive Chairman of the Company.

The Directors are not aware of any other matter or circumstance subsequent to 30 June 2013 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

The Directors are confident that a strong statement of financial position and established business platforms will support the company in increasingly volatile market conditions. However, it is likely that we will continue to experience volatile trading conditions in the next financial year.

Further information on likely developments in the operations of the consolidated group 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 group.

Directors' Report

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 <i>Chairman</i>	Mr Diamond has worked in the stockbroking industry since 1986.	Executive Chairman Chairman of Audit Committee Chairman of Remuneration Committee Holds a Bachelor of Business Degree (BBus) and is a member of CPA Australia.	10,000,000	-
A McKenzie <i>Managing Director</i>	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 (FINSIA) and is a Fellow of the Australian Institute of Company Directors.	10,000,000	-
J Hughes <i>Director</i>	Mr Hughes has worked in the stockbroking industry since 1986.	Member of the Remuneration Committee Holds a Graduate Diploma in Applied Finance and Investment from FINSIA. He was recognised as an affiliate of the ASX in December 2000 and was admitted in May 2004 as a Practitioner Member (Master Stockbroking) of the Stockbrokers Association of Australia	10,000,000	-
D Young <i>Director</i>	Mr Young has worked in corporate finance since 1984.	Head of Corporate Finance of our 100% owned subsidiary Euroz Securities Limited. He holds a Bachelor of Commerce degree from the University of Western Australia and a Graduate Diploma in Applied Finance from FINSIA, is a Fellow of FINSIA and a Fellow of the Australian Society of Certified Practising Accountants.	4,250,000	-
G Chessell <i>Director</i>	Mr Chessell has worked in the stockbroking industry since 1996.	Head of Research of our 100% owned subsidiary Euroz Securities Limited and is our senior resources analyst. Greg holds a B.App.Sc. degree in geology and a Grad. Dip. Business qualification.	3,102,000	-

Meetings of Directors

The numbers of meetings of the company's Board of Directors held during the year ended 30 June 2013, and the numbers of meetings attended by each Director were:

Director	Directors Meetings		Committee Meetings			
	Number eligible to attend	Number attended	Audit		Remuneration	
	Number eligible to attend	Number attended	Number eligible to attend	Number Attended	Number eligible to attend	Number attended
Peter Diamond	13	13	1	1	12	12
Andrew McKenzie	13	13	1	1	12	12
Jay Hughes	13	12	-	-	12	12
Greg Chessell	13	11	-	-	-	-
Doug Young	13	11	-	-	-	-

Directors' Report

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. 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.

Directors and 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 align the interests of shareholders, 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 generally effective in increasing shareholder wealth since inception. However as outlined below the policy is currently under review.

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.

	2009	2010	2011	2012	2013
	\$	\$	\$	\$	\$
Revenue (including net profit/(loss) of associates)	43,288,071	76,080,544	77,806,998	97,609,657	40,152,852
Net profit after tax	10,335,056	26,331,750	26,566,040	11,760,189	6,304,532
Share price at year end	0.93	1.28	1.62	1.15	1.00
Dividends paid or recommended	9,625,081	15,890,339	25,430,670	11,895,469	9,352,340

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 is currently reviewing its executive remuneration framework to ensure that it is market competitive and complimentary to the reward strategy of the organisation. This will encompass review of the profit share pool percentage as well as consideration of employee share option and performance rights schemes.

Directors' fees

No Directors fees are paid.

Base pay

Directors and executives are offered a competitive base salary 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
- Head of Retail incentive

Directors' Report

Equity based payments

There is no entitlement to equity based remuneration.

Commission

Executives that do not participate in the profit share pool are paid either a discretionary 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.

Short term incentives

Cash incentives (profit share) are traditionally calculated on 30% of pre tax profit from Euroz Securities Limited and are payable in December and / or June. Using these 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 overall performance of the members of the Retail Desk and the 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.

Executive Directors of Euroz Limited

	Short-term			Post employment	Total	Performance related %
	Base salary	Profit Share/ bonus	Other benefits	Superannuation		
2013	\$	\$	\$	\$	\$	
P Diamond	251,616	120,000	31,699	25,000	428,315	28%
A McKenzie	251,616	120,000	24,519	25,000	421,135	28%
J Hughes	251,616	120,000	18,467	25,000	415,083	29%
D Young	251,616	120,000	26,026	25,000	422,642	28%
G Chessell	260,146	120,000	9,357	16,470	405,973	30%
Total	1,266,610	600,000	110,068	116,470	2,093,148	

Current Directors did not receive any Directors fees.

2012

P Diamond	296,316	440,000	30,427	25,000	791,743	56%
A McKenzie	296,316	440,000	36,769	25,000	798,085	55%
J Hughes	296,316	440,000	24,421	25,000	785,737	56%
D Young	271,316	440,000	24,901	50,000	786,217	56%
G Chessell	296,316	440,000	8,752	25,000	770,068	57%
Total	1,456,580	2,200,000	125,270	150,000	3,931,850	

Current Directors did not receive any Directors fees.

Directors' Report

Specified executives of the consolidated group

2013	Short-term				Post employment	Total	Performance related %
	Base Salary	Profit Share/ Bonus	Other Benefits	Commission	Super annuation		
Name	\$	\$	\$	\$	\$	\$	%
R Caldwell*	66,055	-	14,154	106,903	12,701	199,813	54%
S Yeo*	86,887	20,000	14,637	353,134	16,470	491,128	76%
A Clayton*	220,068	90,000	13,726	-	16,470	340,264	26%
R Kane*	187,219	110,000	13,726	-	16,021	326,966	34%
G Allen *	187,219	60,000	11,570	-	16,021	274,810	22%
R Black *	220,068	120,000	12,574	-	16,470	369,112	33%
A Brittain *	211,538	30,000	14,128	-	25,000	280,666	11%
N McGlew *	182,687	30,000	13,074	-	15,891	241,652	12%
P Rees**	190,452	90,000	13,521	-	24,225	318,198	28%
D Woods **	198,481	90,000	11,357	-	16,196	316,034	28%
B Beresford*	260,146	50,000	13,726	-	16,470	340,342	15%
B Laird*	167,160	75,000	11,668	-	22,071	275,899	27%
J Bishop*	220,068	120,000	3,126	-	16,470	359,664	33%
A Fresson*	272,567	-	10,568	-	16,470	299,605	-
J Mackie*	66,055	2,000	5,010	141,615	15,791	230,471	62%
L Robinson *	72,460	2,000	1,273	98,040	14,776	188,549	53%
Total	2,809,130	889,000	177,838	699,692	277,513	4,853,173	

2012

R Caldwell*	90,935	-	14,049	105,232	13,378	223,594	47%
S Yeo*	156,115	100,000	20,798	331,062	15,775	623,750	69%
O Foster* (Resigned 3 November 2011)	113,960	75,000	3,850	-	7,888	200,698	37%
A Clayton*	222,970	350,000	13,749	-	25,000	611,719	57%
R Kane*	184,248	200,000	13,748	-	25,000	422,996	47%
G Allen *	197,663	185,000	11,640	-	25,000	419,303	44%
R Black *	216,310	350,000	14,118	-	15,775	596,203	59%
A Brittain *	197,663	155,208	13,474	-	25,000	391,345	40%
N McGlew *	192,470	200,000	12,870	-	25,000	430,340	46%
P Rees**	178,280	130,000	13,100	-	49,575	370,955	35%
D Woods **	202,855	130,000	8,464	-	25,000	366,319	35%
M Argento* (Resigned 30 June 2012)	330,919	220,000	325,788	-	15,775	892,482	25%
B Beresford*	305,541	440,000	9,798	-	15,775	771,114	57%
B Laird*	150,398	219,613	7,384	-	25,000	402,395	55%
J Bishop*	226,739	390,000	1,369	-	25,000	643,108	61%
A Fresson*	222,464	390,000	12,661	-	15,775	640,900	61%
J Mackie*	44,319	12,000	4,663	401,694	15,775	478,451	86%
Total	3,233,849	3,546,821	501,523	837,988	365,491	8,485,672	

* Director of Euroz Securities Limited

** Director of Westoz Funds Management Pty Ltd

Directors' Report

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 2013 of \$248,000 (2012 - \$310,000) plus profit share.
- 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 2013 of \$248,000 (2012- \$310,000) plus profit share.
- 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 2013 of \$248,000 (2012 - \$310,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Greg Chessell, *Director*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$248,000 (2012 - \$310,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Doug Young, *Director*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 \$248,000 (2012 - \$310,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Richard Caldwell, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$72,000 (2012 - \$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 2013 of \$72,000 (2012 - \$80,000) plus HOR bonus and commission.
- Payment on termination of employment by the employer, other than for gross misconduct - commission earned.

Andrew Clayton, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$225,000 (2012 - \$250,000) 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 2013 of \$193,500 (2012 - \$215,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Anthony Brittain, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$225,000 (2012 - \$215,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Directors' Report

Gavin Allen, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$193,500 (2012 - \$215,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Robert Black, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$225,000 (2012 - \$250,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Nick McGlew, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$189,000 (2012 - \$210,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Brian Beresford, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$248,000 (2012 - \$310,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Benjamin Laird, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$180,000 (2012 - \$180,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Jonathan Bishop, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$225,000 (2012 - \$250,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Austen Fresson, *Director Euroz Securities Limited (Resigned 8 May 2013)*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$225,000 (2012 - \$230,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Jamie Mackie, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$72,000 (2012 - \$80,000) plus commission.
- Payment on termination of employment by the employer, other than for gross misconduct - commission earned.

Lucas Robinson, *Director Euroz Securities Limited*

- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2013 of \$72,000 (2012 - \$40,000) plus commission.
- Payment on termination of employment by the employer, other than for gross misconduct - commission earned.

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 2013 of \$220,000 (2012 - \$220,000) plus bonus
- Payment on termination of employment by the employer other than for gross misconduct – three months salary.

Dermot Woods, *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 2013 of \$220,000 (2012 - \$220,000) plus bonus
- Payment on termination of employment by the employer other than for gross misconduct – three months salary

Directors' Report

Share-based compensation

No options or shares were issued to Directors or specified executives during the year ended 30 June 2013.

Loans to Directors and Executives

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

Indemnifying officers and auditor

During the financial year, Euroz Limited paid a premium of \$549,038 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 group. Euroz has not indemnified the auditor or paid any insurance premium on behalf of the auditor.

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 following non-audit services were provided by the group's auditor, PKF Mack & Co. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. PKF Mack & Co. received or are due to receive the following amounts for the provision of non-audit services:

	\$
Tax compliance services	12,950

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2013 has been received and follows the Directors report.

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



Peter Diamond
Chairman



Andrew McKenzie
Director

Date: 28th August 2013

Auditor's Independence Declaration

PKF MACK & CO

Chartered Accountants & Business Advisers

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF EUROZ LIMITED

In relation to our audit of the financial report of Euroz Limited for the year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Mack and Co.
PKF MACK & CO

Simon Fermanis

SIMON FERMANIS
PARTNER

28 AUGUST 2013
WEST PERTH,
WESTERN AUSTRALIA

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 full service stockbroking and corporate finance business and employs the majority of staff within the Euroz Group. Profits generated by Euroz Securities are paid by way of dividends to Euroz. Euroz Securities holds an Australian Financial Services License (“AFSL”) and is regulated by the Australian Securities and Investments Commission (“ASIC”) pursuant to the Corporations Act 2001 and the ASIC Market Integrity Rules. Euroz Securities is a Participant of the ASX and Chi-X markets and is regulated pursuant to the Operating Rules of those respective markets.

Westoz Funds Management is a specialist manager of equity funds. It currently has two mandates managing the portfolios of Westoz Investment Company Limited and Ozgrowth Limited which are both listed investment companies. Revenue generated by Westoz Funds Management through management and performance fees is paid by way of dividends to Euroz. Westoz Funds Management also holds an AFSL and its activities are therefore 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 adopted the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations with 2010 Amendments (“**2010 Principles and Recommendations**”).

In considering its approach to Corporate Governance in the context of the 2010 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 the ASX, Chi-X 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.
- Staff within the Euroz Group are largely remunerated by commission or profit share based payments and staff ownership of Euroz shares is high. 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 adopts 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 businesses which have large numbers of employees operating from multiple locations; and
- many corporate governance related issues are dealt with as part of compliance obligations created by the Corporations Act, the ASIC Market Integrity Rules and the Operating Rules of the ASX and Chi-X markets.

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 a stockbroking and corporate advisory style business.

In accordance with ASX Listing Rule 4.10.3, Euroz provides the following statement regarding the extent to which it has followed the 2010 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 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 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.

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 at this time.

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 21-22 of the Directors Report outlines the methodology used to assess the performance and remuneration of the members of the Board.

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

This information is set out above.

Corporate Governance Statement

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 with the result being that no Director is an Independent Director. 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.

The skills experience and expertise of each Director is set out at page 20 of the Annual Report.

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. Previously the role of the Chair and the Managing Director have not been exercised by the same individual, however, Euroz may choose to do so in the future if the board deem it appropriate and beneficial to the company.

Recommendation 2.4: The Board should establish a nomination committee.

Given 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 21-22 of the Directors Report outlines the methodology used to assess the performance and remuneration of the members of the Board.

With respect to the assessment of the performance of the Board and its directors, 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 20 of the Directors Report outlines the experience and qualifications of the Directors. The Directors, pursuant to obligations imposed by the Corporations Act the ASIC Market Integrity Rules and the Operating Rules of the ASX and Chi-X markets, and generally, undertake a substantial level of continuing education and therefore continue to be fully aware of developments with respect to the industry and commercial environment in which Euroz operates.

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

This information is set out above.

Corporate Governance Statement

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, Euroz Securities and Westoz Funds Management, in the context of the onerous obligations imposed upon them by the Corporations Act, the ASIC Market Integrity Rules and the ASX and Chi-X Operating Rules (as applicable) have detailed written compliance policies and procedures in place that include a Code of Conduct. These compliance policies and procedures including the Code of Conduct apply to every person who works in 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 to ensuring that their activities are in compliance with the letter and spirit of both the law and Euroz Group policies. In this regard, each Staff member is issued with the Company's Policies and Procedures Manual at the commencement of their employment with the Euroz Group. Euroz conducts a substantial level of training regarding the operation of these policies and procedures.

The Group provides a number of full time resources for the purpose of monitoring compliance with its policies and procedures. These resources, by way of the Head of Risk Management and the Chief Operating Officer, report directly to the Board for matters of compliance, governance and internal controls.

Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress is achieving them.

Euroz has recently put in place a Diversity Policy that applies to each company within the Euroz Group. That policy is available from Euroz's website.

In accordance with the matters set out in the Diversity Policy, Euroz, given the small size and relatively stable nature of its workforce has formed the view that it would not be appropriate or practical to, at this time, establish measurable objectives for achieving gender diversity. This position is reviewed and discussed annually at board level.

Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.

In accordance with the reasons set out above with respect to recommendation 3.2 Euroz does not, at this time, intend to comply with this recommendation. However, this position will be reviewed annually at board level.

Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

Given the relatively small size of the Euroz Group's workforce and the stable nature of that workforce Euroz does not, at this time, intend to disclose this information. The Euroz board has formed this view given the particular characteristics of Euroz's workforce, such disclosure would be statistically meaningless. Euroz will review this position on an annual basis.

Recommendation 3.5: Companies should provide the information indicated in the Guide to reporting on Principle 3
This information is set out above.

Corporate Governance Statement

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 Young (Chair), Mr McKenzie & Mr Chessell.

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 three members.

Given the size and composition of the Board, Euroz considers that it is not possible for Euroz to comply with this recommendation, specifically with respect to independent and non-executive directors. However, in accordance with the matters 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, PKF 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. Euroz has a compliance function which provides a variety of structured monitoring and review activities across the daily operations.

External Auditors are selected by the Board in consultation with relevant Euroz staff members as the Board see fit.

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

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

This information is set out 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.

Euroz is committed to ensuring that shareholders and the market are provided with full and timely information about its activities. Euroz is committed to complying with its continuous disclosure obligations contained in the ASX Listing Rules and the Corporations Act 2001.

Euroz has established a Market Disclosure Committee as a management committee to be responsible for this policy. The members of Euroz's Market Disclosure Committee are the Chairman, Managing Director, Company Secretary, Chief Operating and Financial Officer and the Euroz Board's Executive Directors.

The Committee is convened on an 'as needed' basis to ensure that Euroz is in compliance with its requirements under the Listing Rules and that all ASX releases are properly reviewed prior to release. The Disclosure Committee and this Policy have been endorsed by the Euroz Board.

Corporate Governance Statement

It is recognised that many ASX releases generate considerable comment in the marketplace. In addition, Euroz may receive queries from analysts, brokers, shareholders, the media and the public. In order to oversee and coordinate disclosure, the following individuals are Approved Spokespeople who are responsible for the business:

- Chairman – Peter Diamond
- Managing Director – Andrew McKenzie

Further details on the disclosure policy can be found in the Euroz Market Disclosure Policy which is available from the Euroz website.

Recommendation 5.2: Companies should provide the information indicated in the Guide to reporting on Principle 5. A copy of the Euroz Market Disclosure Policy is available on the Euroz website.

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, PKF Mack & Co, attends each annual general meeting and is 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 relatively small size of Euroz's shareholder base, Euroz has formed the view that it does not need to put a written communications policy in place at this time

Recommendation 6.2: Companies should provide the information indicated in the Guide to reporting on Principle 6. This information is set out 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, the ASIC Market Integrity Rules and the Operating Rules of the ASX Group and Chi-X Australia. 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 counterparties in the context of a third party clearing arrangement that has been entered into by Euroz Securities. Settlements and exposure are monitored on a daily basis in the context of that third party clearing arrangement. 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, are being maintained and are being adhered to.

For the reasons set out 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. Euroz Securities does however have a compliance committee that convenes monthly to discuss operational compliance with the written policies and procedures relevant to that business unit.

Corporate Governance Statement

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.

Annually, the Chief Financial Officer states in writing to the Board 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.

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

This information is set out above.

Principle 8: Remunerate Fairly and Responsibly

Recommendation 8.1: The Board should establish a remuneration committee.

The Euroz remuneration committee consists of Andrew McKenzie, Jay Hughes & Doug Young. Euroz has developed a Remuneration Committee Charter that specifies the authority delegated to the Remuneration Committee by the Board of Directors of the Company and sets out the roles, responsibilities, membership and operation of the Committee. A copy of the remuneration committee charter can be found in the corporate governance section of the Euroz website.

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.

The remuneration committee ensures that remuneration satisfies the following key criteria:

- enable the Company to attract, retain and motivate directors, executives and employees, resulting in value creation for shareholders;
- be fair and appropriate having regard to the performance of the Company and the relevant Director, executive or employee;
- demonstrate the clear relationship between senior executives' performance and remuneration.
- comply with relevant legal requirements.

Detailed information regarding the remuneration paid to Directors and senior executives of the Euroz Group is set out at pages 7-14 of this report.

Recommendation 8.2: The remuneration committee should be structured so that it:

- Consists of a majority of independent directors.
- Is chaired by an independent chair.
- Has at least three members.

As Euroz does not have any independent directors at this point in time, it is not possible to comply with this recommendation in full.

Recommendation 8.3: 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 recommendation is therefore not applicable to the Euroz Group. The remuneration charter 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 22-23 of this report.

Recommendation 8.4: Companies should provide the information indicated in the Guide to reporting on Principle 8.

This information is set out above.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2013

	Notes	2013 \$	2012 \$
Revenue	4	38,418,382	98,958,768
Share of net profit (loss) of associates		1,734,396	(1,130,485)
Employee benefits expense		(12,355,599)	(20,796,411)
Depreciation and amortisation expenses	5	(1,199,457)	(1,190,337)
Regulatory expenses		(334,968)	(315,842)
Consultancy expenses		(1,486,311)	(1,579,477)
Conference and seminar expenses		(641,270)	(1,451,490)
Brokerage and underwriting expense		(2,680,973)	(5,237,660)
Communication expenses		(275,531)	(307,419)
Carrying amount of principal trading securities sold		(9,275,000)	(46,243,988)
Other expenses		(3,818,690)	(3,823,286)
Profit before income tax expense	5	8,084,979	16,882,373
Income tax expense	6	(1,780,447)	(5,122,184)
Profit after income tax expense for the year		6,304,532	11,760,189
<i>Other comprehensive income</i>			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income net of tax		-	-
Total comprehensive income for the year attributable to the owners of Euroz Limited		6,304,532	11,760,189
		Cents	Cents
Basic earnings per share	33	4.38	8.20
Diluted earnings per share	33	4.35	8.11

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

For the year ended 30 June 2013

	Notes	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	7	50,506,440	53,741,715
Trade and other receivables	8	775,345	1,775,702
Inventories	9	813,033	1,458,820
Other current assets	10	842,953	2,321,929
Total current assets		52,937,771	59,298,166
Non-current assets			
Long term receivable	11	5,000,000	5,000,000
Investments accounted for using equity method	12	68,515,611	67,480,289
Financial assets	13	169,130	2,000
Plant and equipment	14	942,003	2,126,185
Deferred tax assets	15	1,272,055	947,903
Total non-current assets		75,898,799	75,556,337
Total assets		128,836,570	134,854,543
Current liabilities			
Trade and other payables	16	1,803,801	1,238,111
Current tax liabilities	17	638,428	1,487,851
Short term provisions	18	8,470,465	10,653,790
Total current liabilities		10,912,694	13,379,752
Non-current liabilities			
Deferred tax liabilities	19	91,351	542,668
Long term provisions	20	80,382	210,091
Total non-current liabilities		171,733	752,759
Total liabilities		11,084,427	14,132,511
Net assets		117,752,143	120,722,032
Equity			
Issued capital	21	89,451,519	89,373,600
Reserves	21	186,000	186,000
Retained earnings		28,114,624	31,162,432
Total equity		117,752,143	120,722,032

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2013

	Issued capital \$	Retained earnings \$	Option premium reserves \$	Total \$
Balance at 1 July 2011	87,261,731	31,070,619	186,000	118,518,350
Profit for the period	-	11,760,189	-	11,760,189
Changes in fair value of financial asset	-	-	-	-
Total comprehensive income for the period	-	11,760,189	-	11,760,189
<i>Transactions with owners, recorded directly in equity</i>				
Investee equity	-	227,093	-	227,093
Shares issued during the period	2,111,869	-	-	2,111,869
Dividends to equity holders	-	(11,895,469)	-	(11,895,469)
Total contributions by and distributions to owners	2,111,869	(11,668,376)	-	(9,556,507)
Balance at 30 June 2012	89,373,600	31,162,432	186,000	120,722,032
Balance at 1 July 2012	89,373,600	31,162,432	186,000	120,722,032
Profit for the period	-	6,304,532	-	6,304,532
Changes in fair value of financial asset	-	-	-	-
Total comprehensive income for the period	-	6,304,532	-	6,304,532
<i>Transactions with owners, recorded directly in equity</i>				
Shares issued during the period	77,919	-	-	77,919
Dividends to equity holders	-	(9,352,340)	-	(9,352,340)
Total contributions by and distributions to owners	77,919	(9,352,340)	-	(9,274,421)
Balance at 30 June 2013	89,451,519	28,114,624	186,000	117,752,143

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		28,194,055	49,010,336
Payments to suppliers and employees (inclusive of goods and services tax)		(20,337,297)	(33,980,001)
		7,856,758	15,030,335
Interest received		2,017,103	2,714,338
Proceeds from sale of trading shares		9,481,049	44,259,537
Income taxes (paid)/refunded		(3,405,340)	(7,518,959)
Payments for trading shares		(9,275,000)	(45,502,043)
Net cash flows from operating activities	31	6,674,570	8,983,208
Cash flows from investing activities			
Net (payments)/receipts from investments		1,530,238	(1,475,199)
Payments for plant and equipment		(15,275)	(248,684)
Net cash flows used in investing activities		1,514,963	(1,723,883)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		77,919	2,110,969
Dividends paid		(11,502,727)	(23,688,573)
Net cash flows from/(used in) financing activities		(11,424,808)	(21,577,604)
Net decrease in cash and cash equivalents		(3,235,275)	(14,318,279)
Cash and cash equivalents at 1 July		53,741,715	68,059,994
Cash and cash equivalents at 30 June	7	50,506,440	53,741,715

The above Statements of Cash Flows should be read in conjunction with the accompanying notes

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Notes to the Financial Statements

For the year ended 30 June 2013

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 as appropriate for profit oriented entities.

This financial report has been authorised by the Directors to be issued on 26 August 2013.

Euroz Limited is a listed public company, trading on the Australian Securities Exchange, limited by shares, incorporated and domiciled in Australia. Euroz is a for profit entity for the purposes of preparing the financial statements.

The financial report of Euroz Limited and controlled entities (the group or consolidated group), complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Separate financial information of the parent company has been included in Note 34 as permitted by amendments to the Corporations Act 2001. The financial report is presented in Australian dollars which is the group's functional and presentation currency.

The following is a summary of the material accounting policies adopted by the consolidated group 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 2013 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 acquisition 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 30 June financial year end.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Statement of significant accounting policies (continued)

(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 reporting date.

Deferred tax is accounted for using the reporting date 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 1 July 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) Business combinations

The acquisition method of accounting is used for all business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred is the fair value of the assets given up, shares issued or liabilities undertaken at the date of 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.
- Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Statement of significant accounting policies (continued)

(e) Receivables

Trade receivables are recognised as current receivables as they are generally settled within 30 days from the date of recognition. Collectability of trade receivables 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.

All trade receivables relating to brokerage and principal trading have been transferred to Pershing Securities Australia Pty Ltd ("Pershing") who provides a trust account facility as part of the clearing and settlement service.

(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) 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 reporting 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.

(h) Investments in associates

The Group's investment in its associates is accounted for using the equity method of accounting in the consolidated financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill or gain on bargain purchase relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates. Goodwill or gain on bargain purchase included in the carrying amount of the investment in associate is not tested separately, rather the entire carrying amount of the investment is tested for impairment as a single asset. If an impairment is recognised, the amount is not allocated to the goodwill of the associate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's statement of comprehensive income as a component of other income.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Statement of significant accounting policies (continued)

(i) Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated 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 as the greater of the fair value less costs to sell and the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows are discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group 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 is depreciated on a straight line basis over their useful lives to the consolidated group 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	25 – 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 reporting 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 group, 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 noncurrent 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.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Statement of significant accounting policies (continued)

(l) Trade and other creditors

Trade and other creditors also includes other 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.

All trade creditors relating to brokerage and principal trading have been transferred to Pershing who provides a trust account facility as part of the clearing and settlement service.

(m) Dividends

Provision is made for the amount of any dividend declared and authorised by the Directors on or before the end of the financial year, but not distributed at reporting 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. There have been no changes to the method used to calculate this liability.

(iii) Superannuation

Contributions are made by the consolidated group 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.

(vii) Termination benefits

The consolidated entity recognises a liability and an expense when the entity demonstrate commitment to either terminate the employee before the normal retirement date or provide termination benefits as a result of an offer made to the employee prior to retirement date.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Statement of significant accounting policies (continued)

(p) Cash and cash equivalents

For purposes of the statement of cash flows, cash and cash equivalents 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 reporting 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 reporting 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 statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flow 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.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Statement of significant accounting policies (continued)

(u) Financial instruments

The consolidated group 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.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- the amount at which the financial asset or financial liability is measured at initial recognition;
- less principal repayments;
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(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 reporting 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 group 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 reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Statement of significant accounting policies (continued)

(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.

Purchases and sales of investments are recognised on trade-date being the date on which the consolidated group 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 group assesses at each reporting 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.

(w) Rounding of amounts

Amounts in this financial report have been rounded to the nearest dollar in accordance with class order 98/100.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 1. Statement of significant accounting policies (continued)

(x) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(y) New standards and interpretations not yet adopted

The AASB has issued the following new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards, and has not yet determined the potential impact on the financial statements from the adoption of these standards and interpretations.

AASB No.	Title	Application date of standard*	Issue date
AASB 10	Consolidated Financial Statements	1 January 2013	August 2011
AASB 11	Joint Arrangements	1 January 2013	August 2011
AASB 12	Disclosure of Interests in Other Entities	1 January 2013	August 2011
AASB 13	Fair Value Measurement	1 January 2013	September 2011
AASB 119	Employee Benefits	1 January 2013	September 2011
AASB 2012-2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	June 2012
AASB 2012-5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle	1 January 2013	June 2012
AASB 2012-9	Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	1 January 2013	December 2012
AASB 2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	1 July 2013	July 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	1 January 2013	June 2010
AASB 2012-3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	June 2012
AASB 9	Financial Instruments	1 January 2015	December 2010

Australian Interpretations

20	Stripping Costs in the Production Phase of a Surface Mine	1 Jan 2013	November 2011
21#	Levies	1 January 2014	May 2013

Notes to the Financial Statements

For the year ended 30 June 2013

Note 2. Significant accounting estimates and judgements

Estimates and judgements incorporated in the financial statements 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.

Key estimates

(i) Impairment

At each reporting date, the group compares the carrying values and market values of the associates to determine whether there is any indication of impairment. If significant and prolonged impairment indicators exist, any excess of the associate's carrying value over the recoverable amount is expensed to the income statement. Refer to note 12 regarding the equity accounting of associates.

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.

Key judgements

(i) Classification of inventories

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 statement of financial position. 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

Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the executive team (the chief operating decision makers) in assessing performance and in allocating resources.

Types of products and services

Stockbroking

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

Principal trading

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

Funds management

The consolidated group provides advice in relation to fund management.

Basis of accounting for purpose of reporting by operating segments

The accounting policies used by the group in reporting segments internally are consistent with those adopted in the financial statements of the group, unless otherwise stated.

Segment assets and liabilities

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset.

Liabilities are allocated to segments where there is a direct nexus between the liability and the operations of the segment.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 3. Segment information (continued)

Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segments:

- Share of profits and losses of equity-accounted investments
- Assets and liabilities not specific to any segments
- Deferred tax assets and liabilities
- Current tax liabilities

Segment performance

	Stockbroking & Corporate Activities \$	Principal Trading \$	Funds Management \$	Total \$	Unallocated Items \$	Total (Consolidated) \$
2013						
Sales and other fees	23,054,884	9,819,875	2,712,649	35,587,408	-	35,587,408
Interest revenue	881,089	-	126,452	1,007,541	991,609	1,999,150
Other revenues	734	-	-	734	2,565,560	2,566,294
Total segment revenue	23,936,707	9,819,875	2,839,101	36,595,683	3,557,169	40,152,852
Segment net operating profit after tax	2,049,475	(240,619)	1,371,224	3,181,080	3,124,452	6,304,532
Depreciation and amortisation	1,197,232	-	2,225	1,199,457	-	1,199,457
Share of gain of associates	-	-	-	-	1,734,396	1,734,396
Gain from acquisition of further interests in associate	-	-	-	-	831,090	831,090
Segment assets	28,272,091	813,033	3,842,684	32,927,808	95,474,960	128,402,768
Investments in associate	-	-	-	-	68,515,611	68,515,611
Capital expenditure	15,275	-	-	15,275	-	15,275
Segment liabilities	4,038,257	-	993,884	5,032,141	5,618,484	10,650,625
Cash flow information						
Net cash flow from operating activities	2,540,568	206,049	2,936,343	5,682,960	991,610	6,674,570
Net cash flow from investing activities	(15,275)	-	-	(15,275)	1,530,238	1,514,963
Net cash flow from financing activities	-	-	-	-	(11,424,808)	(11,424,808)
2012						
Sales and other fees	46,225,507	45,889,043	2,700,491	94,815,041	-	94,815,041
Other revenues	1,338,974	-	182,192	1,521,166	2,403,935	3,925,101
Total segment revenue	47,564,481	45,889,043	2,882,683	96,336,207	2,403,935	98,740,142
Segment net operating profit after tax	9,652,609	(132,361)	1,441,604	10,961,852	798,337	11,760,189
Interest revenue	1,321,521	-	182,192	1,503,713	1,309,797	2,813,510
Depreciation and amortisation	1,188,107	-	2,230	1,190,337	-	1,190,337
Share of associate	-	-	-	-	(1,130,485)	(1,130,485)
Segment assets	31,973,988	1,259,701	3,733,978	36,967,667	97,711,725	134,679,392
Investments in associate	-	-	-	-	67,480,289	67,480,289
Capital expenditure	248,793	-	-	248,793	-	248,793
Segment liabilities	7,265,755	-	1,006,401	8,272,156	5,685,204	13,957,360
Cash flow information						
Net cash flow from operating activities	5,981,675	(1,242,505)	2,934,241	7,673,411	1,309,797	8,983,208
Net cash flow from investing activities	(248,684)	-	-	(248,684)	(1,475,199)	(1,723,883)
Net cash flow from financing activities	-	-	-	-	(21,577,604)	(21,577,604)

Notes to the Financial Statements

For the year ended 30 June 2013

Note 4. Revenue	2013 \$	2012 \$
Revenue from operating activities		
Brokerage	14,158,028	16,998,213
Underwriting and management fees	11,000,571	27,284,696
Proceeds on sale of principal trading shares	9,819,875	45,889,043
Corporate retainers	608,934	4,643,089
	35,587,408	94,815,041
Other income		
Interest received	1,999,150	2,813,510
Other revenue	734	17,453
Gain arising from acquisition of further interests in associates (Note 12)	831,090	1,312,764
	2,830,974	4,143,727
Total Revenue	38,418,382	98,958,768

Note 5. Profit before income tax expense

Profit for the year arrived at after charging following expenses		
Plant and equipment – depreciation	567,329	558,248
Leasehold improvements – amortisation	632,128	632,089
	1,199,457	1,190,337
Rental expenses relating to operating lease	1,346,251	1,054,301
Superannuation expense	593,193	630,744
Fair value of unrealised loss	659,209	742,827

Note 6. Income tax

The components of tax expense comprise		
Current tax	2,555,916	5,512,475
Deferred tax	(775,469)	(390,291)
	1,780,447	5,122,184
Numerical reconciliation between tax expense and pre-tax accounting profit		
Income tax using company's tax rate of 30% (2012: 30%)	2,425,494	5,064,712
Add tax effect of:		
– other non-allowable items	80,657	106,104
– prior year under provision	43,966	6,052
– share of loss of associate	(520,319)	339,145
	2,029,798	5,516,013
Less tax effect of:		
– gain on acquisition of associates	(249,351)	(393,829)
Income tax attributable to entity	1,780,447	5,122,184
The applicable weighted average effective tax rates are as follows:	22.0%	30.3%

The decrease in the weighted average effective consolidated tax rate for 2013 is due to the reduction to the effect of the accounting requirement to recognise the gain on acquisition of associates, and share of net loss of associates.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 6. Income tax (continued)	2013 \$	2012 \$
Reconciliations		
(i) Gross movements		
The overall movement in the deferred tax account is as follows:		
Balance at 1 July	405,235	14,944
Recognised in income statement	775,469	390,291
Recognised in other comprehensive income	-	-
Balance at 30 June	1,180,704	405,235
ii. Deferred tax liability		
Movement in temporary differences during the year		
Fair value gain adjustments		
Balance at 1 July	-	52,289
Recognised in the income statement	-	(52,289)
Balance at 30 June	-	-
Other		
Balance at 1 July	542,668	496,072
Recognised in the income statement	(451,317)	46,596
Balance at 30 June	91,351	542,668
iii. Deferred tax assets		
Movement in temporary difference during the year		
Fair value gain adjustments		
Balance at 1 July	175,151	-
Recognised in other comprehensive income	258,651	175,151
Balance at 30 June	433,802	175,151
Provisions		
Balance at 1 July	772,752	563,305
Recognised in the income statement	65,501	209,447
Balance at 30 June	838,253	772,752

Tax losses

No part of the deferred tax asset shown in Note 15 is attributable to tax losses. The Directors advise that the potential future income tax benefit at 30 June 2013 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.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 7. Cash and cash equivalents	2013 \$	2012 \$
Cash at bank and on hand	50,506,440	53,741,715

Note 8. Trade and other receivables

Trade receivables	775,345	1,775,702
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All trade receivables relating to brokerage and principal trading have been transferred to Pershing who provides a trust account facility as part of the clearing and settlement service.

Note 9. Inventories

Securities in unlisted companies (at cost) (i)	527,000	527,000
Trading securities in listed companies (at cost) (i)	1,528,646	1,720,094
Fair value adjustments (ii)	(1,242,613)	(788,274)
Total	813,033	1,458,820

(i) These securities are held for trade purposes.

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

Note 10. Other current assets

Prepayments	477,443	513,035
Accrued income	365,510	1,808,894
Total	842,953	2,321,929

Note 11. Long term receivable

Security deposit (unsecured)	5,000,000	5,000,000
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Deposit held by Pershing (clearing participant on behalf of Euroz Securities Limited) in order to meet the capital requirements under ASX Clear Pty Ltd.

Note 12. Investments accounted for using the equity method

Associated companies	68,515,611	67,480,289
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(a) Movements during the year in equity accounted investment in associated companies

Balance at 1 July	67,480,289	65,596,600
Add:		
Recognised as investment during the year	1,961,083	5,877,470
Gain arising from acquisition of further interests in associate	831,090	1,312,764
Share of profits/(loss) after tax	1,533,486	(1,434,090)
Acquisition on additional interest in associate during the year (Note 1(v))	200,986	303,605
Less:		
Dividend received/receivable	(3,491,323)	(4,176,060)
Balance at 30 June	68,515,611	67,480,289

Notes to the Financial Statements

For the year ended 30 June 2013

Note 12. Investments accounted for using the equity method (continued)

(b) Interest held in the associated companies

Name of entity	Country of Incorporation	Principal activity	Ownership interest	
			2013 %	2012 %
Ozgrowth Limited	Australia	Investment company	36.58%	35.25%
Westoz Investment Company Limited	Australia	Investment company	24.09%	22.77%

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

	2013 \$	2013 \$
(c) Summarised financial information		
Financial position:		
Total assets	246,057,653	256,809,686
Total liabilities	(14,007,557)	(13,650,755)
Net assets	232,050,096	243,158,931
Share of associates' net assets	68,515,611	67,480,289
Financial performance:		
Total revenue	253,389,621	7,707,403
Total profit/(loss) for the year after tax	7,370,506	(5,946,607)

Note 13. Financial assets

Financial instrument at fair value (i)	169,130	2,000
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(i) The company is a listed company. The company's fair value at year end is determined by the current share price as at 30 June 2013.

Note 14. Plant and equipment

Leasehold improvements		
At cost	2,528,511	2,528,511
Less: Accumulated amortisation	(1,892,151)	(1,260,023)
	636,360	1,268,488
Software		
At cost	42,619	31,811
Less: Accumulated depreciation	(16,205)	(8,925)
	26,414	22,886
Office equipment		
At cost	1,073,173	1,190,475
Less: Accumulated depreciation	(897,020)	(630,711)
	176,153	559,764
Furniture, fixtures and fittings		
At cost	573,287	587,965
Less: Accumulated depreciation	(470,211)	(312,918)
	103,076	275,047
	942,003	2,126,185

Notes to the Financial Statements

For the year ended 30 June 2013

Note 14. Plant and equipment (continued)

Reconciliations

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
2013			
Carrying amount at 1 July 2012	1,268,487	857,698	2,126,185
Additions	-	15,275	15,275
Depreciation/amortisation expense (Note 5)	(632,128)	(567,329)	(1,199,457)
Carrying amount at 30 June 2013	636,359	305,644	942,003
2012			
Carrying amount at 1 July 2011	1,896,183	1,171,654	3,067,837
Additions	4,393	244,292	248,685
Depreciation/amortisation expense (Note 5)	(632,089)	(558,248)	(1,190,337)
Carrying amount at 30 June 2012	1,268,487	857,698	2,126,185

	2013 \$	2012 \$
Note 15. Deferred tax assets		
Deferred tax asset (Note 6)	1,272,055	947,903

Note 16. Trade and other payables

Trade creditors	67,526	65,312
Other payables and accruals	1,736,275	1,172,799
Total	1,803,801	1,238,111

All trade creditors relating to brokerage and principal trading have been transferred to Pershing who provides a trust account facility as part of the clearing and settlement service.

Note 17. Current tax liabilities

Provision for taxation	638,428	1,487,851
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Notes to the Financial Statements

For the year ended 30 June 2013

Note 18. Short term provisions	2013 \$	2012 \$
Dividends	7,190,724	9,341,110
Employee entitlements (annual leave)	611,899	602,920
Employee entitlements (long service leave)	667,842	709,760
Total	8,470,465	10,653,790

Dividends

This provision represents the dividend declared by the board before the reporting date and to be paid out to shareholders subsequent to year end.

Movements in each class of provisions, other than employee benefits, are set out below:

Carrying amount at 1 July 2012	9,341,110	21,134,214
Additional provisions recognised	9,352,341	11,895,469
Amounts paid out	(11,502,727)	(23,688,573)
Carrying amount at 30 June 2013	7,190,724	9,341,110

Note 19. Deferred tax liabilities

Deferred tax liability (Note 6)	91,351	542,668
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Note 20. Long term provisions

Lease incentive	-	49,879
Employee entitlements (long service leave)	80,382	160,212
Total	80,382	210,091

Lease incentive

This provision represents the amounts of incentive received under the lease agreement for Level 14, 1 William Street, which is being amortised over the life of the lease, which expired on 31 January 2013.

Movements in each class of provisions, other than employee benefits, are set out below:

	Lease incentive
Carrying amount at 1 July 2012	49,879
Amounts paid out	(49,879)
Carrying amount at 30 June 2013	-

Notes to the Financial Statements

For the year ended 30 June 2013

Note 21. Contributed equity

	Consolidated entity		Consolidated entity	
	2013 Shares	2012 Shares	2013 \$	2012 \$
(a) Share capital				
Ordinary shares				
Issued and paid up capital - consisting of ordinary shares	143,814,479	143,709,388	89,451,519	89,373,600

	Consolidated entity	
	2013 Shares	2012 Shares
(b) Movements in ordinary share capital		
At the beginning of the reporting period	143,709,388	140,894,763
Shares issued during the year	-	-
Exercise of options (i)	105,091	2,814,625
At the end of the reporting period	143,814,479	143,709,388

(i) Options were exercised at various times during the financial year. The options were granted on 27 February 2009 at an exercise price of 75 cents and expire on 1 March 2014.

	Consolidated entity	
	2013 \$	2012 \$
(c) Movements in ordinary share capital		
At the beginning of the reporting period	89,373,600	87,261,731
Exercise of options	77,919	2,111,869
At the end of the reporting period	89,451,519	89,373,600

(d) 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. Ordinary shares have no par value.

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.

(e) Options

A total of 105,092 options were exercised during the year at an exercise price of \$0.75. There are 3,437,996 number of options on issue at 30 June 2013 (2012: 3,543,088). These options are convertible into shares at \$0.75.

(f) Option Reserves

The option reserve records items recognised as expenses on valuation of share based payments. There has been no movement in the options reserve.

(g) Capital management

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

As a holder of Australian Financial Services Licenses the group is subject to externally imposed capital requirements, which have been complied with during the year.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 22. Dividends	2013 \$	2012 \$
Ordinary shares		
Interim dividend for the half year ended 31 December 2012 of 1.5 cents (2012 – 1.5 cents) per fully paid ordinary share paid on 25 January 2012.		
Fully franked based on tax paid @ 30%	2,161,616	2,554,359
Final dividend declared and provided for at 30 June 2013 of 5.0 cents (2012 – 6.5 cents) per fully paid ordinary share		
Fully franked based on tax paid @ 30%	7,190,724	9,341,110
Total dividends provided for or paid	9,352,340	11,895,469

Franked dividends

The franked portions of the dividends recommended after 30 June 2013 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 2013.

	Consolidated group	
	2013 \$	2012 \$
Franking credits available for subsequent financial years based on a tax rate of 30% (2012: 30%)	12,440,077	11,206,555

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.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 23. 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 reporting date, the group has unutilised credit facilities totalling \$20,000,000.

	2013	2012
	\$	\$
Trade and other payables are expected to be paid as follows:		
Less than 1 month	1,803,801	1,238,111

(iii) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or security, at reporting date is the carrying amount of the financial assets disclosed in the statement of financial position. There is no collateral or security held for those assets at 30 June 2013.

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. All trade debtors relating to brokerage and principal trading have been transferred to Pershing who provides a trust account facility as part of the clearing and settlement service. Trade receivables are usually paid within 30 days.

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

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

	Carrying Amount	
	2013	2012
	\$	\$
Financial assets at fair value through profit or loss	169,130	2,000
Cash and cash equivalents	50,506,440	53,741,715
Receivables	775,345	1,775,702
Financial assets held for trading	813,033	1,458,820
Long term deposit	5,000,000	5,000,000
	57,263,948	61,978,237

Impairment losses

None of the consolidated entity's receivables are past due (2012: Nil).

Notes to the Financial Statements

For the year ended 30 June 2013

Note 23. Financial instruments (continued)

(iv) Financial instruments composition and maturity analysis

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
	2013 %	2012 %	2013 \$	2012 \$	2013 \$	2012 \$
FINANCIAL ASSETS						
Cash and cash equivalents	4.00	4.44	50,506,440	53,741,715	-	-
Trade and other Receivables	-	-	-	-	775,345	1,775,702
Financial assets held for trading	-	-	-	-	813,033	1,458,820
Financial assets at fair value through profit and loss	-	-	-	-	169,130	2,000
Long term deposit	2.00	2.75	5,000,000	5,000,000	-	-
Total financial assets			55,506,440	58,741,715	1,757,508	3,236,522
FINANCIAL LIABILITIES						
Trade and other payables	-	-	-	-	1,803,801	1,238,111

(v) Sensitivity analysis

The Group has performed a sensitivity analysis in relation to interest income and movements in interest rates. The analysis highlights the post tax effect on the current year's results and equity which would have resulted from movement a 1% p.a. in interest rates with all other variables remaining constant.

	2013 \$	2012 \$
Change in profit		
- increase in interest rate by 1%	388,545	411,192
- decrease in interest rate by 1%	(388,545)	(411,192)
Change in equity		
- increase in interest rate by 1%	388,545	411,192
- decrease in interest rate by 1%	(388,545)	(411,192)

(vi) Fair Value

The following table details the consolidated entities fair value of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the assets or liability that are not based on observable market data (unobservable inputs)

2013	Level 1	Level 2	Level 3	Total
Assets				
Ordinary shares	286,033	527,000	-	813,033
Total Assets	286,033	527,000	-	813,033

Notes to the Financial Statements

For the year ended 30 June 2013

	2013	2012
	\$	\$
Note 24. Remuneration of auditors		
Assurance services		
Audit services		
Audit and review of financial reports for the company		
Fees paid to PKF Mack & Co firm	102,000	97,000
Taxation services		
Tax compliance services		
Fees paid to PKF Mack & Co firm	17,000	15,600

Note 25. Contingent liabilities

The parent entity and consolidated group had contingent liabilities at 30 June 2013 as follows:

Secured guarantees in respect of:

Operating lease of a controlled group entity	791,000	791,000
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Note 26. Commitments for expenditure

(a) Operating leases

Commitments for minimum lease payments in relation to noncancellable operating leases are payable as follows:

Within one year	928,942	1,052,485
Later than one year but not later than five years	5,209,775	3,936,012
Later than five years	1,165,384	3,368,089
Commitments not recognised in the financial statements	7,304,101	8,356,586

The lease on the premises at Level 18, 54-58 Mounts Bay Road is for the period of 10 years commencing 2 July 2010 and expiring on 1 July 2020.

Note 27. Employee benefits

Employee benefit and related on-costs liabilities

Provision for employee entitlements – current	1,360,123	1,472,892
Aggregate employee benefit and related on-costs liabilities	1,360,123	1,472,892

Note 28. Related parties

All key management personnel have the title of Director.

(a) Key Management Personnel Compensation

Short-term employee benefits

– Executive Directors	1,976,678	3,781,851
– Specified executives	4,575,660	8,220,122
	6,552,338	12,001,973

Post-employment benefits

– Executive Directors	116,470	150,000
– Specified executives	277,513	365,491
	393,983	515,491
Total compensation	6,946,321	12,517,464

Notes to the Financial Statements

For the year ended 30 June 2013

Note 28. Related parties (continued)

(b) Individual Directors' and Executives' compensation disclosure

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporations Regulation is provided in the remuneration report section of the Directors' report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the group since the end of the previous financial year and there were no material contracts involving Directors' interest existing at year end.

(c) Parent entity

The ultimate parent entity within the Group is Euroz Limited.

(d) Wholly-owned group transactions

(i) Loans to key management personnel

There were no loans to key management personnel at the end of the year.

(ii) Shareholdings of key management personnel

The movement during the reporting period in the number of shares in Euroz Limited held, directly, indirectly or beneficially, by each key management person, including related parties, is as follows:

2013	Balance at 1 July 2012	Grant as remuneration	On exercise of options	Bought & (sold) *	Balance at 30 June 2013
<i>Directors of Euroz Limited</i>					
<i>Ordinary shares</i>					
P Diamond	10,000,000	-	-	-	10,000,000
A McKenzie	10,000,000	-	-	-	10,000,000
J Hughes	10,000,000	-	-	-	10,000,000
G Chessell	3,102,000	-	-	-	3,102,000
D Young	4,250,000	-	-	-	4,250,000
<i>Key management personnel of the consolidated entity</i>					
<i>Ordinary shares</i>					
R Caldwell	4,950,000	-	-	-	4,950,000
S Yeo	3,520,000	-	-	-	3,520,000
P Rees	1,100,000	-	-	-	1,100,000
R Kane	2,370,000	-	-	-	2,370,000
A Clayton	2,100,000	-	-	-	2,100,000
A Brittain	303,400	-	-	-	303,400
G Allen	500,000	-	-	-	500,000
R Black	1,810,000	-	-	-	1,810,000
N McGlew	237,791	-	-	-	237,791
D Woods	373,260	-	-	-	373,260
B Beresford	2,000,000	-	-	-	2,000,000
B Laird	655,000	-	-	-	655,000
J Bishop	102,612	-	-	-	102,612
J Mackie	847,000	-	-	-	847,000
A Fresson (Resigned 8 May 2013)	260,511	-	-	-	260,511*
L Robinson (Appointed 1 July 2012)	310,000	-	-	-	310,000
B Bonadeo (Appointed 5 July 2013)	-	-	-	-	-
	58,791,574	-	-	-	58,791,574

*Only disclosed to date of resignation

Notes to the Financial Statements

For the year ended 30 June 2013

Note 28. Related parties (continued)

2012	Balance at 1 July 2011	Grant as remuneration	On exercise of options	Bought & (sold) *	Balance at 30 June 2012
Directors of Euroz Limited					
Ordinary shares					
P Diamond	10,000,000	-	-	-	10,000,000
A McKenzie	9,150,000	-	750,000	100,000	10,000,000
J Hughes	9,900,000	-	-	100,000	10,000,000
G Chessell	3,102,000	-	-	-	3,102,000
D Young	4,202,001	-	-	47,999	4,250,000
Key management personnel of the consolidated entity					
Ordinary shares					
R Caldwell	4,500,000	-	450,000	-	4,950,000
S Yeo	3,200,000	-	320,000	-	3,520,000
O Foster (Resigned 3 November 2011)	2,101,200	-	-	-	2,101,200*
P Rees	1,100,000	-	-	-	1,100,000
R Kane	2,330,000	-	29,377	10,623	2,370,000
A Clayton	2,000,000	-	100,000	-	2,100,000
A Brittain	303,400	-	-	-	303,400
G Allen	500,000	-	-	-	500,000
R Black	1,800,000	-	-	10,000	1,810,000
N McGlew	217,806	-	7,485	12,500	237,791
D Woods	350,000	-	23,260	-	373,260
M Argento (Resigned 30 June 2012)	1,000,000	-	-	-	1,000,000*
B Beresford (Appointed 21 March 2011)	2,000,000	-	-	-	2,000,000
B Laird	655,000	-	-	-	655,000
J Bishop	91,112	-	-	11,500	102,612
J Mackie	847,000	-	-	-	847,000
A Fresson	260,511	-	-	-	260,511
	59,610,030	-	1,680,122	292,622	61,582,774

*Only disclosed to date of resignation

Notes to the Financial Statements

For the year ended 30 June 2013

Note 28. Related parties (continued)

(iii) Option holdings of key management personnel

The movement during the reporting period in the number of options over ordinary shares in Euroz Limited held, directly, indirectly or beneficially, by each key management person, including related parties, is as follows:

2013	Balance at 1 July 2012	Granted as remuneration	Exercised	Bought	Balance at 30 June 2013	Total exercisable at 30 June 2013	Total not exercisable at 30 June 2013
<i>Directors of Euroz Limited</i>							
Ordinary shares							
P Diamond	-	-	-	-	-	-	-
A McKenzie	-	-	-	-	-	-	-
J Hughes	-	-	-	-	-	-	-
G Chessell	-	-	-	-	-	-	-
D Young	-	-	-	-	-	-	-
<i>Key management personnel of the consolidated entity</i>							
Ordinary shares							
R Caldwell	-	-	-	-	-	-	-
S Yeo	-	-	-	-	-	-	-
P Rees	-	-	-	-	-	-	-
R Kane	233,000	-	-	-	233,000	233,000	-
A Clayton	100,000	-	-	-	100,000	100,000	-
A Brittain	-	-	-	-	-	-	-
G Allen	41,200	-	-	-	41,200	41,200	-
R Black	338,016	-	-	21,984	360,000	360,000	-
N McGlew	4,940	-	-	-	4,940	4,940	-
D Woods	-	-	-	-	-	-	-
B Beresford	-	-	-	-	-	-	-
B Laird	60,000	-	-	-	60,000	60,000	-
J Bishop	-	-	-	-	-	-	-
J Mackie	-	-	-	-	-	-	-
A Fresson (Resigned 8 May 2013)	-	-	-	-	-	-*	-
L Robinson (Appointed 1 July 2012)	-	-	-	-	-	-	-
Brent Bonadeo (Appointed 5 July 2013)	-	-	-	-	-	-	-
	777,156	-	-	21,984	799,140	799,140	-

*Only disclosed to date of resignation

Notes to the Financial Statements

For the year ended 30 June 2013

Note 28. Related parties (continued)

(iv) Option holdings of key management personnel

2012	Balance at 1 July 2011	Granted as remuneration	Exercised	Bought	Balance at 30 June 2012	Total exercisable at 30 June 2012	Total not exercisable at 30 June 2012
<i>Directors of Euroz Limited</i>							
<i>Ordinary shares</i>							
P Diamond	-	-	-	-	-	-	-
A McKenzie	750,000	-	(750,000)	-	-	-	-
J Hughes	-	-	-	-	-	-	-
G Chessell	-	-	-	-	-	-	-
D Young	-	-	-	-	-	-	-
<i>Key management personnel of the consolidated entity</i>							
<i>Ordinary shares</i>							
R Caldwell	450,000	-	(450,000)	-	-	-	-
S Yeo	320,000	-	(320,000)	-	-	-	-
O Foster (Resigned 3 November 2011)	200,000	-	-	-	200,000*	200,000*	-
P Rees	-	-	-	-	-	-	-
R Kane	262,377	-	(29,377)	-	233,000	233,000	-
A Clayton	200,000	-	(100,000)	-	100,000	100,000	-
A Brittain	-	-	-	-	-	-	-
G Allen	41,200	-	-	-	41,200	41,200	-
R Black	271,251	-	-	66,765	338,016	338,016	-
N McGlew	-	-	(7,485)	12,425	4,940	4,940	-
D Woods	23,260	-	(23,260)	-	-	-	-
M Argento (Resigned 30 June 2012)	-	-	-	-	-	-*	-
B Beresford	-	-	-	-	-	-	-
B Laird	60,000	-	-	-	60,000	60,000	-
J Bishop	-	-	-	-	-	-	-
J Mackie	-	-	-	-	-	-	-
A Fresson	-	-	-	-	-	-	-
	2,578,088	-	(1,680,122)	79,190	977,156	977,156	-

*Only disclosed to date of resignation

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 29.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 28. Related parties (continued)

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

	2013 \$	2012 \$
Transactions with related parties consisting of:		
(i) Subsidiaries		
– Loans advanced by Euroz Limited to subsidiaries	2,234,958	5,180,513
– Payments of dividends to Euroz Limited by subsidiaries	3,000,000	10,350,000
(ii) Associated Companies		
– Dividends received by Euroz Limited from Associates	3,491,323	4,176,060
– Management fee received by the Euroz Group from Associates	2,712,649	2,700,491

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 29

Other transactions with Directors and specified Executives

During the year ended 30 June 2013 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 group:

Amounts recognised as revenue

Brokerage earned by Euroz Securities Limited on Directors' accounts	145,139	50,160
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Note 29. Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding		Cost of parent entity's investment	
			2013 %	2012 %	2013 \$	2012 \$
Euroz Securities Limited	Australia	Ordinary	100	100	25,000,000	25,000,000
Detail Nominees Pty Limited	Australia	Ordinary	100	100	-	-
Zero Nominees Pty Limited (i)	Australia	Ordinary	100	100	-	-
Westoz Funds Management Pty Ltd	Australia	Ordinary	100	100	1,450,000	1,450,000

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

(i) Owned by Euroz Securities Limited

A brief description of each entity as follows:-

- Euroz Limited – Group holding company listed on the Australian Stock Exchange. Euroz Limited manages cash and investments including significant positions in Ozgrowth Limited and Westoz Investment Company Limited.
- Euroz Securities Limited – Financial services company providing stockbroking and corporate finance services with a focus on Western Australian companies.
- Westoz Funds Management Pty Ltd – Manages the mandates for two listed investment companies, Ozgrowth Limited and Westoz Investment Company Limited with a focus on investing in opportunities with a Western Australian connection.
- Zero Nominees – Custodian company holding shares on behalf of clients of Euroz Securities Limited.
- Detail Nominees - Dormant company that was previously used to for settlement obligation in relation to shares for the Group.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 30. Events occurring after reporting date

Peter Diamond, the Chairman of the Company has announced his intention to retire at the forthcoming Annual General Meeting. Mr Diamond has been an Executive Director and Chairman of the Company for 13 years.

It is the intention, following Mr Diamond's retirement, that Mr Andrew McKenzie, the current Managing Director will be appointed Executive Chairman of the Company.

The Directors are not aware of any other matter or circumstance subsequent to 30 June 2013 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 31. Reconciliation of cash flows from operating activities	2013 \$	2012 \$
Profit for the period	6,304,532	11,760,189
Adjustments for:		
Depreciation and amortisation	1,199,457	1,190,337
Share of net profits of associates	(1,734,396)	1,130,485
Realised gain in associates	(831,164)	(1,094,138)
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	1,000,357	134,029
Decrease/(increase) in prepayments	35,593	28,818
Decrease/(Increase) in accrued income	1,443,383	(166,316)
(Increase)/decrease in inventories	478,657	(1,110,144)
Increase/(decrease) in deferred tax assets	(65,501)	(209,447)
Increase/(decrease) in trade and other payables	565,691	(818,788)
Increase/(decrease) in current tax liabilities	(849,423)	(2,006,485)
Increase/(decrease) in provision for deferred tax liabilities	(709,968)	(180,844)
Increase/(decrease) in provisions (excluding dividends)	(162,648)	325,512
Net cash from operating activities	6,674,570	8,983,208

Note 32. Credit facilities

Unrestricted access was available at reporting date to the following lines of credit:

Credit standby arrangements		
Bank overdrafts	20,000,000	20,000,000
Unused at reporting date	-	-
Bank overdrafts	20,000,000	20,000,000

Euroz Securities Ltd, a wholly owned subsidiary of Euroz Limited, has a bank overdraft facility as at 30 June 2013 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 2013 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.

Westoz Funds Management has given a bank guarantee totalling \$20,000 to ASIC in support of its Australian Financial Services Licence.

Notes to the Financial Statements

For the year ended 30 June 2013

Note 33. Earnings per share	2013 Cents	2012 Cents
Basic earnings per share	4.38	8.20
Diluted earnings per share	4.35	8.11
	2013 Number	2012 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.	143,803,394	143,457,112
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share.	144,857,250	145,096,323

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 income statement.

Note 34. Parent entity disclosures	2013 \$	2012 \$
<i>Financial position</i>		
Assets		
Current assets	25,796,046	30,023,117
Non-current assets	84,899,340	82,771,910
Total assets	110,695,386	112,795,027
Liabilities		
Current liabilities	7,844,429	10,852,041
Total liabilities	7,844,429	10,852,041
Equity		
Issued capital	89,451,519	89,373,600
Retained earnings	16,648,392	18,950,518
Reserves		
Asset revaluation reserve	(3,434,956)	(6,566,232)
Option premium reserve	186,000	186,000
Total equity	102,850,955	101,943,886
<i>Financial performance</i>		
Profit for the year	7,050,214	15,142,118
Other comprehensive income	-	-
Total comprehensive income	7,050,214	15,142,118

Note 35. Company details

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

Euroz Limited
Level 18 Alluvion
58 Mounts Bay Road
PERTH WA 6000

Directors' Declaration

For the year ended 30 June 2013

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 and Corporations Regulations 2001;
 - (b) give a true and fair view of the company's and consolidated group's financial position as at 30 June 2013 and of their performance for the year ended on that date;
 - (c) the financial statements are in compliance with International Financial Reporting Standards, as stated in note 1 to the financial statements.
2. The Chief Executive Officer and Chief Financial Officer have declared in accordance with section 295A of the Corporations Act 2001 that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with 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 Board of Directors.



Peter Diamond

Director



Andrew McKenzie

Director

Date: 28th August 2013



Chartered Accountants & Business Advisers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROZ LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Euroz Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of Euroz Limited (the company) and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

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 judgement, 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 of the financial report that gives a true and fair view 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.

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.

Opinion

In our opinion:

- (a) the financial report of Euroz Limited 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 positions as at 30 June 2013 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 21 to 25 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Euroz Limited for the year ended 30 June 2013, complies with section 300A of the Corporations Act 2001.

PKF Mack and Co.

PKF MACK & CO

Simon Fermanis

SIMON FERMANIS
PARTNER

28 AUGUST 2013
WEST PERTH,
WESTERN AUSTRALIA

Shareholding Information

Ordinary Shares at 31 August 2013

Distribution of Shareholders

Range	Total Holders	Units	Issued Capital %
1 - 1,000	313	146,343	0.10
1,001 - 5,000	550	1,661,707	1.15
5,001 - 10,000	352	2,818,368	1.96
10,001 - 100,000	780	26,427,328	18.33
100,001 - 9,999,999,999	125	113,083,756	78.46
Rounding			0.00
Total	2,120	144,137,502	100.00

Unmarketable Parcels	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 1.0350 per unit	484	172	33527

Top Twenty Shareholders

Rank	Name	Units	%
1	Zero Nominees Pty Ltd	44,894,001	31.15
2	Navigator Australia Ltd <Mlc Investment Sett A/C>	5,589,582	3.88
3	Ice Cold Investments Pty Ltd	3,000,000	2.08
4	Icon Holdings Pty Ltd <The K J Paganin Family AC>	2,966,200	2.06
5	HSBC Custody Nominees (Australia) Limited	2,919,259	2.03
6	Mr Simon David Yeo + Mrs Jennifer Dale Yeo <The Cape Investment A/C>	2,831,000	1.96
7	Ice Cold Investments Pty Ltd <G & J Brown Super Fund A/C>	2,800,000	1.94
8	Mr Andrew William McKenzie + Mrs Catherine Patricia McKenzie <A W McKenzie Super Fund A/C>	2,251,500	1.56
9	Thorney Holdings Pty Ltd	2,200,000	1.53
10	Ice Cold Investments Pty Ltd <Browns Cheltenham Rd S/F A/C>	2,000,000	1.39
11	RBC Investor Services Australia Nominees Pty Limited <PI Pooled A/C>	1,945,751	1.35
12	Mr Robert Hirzel Black	1,710,000	1.19
13	J P Morgan Nominees Australia Limited	1,511,210	1.05
14	Citicorp Nominees Pty Limited	1,505,443	1.04
15	Westrade Resources Pty Ltd <Sheppard Super Fund A/C>	1,300,000	0.90
16	Mrs Catherine Elizabeth Kane	1,160,000	0.80
17	BNM Holdings Pty Ltd <BJD Beresford Family A/C>	1,000,000	0.69
18	BNM Holdings Pty Ltd <BJD Beresford Family A/C>	1,000,000	0.69
19	Mrs Rebecca Joy Foster	1,000,000	0.69
20	TPIC Pty Ltd	1,000,000	0.69
	Total	84,583,946	58.68
	Total Remaining Holders Balance	59,553,556	41.32
			100.00

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