Appendix 4E

Full year report
30 June 2015

EUROZ LIMITED	ABN : 53 000 364 465

Results for announcement to the market

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

Revenue from ordinary activities	Down	(38%)	To	38,899
Profit/(Loss) from ordinary activities after tax attributable to members	Down	(127%)	To	(7,131)
Net Profit/(loss) for the period attributable to members	Down	(127%)	To	(7,131)

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	3.25 Cents	3.25 Cents
Interim dividend	1.75 Cents	1.75 Cents

Record date for determining entitlements to the dividend	20 July 2015
Dividend payable date	29 July 2015

Results commentary for announcement to the market

The Directors are pleased that our Euroz Securities and Westoz Funds Management divisions remained modestly profitable despite difficult market conditions in Western Australian and resource related markets.

However, our significant long term investments in Westoz Investment Company ("WIC") and Ozgrowth Limited ("OZG") continue to have a material effect on our reported profitability. Shareholders should be aware that the non-cash fluctuations in these investments at each balance date do not affect our underlying cash profitability or ability to pay dividends.

We can report that a slightly stronger second half from Euroz Securities boosted our underlying audited cash earnings per share (EPS) for the year to approximately 5.0 cents per share.

Stockbroking

Euroz Securities
Our Euroz Securities business is a significantly stronger operation following the merger with Blackswan Equities at the start of the year. We are pleased that the integration of this business was seamless for clients and advisers, all one off costs have now been absorbed and we have doubled the number of our Private Client Advisers.

Funds Management

Westoz Funds Management ("WFM")
The Listed Investment Companies WIC and OZG have performed in line with their investment universe of Western Australian connected companies. WIC and OZG retain high cash levels of $46.7m and $13.9m respectively, and we remain optimistic that we are coming off a low base, will deploy these funds into new opportunities and have strong leverage for investors when our markets improve.

Westoz Investment Management
Westoz Investment Management ("WIM") is a joint venture between Euroz Limited and Mr Steve Tucker that was established In July 2014 and is a long term strategy to create a quality, multi boutique funds management business.

Flinders Investment Partners, the first of the new boutique funds management partnerships that was announced in July 2015 is a new specialist small companies investment manager which will provide investors access to the significant opportunities available in the sector.

Wealth Management

Entrust Private Wealth Management
We are excited by the emerging wealth management opportunities that are being attracted to our strong balance sheet and established brand. The post balance date acquisition of Entrust Private Wealth Management is a major growth initiative that seeks to leverage an established wealth management business with long term ongoing revenues as a platform for further acquisitions and organic growth. Entrust has a significant high net worth client base with Funds Under Management (FUM) of $565 million which combined with existing Euroz Securities FUM creates a business currently managing $754 million for clients.

Summary

Executive Chairman Andrew McKenzie commented "The Directors are pleased that despite challenging markets we were still able to generate underlying profits and pay 5 cents in fully franked dividends for the year. We have worked extremely hard in the last year to closely manage our operating costs and yet invest in appropriate opportunities to refine our existing businesses."
"We have now laid the foundations for our strategy to build a more consistent base of underlying, recurring revenues through our growing wealth and funds management businesses whilst still retaining the transaction based upside of our traditional stockbroking business."

Euroz Limited

ABN 53 000 364 465

Financial Report

For the year ended 30 June 2015

EUROZ LIMITED
ABN 53 000 364 465

Contents

CORPORATE DIRECTORY

Directors	Andrew McKenzie *Executive Chairman* Jay Hughes *Executive Director* Doug Young *Executive Director* Greg Chessell *Executive Director* Russell Kane *Executive Director* Simon Yeo *Executive Director*
Company Secretary	Chris Webster
Principal registered office and place of business	Level 18 Alluvion 58 Mounts Bay Road PERTH WA 6000 Telephone: +61 8 9488 1400 Facsimile: +61 8 9488 1477 Email: info@euroz.com
Share and debenture registers	Computershare Investor Services Pty Ltd Level 11 172 St Georges Terrace Perth WA 6000 Telephone: 1300 787 575
Auditor	PKF Mack Chartered Accountants Level 4 35 Havelock Street WEST PERTH WA 6005 Telephone: +61 8 9426 8999
Bankers	Westpac Banking Corporation 109 St George's Terrace PERTH WA 6000
Securities exchange listings	Euroz Limited shares are listed on the Australian Securities Exchange (ASX: EZL).
Website address	www.euroz.com
Corporate governance statement	www.euroz.com/investor-relations/corporate-governance

DIRECTORS' REPORT

The 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 2015.

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

EXECUTIVE CHAIRMAN
Andrew McKenzie – *Executive Chairman*

EXECUTIVE DIRECTORS
Jay Hughes – *Director*
Doug Young – *Director*
Greg Chessell – *Director*
Russell Kane – *Director*
Simon Yeo – *Director*

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.

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

(a) Stockbroking;
(b) Funds Management; and
(c) Investing

Review of results
The consolidated group has incurred a consolidated pre-tax loss of $12,218,943 (2014 profit: $35,784,030) for the year ended 30 June 2015.

The consolidated net loss after tax was $7,130,652 compared with the 2014 year consolidated net profit after tax of $26,547,100. This result represents basic earnings per share of (4.66) cents versus 18.29 cents in the 2014 year.

The Directors have declared a final dividend of 3.25 cents per share fully franked which, combined with the interim dividend of 1.75 cent per share, represents a total dividend of 5.0 cents per share fully franked.

Review of operations

	Segment revenues		**Segment results**	
	2015	2014	2015	2014
	$	$	$	$
Stockbroking	25,787,206	29,013,405	723,910	4,071,319
Principal Trading	3,882,298	18,844,057	(112,170)	1,591,948
Funds Management	3,440,074	9,083,064	1,634,124	5,545,843
Investment Income	5,789,203	21,236,414	(9,376,516)	15,337,990
	38,898,781	78,176,940	(7,130,652)	26,547,100

These results have been achieved through modest contributions from all divisions of the business in difficult market conditions.

DIRECTORS' REPORT (continued)

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 report presented herein.

Disclosure of operations
The consolidated group is principally involved in the following activities:
(a) Stockbroking;
(b) Funds Management; and
(c) Investing

Our operations are conducted over several locations with Perth, Western Australia being our main office. During the year, we have established offices in Sydney, New South Wales and Melbourne, Victoria to focus on Corporate Finance and Funds Management opportunities. Details of our operations are outlined below:

(a) Stockbroking
Our stockbroking operation comprises 4 main divisions as follows:

i. Equities Research
- Highly rated research from market leading research team of 7 analysts
- Our views are highly rated by Australian and international institutional investors
- 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 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. Private Clients
- A unique and predominantly "high net worth" client base (s.708 compliant investors)
- Significant capacity to support new issues and construct quality 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
- On 1 July 2014 Euroz completed the acquisition of Blackswan Equities Limited. On 4 August 2014, Blackswan staff successfully transitioned to Euroz premises and all clients were integrated within Euroz Securities. We have achieved significant revenue, cost and operational synergies in the merged Group. This has not only added a very experienced team of advisors to the Group, but has also introduced a broader investment offering for clients of Euroz. With a wealth management service which provides, strategic investment advice, superannuation advice, investment management and portfolio administration service.
- We now have $170m of funds under management with the majority on our in-house portfolio administration service.
- Extensive research support - high quality research on WA based resource and industrial companies enable our advisors to provide quality investment and trading advice.

DIRECTORS' REPORT (continued)

- 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.

Corporate Finance

- Our corporate finance business is focused on developing strong, long term relationships with our clients. During the year, we established a Sydney office.
- 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

(b) Funds Management

Westoz Funds Management Pty Ltd ("WFM") is responsible for $195 million of funds under management at 30 June 2015. It manages funds under mandate from two listed investment companies; Westoz Investment Company Limited ("WIC) and Ozgrowth Limited ("OZG"). Both companies have enjoyed competitive portfolio returns since inception.

WIC commenced its investment activities in May 2005, with OZG commencing in January 2008. Both investment mandates focus on the generation of the target level of returns from investment in small to mid-cap ASX listed securities, generally with a connection to Western Australia. Both portfolios have produced returns in excess of comparable equity benchmarks.

WIC and OZG have now paid $118 million in dividends to shareholders since inception.

On 1 July 2014 a new subsidiary, Westoz Investment Management Limited ("WIM") was formed with Euroz owning 80% and Mr Steve Tucker, Executive Chairman, owning 20%. The first boutique funds management partnership, Flinders Investment Partners ("Flinders") was launched subsequent to year end. Flinders specialises in investing in small and emerging companies.

(c) Investing

Euroz Limited owns significant shareholdings in Westoz Investment Company Limited (WIC.ASX) totalling 26.21% and Ozgrowth Limited. (OZG.ASX) totalling 38.77%. 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 loss after tax for FY 2015 was $7.1 million down 127% from a profit of $26.5 million in the previous year.

The Directors are pleased that our Euroz Securities and Westoz Funds Management divisions remained modestly profitable for the year given the difficult market conditions.

The market value of our investments in the WIC and OZG can have a material impact on our reported profitability. Shareholders should be aware that non-cash fluctuations in these investments at each balance date do not affect our underlying profitability, cash generation or ability to pay dividends.

Disclosure of operations — Sales

Revenue has decreased by 38% from $63.2 million to $38.9 million predominantly due to the decrease in the market values of WIC and OZG but also due to decreases in principal trading, funds management and corporate revenue.

(a) Stockbroking and Corporate Finance

Stockbroking and corporate finance revenue was down by 11% from $29 million in FY14 to $25.8 million in FY15 as a result of decreased Equity Capital Market ("ECM") raisings in our Corporate Finance division. Euroz Securities was involved in 7 ECM transactions this year raising $143 million.

DIRECTORS' REPORT (continued)

(b) Principal Trading
Revenue from Principal Trading decreased by 80% from $18.8 million in FY14 to $3.8 million in FY15.

(c) Funds Management
Revenue from Funds Management decreased to $3.4 million for FY15 compared to $9.1 million for FY14 reflecting the decrease in investment returns and associated performance fees.

(d) Investment Income
Investment income decreased 73% from $21.2 million in FY14 to $5.8 million in FY15 due to the decrease in market values in WIC and OZG.

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 and the Directors are pleased that we were still able to generate underlying profits before fair value movements on investments and pay 5 cents in fully franked dividends for the year.

With effect from 1 July 2015, Euroz acquired Entrust Private Wealth Management ("Entrust"). The post balance date acquisition of Entrust is a major growth initiative that seeks to leverage an established wealth management business with long term ongoing revenues as a platform for further acquisitions and organic growth.

The Directors believe that Euroz have now laid the foundations for our strategy to build a more consistent base of underlying recurring revenues through our growing wealth and funds management businesses whilst still retaining the transaction based upside of our traditional stockbroking business.

Disclosure of business strategies and prospects—Material business risks
The past year continues the seven 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 economic concerns, political instability, inflation 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.

Given this backdrop and the increasingly competitive landscape it has created, we are pleased with our overall results for the financial year. Our entire team has worked hard to manage our costs and generate profits and dividends for shareholders.

Financial position
The net assets of the consolidated group have decreased from $117.1 million at 30 June 2014 to $111.3 million in 2015. This slight decrease has largely resulted from adjustments to the carrying market value of investments as at 30 June 2015.

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 increased from $40.8 million in 2014 to $44.8 million in 2015.

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.

Our group remains in an extremely sound financial position with cash and investments of $109.4 million as at 30 June 2015. We have Net Tangible Assets (NTA) of 73¢ per share and no debt. Euroz has a proud history of consistent profits and dividends having paid $175.2 million in fully franked dividends in the last 15 years.

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

	2015	2014
Earnings per share	Cents	Cents
Basic earnings per share	(4.66)	18.29
Diluted earnings per share	(4.66)	18.27

DIRECTORS' REPORT (continued)

Dividends - Euroz Limited

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

	2015 $	2014 $
Interim ordinary dividend of 1.75 cents (2014 – 1.75 cents) per fully paid ordinary share was paid on 23 January 2015.	2,694,038	2,558,431
Provision for final ordinary dividend for 30 June 2015 of 3.25 cents (2014 – 9.0 cents) per fully paid ordinary share paid on 29 July 2015.	5,192,129	13,702,841
	7,886,167	16,261,272

Of the total dividends paid during the year, $9,458 was paid to the Euroz Share Trust and is undistributed. Therefore, it has been eliminated on consolidation.

Significant changes in the state of affairs
On 1 July 2014, a new subsidiary, Westoz Investment Management Limited ("WIM") was formed with Euroz owning 80% and Mr Steve Tucker, Executive Chairman, owning 20%.

On 1 July 2014, Euroz Securities Limited acquired 100% of the ordinary shares of Blackswan Equities Limited for the total consideration of 5,200,000 Euroz shares ($6,604,000).

Share options
There were no options on issue at 30 June 2015 and 30 June 2014.

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

After balance date events
With effect from 1 July 2015, Euroz Securities Limited acquired 100% of the issued capital of Entrust Private Wealth Management Pty Ltd for the total consideration of 5.45m Euroz shares and $2.35m cash. Refer to note 31 for further details.

Other than this matter the Directors are not aware of any other matter or circumstance subsequent to 30 June 2015 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.

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 (continued)

Information on Directors			Particulars of directors' interests in shares and options of Euroz Limited	
Director	**Experience**	**Special responsibilities and qualifications**	**Ordinary shares***	**Options**
A McKenzie *Executive Chairman*	Mr McKenzie has worked in the stockbroking industry since 1991.	Member of Remuneration Committee Member of Underwriting Committee Holds a Bachelor of Economics Degree, is an individual Master Member of the Stockbrokers Association of Australia and was previously an Associate of the Financial Services Institute of Australia (FINSIA) and Fellow of the Australian Institute of Company Directors.	11,447,376	-
J Hughes *Director*	Mr Hughes has worked in the stockbroking industry since 1986.	Chairman of Remuneration Committee Member of Underwriting 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	11,447,376	-
D Young *Director*	Mr Young has worked in corporate finance since 1984.	Head of Corporate Finance of our 100% owned subsidiary Euroz Securities Limited. Chairman of Audit Committee Member of Underwriting Committee 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.	4,547,867	-
G Chessell *Director*	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. Member of Audit Committee	4,088,450	-
R Kane *Director*	Mr Kane has worked in the stockbroking industry since 1994.	Responsible for servicing both domestic institutions and high net worth clients. Member of Underwriting Committee. Member of Compliance Committee. He holds a Bachelor of Business from Edith Cowan University.	2,783,699	-
S Yeo *Director*	Mr Yeo has worked in the stockbroking industry since 1993.	Established the Private Client division of Euroz Securities which he headed up until October 2013 before moving to a specialised role within the Institutional Dealing team. Member of Audit Committee Member of Compliance Committee He holds a Bachelor of Commerce degree from UWA.	3,883,289	-

*Total shares includes shares granted under the Performance Rights Plan

DIRECTORS' REPORT (continued)

Meetings of Directors
The numbers of meetings of the company's Board of Directors held during the year ended 30 June 2015, and the numbers of meetings attended by each Director were:

Director	Directors Meetings		Committee Meetings			
			Audit		Remuneration	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Andrew McKenzie	16	16	-	-	2	2
Jay Hughes	16	15	-	-	2	2
Doug Young	16	15	2	2	-	-
Greg Chessell	16	15	2	2	-	-
Russell Kane	16	13	-	-	-	-
Simon Yeo	16	12	2	2	-	-

Remuneration Report (audited)

This Remuneration Report outlines the Key Management Personnel (KMP) 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.

Key Management Personnel 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 KMP based on their performance and that of the Company.

Remuneration Policy
The remuneration policy has been designed to align the interests of shareholders, Directors and executives. Euroz remunerates its Directors, executives and other employees by way of a fixed base salary, commission and a combination of short and long term incentives. The Company believes this policy to have been effective in increasing shareholder wealth since inception.

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.

	2011 $	2012 $	2013 $	2014 $	2015 $
Revenue (including gains on fair value movements in investment entities)	77,806,998	97,609,657	45,979,616	78,176,940	38,898,781
Net profit/(loss) after tax	26,566,040	11,760,189	11,122,304	26,547,100	(7,130,652)
Share price at year end	1.62	1.15	1.00	1.30	1.00
Dividends paid or recommended	25,430,670	11,895,469	9,352,340	16,261,272	7,886,167

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

DIRECTORS' REPORT (continued)

Directors' fees
No Directors fees are paid to Executive Directors.

Non-Executive Directors are paid a fixed base salary and superannuation for their role on the Board.

Base pay
All Directors and executives are offered a competitive base salary and superannuation. Base pay for senior executives is reviewed semi-annually by the Remuneration Committee to ensure it 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 short term incentives, dependant on the terms of the individual employment contract:

- Participation in the profit share pool
- Commission
- Discretionary Bonus

Profit share pool
Directors and executives are invited to participate in the profit share pool. The Remuneration Committee determines the allocation of the 40% 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 profit share payment is made as a combination of cash (75%) and equity (25%) as detailed below in Equity Based Payments.

The three executives on the Remuneration Committee (Andrew McKenzie, Jay Hughes and Robert Black, Executive Director of Euroz Securities Limited) are also entitled to participate in the profit share pool. In these circumstances two members assess the performance of the third member.

Commission
Private Client Advisors are paid a commission on top of a base salary and superannuation. This is calculated on a sliding scale. Eligible Private Client Advisors are also invited to participate in the Performance Rights Plan based on certain performance hurdles set out in the employment contract.

Discretionary bonus
Executives and other staff members who do not participate in the profit share pool are paid a discretionary bonus based on the profitability of the Company. Similar to the profit share pool, the distribution of the discretionary bonus is also leveraged to the individual's performance and is made as a combination of cash (75%) and equity (25%) as detailed below in Equity Based Payments.

Equity based payments
A Performance Rights Plan was established in 2014 as a long term incentive to assist in the reward, retention and motivation of Directors, executives and staff members. Eligible employees are invited to participate in this plan and are awarded a Performance right at the beginning of the year. There are three separate long term incentives depending on the individual employment contract as below:

- Profit share
- Discretionary bonus
- Commission

EUROZ LIMITED
FOR THE YEAR ENDED 30 JUNE 2015

DIRECTORS' REPORT (continued)

The Performance Right represents a right to be issued a number of ordinary shares in Euroz to reflect 25% of the profit share or the discretionary bonus that is paid to the participant. Private Client Advisors who are paid a commission may also be paid 5% of their total monthly brokerage and/or Portfolio Administration Revenue in equity. The shares issued will only vest to the employee after 3 years subsequent service following the initial year of service.

Details of remuneration
Details of the nature and amount of each element of the emoluments of each Key Management Personnel of the Group are set out in the following tables.

2015	Short-term				Post Employ-ment	Share Based Payment		
	Base salary $	Profit Share/ bonus $	Other benefits $	Comm-ission $	Super-annuation $	Performance Rights	Total $	Perfor-mance related %
Andrew McKenzie	234,904	90,000	25,495	-	30,000	26,250	406,649	22%
Jay Hughes	234,904	90,000	18,659	-	30,000	26,250	399,813	23%
Doug Young	230,120	60,000	26,088	-	34,783	17,500	368,491	16%
Greg Chessell	230,120	52,500	14,432	-	34,783	16,875	348,710	15%
Russell Kane	246,120	75,000	14,852	-	18,783	21,875	376,630	20%
Simon Yeo	246,120	75,000	17,692	-	18,783	18,750	376,345	20%
Robert Black	240,228	82,500	14,245	-	18,783	21,875	377,631	22%
Phil Rees	214,946	45,000	12,788	-	34,450	19,375	326,559	14%
Anthony Brittain	213,627	52,500	15,781	-	30,000	12,500	324,408	16%
Total	2,091,089	622,500	160,032	-	250,365	181,250	3,305,236	

Current Directors did not receive any Directors fees.

2014	Short-term				Post Employ-ment	Share Based Payment		
	Base salary $	Profit Share/ bonus $	Other benefits $	Comm-ission $	Super-annuation $	Performance Rights	Total $	Perfor-mance related %
Peter Diamond (Resigned 30 October 2013)	92,599	-	244,597	-	7,305	-	344,501	0%
Andrew McKenzie	275,385	225,000	25,756	-	25,000	18,750	569,891	39%
Jay Hughes	282,610	225,000	20,092	-	17,775	18,750	564,227	40%
Doug Young	265,385	150,000	24,132	-	35,000	12,500	487,017	31%
Greg Chessell	275,385	150,000	10,599	-	25,000	12,500	473,484	32%
Russell Kane	264,899	187,500	17,352	-	24,570	15,625	509,946	37%
Simon Yeo	271,703	150,000	16,803	61,502	17,775	12,500	530,283	28%
Robert Black	274,918	180,000	13,873	-	17,775	15,000	501,566	36%
Phil Rees	199,846	187,500	13,782	-	23,853	15,625	440,606	43%
Anthony Brittain	230,769	97,500	14,705	-	24,980	8,125	376,079	26%
Total	2,433,499	1,552,500	401,691	61,502	219,033	129,375	4,797,600	

Current Directors did not receive any Directors fees.

DIRECTORS' REPORT (continued)

Service agreements
Remuneration and other terms of employment for the Key Management Personnel are formalised in service agreements. Each of these agreements provide for the provision of performance-related cash bonuses and other benefits. Notwithstanding the agreed salary in the service agreement, the base salary may be reduced or increased based on trading conditions. Other major provisions of the agreements relating to remuneration are set out below.

Andrew McKenzie, *Executive Chairman*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2015 of $225,000 (2014- $305,000) 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 2015 of $225,000 (2014 - $305,000) 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 2015 $225,000 (2014 - $305,000) 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 2015 of $225,000 (2014 - $305,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Russell Kane, *Director*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2015 of $225,000 (2014 - $305,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Simon Yeo, *Director*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2015 of $225,000 (2014 - $305,000) profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Robert Black, *Director Euroz Securities Limited, Entrust Private Wealth Management Pty Ltd*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2015 of $200,000 (2014 - $305,000) plus profit share.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

Phil Rees, *Director Westoz Funds Management Pty Ltd*
- Term of contract – ongoing employment contract minimum period 1 year
- Base salary, inclusive of superannuation for the year ended 30 June 2015 of $200,000 (2014 - $275,000) plus bonus
- Payment on termination of employment by the employer, other than for gross misconduct – three months salary.

Anthony Brittain, *Director Euroz Securities Limited, Westoz Investment Management and Entrust Private Wealth Management Pty Ltd*
- Term of contract - ongoing employment contract
- Base salary, inclusive of superannuation for the year ended 30 June 2015 of $200,000 (2014 - $265,000) plus bonus.
- Payment on termination of employment by the employer, other than for gross misconduct - three months salary.

DIRECTORS' REPORT (continued)

Shareholdings of Key Management Personnel
The movement during the reporting year in the number of shares in Euroz Limited held, directly, indirectly or beneficially, by each member of Key Management Personnel, including related parties, is as follows:

2015	Balance at 1 July 2014	Held by Euroz Share Trust (i)	Granted as remuneration	On exercise of options	Bought & (sold)	Balance at 30 June 2015
Ordinary shares						
A McKenzie	10,500,000	87,433	-	-	496,390	11,083,823
J Hughes	10,500,000	87,433	-	-	496,390	11,083,823
D Young	4,350,000	58,289	-	-	116,358	4,524,647
G Chessell	3,580,000	55,789	-	-	399,679	4,035,468
R Kane	2,623,000	72,861	-	-	61,050	2,756,911
S Yeo	3,750,000	63,289	-	-	70,000	3,883,289
R Black	2,600,000	73,446	-	-	360,000	3,033,446
P Rees	1,200,000	62,861	-	-	1,813	1,264,674
A Brittain	383,400	42,388	-	-	1,426	427,214
	39,486,400	603,789	-		2,003,106	42,093,295

(i) These shares are held by the Euroz Share Trust and are currently vesting in accordance with the Euroz Performance Rights Plan.

2014	Balance at 1 July 2013	Granted as remuneration	On exercise of options	Bought & (sold)	Balance at 30 June 2014
Ordinary shares					
P Diamond (Resigned 30 October 2013)	10,000,000	-	-	-	*
A McKenzie	10,000,000	-	-	500,000	10,500,000
J Hughes	10,000,000	-	-	500,000	10,500,000
D Young	4,250,000	-	-	100,000	4,350,000
G Chessell	3,102,000	-	-	478,000	3,580,000
R Kane	2,370,000	-	233,000	20,000	2,623,000
S Yeo	3,520,000	-	-	230,000	3,750,000
R Black	1,810,000	-	360,000	430,000	2,600,000
P Rees	1,100,000	-	-	100,000	1,200,000
A Brittain	303,400	-	-	80,000	383,400
	46,455,400	-	593,000	2,438,000	39,486,400

*No amounts disclosed due to resignation during the year.

DIRECTORS' REPORT (continued)

Performance Rights held by Key Management Personnel
The movement during the reporting period in performance rights in Euroz Limited held, directly, indirectly or beneficially, by each Key Management Person, including related parties, is as follows:

2015	Balance at 1 July 2014	Granted as remuneration	Balance at 30 June 2015
Performance Rights			
A McKenzie	1	1	2
J Hughes	1	1	2
D Young	1	1	2
G Chessell	1	1	2
R Kane	1	1	2
S Yeo	1	1	2
R Black	1	1	2
P Rees	1	1	2
A Brittain	1	1	2
	9	**9**	18

2014	Balance at 1 July 2013	Granted as remuneration	Balance at 30 June 2014
Performance Rights			
P Diamond (Resigned 30 October 2013)	-	-	-
A McKenzie	-	1	1
J Hughes	-	1	1
D Young	-	1	1
G Chessell	-	1	1
R Kane	-	1	1
S Yeo	-	1	1
R Black	-	1	1
P Rees	-	1	1
A Brittain	-	1	1
	-	**9**	**9**

These performance rights were issued in accordance with the Performance Rights Plan.

DIRECTORS' REPORT (continued)

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:

All options on issue were exercised or expired during the year ended 30 June 2014. No options were issued in the current year.

2014	Balance at 1 July 2013	Granted as remuneration	Exercised	Bought	Balance at 30 June 2014	Total exercisable at 30 June 2014	Total not exercisable at 30 June 2014
Options							
P Diamond							
(Resigned 30 October 2013)	-	-	-	-	-	-	-
A McKenzie	-	-	-	-	-	-	-
J Hughes	-	-	-	-	-	-	-
D Young	-	-	-	-	-	-	-
G Chessell	-	-	-	-	-	-	-
R Kane	233,000	-	233,000	-	-	-	-
S Yeo	-	-	-	-	-	-	-
R Black	360,000	-	360,000	-	-	-	-
P Rees	-	-	-	-	-	-	-
A Brittain	-	-	-	-	-	-	-
	593,000	-	593,000	-	-	-	-

Share-based compensation
A performance right was issued to certain members of Key Management Personnel as part of their annual bonus / profit share plan. The fair value of each right is calculated as 25% of each member's bonus entitlement. The performance rights are subject to a 4 year vesting period. Total fair values of performance rights issued was $391,197.

Loans Key Management Personnel
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.

<u>Remuneration Report - end</u>

DIRECTORS' REPORT (continued)

Indemnifying officers and auditor
During the financial year, Euroz Limited paid a premium of $361,515 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. 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 received or are due to receive the following amounts for the provision of non-audit services:

	$
Tax compliance and other services	34,500

Auditor's independence declaration
The lead auditor's independence declaration for the year ended 30 June 2015 has been received and follows the Directors report.

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

Andrew McKenzie
Executive Chairman

Doug Young
Director

Date: 14 AUGUST 2015

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 2015, 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

PKF MACK

S Fermanis

SIMON FERMANIS
PARTNER

14 AUGUST 2015
WEST PERTH,
WESTERN AUSTRALIA

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PKF Mack is a member of the PKF International Limited network of legally independent member firms. PKF Mack is also a member of the PKF Australia Limited national network of legally independent firms each trading as PKF. PKF Mack does not accept responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Liability limited by a scheme approved under Professional Standards Legislation.

EUROZ LIMITED
FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2015 $	2014 $
Revenue	4	38,898,781	63,227,567
Gain/(loss) on fair value movement on investments		(21,136,859)	14,949,373
Employee benefits expense		(15,371,583)	(14,324,704)
Depreciation and amortisation expenses		(116,253)	(845,543)
Regulatory expenses		(273,781)	(271,711)
Consultancy expenses		(1,630,230)	(1,550,395)
Conference and seminar expenses		(802,157)	(930,459)
Brokerage and underwriting expense		(3,749,935)	(2,098,450)
Communication expenses		(236,640)	(229,650)
Carrying amount of principal trading securities sold		(3,826,809)	(18,344,234)
Other expenses		(3,973,477)	(3,797,764)
(Loss)/Profit before income tax expense	5	(12,218,943)	35,784,030
Income tax benefit/(expense)	6	5,088,291	(9,236,930)
(Loss)/Profit after income tax expense for the year		**(7,130,652)**	**26,547,100**
Other comprehensive income			
Other comprehensive income net of tax		-	-
Total comprehensive income for the year		(7,130,652)	26,547,100
Profit/(Loss) for the year is attributable to:			
Non-controlling interest		(91,257)	-
Owners of Euroz Limited		(7,039,395)	26,547,100
		(7,130,652)	26,547,100
Total comprehensive income for the year is attributable to:			
Non-controlling interest		(91,257)	-
Owners of Euroz Limited		(7,039,395)	26,547,100
		(7,130,652)	26,547,100
		Cents	Cents
Basic earnings per share	34	(4.66)	18.29
Diluted earnings per share	34	(4.66)	18.27

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

EUROZ LIMITED
AS AT 30 JUNE 2015
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2015 $	2014 $
Current assets			
Cash and cash equivalents	7	45,041,470	55,388,472
Trade and other receivables	8	1,384,626	922,962
Inventories	9	5,582,420	2,998,576
Other current assets	10	1,029,116	916,885
Total current assets		53,037,632	60,226,895
Non-current assets			
Long term receivable	11	5,000,000	5,000,000
Investment entities at fair value	12	53,769,308	73,232,177
Plant and equipment	13	317,822	198,092
Deferred tax assets	14	5,096,470	961,782
Intangible asset	15	2,833,112	-
Total non-current assets		67,016,712	79,392,051
Total assets		**120,054,344**	**139,618,946**
Current liabilities			
Trade and other payables	16	1,525,486	1,858,614
Current tax liabilities	17	-	2,317,486
Short term provisions	18	6,552,049	15,238,301
Total current liabilities		8,077,535	19,414,401
Non-current liabilities			
Deferred tax liabilities	19	397,177	3,041,462
Long term provisions	20	322,220	23,628
Total non-current liabilities		719,397	3,065,090
Total liabilities		**8,796,932**	**22,479,491**
Net assets		**111,257,412**	**117,139,455**
Equity			
Issued capital	21	99,533,415	90,924,294
Reserves	21	658,175	266,978
Retained earnings		11,032,079	25,948,183
Equity attributable to the owners of Euroz Limited		111,223,669	117,139,455
Non-controlling interest		33,743	-
Total equity		**111,257,412**	**117,139,455**

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

EUROZ LIMITED
FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital	Option premium reserve	Share based payment reserve	Retained earnings	Non-controlling interest	Total
	$	$	$	$	$	$
Balance at 1 July 2013	**89,451,519**	**186,000**	-	**15,662,355**	-	**105,299,874**
Profit for the period	-	-	-	26,547,100	-	26,547,100
Total comprehensive income for the period	-	-	-	26,547,100	-	26,547,100
Transactions with owners, recorded directly in equity						
Shares issued during the period	2,615,480	(186,000)	-	-	-	2,429,480
Treasury shares	(1,142,705)	-	-	-	-	(1,142,705)
Share based payments	-	-	266,978	-	-	266,978
Dividends to equity holders	-	-	-	(16,261,272)	-	(16,261,272)
Total contributions by and distributions to owners	1,472,775	**(186,000)**	266,978	(16,261,272)	-	(14,707,519)
Balance at 30 June 2014	**90,924,294**	-	**266,978**	**25,948,183**	-	**117,139,455**
Balance at 1 July 2014	**90,924,294**	-	**266,978**	**25,948,183**	-	**117,139,455**
Loss for the period	-	-	-	(7,039,395)	(91,257)	(7,130,652)
Total comprehensive income for the period	-	-	-	(7,039,395)	(91,257)	(7,130,652)
Transactions with owners, recorded directly in equity						
Shares issued during the period	9,034,366	-	-	-	125,000	9,159,366
Treasury shares	(425,245)	-	-	-	-	(425,245)
Share based payments	-	-	391,197		-	391,197
Dividends to equity holders	-	-		(7,876,709)	-	(7,876,709)
Total contributions by and distributions to owners	**8,609,121**	-	**391,197**	**(7,876,709)**	**125,000**	**1,248,609**
Balance at 30 June 2015	**99,533,415**	-	**658,175**	**11,032,079**	**33,743**	**111,257,412**

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

EUROZ LIMITED
FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		28,725,358	37,030,613
Payments to suppliers and employees (inclusive of goods and services tax)		(27,221,891)	(22,732,912)
		1,503,467	14,297,701
Interest received		1,674,775	1,574,326
Proceeds from sale of trading shares		3,842,298	19,158,477
Income taxes (paid)		(4,037,828)	(2,832,150)
Payments for trading shares		(6,959,128)	(19,752,073)
Net cash flows (used in)/from operating activities	32	**(3,976,416)**	**12,446,281**
Cash flows from investing activities			
Payments for investments		(648,477)	(4,572,875)
Dividends received		5,191,190	5,572,639
Payments for plant and equipment		(223,226)	(101,631)
Payments for treasury shares		(425,245)	(1,142,705)
Cash acquired on the acquisition of a business		5,824,004	-
Net cash flows from/(used in) investing activities		**9,718,246**	**(244,572)**
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		-	2,429,479
Dividends paid		(13,957,051)	(9,749,156)
Payments of financial liabilities		(2,131,781)	-
Net cash flows from/(used in) financing activities		**(16,088,832)**	**(7,319,677)**
Net decrease in cash and cash equivalents		**(10,347,002)**	**4,882,032**
Cash and cash equivalents at 1 July		55,388,472	50,506,440
Cash and cash equivalents at 30 June	7	**45,041,470**	**55,388,472**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

EURoz LIMITED
FOR THE YEAR ENDED 30 JUNE 2015

CONTENTS

NOTES TO THE FINANCIAL STATEMENTS

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 as issued by the Australian Accounting Standards Board and the Corporations Act 2001 as appropriate for "for-profit" oriented entities.

This financial report has been authorised by the Directors to be issued on 14 August 2015. The Directors have the power to amend and reissue the financial statements.

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

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 37 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. Amounts are rounded to the nearest dollar in accordance with class order 98/100.

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 2015 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 group.

Subsidiaries are all those entities over which the consolidated group has control. The consolidated group controls an entity when the consolidated group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated group. 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 group.

A change in ownership interest without the loss of control is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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.

Note 1. Statement of significant accounting policies (continued)

(b) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

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 to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Note 1. Statement of significant accounting policies (continued)

(c) Business combinations (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(d) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. 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), where applicable

(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 impairment 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

Controlled entities are accounted for in the consolidated financial statements as set out in Note 1 (a), excluding investment entities (which are deemed to be controlled) which are accounted for at fair value at reporting date.

Other securities are accounted for 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.

Note 1. Statement of significant accounting policies (continued)

(h) Plant and equipment

Each class of plant and equipment is carried at cost as indicated less, where applicable, any accumulated depreciation and impairment losses.

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%

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

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.

(i) 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.

(j) Leases

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.

(k) Trade and other creditors

Trade and other creditors also includes other liabilities for goods and services provided to the consolidated group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and not discounted. 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.

(l) 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.

(m) 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.

Note 1. Statement of significant accounting policies (continued)

(n) 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/performance rights*
The fair value of options/performance rights 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 of options 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.

The fair value of performance rights are estimated at grant date based on expectations of the bonus that will be paid at year end to eligible employees. Each performance right is subject to a 4 year vesting condition.

(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.

(o) 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.

(p) 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.

Note 1. Statement of significant accounting policies (continued)

(q) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(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 group 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 group 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 group 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) Treasury Shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share-based payments reserve.

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.

Note 1. Statement of significant accounting policies (continued)

(u) Financial instruments (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 group 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 group 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.

(iv) *Impairment of financial assets*

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) Current/non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

Note 1. Statement of significant accounting policies (continued)

(v) Current/non-current classification (continued)

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(w) 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.

(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) Intangible asset

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 1. Statement of significant accounting policies (continued)

(z) **New standards and interpretations**

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 the early adoption of any 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 9	Financial Instruments	1 January 2018	December 2010
AASB 2013-9	Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments Part C - Financial Instruments	Part C - 1 January 2015	December 2013
AASB 2014-1	Amendments to Australian Accounting Standards Part D - Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts Part E - Financial Instruments	Part D - 1 January 2016 Part E - 1 January 2018	June 2014
AASB 2014-3	Amendments to Australian Accounting Standard – Accounting for Acquisition of Interest in Joint Operations	1 January 2016	August 2014
AASB 2014-4	Amendments to Australian Accounting Standard - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	1 January 2016	August 2014
AASB 2014-5	Amendments to Australian Accounting Standard Arising From AASB 15	1 January 2017	December 2014
AASB 2014-7	Amendments to Australian Accounting Standard Arising From AASB 9	1 January 2018	December 2014
AASB 2014-8	Amendments to Australian Accounting Standards Arising From AASB 9	1 January 2015	December 2014
AASB 2014-9	Amendments to Australian Accounting Standard - Equity Method in Separate Financial Statements	1 January 2016	January 2015
AASB 2014-10	Amendments to Australian Accounting Standard - Sale of Contribution of Assets Between Investors and its Associates or Joint Venture	1 January 2016	January 2015
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle	1 January 2016	January 2015
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	January 2015
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015	January 2015
AASB 2015-4	Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	1 January 2015	January 2015
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	1 January 2016	January 2015
AASB 14	Regulatory Deferral Account	1 January 2016	June 2014
AASB 15	Revenues from Contracts with Customers	1 January 2017	December 2014

Note 1. Statement of significant accounting policies (continued)

(z) New standards and interpretations (continued)

The consolidated group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have a significant impact on the financial performance or position of the consolidated group.

The following Accounting Standards and Interpretations are most relevant to the consolidated group:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
The consolidated group has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
The consolidated group has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
The consolidated group has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

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 and judgments

(i) Impairment

At each reporting date, the group compares the carrying values and market values of investment entities to determine whether there is any indication of impairment. If impairment indicators exist, any excess of the investment entity's carrying value over the recoverable amount is expensed to the statement of profit or loss.

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.

(ii) 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 statement of profit or loss.

Note 2. Significant accounting estimates and judgements (continued)

(iii) *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 and tax losses, 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.

(iv) *Goodwill*
Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, the goodwill on acquisition of Blackswan Equities Limited is allocated to private client broking cash-generating unit which represents the lowest level at which it is monitored for internal management purposes. At 30 June 2015, goodwill totalling $2,833,112 has been allocated to the private client broking cash-generated unit. The assumptions used for determining the recoverable amount are based on past experience and expectations for the future. Projected cash flows for each cash-generated unit are discounted using an appropriate discount rate and a value in use is determined over a 5 year life. The discount rate deemed applicable at 30 June 2015 amounted to 5.83%. The Board have assessed that there is no indication the goodwill is impaired.

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 funds management.

Investments
The consolidated group invests in listed and unlisted securities from which it derives dividends.

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.

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Note 3. Segment information (continued)

Segment performance

	Stockbroking & Corporate Activities $	Principal Trading $	Funds Management $	Investment Income $	Unallocated Items $	Total (Consolidated) $
2015						
Sales and other fees	25,074,027	3,842,298	3,380,405	-	-	32,296,730
Interest revenue	713,179	-	59,669	638,013	-	1,410,861
Other revenues	-	40,000	-	5,151,190	-	5,191,190
Total segment revenue	25,787,206	3,882,298	3,440,074	5,789,203	-	38,898,781
Segment net operating profit after tax	723,910	(112,170)	1,634,124	(9,376,516)	-	(7,130,652)
Depreciation and amortisation	113,149	-	3,104	-	-	116,253
Loss on fair value of investments	-	(1,025,513)		(20,111,346)	-	(21,136,859)
Segment assets	34,462,677	5,582,420	3,059,467	76,949,780	-	120,054,344
Fair value of investment entities	-	-	-	53,769,308	-	53,769,308
Capital expenditure	142,666	-	80,560	-	-	223,226
Segment liabilities	3,192,734	-	360,307	5,243,891	-	8,796,932
Cash flow information						
Net cash flow from operating activities	(859,586)	(3,116,830)	-	-	-	(3,976,416)
Net cash flow from investing activities	5,681,338	40,000	(80,560)	4,502,713	(425,245)	9,718,246
Net cash flow from financing activities	-	-	-	-	(16,088,832)	(16,088,832)

Note 3. Segment information (continued)

Segment performance

	Stockbroking & Corporate Activities	Principal Trading	Funds Management	Investment Income	Unallocated Items	Total (Consolidated)
	$	$	$	$	$	$
2014						
Sales and other fees	28,264,385	18,844,057	8,975,819	-	-	56,084,261
Interest revenue	745,813	-	107,245	714,402	-	1,567,460
Other revenues	3,207	-	-	20,522,012	-	20,525,219
Total segment revenue	29,013,405	18,844,057	9,083,064	21,236,414	-	78,176,940
Segment net operating profit after tax	4,071,319	1,591,948	5,545,843	15,337,990	-	26,547,100
Depreciation and amortisation	843,319	-	2,224	-	-	845,543
Gain on fair value of investment entities	-	-	-	14,949,373	-	14,949,373
Segment assets	28,642,125	2,032,576	5,342,923	103,601,322	-	139,618,946
Fair value of investment entities	-	-	-	73,232,177	-	73,232,177
Capital expenditure	101,631	-	-	-	-	101,631
Segment liabilities	2,491,930	-	1,176,457	18,811,104	-	22,479,491
Cash flow information						
Net cash flow from operating activities	3,099,745	(593,596)	9,225,730	714,401	-	12,446,281
Net cash flow from investing activities	(101,631)	-	-	999,764	(1,142,705)	(244,572)
Net cash flow from financing activities	-	-	-	-	(7,319,676)	(7,319,676)

Entity-wide disclosures
The consolidated group predominately operates with in the geographical region of Australia. Therefore, the total revenue and non-current assets are reflected on the face of the financial statements.

During the year ended 30 June 2015 approximately 19% (2014: 19%) of the consolidated entity's external revenue was derived from management fees and dividends from Ozgrowth Limited and Westoz Investment Company Limited.

Note 4. Revenue

	2015 $	2014 $
Revenue from operating activities		
Brokerage	16,626,934	11,651,450
Underwriting and management fees	11,005,474	24,380,270
Proceeds on sale of principal trading shares	3,842,298	18,844,058
Corporate retainers	822,023	1,208,483
	32,296,729	56,084,261
Other income		
Interest received	1,410,862	1,567,460
Other revenue	-	3,207
Dividend received	5,191,190	5,572,639
	6,602,052	7,143,306
Total Revenue	38,898,781	63,227,567

Note 5. Profit before income tax expense

	2015 $	2014 $
Rental expenses relating to operating lease	1,837,796	1,456,945
Superannuation expense	797,118	588,821
Share based payments	391,197	266,978
Write-off of fixed assets	131,977	-
Write-off of investment	15,000	-

Note 6. Income tax

	2015 $	2014 $
The components of tax expense comprise:		
Current tax	1,691,318	4,511,208
Deferred tax	(6,779,609)	4,725,722
	(5,088,291)	9,236,930

Note 6. Income tax (continued)

	2015 $	2014 $
Numerical reconciliation between tax expense and pre-tax accounting profit		
Income tax using company's tax rate of 30% (2014: 30%)	(3,665,683)	10,735,209
Add tax effect of:		
- other non-allowable items	121,703	49,147
- prior year under provision	-	65,760
- other	13,046	58,606
	(3,530,934)	10,908,722
Less tax effect of:		
- gain on acquisition of associates		-
- franked dividends received	1,557,357	1,671,792
Income tax attributable to entity	(5,088,291)	9,236,930
The applicable weighted average effective tax rates are as follows:	41.64%	25.81%

Reconciliations

i. Gross movements

The overall movement in the deferred tax account is as follows:

	2015 $	2014 $
Balance at 1 July	(2,079,680)	2,646,042
Recognised in income statement	6,779,609	(4,725,722)
Recognised in other comprehensive income	-	-
Balance at 30 June	4,699,929	(2,079,680)

ii. Deferred tax liability

Movement in temporary differences during the year

	2015 $	2014 $
Fair value gain adjustments		
Balance at 1 July	2,907,263	-
Recognised in the income statement	(2,933,963)	2,907,263
Balance at 30 June	(26,700)	2,907,263
Other		
Balance at 1 July	134,199	91,351
Recognised in the income statement	289,678	42,848
Balance at 30 June	423,877	134,199
	397,177	3,041,462

Note 6. Income tax (continued)

	2015 $	2014 $
iii. Deferred tax assets		
Movement in temporary difference during the year		
Fair value gain adjustments		
Balance at 1 July	-	1,899,140
Recognised in the income statement	3,795,921	(1,899,140)
Balance at 30 June	3,795,921	-
Provisions		
Balance at 1 July	961,782	838,253
Recognised in the income statement	(411,824)	123,529
Balance at 30 June	549,958	961,782
Other		
Balance at 1 July	-	-
Recognised in the income statement	750,591	-
Balance at 30 June	750,591	-
	5,096,470	961,782

Tax losses
No part of the deferred tax asset shown in Note 14 is attributable to tax losses. The Directors advise that the potential future income tax benefit at 30 June 2015 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.

Note 7. Cash and cash equivalents

	2015 $	2014 $
Cash at bank and on hand	45,041,470	55,388,472

Note 8. Trade and other receivables

	2015 $	2014 $
Trade receivables	1,384,626	922,962

All trade receivables relating to brokerage and principal trading have been transferred to Pershing (clearing participant on behalf of Euroz Securities Limited) who provides a trust account facility as part of the clearing and settlement service.

Note 9. Inventories

	2015 $	2014 $
Securities in unlisted companies (at cost) (i)	527,000	527,000
Trading securities in listed companies (at cost) (i)	6,699,270	2,936,485
Fair value adjustments (ii)	(1,643,850)	(464,909)
Total	5,582,420	2,998,576

(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

	2015 $	2014 $
Prepayments	642,814	493,062
Accrued income	161,237	423,823
Current tax asset	225,065	-
Total	1,029,116	916,885

Note 11. Long term receivable

	2015 $	2014 $
Security deposit	5,000,000	5,000,000

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. Investment entities at fair value

	2015 $	2014 $
Listed ordinary shares in investment entities at fair value through profit or loss	53,769,308	73,232,177

Reconciliation
Reconciliation of the fair values at the beginning and end of the current financial year are set out below:

	2015 $	2014 $
Opening fair value	73,232,177	54,598,004
Additions	648,477	4,493,584
Revaluation increments/(decrements)	(20,111,346)	14,140,589
Closing fair value	53,769,308	73,232,177

Note 13. Plant and equipment

	2015 $	2014 $
Leasehold improvements		
At cost	103,421	29,703
Less: Accumulated amortisation	(26,817)	(23,210)
	76,604	6,493
Software		
At cost	43,392	62,194
Less: Accumulated depreciation	(26,001)	(36,025)
	17,391	26,169
Office equipment		
At cost	193,586	209,394
Less: Accumulated depreciation	(109,601)	(129,304)
	83,985	80,090
Furniture, fixtures and fittings		
At cost	176,912	94,019
Less: Accumulated depreciation	(37,070)	(8,679)
	139,842	85,340
	317,822	198,092

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 $
2015			
Carrying amount at 1 July 2014	6,493	191,599	198,092
Additions	77,609	143,748	221,357
Acquired from a business combination	-	146,603	146,603
Assets written-off	-	(131,977)	(131,977)
Depreciation/amortisation expense	(7,498)	(108,755)	(116,253)
Carrying amount at 30 June 2015	76,604	241,218	317,822
2014			
Carrying amount at 1 July 2013	636,360	305,644	942,004
Additions	-	101,631	101,631
Depreciation/amortisation expense	(629,867)	(215,676)	(845,543)
Carrying amount at 30 June 2014	6,493	191,599	198,092

Note 14. Deferred tax assets

	2015 $	2014 $
Deferred tax asset (Note 6)	5,096,470	961,782

Note 15. Intangible asset

	2015 $	2014 $
Opening balance	-	-
Goodwill acquired on the acquisition of Blackswan Equities (note 30)	2,833,112	-
Amortisation	-	-
Balance	2,833,112	-

The goodwill acquired upon the acquisition of Blackswan Equities Ltd (Blackswan) is subject to an annual impairment review by the Board. As at 30 June 2015, the Board have assessed that there is no indication that the goodwill is impaired. At 31 December 2014, the intangible acquired on the acquisition of Blackswan was deemed to be customer lists. Subsequent to this date, this has been reassessed as goodwill. Refer to note 2 (iv) for the key assumptions used in the value-in-use calculations.

Note 16. Trade and other payables

	2015 $	2014 $
Trade creditors	-	-
Other payables and accruals	1,525,486	1,858,614
Total	1,525,486	1,858,614

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

	2015 $	2014 $
Provision for taxation	-	2,317,486

Note 18. Short term provisions

	2015 $	2014 $
Dividends	5,192,129	13,702,841
Employee entitlements (annual leave)	707,050	684,186
Employee entitlements (long service leave)	652,870	851,274
Total	6,552,049	15,238,301

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:

Note 18. Short term provisions (continued)

	2015 $	2014 $
Carrying amount at 1 July	13,702,841	7,190,724
Additional provisions recognised	7,886,167	16,261,272
Amounts paid out (including through dividend reinvestments)	(16,396,879)	(9,749,155)
Carrying amount at 30 June	5,192,129	13,702,841

Note 19. Deferred tax liabilities

	2015 $	2014 $
Deferred tax liability (Note 6)	397,177	3,041,462

Note 20. Long term provisions

	2015 $	2014 $
Employee entitlements (long service leave)	322,220	23,628

Note 21. Contributed equity

	2015 Shares	2014 Shares	2015 $	2014 $
(a) Share capital				
Ordinary shares				
Issued and paid up capital - consisting of ordinary shares	152,997,812	146,153,785	99,533,415	90,924,294

(b) Movements in ordinary share capital

	2015 Shares	2014 Shares
At the beginning of the reporting period	146,153,785	143,814,479
Acquisition of Treasury shares	(410,000)	(900,000)
Shares issued as consideration to acquire Blackswan Equities Limited	5,200,000	-
Shares issued through dividend reinvestment scheme	2,054,027	-
Exercise of options	-	3,239,306
At the end of the reporting period	152,997,812	146,153,785

(c) Movements in ordinary share capital

	2015 $	2014 $
At the beginning of the reporting period	90,924,294	89,451,519
Acquisition of Treasury shares	(425,245)	(1,142,705)
Shares issued as consideration to acquire Blackswan Equities Limited	6,604,000	-
Shares issued through dividend reinvestment scheme	2,430,366	-
Exercise of options	-	2,615,480
At the end of the reporting period	99,533,415	90,924,294

Note 21. Contributed equity (continued)

(d) Treasury shares	2015 Shares	2014 Shares	2015 $	2014 $
Balance of treasury shares at the end of the reporting period	(1,310,000)	(900,000)	(1,567,950)	(1,142,705)

Treasury shares were acquired by Employee Share Trust at various times during the year. The acquisition of Treasury shares forms part of the Performance Right Plan.

(e) **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.

(f) **Options**
There were no options on issue at 30 June 2015.

(g) **Share based payments reserve**
The reserve records items recognised as expenses on valuation of share based payments. The movement in the current period totalling $391,197 relates to the vesting expense related to the fair value of performance rights issued in the prior year and the current year in connection with the Performance Rights Plan.

	2015 No	2014 No
Performance rights:		
On issue at 1 July	45	-
Issued during the year	76	47
Relinquished during the year	(25)	(2)
Total on issue at year	96	45
	$	**$**
Balance on share based payment reserve at 1 July	266,978	-
Recognised during the year	391,197	266,978
Balance on share based payments reserve at 30 June	658,175	266,978

(h) **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 and significant cash reserves. As the holder of AFSLs and as a participant of the ASX the group is exposed to externally imposed capital requirements, which have been complied with at year end and throughout the year.

Note 22. Dividends

	2015 $	2014 $
Ordinary shares		
Interim dividend for the half year ended 31 December 2014 of 1.75 cents (2014 – 1.75 cents) per fully paid ordinary share paid on 23 January 2015. Fully franked based on tax paid @ 30%	2,694,038	2,558,431
Final dividend declared and provided for at 30 June 2015 of 3.25 cents (2014 –9 cents) per fully paid ordinary share Fully franked based on tax paid @ 30%	5,192,129	13,702,841
Total dividends provided for or paid	7,886,167	16,261,272

Note 22. Dividends (continued)

Of the total dividends paid during the year, $9,458 was paid to the Euroz Share Trust and is undistributed. Therefore, it has been eliminated on consolidation.

Franked dividends
The franked portions of the dividends recommended after 30 June 2015 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 2015.

	2015 $	2014 $
Franking credits available for subsequent financial years based on a tax rate of 30% (2014: 30%)	11,279,279	11,110,575

These dividends are fully-franked and therefore, there are no income tax consequences for the owners of Euroz Limited

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

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

Note 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.

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

	2015	2014
	$	$
Less than 1 month	1,525,486	1,858,614

(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 2015.

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 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	
	2015	2014
	$	$
Cash and cash equivalents	45,041,470	55,388,472
Receivables	1,384,626	922,962
Long term deposit	5,000,000	5,000,000
	51,426,096	61,311,434

Note 23. Financial instruments (continued)

Impairment losses
None of the consolidated entity's receivables are past due (2014: Nil).

(iv) Financial instruments composition and maturity analysis

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
FINANCIAL ASSETS	%	%	$	$	$	$
Cash and cash equivalents	2.19	2.95	45,041,470	55,388,472	-	-
Trade and other Receivables	-	-	-	-	1,384,626	922,962
Financial assets held for trading	-	-	-	-	5,582,420	2,998,576
Financial assets at fair value through profit and loss	-	-	-	-	53,769,308	73,232,177
Long term deposit	1.25	1.75	5,000,000	5,000,000	-	-
Total financial assets			50,041,470	60,388,472	60,736,354	77,153,715
FINANCIAL LIABILITIES						
Trade and other payables	-	-	-	-	1,525,486	1,858,614

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)

2015	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments	59,061,113	290,615	-	59,351,728
Total Assets	59,061,113	290,615	-	59,351,728

2014	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments	75,703,753	527,000	-	76,230,753
Total Assets	75,703,753	527,000	-	76,230,753

(v) Sensitivity analysis
Assuming all variables remain constant and the interest rate fluctuated by 1% at year end the effect on the group's equity and profit as follows:

	2015	**2014**
	$	**$**
Increase by 1%	500,415	603,885
Decrease by 1%	(500,415)	(603,885)

Note 23. Financial instruments (continued)

Assuming all variables remain constant and the equity market fluctuated by 5% at year end the effect on the group's equity and profit is as follows:

	2015 $	2014 $
Increase by 5%	2,967,586	3,811,538
Decrease by 5%	(2,967,586)	(3,811,538)

Note 24. Remuneration of auditors

	2015 $	2014 $
Audit services		
Audit and review of financial reports for the Group		
Fees paid to PKF Mack firm	136,000	114,000
Other services		
Tax compliance services	24,500	16,650
Other services	10,000	-
	34,500	16,650

Note 25. Contingent liabilities

The parent entity and consolidated group had contingent liabilities at 30 June 2015 as follows:

	2015 $	2014 $
Secured guarantees in respect of:		
operating lease of a controlled group entity	1,321,126	591,000

As noted in note 11 the consolidated group has a deposit with Pershing in order to meet capital requirements under ASX Clear Pty Ltd. This deposit totalled $5,000,000 at reporting date (2014: $5,000,000)

Note 26. Commitments for expenditure

	2015 $	2014 $
(a) Operating leases		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	1,232,415	977,809
Later than one year but not later than five years	5,393,288	5,559,363
Later than five years	261,699	-
Commitments not recognised in the financial statements	6,887,402	6,537,172

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.

The licence on the premises at Level 23, Goldfields House, 1 Alfred Street, Sydney NSW is for the period of 5 years commencing 13 June 2014 and expiring on 31 October 2019.

The licence on the premises at Level 16, 385 Bourke Street, Melbourne is for the period of 8 years commencing 1 June 2015 and expiring on 31 May 2022.

Note 27. Employee benefits

	2015	2014
	$	$
Employee benefit and related on-costs liabilities		
Provision for employee entitlements	1,682,140	1,559,090
Aggregate employee benefit and related on-costs liabilities	1,682,140	1,559,090

Note 28. Related parties

(a) Key Management Personnel compensation

	2015	2014
	$	$
Short-term employee benefits	2,873,621	4,449,192
Post-employment benefits	250,365	219,033
Share based payments	181,250	129,375
Total compensation	3,305,236	4,797,600

(b) Individual Key Management Personnel compensation disclosure

Information regarding individual Key Management Personnel 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 Key Management Personnel has entered into a material contract with the group since the end of the previous financial year and there were no material contracts involving Key Management Personnel interest existing at year end.

(c) Parent entity

The ultimate parent entity within the group is Euroz Limited.

(d) Share-based payments

During the year a performance right was issued to 57 employees (2014: 45 employees). This performance right entitles the holder to a number of shares in Euroz Limited calculated as 25% of their bonus entitlement for the year. At point of issue, these performance rights are subject to a 4 year vesting period. The fair value of each performance right is calculated as 25% of the individual's bonus entitlement.

(e) Wholly-owned group transactions

Wholly-owned group

The wholly-owned group consists of Euroz Limited and its wholly-owned controlled entities. See Note 29.

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

	2015	2014
	$	$
Transactions with related parties consisting of:		
(i) Subsidiaries		
- Loans advanced by Euroz Limited to subsidiaries	8,495,488	4,662,071
- Payments of dividends to Euroz Limited by subsidiaries	1,750,000	12,100,000
- Payments of dividends to Euroz Securities by subsidiaries	80,000	-
- Loans advanced by Westoz Investment Management to subsidiary	47,819	-
(ii) Other		
- Dividends received by Euroz Limited from investment entities	5,151,190	5,572,639
- Management fee received by the Euroz Group from investment entities	2,210,600	2,670,819
- Performance fee received by the Euroz Group from investment entities	-	6,305,000

Note 28. Related parties (continued)

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 2015 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:

	2015 $	2014 $
Amounts recognised as revenue		
Brokerage earned on Key Management Personnel accounts	50,922	70,769

Note 29. Investments in controlled entities

Name of entity	Country of incorporation	Class of shares	Equity holding 2015 %	Equity holding 2014 %	Cost of parent entity's investment 2015 $	Cost of parent entity's investment 2014 $
Euroz Securities Limited	Australia	Ordinary	100	100	25,000,000	25,000,000
Detail Nominees Pty Ltd	Australia	Ordinary	100	100	-	-
Zero Nominees Pty Ltd (i)	Australia	Ordinary	100	100	-	-
Westoz Funds Management Pty Ltd	Australia	Ordinary	100	100	1,450,000	1,450,000
Euroz Employee Share Trust	Australia	Ordinary	-	-	-	-
Ozgrowth Limited*	Australia	Ordinary	38.77	38.52	-	-
Westoz Investment Company Limited*	Australia	Ordinary	26.21	26.10	-	-
Westoz Investment Management Limited	Australia	Ordinary	80	-	500,000	-
Blackswan Equities Ltd (i)	Australia	Ordinary	100	-	6,604,000	-
Flinders Investment Partners Pty Ltd (ii)	Australia	Ordinary	100	-	2	-
Blackswan Corporate Pty Ltd (i)	Australia	Ordinary	100	-	-	-
Blackswan Wealth Management Pty Ltd (i)	Australia	Ordinary	100	-	-	-
WIM WA Resources Limited	Australia	Ordinary	100	-	1	-
WIM Small Cap Limited	Australia	Ordinary	100	-	1	-

The ultimate parent entity in the wholly owned group is Euroz Limited.
(i) Owned by Euroz Securities Limited
(ii) Owned by Westoz Investment Management Limited

A brief description of each entity as follows:-

(a) 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.
(b) Euroz Securities Limited – Financial Services Company providing stockbroking services with a focus on Western Australian companies.
(c) 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.
(d) Zero Nominees – Custodian company holding shares on behalf of clients of Euroz Securities Limited.
(e) Detail Nominees - Dormant company that was previously used to for settlement obligation in relation to shares for the Group.
(f) Euroz Limited Employee Share Trust vehicle established to acquire treasury shares on-market for distribution to eligible employees in connection with the Performance Rights Plan.
(g) Westoz Investment Management Pty Limited – A 80/20 joint venture with former MLC CEO, Mr Steve Tucker to create a multi boutique funds management business. The first boutique funds management partnership was launched subsequent to year end with Flinders Investment Partners.

Note 29. Investments in controlled entities (continued)

(h) Blackswan Equities Ltd – The activities of the Blackswan group of entities have been transferred over to Euroz Securities Limited during the financial year.
(i) Blackswan Corporate Pty Ltd – The activities of the Blackswan group of entities have been transferred over to Euroz Securities Limited during the financial year.
(j) Blackswan Wealth Management Pty Ltd - The activities of the Blackswan group of entities have been transferred over to Euroz Securities Limited during the financial year.
(k) Flinders Investment Partners Pty Ltd - New boutique fund management specialising in investing in small and emerging companies.

*Although Ozgrowth Limited and Westoz Investment Company Limited are controlled entities, exemption from consolidation was derived from the adoption of AASB 2013-5 Investment Entities.

Note 30. Business combination

On 1 July 2014 Euroz Securities Limited, acquired 100% of the ordinary shares of Blackswan Equities Limited for the total consideration of $6,604,000. Blackswan Equities Limited is a stockbroking, investment management and corporate advisory firm. Euroz Limited has acquired Blackswan Equities Limited to increase its market share and profitability under these areas.
Details of the acquisition is as follows:

	Fair value
	$
ASSETS	
Cash and cash equivalents	5,824,004
Receivables and other current assets	908,058
Financial assets	316,571
Deferred tax assets	195,405
Property, plant and equipment	146,063
Total assets acquired	7,390,101
Goodwill	2,833,112
	10,223,213
LIABILITIES	
Trade and other current liabilities	1,156,083
Financial liabilities	2,131,781
Provisions	331,349
	3,619,213
Fair value of net assets acquired	6,604,000
Representing:	
Fair value of shares issued in Euroz Limited to the vendors	6,604,000

The initial determination made as at 31 December 2014 assessed the intangible as customer lists. However, subsequent to 31 December 2014 this was reassessed as goodwill in light of events occurring subsequent to the initial determination being made.

Note 31. Events subsequent to reporting date

On 1 July 2015, Euroz Limited acquired 100% of the issued share capital of Entrust Private Wealth Management Pty Ltd ("Entrust") for the total consideration of 5.45m Euroz shares and $2.35m in cash. Entrust is a leading West Australian based wealth management business. Entrust will provide valuable wealth management and strategic financial planning support for the entire Euroz Group. The fair values in relation to the acquisition are unaudited at this stage.

Other than this matter, the Directors are not aware of any other matter or circumstance subsequent to 30 June 2015 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.

Note 32. Reconciliation of cash flows from operating activities

	2015 $	2014 $
(Loss)/Profit for the period	(7,130,652)	26,547,100
Adjustments for:		
Depreciation and amortisation	116,253	845,543
Share based payments	391,197	266,978
Unrealised loss/(gain) arising from fair value of investment entities	20,111,346	(13,892,168)
Dividends received from investment entities (investing activity)	(5,151,190)	(5,572,639)
Write-off of fixed assets	131,977	-
Write-off of investments	15,000	-
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	(461,664)	(147,617)
Decrease/(increase) in other current assets	112,833	(73,932)
Decrease/(Increase) in inventories	(2,583,844)	(2,185,543)
Decrease/(Increase) in deferred tax assets	(4,134,688)	1,775,611
Increase/(decrease) in trade and other payables	(333,128)	54,812
Increase/(decrease) in current tax liabilities	(2,542,551)	1,679,058
Increase/(decrease) in deferred tax liabilities	(2,644,285)	2,950,111
Increase/(decrease) in provisions (excluding dividends)	126,980	198,967
Net cash (used in)/from operating activities	(3,976,416)	12,446,281

Note 33. Credit facilities

	2015 $	2014 $
Unrestricted access was available at reporting date to the following lines of credit:		
Credit standby arrangements		
Bank overdrafts	-	20,000,000
Unused at reporting date		
Bank overdrafts	-	20,000,000

Euroz Securities Ltd, a wholly owned subsidiary of Euroz Limited, has a bank overdraft facility as at 30 June 2014 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.

These credit facilities have been cancelled during the 2015 financial year.

Note 34. Earnings per share

	2015 Cents	2014 Cents
Basic earnings per share	(4.66)	18.29
Diluted earnings per share	(4.66)	18.27

	2015 Number	2014 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.	152,973,466	145,166,494
Weighted average number of ordinary shares and potential ordinary shares (including treasury shares) used as the denominator in calculating diluted earnings per share.	153,077,010	145,299,592

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 35. Deed of cross guarantee

The following entities are party to a deed of cross guarantee entered into on 19 June 2015 under which each company guarantees the debts of the others:
Euroz Limited
Blackswan Equities Ltd

By entering into the deed, the wholly-owned entity has been relieved from the requirement to prepare financial statements and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Euroz Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

CLOSED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2015 $
Revenue	8,308,822
Unrealised loss on investments	(20,872,520)
Employee benefits expense	(423,276)
Depreciation and amortisation expenses	(2,759)
Regulatory expenses	(165,034)
Consultancy expenses	(151,158)
Conference and seminar expenses	(7,391)
Brokerage and underwriting expense	(46,196)
Communication expenses	(6,470)
Carrying amount of principal trading securities sold	(65,800)
Other expenses	(114,993)
Loss before income tax expense	(13,546,775)
Income tax benefit	5,994,854
Loss after income tax expense for the year	**(7,551,921)**
Other comprehensive income	-
Other comprehensive income, net of tax	-
Total comprehensive income for the year	**(7,551,921)**

Note 35. Deed of cross guarantee (continued)

CLOSED GROUP STATEMENT OF FINANCIAL POSITION

	2015
	$
Current assets	
Cash and cash equivalents	22,819,524
Inventories	2,527,149
Other current assets	42,288
Total current assets	25,388,961
Non-current assets	
Plant and equipment	9,998
Investments	77,219,309
Financial liabilities	8,495,488
Deferred tax assets	3,872,562
Total non-current assets	89,597,357
Total assets	114,986,318
Current liabilities	
Trade and other payables	167,561
Short term provisions	5,192,129
Total current liabilities	5,359,690
Net assets	109,626,628
Equity	
Issued capital	99,510,043
Reserves	653,657
Retained earnings	9,462,928
Total equity	109,626,628

EUROZ LIMITED
FOR THE YEAR ENDED 30 JUNE 2015

Note 36. Parent entity disclosures

	2015 $	2014 $
Financial position		
Assets		
Current assets	21,682,004	29,394,171
Non-current assets	92,915,425	105,315,498
Total assets	114,597,429	134,709,669
Liabilities		
Current liabilities	5,218,054	16,066,994
	-	2,744,112
Total liabilities	5,218,054	18,811,105
Equity		
Issued capital	99,324,043	90,734,570
Retained earnings	9,401,675	24,711,016
Reserves		
Share Based Payment Reserve	653,657	266,978
Asset revaluation reserve	-	-
Option premium reserve	-	186,000
Total equity	**109,379,375**	**115,898,564**
Financial performance		
Profit/(loss) for the year	(7,609,174)	27,744,525
Other comprehensive income	-	-
Total comprehensive income	(7,609,174)	27,744,525

Note 37. 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

EUROZ LIMITED
FOR THE YEAR ENDED 30 JUNE 2015

DIRECTORS' DECLARATION

The Directors declare that:

1. The financial statements, notes and additional disclosures included in the Directors' report and designated as audited, are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards 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 2015 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.

4. At the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 35.

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

Andrew McKenzie
Director

Doug Young
Director

Date: 14 AUGUST 2015

PKF MACK

Accounting, Financial and Business Advisory

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 (the company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 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 company'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.

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PKF MACK
Chartered Accountants & Business Advisers

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 consolidated entity's financial position as at 30 June 2015 and of its 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 the directors' report for the year ended 30 June 2015. 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 2015, complies with section 300A of the Corporations Act 2001.

PKF Mack

PKF MACK

S Fermanis

SIMON FERMANIS
PARTNER

14 AUGUST 2015
WEST PERTH,
WESTERN AUSTRALIA