30th August 2007

The Manager
Company Announcements
Australian Stock Exchange Limited
Level 6
Exchange Centre
20 Bridge Street
Sydney, NSW 2000

Dear Sir / Madam,

Re: Report on results and financial statements for the year ended 30 June 2007

The Directors of Austbrokers Holdings Limited (AUB) announce the financial results for the year ended 30 June 2007.

The following documents are attached:

1. Market announcement
2. Appendix 4E – Preliminary Final Report
3. Attachment A to Appendix 4E - Financial Statements for the year ended 30 June 2007.

Yours faithfully,

Steve Rouvray

Stephen Rouvray
Company Secretary

ASX release

30 August 2007

Austbrokers announces 15% increase in profit for FY2007 to $13.2 million

Highlights:

— $13.2 million Net Profit After Tax before profits on sale of businesses and amortisation of intangibles (Adjusted NPAT) for year to 30 June 2007 – this represents an increase of 15% on FY2006

— Final fully franked dividend of 9.5 cents per share, bringing the total distribution for FY 2007 to 15 cents per share, up 15% on FY2006

Austbrokers Holdings Limited (ASX: AUB) today announced an Adjusted NPAT[1] of $13.2 million for the 2007 financial year, 15% above last year's result.

Adjusted NPAT for the six months to 30 June 2007 was $8.5 million compared to $7.4 million in 2006 –a consistent 15% increase.

After taking into account amortisation of intangibles and including $0.7 million in one-off profits from the sale of businesses Austbrokers recorded a $12.6 million profit[2] for the year. In FY 2006 one off profits from sale of associates and businesses of $8.1 million, which were part of pre-IPO restructuring, inflated that year's $18.1 million profit.

Shareholders will benefit from a final dividend of 9.5 cents per share fully franked, payable on 23 October 2007. This brings the full dividend for the year to a total of 15 cents per share – also a 15% increase on FY2006.

Chief Executive Lachlan McKeough said that the performance of the Austbrokers network had been excellent, particularly in continuing soft market conditions.

"While approximately two thirds of the growth in profit was as a result of acquisitions it was pleasing that many brokers were able to expand their business and improve profit despite the difficult market conditions," said Mr McKeough.

"Our premium funding venture with Pacific Premium Funding has been very successful, exceeding budget projections and contributing significantly to the result."

"In 2007, the company made a number of substantial acquisitions in line with our strategy including Insurance Advisernet Australia, DF McGarry, Carriers Insurance Brokers and Shield Underwriting Agencies. In addition, our network members acquired a number of small businesses or portfolios themselves.

"Austbrokers also recently announced its first acquisition for the new financial year as the Company took a 50% stake in Strathearn Insurance Brokers. I believe this acquisition will add significant capability to our network and provide growth opportunities in the booming Western Australian market. Following the acquisition of Strathearn, Austbrokers now expects to place over $1billion in premiums annually.

"In 2008 we expect the formalisation of our alliance with IBNA to establish a very substantial presence in the market, with the combined broking groups placing in excess of $1.8 billion in premiums.

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[1] Net Profit After Tax but before profits on sale of businesses and amortisation of intangibles
[2] Profit from ordinary activities after tax attributable to members

Austbrokers FY Results breakdown (year to 30 June 2007)

Note that gains on sale of businesses of $8.1 million after tax from restructuring (as anticipated in the IPO Prospectus) inflated 2006 year net profits.

	2007 $' 000	2006 $' 000	Increase %
Revenue from ordinary activities	72,581	64,673	12.2
Expenses from ordinary activities	(58,187)	(52,528)	10.8
	14,394	12,145	18.4
Profit from sale of associates / portfolios	861	9,274	
Profit before tax	15,255	21,419	
Income tax expense	(2,158)	(3,078)	
Net profit	13,097	18,341	
Profit attributable to minority interest	(507)	(231)	
Net Profit attributable to members	**12,590**	**18,110**	

The increase in revenue and expenses from ordinary activities was the result of the acquisition of subsidiaries and in the case of revenue, also associates. The above revenue and expenses from ordinary activities do not reflect those of associates other than the inclusion of a share of profits which is included in revenue from ordinary activities.

Analysis of underlying profits – removing the effect of profits relating to the businesses sold

A more informative representation of Austbrokers' performance can be obtained after removing:

- Profits on sale of businesses / portfolios
- Amortisation of intangibles

Reconciliation of reported result to Adjusted NPAT from continuing operations before amortisation of intangibles:

	2007 $' 000	2006 $' 000	Increase %
Net Profit After Tax attributable to Members	12,590	18,110	
Less Profits After Tax on sale of associates / portfolios	(672)	(8,108)	
Net Profit After Tax from continuing operations	11,918	10,002	19.2
Add Amortisation of intangibles net of tax	1,326	1,482	
Adjusted NPAT	13,244	11,484	15.3

Assessment of results

The results were strong in a declining premium rate environment and reflect the contribution of acquisitions made during the year. The increase in expenses reflects acquisitions and additional employment costs.

Contributions from acquisitions after funding costs made up approximately two thirds of the growth in Adjusted NPAT for the year.

Dividend

On 30 August 2007, the Directors declared a fully franked final dividend of 9.5 cents per share. This dividend is payable on 23 October 2007. Based on issued shares of 50,129,870 shares, this dividend will total $4,762,338.

Outlook

The premium declines experienced over the past few years are expected to slow but the market is likely to remain soft throughout the 2008 financial year. This will continue to constrain organic growth and it is expected growth will come largely from acquisitions.

The rationalisation of the insurance broking industry is expected to continue based on the age demographics of the owners of broking businesses, although it is not anticipated that there will be any sudden increase in the number of businesses being offered for sale.

With the level of acquisitions announced it is considered that FY 2008 Adjusted NPAT will be in the range of 5% to 10% above 2007.

Annual General Meeting

The Annual General Meeting will be held at the Four Seasons Hotel (199 George Street, Sydney) on 21 November 2007 at 10.00am.

W.L. McKeough
Chief Executive Officer

For further information, contact	Lach McKeough	Tel (02) 9935 2202
	Steve Rouvray	Tel (02) 9935 2201

– Ends –

For media enquiries please contact:
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The Austbrokers business was established in 1985 by ING under the strategic guidance and direction of the current Chief Executive Officer, Mr. Lachlan McKeough. Through an active acquisition strategy Austbrokers has grown to become one of the leading insurance broking networks in Australia. Austbrokers primarily operates under an 'owner-driver' model, holding an equity interest in 38 insurance broking businesses across the country. Austbrokers provides administrative, management and strategic support which enhances the operations of the network. Austbrokers listed on the Australian Stock Exchange on 16 November 2005 under the trading code 'AUB'. Austbrokers currently has a market capitalisation of approximately $220 million.

ASX DISCLOSURE – APPENDIX 4E
Preliminary Final Report – 30 June 2007

Under Listing Rule 4.3.A of the Australian Stock Exchange Limited ('the ASX'), the following information must be given to the ASX.

1. Report

Current reporting period – twelve months ended 30 June 2007.

Previous corresponding period – twelve months ended 30 June 2006.

2. Results for announcement to the market

					$'000
2.1	Revenue from ordinary activities	down	0.7%	to	73,442
	Revenue from ordinary activities excluding profit on sale of associates and broker registers	up	12.2%	to	72,581
2.2	Profit (loss) from ordinary activities after tax attributable to members	down	30.5%	to	12,590
	Profit (loss) from ordinary activities after tax attributable to members before profit on sale of associates and broker registers	up	19.2 %	to	11,918
2.3	Net profit (loss) attributable to members	down	30.5%	to	12,590
	Net profit (loss) attributable to members before profit from sale of associates and broker registers	up	19.2%	to	11,918

2.4 Dividends

	Amount Per Security	Franking at 30% tax rate	Franked Amount Per Security
Final dividend proposed	9.5 cents	100%	9.5 cents
Interim dividend paid	5.5 cents	100%	5.5 cents

2.5 Record date for determining entitlement to the final dividend 5 October 2007.

2.6 A brief explanation of any of the figures in 2.1 to 2.6 necessary to enable the figures to be understood is contained in Attachment A – Financial Statements.

3. Statement of Financial Performance

The Statement of Financial Performance is contained in Attachment A – Financial Statements.

4. Statement of Financial Position

The Statement of Financial Position is contained in Attachment A – Financial Statements.

5. Statement of Cash Flows

The Statement of Cash Flows is contained in Attachment A – Financial Statements.

6. Dividends

The fully franked interim dividend on ordinary shares for 2007 of 5.5 cents per share was paid to shareholders on 20 April 2007. This dividend totalled $2,757,143.

On 30 August 2007, the Directors declared a fully franked final dividend of 9.5 cents per share. This dividend is payable on 23 October 2007. Based on issued shares of 50,129,870 shares, this dividend will total $4,762,338.

7. Dividend reinvestment plan

Although Austbrokers Holdings Limited has a Dividend Reinvestment Plan, which was included in the Prospectus, the Directors have resolved that the proposed dividend of 9.5 cents per share will not be eligible for reinvestment under the Dividend Reinvestment Plan.

8. Movements in Retained Earnings

An analysis of the movements through Retained Earnings is shown in Attachment A - Financial Statements.

9. Net tangible assets per security

30 June 2007	71 cents
30 June 2006	62 cents

10. Entities over which control has been gained or lost during the period

Details of entities over which control has been gained during the period.

Acquisitions	**Date**	**Contribution to Profit**	
		2007	**2006**
Shield Underwriting Holdings Pty Ltd	Aug 06	$761,000	nil
Stateplan Hume Financial Services Pty Ltd	Dec 06	nil	nil
Carriers Insurance Brokers Pty Ltd	April 07	$64,000	nil
Austbrokers Canberra Pty Ltd	Jan 07	$75,000	nil
Austbrokers AEI Transport Pty Ltd	Jan 07	$77,000	nil
Divestments			
AHL Insurance Brokers (WA) Pty Ltd	Jul 06	nil	$83,000

Details of entities over which control has been lost during the period.
Nil

11. Associates and joint venture entities

Details of associates and joint venture entities are shown in Attachment A – Financial Statements.

12. Any other significant information

Any other significant information needed to make an informed assessment of the financial performance and financial position is included in Attachment A – Financial Statements.

13. Accounting Standards applied to foreign entities

Not applicable.

14. Commentary on the results for the period

A commentary on the results for the period is included in the Full Year Report – 30 June 2007 attached as Attachment A.

15. Audit status

The Preliminary Final Report is based on Financial Statements which have been audited.

Austbrokers Holdings Ltd

ABN 60 000 000 715

Appendix 4E   Attachment A

Financial Statements

30 June 2007

AUSTBROKERS HOLDINGS LIMITED

A.B.N. 60 000 000 715

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2007

austbrokers

AUSTBROKERS HOLDINGS LIMITED
A.B.N. 60 000 000 715
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Directors' Report

Your Directors submit their report for the year ended 30 June 2007.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

R.A. Longes BA LLB, MBA (Non-executive Chairman)

R.A. Longes was a lawyer and partner in Freehill Hollingdale & Page from 1974 – 1988. In 1988 he was a founding Partner in Wentworth & Associates and is now a Non-executive Director of Investec Bank Australia Limited.

Presently, he is the Group Chairman and also serves on the Audit and Risk Management, Nomination and Remuneration and Succession Planning Committee of the Group. During the past three years Mr. Longes has also served as a Director of the following other listed companies:

- Lend Lease Corporation Limited
- Boral Limited *
- Metcash Limited *

* denotes current Directorship

W.L. McKeough FAIM, QPIB, MAICD (Director and Chief Executive Officer)

W.L. McKeough commenced the Austbrokers business in 1985 and has been CEO since that time. Prior to this he was employed in various management roles in general insurance with Mercantile Mutual. He has over 35 years experience in the general insurance industry.

L.F Earl QPIB, FAICD

L.F Earl has over 40 years experience in the general insurance industry. He was Managing Director of the Minet Professional Services from 1988 - 1997 and Managing Director of Minet Australia Limited from 1994 - 1997. He was also Managing Director of Arthur J Gallagher (Aust) Pty Ltd from 1998 - 2004. He is a past President of NIBA and currently a Director of NIBA and a Non-executive Director of IBL Limited. Presently he is a Member of the Remuneration and Succession Planning and Nomination Committees.

D.J. Harricks BA, BCom, FCA

D.J.Harricks was a Financial Services Partner at PricewaterhouseCoopers for 23 years specialising in the Insurance Industry. He has been a director of a number of companies including Lumley General Insurance Ltd. Until recently he was also a member of three Compliance Committees of the Commonwealth Bank of Australia Group. He is currently a director of Twilight Aged Care. Presently he is the Chairman of the Audit and Risk Management Committee.

P.R. Shirriff BA, FCPA, FCIS, ANZIIF (Sen) CIP

P.R. Shirriff has had 42 years' experience in the financial services sector and was formerly Chief Executive Officer for ING Financial Services International – Asia / Pacific and from 1985 – 1995 Managing Director of Mercantile Mutual (now ING). He currently holds a number of Directorships including ING Bank (Australia) Limited, ING Australia Limited and ING NZ (Holdings) Limited. He is also Chairman of Glebe Administration Board. Presently he is a member of the Audit and Risk Management, Nomination and Remuneration and Succession Planning Committees.

Names, qualifications, experience and special responsibilities continued

COMPANY SECRETARY

S.S. Rouvray BEc, CA, FCIS

S.S. Rouvray has been the Company Secretary of Austbrokers Holdings Limited for 20 years. He has been a Chartered Accountant for over 30 years. He was also previously Company Secretary of ING Australia Holdings Limited and a number of ING Group companies from 1985 – 2005 and General Manager of ING Australia Holdings Limited 2002 – 2005.

Interests in the shares and options of the company and related bodies corporate

As at the date of this report, the interests of the Directors in the shares and options of Austbrokers Holdings Limited were:

	Number of Ordinary Shares	Number of Options over Ordinary Shares
R.A. Longes	100,000	-
W.L. McKeough	85,000	673,400
L.F Earl	22,000	-
D.J. Harricks	20,000	-
P.R. Shirriff	100,000	-

DIVIDENDS	**Cents**	**$000**
Final dividends recommended:		
▪ on ordinary shares	9.5	4,762
Dividends paid in the year:		
▪ on ordinary shares - interim	5.5	2,757
▪ on ordinary shares - final	8.0	4,000
		6,757

PRINCIPAL ACTIVITIES

The principal activities during the year of entities within the consolidated entity were:

- the provision of general insurance broking services and distribution of ancillary products;
- conducting underwriting agency businesses.

There has been no significant change in the nature of these activities during the year.

OPERATING AND FINANCIAL REVIEW

Group Overview

The Company invests in general insurance brokers and underwriting agencies. Equity is held in 38 insurance broking operations with a 50% holding in 24, a 100% holding in 3 and a 70% to 80% holding in 11. The Company's preferred "owner driver" model is for equity to be held by the management of the business on a 50% shareholding basis.

The Company's underwriting agencies operate in niche markets and include Australian Bus & Coach, Cinesure, Sentinel, Sentinel Special Risks, CPE, Unitas, Austagencies Lease Bonds, Shield Deposit Bonds and 5 Star that specialises in motor dealers.

Group Overview continued

The principal activities of the Austbrokers group and its associated entities during the year include;
- Insurance broking
- Financial services
- Underwriting agency operations

During the year the company and its associates made a number of acquisitions of insurance broking businesses;
- 100% of Shield Underwriting Holdings Pty Ltd.
- 50% of Insurance Advisernet Australia Pty Ltd.
- 50% of D F McGarry Pty Ltd
- 50% of Ferdi Nel Insurance Brokers Pty Ltd. (now Austbrokers Trade Credit)
- 54% of Carriers Insurance Brokers Pty Ltd

In addition smaller acquisitions were made by Austbrokers Network Members.

The Company has established its Alliance with IBNA Limited, which will provide services to Austbrokers and IBNA members.

The Austbrokers Group and its associates employ over 1,200 people and operates in over 80 locations.

Performance Indicators

Management and the Board monitor the Group's overall performance, from its implementation of the mission statement and strategic plan through to the performance of the Group against operating plans and financial budgets.

The Board, together with management, has identified Key Performance Indicators (KPIs) that are used to monitor performance. Key management monitors KPIs on a regular basis. Directors receive the KPIs for review prior to each Board meeting allowing all Directors to actively monitor the Group's performance.

Shareholder Returns

Total shareholder return for the year ending 30 June 2007 was 42.38% (from listing on 16 November 2005 to 30 June 2006 – 60%).

Dynamics of the Business

The Company operates in the general insurance market sector. The current decline in general insurance premium rates has made growth in income difficult to achieve due to lower premiums resulting in lower commission earnings. The Company has made a number of acquisitions during the year and the previous year which have contributed to the increased earnings.

Operating Results for the Year

The Group's net profit for the year after income tax is $12,590,000 representing a decrease of 30% from the previous year. The above figure includes:

- Profits on a post-tax basis from sale of businesses of $672,000 (2006 $8,108,000). The profits in 2006 were flagged as resulting from pre-IPO restructuring in the company's prospectus. The current year profits resulted from the sale of individual portfolios.

Net profit from operations excluding non-recurring items and gains on disposal of business and before amortisation of intangibles was $13,244,000 (2006 $11,484,000) representing a 15.3% increase from last year's net profit adjusted to eliminate profits on businesses sold (see the table presented below).

Operating Results for the Year continued

Net profit from total operations is reconciled to net profit from operating activities as follows:

	2007 $'000	2006 $'000
Net profit after tax from total operations	12,590	18,110
Gain on sale of businesses / portfolios	(672)	(8,108)
Amortisation of intangibles	1,326	1,482
Net profit after tax from operating activities	13,244	11,484

Due to the reductions in premium rates continuing in the market, organic growth was difficult to achieve. Of the increase in profit approximately two thirds has been due to the contribution from acquisitions after funding costs while the remainder has come from growth in existing businesses.

Income growth was achieved through commissions and fees, profit commissions and earnings from premium funding.

Use of Cash

Cash and assets in a form readily convertible to cash held at 16 November 2005 (date of admission to the ASX) were used in a way consistent with the business objectives of the Group.

Risk Management

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified by management on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

The Board has established an Audit and Risk Management Committee to take responsibility for this activity.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified. These include the following:

- Board approval of a strategic plan which encompasses the Group's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- The establishment of committees to report on specific business risks, including for example, such matters as compliance with regulatory requirements and employment issues.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Apart from the sale of businesses and companies noted above and the acquisitions made, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

Total equity increased to $94,730,000 from $84,468,000. The main reasons for the increase were the profit for the year less dividends paid and the issue of 129,870 shares.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 20 August 2007 the Company entered into an agreement to acquire a 50% interest in Strathearn Insurance Brokers with initial payments totalling $8.5 million. The final acquisition price will be based on future results and is expected to be in the range of $11 million to $13.5 million.

On 1 July 2007 the Company disposed of a 50% interest in Tealrose Pty Ltd to an associate company, Stateplan Holdings Pty Ltd, for $810,000.

On 30 August 2007 the Directors of Austbrokers Holdings Limited declared a final dividend on ordinary shares in respect of the 2007 financial year. The total amount of the dividend is $4,762,338 which represents a fully franked dividend of 9.5 cents per share.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Austbrokers will continue its strategies to grow its business through organic growth and acquisitions in both its insurance broking and underwriting agency businesses.

With insurance premium rates flat or declining it is expected that the majority of growth will come from acquisitions. The businesses will continue to expand the profitable distribution of premium funding, life insurance and superannuation products.

In the current market conditions and after factoring in acquisitions announced to date, the net profit after tax but before amortisation of intangibles for the 2008 financial year is expected to increase in the range of 5% to 10% over 2007.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 1,474,200 unissued ordinary shares under options (1,474,200 at the reporting date). Refer to note 18 of the financial statements for further details of the options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate.

The earliest vesting date for the first tranche of 740,000 options is 5 October 2008. All options must be exercised no later than 5 October 2012. The exercise price of each option is $2.00.

The earliest vesting date for the second tranche of 734,200 options is 25 September 2009. All options must be exercised no later than 25 September 2013.The exercise price for each option was $3.47.

Shares issued as a result of the exercise of options

During the financial year, employees and executives have not exercised any options.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During or since the financial year, the company has paid premiums in respect of a contract insuring all the Directors and officers of Austbrokers Holdings Limited against liabilities, past, present and future.

In accordance with normal commercial practice, the disclosure of the total amount of premiums under and the nature of the liabilities covered by the insurance contract is prohibited by a confidentiality clause in the contract.

REMUNERATION REPORT

This remuneration report ending on page 12, which has been subject to audit outlines the remuneration arrangements in place for Directors and Executives of Austbrokers Holdings Limited (the company).

Remuneration philosophy

The performance of the company depends upon the quality of its Directors and Executives. To prosper, the company must attract, motivate and retain highly skilled Directors and Executives.

To this end, the company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high caliber executives;
- Link executive rewards to shareholder value;
- Have a significant portion of executive remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- Establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration and Succession Planning Committee

The Remuneration and Succession Planning Committee of the Board of Directors of the company is responsible for determining and reviewing compensation arrangements for the Directors, the Chief Executive Officer (CEO) and Senior Management Team.

Remuneration structure

In accordance with the best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct.

Non-executive Director remuneration

Objective

The Board seeks to set aggregate remuneration at a level that provides the company with the ability to attract and retain Directors of the highest caliber, whilst incurring a cost that is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was set out in the Constitution at an aggregate remuneration of $400,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to Non-executive Directors of comparable companies when undertaking the annual review process.

Each Director receives a fee for being a Director of the company which includes a fee for each Board committee on which a Director sits.

Non-executive Directors have been encouraged by the Board to hold shares in the company. It is considered good governance for Directors to have a stake in the company on whose Boards they sit.

The remuneration of Non-executive Directors for the period ending 30 June 2007 is detailed in Table 1 of this report.

Senior Manager and Executive Director remuneration

Objective

The company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the company and so as to:

- reward executives for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- align the interest of executives with those of shareholders;
- link rewards with the strategic goals and performance of the company; and
- ensure total remuneration is competitive by market standards.

Structure

In determining the level and make-up of executive remuneration, the Remuneration Committee engaged an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms, including cash and fringe benefits such as motor vehicles.

It is the Remuneration Committee's policy that a fixed term employment contract is entered into only with the Chief Executive Officer and not with any other executives. Details of contracts are provided on page 9.

Remuneration consists of the following key elements:
- Fixed Remuneration
- Variable Remuneration - Short Term Incentive (STI)
- Variable Remuneration - Long Term Incentive (LTI)

Fixed Remuneration

Objective

Fixed remuneration is reviewed annually by the Remuneration Committee. The process consists of a review of companywide, business unit and individual performance, relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. As noted above, the Committee has access to external advice independent to management.

Structure

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

The fixed remuneration component of the 5 most highly remunerated Group and company executives is detailed in Table 1.

Variable Remuneration – Short Term Incentive (STI)

Objective

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI is available at a set level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Objective continued

On an annual basis, after consideration of performance against KPIs, an overall performance rating for the Group is approved by the Remuneration Committee. The individual performance of each executive is also rated and taken into account when determining the amount, if any, of the short term incentive pool that is to be allocated to each executive. This process usually occurs within 3 months after the reporting date.

Variable Remuneration – Short Term Incentive (STI) continued

The aggregate of annual STI payments available for executives across the Group is subject to the approval of the Remuneration Committee. Payments made are delivered as a cash bonus in the following reporting period.

For the 2006 financial year, all of the STI cash bonus vested to executives and was paid in the 2007 financial year. There were no forfeitures. The Remuneration Committee will consider the STI payments for the 2007 financial year in September 2007. The total STI pool for the 2007 financial year is $900,000 which has been provided for in the 2007 financial year. This is the estimate of the maximum that can be granted in respect of this financial year, with the minimum being zero if no performance conditions are met.

Variable Remuneration – Long Term Incentive (LTI)

Objective

The objective of the LTI plan is to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth.

As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have a direct impact on the Group's performance against the relevant long term performance hurdle.

Structure

LTI grants to executives are delivered in the form of options.

The use of Earnings Per Share Growth (EPSG) was selected for the long term incentive plan. The use of earnings per share growth was selected due to the lack of an appropriate comparator group for such measures as Total Shareholders Return (TSR). It is believed EPSG provides alignment between comparative shareholder return and reward for executives.

Relationship of rewards to performance

In assessing whether the performance hurdles for each grant have been met, the earnings per share (EPS) are adjusted for significant items where appropriate.

Option exercise conditions

Exercise conditions:

(a) subject to satisfaction of the performance based conditions referred to in paragraphs (b) and (c) below, the Options will vest 3 years after the date of grant;

(b) if the First Test Compound Earnings Per Share Growth (Compound Growth) is:

  (i) greater than or equal to 8.5% per annum, 20% of the Options will become exercisable;

  (ii) equal to 10% per annum, 50% of the Options will become exercisable;

Option exercise conditions continued

(iii) between 10% and 15%, the percentage of Options that are exercisable will be determined on a pro rata basis so that the number of Options that are exercisable will increase from 50% by 1 percentage point for every 0.1% percent additional Compound Growth over 10%;

(iv) 15% per annum or more, 100% of the Options will become exercisable,

in each case on the date on which the Company's audited financial statements for the third financial year ending after the grant are lodged with the Australian Stock Exchange (the **"First Test Date"**);

(c) if all of the Options do not become exercisable on the First Test Date and the Second Test Compound Growth is higher than the First Test Compound Growth then on the date on which the Company's audited financial statements for the fourth financial year ending after the grant are lodged with the Australian Stock Exchange (the **"Second Test Date")** an additional number of Options will become exercisable as is equal to the difference between the number of Options which became exercisable under paragraph (b) and the number of Options which would have become exercisable if paragraph (b) applied on the basis of the Second Test Compound Growth (rather than the First Test Compound Growth);

(d) any Options which have not become exercisable by the Second Test Date lapse and are of no further force or effect.

Employment contracts

The CEO, Mr. McKeough is employed under contract. The current employment contract commenced on 16 November 2005 and terminates on 30 June 2010, at which time the Group may choose to commence negotiation to enter into an employment contract with Mr. McKeough.

- From 1 July 2007, Mr. McKeough receives fixed remuneration of $440,000 per annum. Since 16 November 2005 Mr. McKeough has also had the right to receive a $50,000 per annum living away from home allowance in certain circumstances. To date he has received no payment nor has he an entitlement to any payment in relation to this allowance.

- Mr. McKeough may resign from his position and thus terminate this contract by giving 6 months written notice. On resignation any options will be forfeited.

- The company may terminate this employment agreement after 3 years providing 12 months' written notice or providing payment in lieu of the notice period (based on the fixed component of Mr. McKeough's remuneration). On termination on notice by the company, any LTI options that have vested or that will vest during the notice period will be released.

- The company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the CEO is only entitled to that portion of remuneration that is fixed, and only up to the date of termination. On termination with cause any unvested options will immediately be forfeited.

Other Key Management Personnel (KMP) have letters of offer of employment with no fixed term, and varying periods up to one month for either party to terminate. Details of remuneration are detailed in table 1.

Director's Report continued

REMUNERATION REPORT continued

Remuneration of Directors and named Executives

Table 1: Compensation of Key Management Personnel for the year-ended 30 June 2007 (Consolidated)

	Short-term			Post employment	Share-based Payment		
30 June 2007	Salary & fees	Cash short term incentive	Non monetary benefits	Superan-nuation	Equity options	Total	Total performance related
	$	$	$	$	$	$	
Directors							
R.A. Longes Chairman	120,000	-	-	-	-	120,000	-
W.L. McKeough Chief Executive	250,622	222,681	49,014	100,366	242,424	865,107	53.76%
L.F. Earl Non-executive Director	60,000	-	-	-	-	60,000	-
D.J. Harricks Non-executive Director	60,000	-	-	-	-	60,000	-
P.R. Shirriff Non-executive Director	60,000	-	-	-	-	60,000	-
Executives							
S.S. Rouvray Chief Financial Officer / Company Secretary	198,787	75,525	38,852	35,826	54,684	403,674	32.26%
G.J. Arms National Operations Manager	136,066	68,170	41,780	27,154	28,692	301,862	32.09%
F. Gualtieri National Manager - Premium Finance, Risk, IT, and Admin. Services	150,315	74,082	39,374	15,010	28,656	307,437	33.42%
R.W. Broadbent Regional Operations Manager	107,310	53,405	34,609	43,274	25,992	264,590	30.01%
F. Pasquini Regional Operations Manager	148,764	53,683	19,570	17,825	25,992	265,834	29.97%
	1,291,864	547,546	223,199	239,455	406,440	2,708,504	

Director's Report continued
REMUNERATION REPORT continued

Remuneration of Directors and named Executives

Table 1: Compensation of Key Management Personnel for the year-ended 30 June 2007 (Consolidated)

	Short-term			Post employment	Share-based Payment		
30 June 2006	**Salary & fees**	**Cash short term incentive**	**Non monetary benefits**	**Superan-nuation**	**Equity options**	**Total**	**Total performance related**
	$	$	$	$	$	$	
Directors							
R.A. Longes Chairman	120,000	-	-	-	-	120,000	-
W.L. McKeough Chief Executive	257,941	220,579	45,157	16,199	107,744	647,620	50.70%
L.F. Earl Non-executive Director	60,000	-	-	-	-	60,000	-
D.J. Harricks Non-executive Director	60,000	-	-	-	-	60,000	-
P.R. Shirriff Non-executive Director	60,000	-	-	-	-	60,000	-
Executives							
S.S. Rouvray Chief Financial Officer / Company Secretary	204,056	159,000	14,464	31,096	34,656	443,272	43.69%
G.J. Arms National Operations Manager	116,684	87,723	24,331	18,180	13,856	260,774	38.95%
F. Gualtieri Finance, Risk, IT, and Admin. Services	144,135	97,331	14,022	13,434	14,944	283,866	39.55%
W.Y. Patterson National Manager – Austagencies	129,705	27,586	74,936	27,130	14,400	273,757	15.34%
R.W. Broadbent Regional Operations Manager	99,134	77,915	28,617	38,389	13,072	257,127	35.39%
F. Pasquini Regional Operations Manager	139,596	79,194	21,105	11,952	13,072	264,919	34.83%
	1,391,251	749,328	222,632	156,380	211,744	2,731,335	

Table 2: Compensation of Key Management Personnel by Category

	Consolidated		Company	
	2007	2006	2007	2006
	$	$	$	$
Short-Term	2,062,609	2,363,211	2,062,609	2,363,211
Post Employment	239,455	156,380	239,455	156,380
Other Long-Term	-	-	-	-
Termination Benefits	-	-	-	-
Share-based Payment	406,440	211,744	406,440	211,744
	2,708,504	2,731,335	2,708,504	2,731,335

Director's Report continued

REMUNERATION REPORT continued

Remuneration of Directors and named Executives continued

Table 3: Options granted as part of remuneration

30 June 2007	No. Granted	Grant date	Fair value per option at grant date ($) (note 18)	Exercise price per option ($) (note 18)	Expiry date	First exercise date	Last exercise date
Director							
W.L. McKeough	336,700	25-Sep-06	0.72	3.47	25-Sep-13	25-Sep-09	25-Sep-13
Executives							
S.S. Rouvray	75,950	25-Sep-06	0.72	3.47	25-Sep-13	25-Sep-09	25-Sep-13
F. Gualtieri	39,800	25-Sep-06	0.72	3.47	25-Sep-13	25-Sep-09	25-Sep-13
G.J. Arms	39,850	25-Sep-06	0.72	3.47	25-Sep-13	25-Sep-09	25-Sep-13
F. Pasquini	36,100	25-Sep-06	0.72	3.47	25-Sep-13	25-Sep-09	25-Sep-13
R.W. Broadbent	36,100	25-Sep-06	0.72	3.47	25-Sep-13	25-Sep-09	25-Sep-13
Total	564,500						
30 June 2006							
Director							
W.L. McKeough	336,700	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
Executives							
S.S. Rouvray	108,300	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
F. Gualtieri	46,700	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
W.Y. Patterson	45,000	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
G.J. Arms	43,300	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
F. Pasquini	40,850	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
R.W. Broadbent	40,850	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
Total	661,700						

Table 4: Option holdings of Key Management Personnel (Consolidated)

30 June 2007	Balance at beginning of period 01-Jul-06	Granted as remuneration	Options exercised	Balance at end of period 30-Jun-07	Not exercisable
Director					
W.L. McKeough	336,700	336,700	-	673,400	673,400
Executives					
S.S. Rouvray	108,300	75,950	-	184,250	184,250
F. Gualtieri	46,700	39,800	-	86,500	86,500
G.J. Arms	43,300	39,850	-	83,150	83,150
F. Pasquini	40,850	36,100	-	76,950	76,950
R.W. Broadbent	40,850	36,100	-	76,950	76,950
Total	616,700	564,500	-	1,181,200	1,181,200

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) held during the year and the numbers of meetings attended by each Director were as follows:

		Meetings of Committees		
	Directors' Meetings	**Audit & Risk Management**	**Nomination**	**Remuneration & Succession Planning**
No. of meetings held:	8	8	2	3
No. of meetings attended:				
R.A. Longes	6	7	2	3
W.L. McKeough	8	-	-	-
L.F Earl	8	-	2	3
D.J. Harricks	8	8	-	-
P.R. Shirriff	7	7	2	3

All Directors were eligible to attend all meetings held.

Committee membership

As at the date of this report, the company had an Audit and Risk Management Committee, Remuneration and Succession Planning Committee and a Nomination Committee of the Board of Directors. Members acting on the committees of the Board during the year were:

Audit	Remuneration	Nomination
D.J. Harricks (Chairman)	R.A. Longes (Chairman)	R.A. Longes (Chairman)
R.A. Longes	L.F. Earl	L.F. Earl
P.R. Shirriff	P.R. Shirriff	P.R. Shirriff

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The Directors received an independence declaration from the auditors of Austbrokers Holdings Limited. Refer to page 14 of the directors report.

No non-audit services were provided to the Austbrokers Group by the entity's auditor, Ernst & Young in the financial year ended 30 June 2007.

Signed in accordance with a resolution of the Directors.

W L McKeough
Director
Sydney, 30 August 2007

■ Ernst & Young Centre
680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

■ Tel 61 2 9248 5555
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Exchange 10172

Auditor's Independence Declaration to the Directors of Austbrokers Holdings Limited

In relation to our audit of the financial report of Austbrokers Holdings Limited for the financial year ended 30 June 2007, 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.

Ernst & Young

Ernst & Young

Gaydon

P R Gaydon

Partner

30 August 2007

Corporate Governance Statement

The Board of Directors of Austbrokers Holdings Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Austbrokers Holdings Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Austbrokers Holdings Limited's Corporate Governance Statement is structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows;

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure the Board to add value
Principle 3.	Promote ethical and responsible decision making
Principal 4.	Safeguard integrity in financial reporting
Principle 5.	Make timely and balanced disclosure
Principle 6.	Respect the rights of shareholders
Principle 7.	Recognise and manage risk
Principle 8.	Encourage enhanced performance
Principle 9.	Remunerate fairly and responsibly
Principle 10.	Recognise the legitimate interests of stakeholders

Austbrokers Holdings Limited's corporate governance practices were in place throughout the year ended 30 June 2007 and were fully compliant with the Council's best practice recommendations.

For further information on corporate governance policies adopted by Austbrokers Holdings Limited, refer to our website:

www.austbrokers.com.au

Structure of the Board

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors' Report. Directors of Austbrokers Holdings Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgment.

In the context of Director independence, 'materiality' is considered from both the company and individual Director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the Director in question to shape the direction of the company's loyalty.

In accordance with the definition of independence above, the materiality thresholds set, the following Directors of Austbrokers Holdings Limited are considered to be independent:

Name	**Position**
R.A. Longes	Chairman, Non-executive Director
L.F. Earl	Non-executive Director
D.J. Harricks	Non-executive Director
P. R. Shirriff	Non-executive Director

There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the company's expense.

Structure of the Board Continued

The term in office held by each Director in office at the date of this report is as follows:

Name	Term in Office
R.A. Longes	2 years
W.L. McKeough	16 years
L.F. Earl	2 years
D.J. Harricks	2 years
P.R. Shirriff	22 years

For additional details regarding Board appointments, please refer to our website.

Nomination Committee

The Board has established a Nomination Committee, which meets at least annually, to ensure that the Board continues to operate within the established guidelines, including when necessary selecting candidates for the position of Director. The Nomination Committee comprises Non-executives Directors. The Nomination Committee comprises of the following:

R.A. Longes (Committee Chairman)
L.F. Earl
P.R. Shirriff

Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee, which operates under a charter approved by the Board. It is the Board's responsibility to monitor that management ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated responsibility for establishing and maintaining a framework of internal control and ethical standards to the Audit and Risk Management Committee.

The Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the Audit and Risk Management Committee are Non-executive Directors.

The members of the Audit and Risk Management Committee during the year were:

D.J. Harricks (Committee Chairman)
R.A. Longes
P.R. Shirriff

For details on the number of meetings of the Audit and Risk Management Committee held during the year and the attendees at those meetings, refer to the Directors' Report.

Performance

The performance of the Board and key executives is reviewed regularly against both measurable and qualitative indicators. During the reporting period, the Nomination Committee conducted performance evaluations that involved an assessment of each Board member's and key executive's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which directors and executives are assessed are aligned with the financial and non-financial objectives of Austbrokers Holdings Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

Remuneration and Succession Planning Committee

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration and Succession Committee links the nature and amount of executive Directors' and officers' emoluments to the company's financial and operational performance. The expected outcomes of the remuneration structure are:

- Retention and motivation of key executives;
- Attraction of high quality management to the company; and
- Performance incentives that allow executives to share the success of Austbrokers Holdings Limited.

For a full discussion of the company's remuneration philosophy and framework and the remuneration received by Directors and executives in the current period please refer to the remuneration report, which is contained within the Directors' Report.

There is no scheme to provide retirement benefits, other than statutory superannuation, to Non-executive Directors.

The Board is responsible for determining and reviewing compensation arrangements for the Directors themselves and the Chief Executive Officer and executive team. The Board has established a Remuneration and Succession Planning Committee through the year, comprising three Non-executive Directors. Members of the Committee throughout the year were:

R.A. Longes (Committee Chairman)
L.F. Earl
P.R. Shirriff

For details on the number of meetings of the Remuneration and Succession Committee held during the year and the attendees at those meetings, refer to the Directors' Report.

AUSTBROKERS HOLDINGS LIMITED
A.B.N. 60 000 000 715
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

		Consolidated		Company	
	Notes	2007	2006	2007	2006
		$'000	$'000	$'000	$'000
Revenue	4 (i)	58,788	52,524	-	-
Other income	4 (ii)	5,173	5,128	9,869	10,035
Share of profit of associates	4 (iii)	8,620	7,021	-	-
Other expenses	4 (iv)	(56,707)	(51,584)	(246)	(821)
Finance costs	4 (v)	(1,480)	(944)	(31)	-
Profit before tax and sale of associates		**14,394**	**12,145**	**9,592**	**9,214**
Profit from sale of associates and broking registers		861	9,274	-	8,569
Profit before income tax		**15,255**	**21,419**	**9,592**	**17,783**
Income tax expense	5	2,158	3,078	82	651
Net Profit for the period		**13,097**	**18,341**	**9,510**	**17,132**
Profit attributable to minority interest		507	231	-	-
Net profit attributable to members of parent		**12,590**	**18,110**	**9,510**	**17,132**
Basic earnings per share (cents per share)	6	25.1	36.8	19.0	34.8
Diluted earnings per share (cents per share)	6	24.4	36.2	18.4	34.2
Dividends paid per share (cents per share)	8	13.5	7.1	13.5	7.1
Dividends proposed per share (cents per share) not recognised at balance date	8	9.5	8.0	9.5	8.0

AUSTBROKERS HOLDINGS LIMITED
A.B.N. 60 000 000 715
BALANCE SHEET
AS AT 30 JUNE 2007

	Notes	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
ASSETS					
Current Assets					
Cash and cash equivalents	7	25,250	26,043	3,919	7,614
Cash and cash equivalents - Trust	7	32,912	32,002	-	-
Trade and other receivables	9	55,417	52,746	10,384	10,440
Other financial assets	10	4,055	4,177	-	-
		117,634	114,968	14,303	18,054
Non-current asset classified as held for sale	12	1,002	-	-	-
Total Current Assets		118,636	114,968	14,303	18,054
Non-current Assets					
Trade and other receivables	11	84	-	390	385
Investment in associates	12	27,329	18,222	11,054	9,996
Other financial assets	13	1,648	4,061	-	-
Shares in controlled entities	14	-	-	50,014	42,975
Plant and equipment	15	4,897	4,332	-	-
Intangible assets and goodwill	16	57,352	51,634	-	-
Deferred income tax asset	5	1,680	1,807	-	102
Total Non-current Assets		92,990	80,056	61,458	53,458
TOTAL ASSETS		211,626	195,024	75,761	71,512
LIABILITIES					
Current Liabilities					
Trade and other payables	19	89,241	83,473	3,723	2,503
Income tax payable	5	1,307	3,095	767	1,270
Provisions	20	3,562	3,636	-	-
Interest bearing loans and borrowings	21	404	689	-	-
Total Current Liabilities		94,514	90,893	4,490	3,773
Non-current Liabilities					
Trade and other payables	19	202	-	-	-
Provisions	20	2,820	2,132	-	-
Deferred tax liabilities	5	4,944	4,799	27	-
Interest bearing loans and borrowings	21	14,416	12,732	-	-
Total Non-current Liabilities		22,382	19,663	27	-
TOTAL LIABILITIES		116,896	110,556	4,517	3,773
NET ASSETS		94,730	84,468	71,244	67,739
EQUITY					
Issued capital	22	49,707	49,207	49,707	49,207
Retained earnings		34,102	27,639	21,203	18,450
Share based payments reserve		334	82	334	82
Asset revaluation reserve		3,376	4,006	-	-
Parent interests		87,519	80,934	71,244	67,739
Minority interests		7,211	3,534	-	-
TOTAL EQUITY		94,730	84,468	71,244	67,739

AUSTBROKERS HOLDINGS LIMITED
A.B.N. 60 000 000 715
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Dividends received		7,007	5,250	9,556	9,833
Interest received		4,449	4,886	307	227
Interest paid		(1,480)	(937)	(31)	-
Receipts from customers		57,805	50,057	8	918
Payments to suppliers and employees		(52,533)	(45,146)	(162)	(446)
Management fees received from/(paid to) related entities		652	(2,278)	(230)	-
Income tax (paid) / refund		(3,588)	(3,614)	(1,406)	647
NET CASH FLOWS FROM OPERATING ACTIVITIES	7 (a)	**12,312**	**8,218**	**8,042**	**11,179**
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for new broking registers purchased by members of the economic entity	7 (c)	(801)	(1,354)	-	-
Proceeds from sale of other financial assets		620	-	-	-
Proceeds from sale of consolidated broking registers	7(b)	3,114	5,044	-	-
Proceeds from sales or part sales of associates		149	12,552	-	10,281
Payment for new associates		(4,923)	(3,321)	(728)	(1,526)
Payments for new consolidated entities, net of cash acquired	7(d),(e)	(3,745)	(258)	(3,694)	(2,739)
Payment for deferred settlement on prior year acquisitions		(2,765)	(3,049)	(2,114)	(3,049)
Proceeds from/(payments for) changes in interest in controlled entities		3,589	(436)	-	(1,254)
(Payments for)/proceeds from investment held for sale		(1,002)	-	-	3,200
Proceeds from Sale of plant and equipment		977	1,821		
Payment for plant and equipment		(2,830)	(3,415)	-	-
Advances of mortgages		(1,500)	-	-	-
Proceeds from mortgage repayments		3,415	3,410	-	-
NET CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		**(5,702)**	**10,994**	**(6,536)**	**4,913**
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to shareholders		(6,757)	(3,500)	(6,757)	(3,500)
Dividends paid to minority shareholders		(447)	(265)	-	-
Proceeds from issue of share capital		-	1,683	-	1,683
Proceeds from borrowings		1,338	11,541	-	-
Payments to ING Australia Holdings Ltd entities		-	(20,270)	-	(3,830)
Advances / (payments) with related parties		(627)	1,037	1,556	(4,770)
NET CASH FLOWS (USED IN) /FROM FINANCING ACTIVITIES		**(6,493)**	**(9,774)**	**(5,201)**	**(10,417)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**117**	**9,438**	**(3,695)**	**5,675**
Cash and cash equivalents at beginning of the period		58,045	48,607	7,614	1,939
CASH AND CASH EQUIVALENTS AT END OF PERIOD	7 (a)	**58,162**	**58,045**	**3,919**	**7,614**

AUSTBROKERS HOLDINGS LIMITED
A.B.N. 60 000 000 715
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Attributable to equity holders of the parent					Minority interest	Total equity
COMPANY	Issued Capital $'000	Retained earnings $'000	Asset revaluation reserve $'000	Share based payment reserve $'000	Total $'000	$'000	$'000
At 1 July 2005	**47,524**	**4,818**	**-**	**-**	**52,342**	**-**	**52,342**
Profit for the period	-	17,132	-	-	17,132	-	17,132
Other equity movements							
Cost of share-based payment	-	-	-	82	82	-	82
30 September 2005 converted 47,327,442 ordinary shares into 50,000,000 ordinary shares	-	-	-	-	-	-	-
8 November 2005 cancelled 23,500,000 ordinary shares (refer note 22)	(47,000)	-	-	-	(47,000)	-	(47,000)
9 November 2005 allotted 23,500,000 ordinary shares (refer note 22)	47,000	-	-	-	47,000	-	47,000
Further payments on issued shares (refer note 22 (ii))	1,683	-	-	-	1,683	-	1,683
Equity dividends	-	(3,500)	-	-	(3,500)	-	(3,500)
At 30 June 2006	**49,207**	**18,450**	**-**	**82**	**67,739**	**-**	**67,739**
Profit for the period	-	9,510	-	-	9,510	-	9,510
Other equity movements							
Cost of share-based payment				252	252		252
Equity dividends	-	(6,757)	-	-	(6,757)	-	(6,757)
On 9 November 2006 allotted shares at an issue price of $3.85	500	-	-	-	500	-	500
At 30 June 2007	**49,707**	**21,203**	**-**	**334**	**71,244**	**-**	**71,244**

AUSTBROKERS HOLDINGS LIMITED
A.B.N. 60 000 000 715
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Attributable to equity holders of the parent					Minority interest	Total equity
	Issued Capital $'000	Retained earnings $'000	Asset revaluation reserve $'000	Share based payment reserve $'000	Total $'000	$'000	$'000
CONSOLIDATED							
At 1 July 2005	**47,524**	**12,331**	**4,657**	**-**	**64,512**	**3,691**	**68,203**
Profit for the period	-	18,110	-	-	18,110	231	18,341
Other equity movements							
Minority interest relating to new acquisitions/sales	-	-	-	-	-	30	30
Outside equity interest net of tax - amortisation adjustment	-	47	-	-	47	(33)	14
Transfer from asset revaluation for amortisation of broking register on step acquisition of broking subsidiaries	-	728	(728)	-	-	-	-
Tax effect on transfer from asset revaluation for amortisation of broking register on step acquisition of broking subsidiaries	-	(218)	218	-	-	-	-
Transfer from intangibles Re: reversal of step up on acquisition of broking subsidiaries on sale of licensed portfolios	-	202	(202)	-	-	-	-
Tax effect of reversal of step up on acquisition of broking subsidiaries on sale of licensed portfolios	-	(61)	61	-	-	-	-
Cost of share-based payment	-	-	-	82	82	-	82
30 September 2005 converted 47,327,442 ordinary shares into 50,000,000 ordinary shares	-	-	-	-	-	-	-
8 November 2005 cancelled 23,500,000 ordinary shares (refer note 22)	(47,000)	-	-	-	(47,000)	-	(47,000)
9 November 2005 allotted 23,500,000 ordinary shares (refer note 22)	47,000	-	-	-	47,000	-	47,000
Further payments on issued shares (refer note 22 (ii))	1,683	-	-	-	1,683	-	1,683
Equity dividends	-	(3,500)	-	-	(3,500)	(385)	(3,885)
At 30 June 2006	**49,207**	**27,639**	**4,006**	**82**	**80,934**	**3,534**	**84,468**

STATEMENT OF CHANGES IN EQUITY
A.B.N. 60 000 000 715
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	Attributable to equity holders of the parent					Minority interest	Total equity
	Issued Capital $'000	Retained earnings $'000	Asset revaluation reserve $'000	Share based payment reserve $'000	Total $'000	$'000	$'000
CONSOLIDATED							
At 1 July 2006	**49,207**	**27,639**	**4,006**	**82**	**80,934**	**3,534**	**84,468**
Profit for the period	-	12,590	-	-	12,590	507	13,097
Other equity movements							
Issue of shares to minority interests by subsidiaries and minority interests relating to new acquisitions	-	-	-	-	-	3,617	3,617
Transfer from asset revaluation for amortisation of broking register on step acquisition of broking subsidiaries	-	730	(730)	-	-	-	-
Tax effect on transfer from asset revaluation for amortisation of broking register on step acquisition of broking subsidiaries	-	(219)	219	-	-	-	-
Transfer from asset revaluation resulting from sale of licensed portfolios	-	169	(169)	-	-	-	-
Tax effect of reversal of step up on acquisition of broking subsidiaries on sale of licensed portfolios	-	(50)	50	-	-	-	-
Cost of share-based payment	-	-	-	252	252	-	252
On 9 November 2006 allotted shares at an issue price of $3.85	500	-	-	-	500	-	500
Equity dividends	-	(6,757)	-	-	(6,757)	(447)	(7,204)
At 30 June 2007	**49,707**	**34,102**	**3,376**	**334**	**87,519**	**7,211**	**94,730**

1. CORPORATE INFORMATION

The financial report of Austbrokers Holdings Limited (the Company) for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the directors on 30 August 2007.

Austbrokers Holdings Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The principal activities during the year of entities within the consolidated group were the provision of general insurance broking services, distribution of ancillary products and conducting underwriting agency businesses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of the financial report

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

The financial report is presented in Australian dollars ($) and all values are rounded to the nearest $1000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). The financial report also complies with International Financial Reporting Standards ('IFRS').

(c) Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Austbrokers Holdings Limited (the parent company) and all entities that Austbrokers Holdings Limited controlled from time to time during the year and at the reporting date.

Information from the financial statements of controlled entities is included from the date the parent entity obtains control until such time as control ceases. Where there is a loss of control of a controlled entity, the consolidated financial statements include the results for the part of the reporting period during which the parent entity had control.

The financial information in respect of controlled entities is prepared for the same reporting period as the parent company using consistent accounting policies. Adjustments are made to bring into line dissimilar accounting policies that may exist.

All material intercompany balances and transactions including unrealised profits arising from intra-group transactions, have been eliminated in the consolidated accounts. Unrealised losses are eliminated unless costs cannot be recovered.

Minority interests represent the portion of profit or loss and net assets in subsidiaries which are not 100% owned by the Austbrokers Group. These are presented separately in the income statement and within equity in the consolidated balance sheet. When the Group acquires a minority interest, the difference between purchase price and recorded value of minority interest is taken to goodwill.

(d) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Significant accounting judgements, estimates and assumptions

(i) Significant accounting judgements

In the process of applying the Group's accounting policies, management was not required to make any judgements, apart from those involving estimations, which had a significant effect of the amounts recognised in the financial statements.

(ii) Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill is discussed in note 17.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the options at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, using the assumptions detailed in note 18.

Net assets acquired in a business combination
The Group measures the net assets acquired in a business combination at their fair value at the date of acquisition. Fair value is estimated with reference to market transactions for similar assets or DCF analysis.

(f) Revenue recognition

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

Commission, brokerage and fees
Commission, brokerage and fees are recognised when it is probable that the Group will be compensated for services rendered and the amount of consideration for such services can be reliably measured. This is is deemed to be the invoice date. An allowance is made for anticipated lapses and cancellations.

Interest
Revenue is recognised as interest accrues using the effective interest method.

Dividends and Distributions from trusts
Revenue is recognised when the shareholder's right to receive the payment is established.

(g) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(h) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprises of cash at bank, in hand and short-term deposits with an original maturity of three months or less.

Trust cash relates to cash held for insurance premiums received from policyholders which will ultimately be paid to underwriters.
For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases where the lessor retains substantially all the risks and benefits of ownership are classified as operating leases.

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

(j) Trade and other receivables

Trade and other receivables which generally have 30 day credit terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

(k) Investment in associates

The Group's investments in its associates are accounted for under the equity method of accounting in the consolidated financial statements. These are entities in which the Group has significant influence and which are not subsidiaries.

The financial statements of the associates are used by the Group to apply the equity method. The reporting dates of the associates and the Austbrokers Group are identical and for purposes of equity accounting, consistent accounting policies are applied.

The investment in associates is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less dividends and any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates.

Where there has been a change recognised directly in the associate's equity, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in equity.

(l) Trade and other payables

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity. Payables to related parties are carried at the principal amount. Interest, when charged, is recognised as an expense on an accrual basis.
Payables are normally settled on 90 day terms.

(m) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Business combinations

The purchase method of accounting is used to account for all business combinations. Cost is measured as the fair value of the assets given, shares issued or liabilities, assumed at the date of exchange plus costs directly attributable to the combinations.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interests.

(i) Goodwill

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the acquirer's interest in the fair value of the identifiable net assets acquired at the date of acquisition.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses and is not amortised.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation of that unit is disposed, the goodwill associated with the operation disposed of, is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Impairment losses recognised for goodwill are not subsequently reversed.

(ii) Intangible assets - Insurance Broking Register

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment costs. Internally generated intangible assets are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of these intangible assets are assessed to be finite. Intangible assets with finite lives are amortised over the useful life, currently estimated to be 10 years, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Revaluation

When a business combination involves more than one exchange transaction, the acquiree's identifiable assets and liabilities are notionally restated to their fair value at the date of each exchange transaction to determine the amount of any goodwill associated with each transaction. Any adjustment to those fair values relating to previously held interests of the acquiree is accounted for as a revaluation. This revaluation which relates to broking registers is credited to the asset revaluation reserve included in the equity section of the balance sheet.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between amortisation based on the revalued carrying amounts of the broking register and amortisation based on the broking registers' original costs.

Upon disposal, any revaluation reserve relating to the particular broking register being sold is transferred to retained earnings.

(o) Held for sale investments

Assets are classified as held for sale and measured at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction. They are not depreciated or amortised. For an asset to be classified as held for sale, it must be available for immediate sale in its present condition and its sale must be highly probable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Investments and other financial assets

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(q) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred or retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(r) Impairment of financial assets

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(u) Issued capital

Ordinary share capital is recognised at the fair value of the consideration received by the company.

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(v) Employee benefits

Liabilities for employee entitlements to annual leave and other current entitlements are accrued at amounts calculated on the basis of current wage and salary rates, including package costs and on-costs. Liabilities for non accumulating sick leave are recognised when the leave is taken and are measured at the rate paid or payable.

Liabilities for employee entitlements to long service leave, which are not expected to be settled within twelve months after balance date, are accrued at the present value of the future amounts to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary level, experience of employee departures and periods of service. The discount factor applied to all such future payments is determined using interest rates attaching, as at the reporting date, to national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Any contributions made to the accumulation superannuation funds by entities within the Group are charged against profits when due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Share-based payment transactions

The Group provides benefits to employees (including executive directors) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

A plan is currently in place to provide an Employee Share Options Plan (ESOP), which provides benefits to executive directors and senior executives.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 18.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Austbrokers Holdings Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see note 6).

(x) Plant and equipment

Plant and equipment, is stated at cost less depreciation and any impairment in value.

Depreciation is calculated on a straight-line over the estimated useful life of the asset as follows:

- Motor vehicles	5 to 8 years.
- Plant and equipment	5 to 10 years.

Impairment

The carrying value of plant and equipment is reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate the carrying value may be impaired.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the asset or cash generating unit are written down to their recoverable amount.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary differences associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(z) Other taxes

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flows Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3. NEW ACCOUNTING STANDARDS AND UIG INTERPRETATIONS

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective and have not been adopted by the group for the yearend reporting period 30 June 2007. The directors have assessed the impact of these new or amended standards and interpretations (to the extent relevant to the group) as follows:

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for Group
AASB 2005 - 10 / AASB 7	Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]	Amendments to these standards have been issued but not due for application until after 1 January 2007	1 Jan 2007	These changes are in relation to disclosure standards. The amendments will result in changes to financial instrument disclosures only	1 Jul 2007
AASB 2007-1 / AASB Interpretation 11	Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]	Amending standard issued as a consequence of AASB Interpretation 11 AASB 2 – Group and Treasury Share Transactions. Addresses whether certain types of share-based payment transactions with employees should be accounted for as equity-settled or as cash-settled transactions under AASB 2 Share-based Payment.	1 Mar 2007	The Group does not expect that these changes will impact on the financial results	1 Jul 2007
AASB 2007-3 / AASB 8	Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]	Amending standard issued as a consequence of AASB 8 Operating Segments. New standard replacing AASB 114 Segment Reporting, which adopts a management approach to segment reporting.	1 Jan 2009	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements. The group operates in a narrow Segment and therefore the Group does not expect any changes from what is currently reported under AASB 114 Segment Reporting.	1 Jul 2009
AASB 2007-6 / AASB123	Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	Amending standard issued as a consequence of revisions to AASB 123 Borrowing Costs. The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset must be capitalised.	1 Jan 2009	No impact expected to the result as the Group has no borrowing costs associated with qualifying assets.	1 Jul 2009
AASB Interpretation 10	Interim Financial Reporting and Impairment	Addresses an inconsistency between AASB 134 Interim Financial Reporting and the impairment requirements relating to goodwill in AASB 136 Impairment of Assets. and equity instruments classified as available for sale in AASB 139 Financial Instruments: Recognition and Measurement.	1 Nov 2006	The prohibitions on reversing impairment losses in AASB 136 and AASB 139, which are to take precedence over the more general statement in AASB 134, are not expected to have any impact on the Group's financial report as the Group has not reported any impairment losses.	1 Jul 2007

4. REVENUE AND EXPENSES

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
(i) Revenue				
Commission, Brokerage and Fee Income	58,136	52,203	-	-
Management fees received	652	321	-	-
Total revenue	58,788	52,524	-	-
(ii) Other income				
Dividends received from controlled entities	-	-	4,785	5,971
Dividends received from associates	-	-	4,771	3,862
Profit on sale of property	13	-	-	-
Interest from other persons / corporations	4,449	3,580	304	200
Other income	711	1,548	9	2
Total other income	5,173	5,128	9,869	10,035
(iii) Share of profit of associates				
Share of Net Profits of Associates Accounted for using the Equity Method before amortisation	8,875	7,363	-	-
Amortisation of Intangibles - Associated Entities	(255)	(342)	-	-
Total share of profit of associates	8,620	7,021	-	-
(iv) Other expenses				
Amortisation of Intangibles - controlled entities	1,917	1,784	-	-
Salaries and wages	31,289	25,772	-	
Share-based payments	252	82	252	82
Accounting/Audit	1,176	1,203	-	-
Travel/Telephone/ Motor/Stationery	2,720	2,990	-	-
Depreciation and amortisation	1,368	1,141	-	-
Doubtful Debts	(309)	-	-	-
Other expenses	9,923	7,358	(236)	(200)
Rent (operating lease)	3,155	3,290	-	-
Commission Paid	3,314	3,517	-	-
Insurance	1,902	2,169	-	-
Management fees paid to ABH group	-	-	230	200
Management fees paid to ING group	-	2,278	-	739
Total other expenses	56,707	51,584	246	821
(v) Finance costs				
Borrowing costs	1,480	944	31	-
Total finance costs	1,480	944	31	-

	Consolidated		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
5. INCOME TAX				
Major components of income tax expense				
Income statement				
Current income tax				
Current income tax charge	4,017	3,047	12	566
Adjustment for prior years	(301)	(199)	(5)	25
Deferred tax expense				
Origination and reversal of temporary differences	(1,558)	230	75	60
Total income tax expense in income statement	**2,158**	**3,078**	**82**	**651**

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the company's applicable income tax rate is as follows:

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
Profit before income tax	15,255	21,419	9,592	17,783
At the company's statutory income tax rate of 30% (2006: 30%)	4,577	6,426	2,878	5,335
Rebateable dividends	-	-	(2,866)	(2,950)
Non assessable income from associated entities	(1,841)	(1,609)	-	-
Non-taxable gains/losses on sale	(410)	(1,721)	-	(1,759)
(Under)/ over provision prior year	(301)	(199)	(5)	25
Share based payments	75	-	75	-
Non deductible expenses/other	58	181	-	-
Income tax expense reported in the consolidated income statement	2,158	3,078	82	651
Provision for income tax	1,307	3,095	767	1,270

5. INCOME TAX (continued)

Deferred income tax

Deferred income tax at 30 June relates to the following:

	Balance sheet		Income statement	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
CONSOLIDATED				
Deferred tax liability				
Income accrued not assessable	986	292	(694)	(292)
Tax effect of broking registers	4,695	5,040	-	-
Tax credit on amortisation expense	(737)	(533)	(737)	(533)
Gross deferred income tax liabilities	4,944	4,799		
Deferred tax asset				
Provisions and accruals not claimed for tax purposes	1,651	1,770	(119)	1,018
Borrowing costs not claimed	29	37	(8)	37
Gross deferred income tax assets	1,680	1,807		
Deferred tax income/(expense)			(1,558)	230
COMPANY				
Deferred tax liability				
Income accrued not assessable	27	-	(27)	-
Gross deferred income tax liabilities	27	-		
Deferred tax asset				
Creditors in accounts not claimed for tax purposes	-	102	102	60
Gross deferred income tax assets	-	102		
Deferred tax income/(expense)			75	60

5. INCOME TAX (continued)

Tax consolidation

Effective 11 November 2005, for the purposes of income taxation, Austbrokers Holdings Ltd entered into a Consolidated Tax Group with its 100% owned subsidiaries. Tax consolidation results in the subsidiary members being treated as part of the Head Company for tax purposes rather than as a separate taxpayers.

The Income Tax Assessment Act (1997) provides that the Consolidated Tax Group is to be treated as a single entity for Australian tax purposes with the Head Company responsible for the tax payable. Austbrokers Holdings Ltd formally notified the Australian Taxation Office of its adoption of the tax consolidation regime by lodging notice with the Australian Taxation Office on 12 November 2005.

The Consolidated Tax Group was formalised by entering into tax sharing and tax funding agreements in order to allocate income tax payable to group members. Each member of the group calculates tax expense on an entity basis. The agreement also provides that Austbrokers Holdings Limited carries forward tax funding assets or tax funding liabilities for which an intercompany loan is recognised between the parties.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group in accordance with their accounting profit for the period, while deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112 *Income Taxes*. Allocations under the tax funding agreement are made at the end of each quarter.

6. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	Consolidated		Company	
	2007	2006	2007	2006
	$,000	$,000	$,000	$,000
Net profit attributable to ordinary equity holders of the parent	12,590	18,110	9,510	17,132

	2007	2006	2007	2006
	Thousands Units	*Thousands Units*	*Thousands Units*	*Thousands Units*
Weighted average number of ordinary shares for basic earnings per share	50,083	49,269	50,083	49,269
Effect of dilution:				
Share options	1,474	772	1,474	772
Weighted average number of ordinary shares adjusted for the effect of dilution	51,557	50,041	51,557	50,041

7. CASH AND CASH EQUIVALENTS

a) Reconciliation of profit after tax to net cash flows from operations

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
Profit after tax	13,097	18,341	9,510	17,132
(Profit)/loss on sale of broking portfolios	(861)	(9,274)	-	-
(Profit)/loss on sale of investments	(13)	-	-	(8,569)
Equity accounted (profits) after income tax	(8,620)	(7,021)	-	-
Dividends received from associates	7,007	5,250	-	-
Amortisation of intangibles	1,917	1,784	-	-
Depreciation of fixed assets	1,368	1,141	-	-
Share options expensed	252	82	252	82
Changes in assets and liabilities				
(Increase) / decrease in trade and other receivables	(1,039)	(2,712)	(1,003)	943
(Decrease)/increase in provisions	320	1,912	-	-
(Decrease)/increase in other payables	400	(750)	(343)	261
Decrease/(Increase) in future income tax benefit	127	(1,055)	102	60
Increase (Decrease) in deferred tax liability	145	(321)	27	-
Increase/ (decrease) in provision for tax	(1,788)	841	(503)	1,270
Net cash flows from operating activities	**12,312**	**8,218**	**8,042**	**11,179**
Cash and cash equivalents	25,250	26,043	3,919	7,614
Cash and cash equivalents - Trust	32,912	32,002	-	-
Total cash and cash equivalents	**58,162**	**58,045**	**3,919**	**7,614**

Due to acquisitions of new consolidated entities during the year, some changes in assets and liabilities shown above will not agree to the movements in the Balance Sheet.

b) The group disposed of broking portfolios as follows:

	Book value of assets disposed 2007 $'000	2006 $'000
Intangibles net of amortisation	338	205
Goodwill	1,516	3,922
Book value assets disposed.	1,854	4,127
Proceeds from sale of broking portfolio	(3,114)	(5,044)
Elimination of group profit after sales to associated entity	534	-
Profit on sale of broking portfolio	**726**	**917**

Business combinations

c) The group acquired broking portfolios by way of business combinations as follows:

	Fair value recognised on acquisition 2007 $'000	2006 $'000
Intangibles	120	633
Deferred tax liabilities	(36)	(190)
Fair value of assets acquired	84	443
Less:		
Purchase price - cash paid	801	1,354
Purchase price - accrued	-	116
Goodwill on acquisition	**717**	**1,027**

7. CASH AND CASH EQUIVALENTS (Continued)

Business combinations (continued)

d) During the period, the company acquired a 100% interest in Shield Underwriting Holdings Pty Limited and Shield Shared Services Pty Ltd, (collectively "Shield Group").
On 1 April 2007 the consolidated group acquired a 54% interest in Carriers Insurance Brokers Pty Limited.

Net assets of controlled entities acquired

	Shield Group	Shield Group	Carriers Insurance Brokers Pty Ltd	Carriers Insurance Brokers Pty Ltd
	Fair value recognised on acquisition	Carrying value	Fair value recognised on acquisition	Carrying value
	$'000	$'000	$'000	$'000
Cash	508	508	745	745
Receivables	940	940	345	345
Plant and equipment	48	48	20	20
Deferred tax asset	256	256	53	53
Intangibles	-	-	1,028	-
TOTAL ASSETS	**1,752**	**1,752**	**2,191**	**1,163**
Payables	1,270	1,270	830	830
Provisions	119	119	194	194
Future income tax liability	-	-	313	76
Interest bearing loans and borrowings	69	69	-	-
TOTAL LIABILITIES	**1,458**	**1,458**	**1,337**	**1,100**
NET ASSETS	**294**	**294**	**854**	**63**
Less:				
minority	-		393	
Fair value of assets acquired	294		461	
Purchase price - cash paid	3,694		1,304	
Purchase price - accrued	3,219		440	
Total purchase price	6,913		1,744	
Goodwill on acquisition	**6,619**		**1,283**	
Cash outflow on acquisition is as follows;				
Net cash acquired with the subsidiary	508		745	
Cash paid	(3,694)		(1,304)	
Net cash outflow	**(3,186)**		**(559)**	

The acquisition of the Shield Group was effective on 1 July 2006 and the acquisition contributed $761,191 to net profit and $3,432,773 to revenue.

From the date of acquisition to 30 June 2007, Carriers Insurance Brokers Pty Limited contributed $63,453 to the net profit of the group and $251,248 to revenue. Had the acquisition taken place at the beginning of the year, the profit contribution of Carriers Insurance Brokers Pty Limited would have been $222,501 and revenue would have been $1,235,197.

7. CASH AND CASH EQUIVALENTS (Continued)

Business combinations (continued)

e) During the prior year, the company acquired an 80% interest in Premier Auspac Insurance Brokers Pty Limited. Net assets of Premier Auspac Insurance Brokers Pty Limited acquired on 28 February 2006.

	Fair value recognised on acquisition	Carrying value
	$'000	$'000
Cash	2,481	2,481
Receivables	2,105	2,105
Plant and equipment	212	212
Intangibles	1,261	1,459
TOTAL ASSETS	**6,059**	**6,257**
Payables	3,750	4,007
Provisions	444	367
Deferred tax liabilities	380	-
Interest bearing loans and borrowings	130	130
TOTAL LIABILITIES	**4,704**	**4,504**
NET ASSETS	**1,355**	**1,753**
Less:		
Minority interest (20% of net assets above)	271	
Fair value of assets acquired	**1,084**	
Less:		
Purchase price - cash paid	2,739	
Purchase price - accrued	1,095	
Total purchase price	**3,834**	
Goodwill on acquisition	**2,750**	
Cash outflow on acquisition is as follows;		
Net cash acquired with the subsidiary	2,481	
Cash paid	(2,739)	
Net cash outflow	**(258)**	

From the date of acquisition to 30 June 2006, Premier Auspac Pty Ltd contributed $135,000 to the net profit of the group and $945,000 to revenue. Had the acquisition taken place at the beginning of the year, the profit contribution would have been $485,000 and revenue would have been $3,185,000.

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000

8. DIVIDENDS PAID AND PROPOSED

Equity dividends on ordinary shares:

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
(a) Dividends paid during the year				
Interim franked dividend for financial year ended 30 June 2006: 5.0 cents	-	2,500	-	2,500
Final franked dividend for financial year ended 30 June 2005: 2.1 cents	-	1,000	-	1,000
Interim franked dividend for financial year ended 30 June 2007: 5.5 cents	2,757	-	2,757	-
Final franked dividend for financial year ended 30 June 2006: 8.0 cents	4,000	-	4,000	-
Total dividends paid in current year	6,757	3,500	6,757	3,500
(b) Dividends proposed and not recognised as a liability				
Final franked dividend for financial year ended 30 June 2006: 8.0 cents	-	4,000	-	4,000
Final franked dividend for financial year ended 30 June 2007: 9.5 cents	4,762	-	4,762	-
	4,762	4,000	4,762	4,000

Franking credit balance

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
The amount of franking credits available for the subsequent financial year are:				
- franking account balance as at the end of the financial year at 30% (2006: 30%)	8,983	6,349	8,983	6,349
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	495	1,270	495	1,270
The amount of franking credits available for future reporting periods.	9,478	7,619	9,478	7,619
- impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the year	(2,041)	(1,714)	(2,041)	(1,714)
The amount of franking credits available for future reporting periods after payment of dividend.	7,437	5,905	7,437	5,905

The tax rate at which paid dividends have been franked is 30% (2006: 30%)

Dividends proposed will be franked at the rate of 30% (2006: 30%)

	Consolidated		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000

9. TRADE AND OTHER RECEIVABLES (CURRENT)

Trade receivables	55,250	52,736	50	-
Related party receivables				
- controlled entities	-	-	10,334	10,440
- other related	167	10	-	-
Total receivables (current)	55,417	52,746	10,384	10,440

10. OTHER FINANCIAL ASSETS (CURRENT)

Mortgages - related entities (amortised cost)	2,915	2,386	-	-
Mortgages - other (amortised cost)	1,140	1,791	-	-
Total other financial assets (current)	4,055	4,177	-	-

The mortgages are secured by registered fixed and floating charges over assets in the business, securities and supplemented with cross guarantees and indemnities where necessary.

11. TRADE AND OTHER RECEIVABLES (NON CURRENT)

Trade receivables	84	-	-	-
Loans to associated entities	-	-	390	385
Total receivables (non current)	84	-	390	385

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
12. INVESTMENT IN ASSOCIATES				
Investments at equity accounted amount:				
Associated entities - unlisted shares	27,329	18,222		
Investments at cost:				
Associated entities - unlisted shares			11,054	9,996

Cost comprises either actual cost or deemed cost in the year the parent ceased equity accounting.

Investments in associated entities based on percentage of ordinary shares, except where otherwise stated:

Name	Jun-07 %	Jun-06 %	Equity accounted 2007 $'000	Equity accounted 2006 $'000	At cost 2007 $'000	At cost 2006 $'000
Aprikeesh Pty Ltd	49.9	49.9	442	224	76	76
Australian Logistic Insurance Brokers Pty Ltd	49.9	49.9	1,946	1,830	1,794	1,794
Austbrokers Trade Credit Pty Ltd	50.0	-	429	-	-	-
BHI Insurance Brokers Pty Limited	49.9	49.9	454	494	579	579
Bruce Park Pty Ltd	49.9	49.9	1,294	1,430	1,161	1,161
Citycover (Aust) Pty Ltd	49.9	49.9	218	203	109	109
Comsure Insurance Brokers Pty Limited	49.9	49.9	763	671	539	539
Insurance Advisernet Australia Pty Ltd/ Insurance Advisernet Australia Unit Trust	49.9	-	7,599	-	-	-
JMD Ross Insurance Brokers Pty Ltd	49.9	49.9	474	429	512	512
Markey Group Pty Ltd	49.9	49.9	1,016	1,334	296	296
McNaughton Gardiner Insurance Brokers Pty Ltd	49.9	49.9	973	1,011	834	834
MGA Management Services Pty Ltd	49.9	49.9	3,274	2,923	1,853	1,853
North Coast Insurance Brokers Pty Ltd	49.9	49.9	156	123	111	111
Northern Tablelands Insurance Brokers Pty Ltd	49.9	49.9	46	-	97	97
Prime Leasing & Finance Pty Ltd	49.9	-	1,185	-	1,058	-
Peter L Brown & Associates Pty Ltd	49.9	49.9	272	168	37	37
Power Gold Coast Insurance Brokers Pty Ltd	49.9	49.9	373	297	322	322
Stateplan Holdings Pty Ltd	49.9	49.9	1,835	1,579	770	770
Stateplan Rural Pty Ltd	30.0	-	-	-	-	-
Supabrook Pty Ltd	49.9	49.9	778	744	642	642
Salisbury Payne Tinslay Pty Ltd	49.9	49.9	1,911	2,107	-	-
Western United Financial Services Pty Ltd	49.9	49.9	61	495	264	264
Oxley Insurance Brokers Pty Ltd / Port Macquarie Insurance Brokers Unit Trust	49.9	49.9	-	441	-	-
Oxley Insurance Brokers Pty Ltd / Coffs Harbour Unit Trust	37.5	0.0	11	-	-	-
Countrywide Tolstrup Financial Services Group Pty Ltd / Countrywide Tolstrup Group Unit Trust	49.9	49.9	1,819	1,719	-	-
			27,329	18,222	11,054	9,996

12. INVESTMENT IN ASSOCIATES (continued)

During the year, the consolidated entity acquired a 50% holding in Austbrokers Trade Credit Pty Ltd, a 49.9% holding in Insurance Advisernet Australia Pty Ltd and a 49.9% holding in Prime Leasing & Finance Pty Ltd for $8.4 million of which $2.9 million is payable over 3 years.

On 9 November 2006 the Company allotted 129,870 shares at an issue price of $3.85 per share in part consideration for the acquisition of Insurance Advisernet Australia Pty Ltd.

A 50% equity in Financial Lifestyle Partners (Albury) No 2. Pty Ltd was acquired through a new subsidiary, Stateplan Hume Financial Services Pty Ltd for $1,002,000. This investment has been disclosed as a held for sale asset. On the 15 June 2007, the board of directors of Stateplan Hume Pty Ltd agreed to dispose of this investment. Draft sale agreements are in place and it is expected that the sale will complete within the next financial year.

During the prior year, the consolidated entity disposed of its investments in Austfin Financial Services, Austcover Pty Ltd, AIB Pty Ltd and Regional Insurance Brokers Pty Ltd for a total of $14.7 million. Sale proceeds included $12.5 million for the sale of shares in associates and $2.4 million for the acquisition by the disposed entities for portfolios owned by AHL Insurance Brokers Pty Ltd.

Other information in respect of associated entities which carry on business directly or through controlled entities.

(a) The principal activity of each associate - insurance broking.
(b) The proportion of voting power is in accordance with the ownership interest of each associate.
(c) The reporting date of each associate is 30 June 2007 (prior year reporting date 30 June 2006).
(d) There have been no significant subsequent events affecting the associates' profits for the ensuing year.
(e) There were no impairment issues relating to the investment in associates.
(f) All associates were incorporated in Australia.
(g) The entity's share of the associate's commitments and contingent liabilities are disclosed in note 23.

		Consolidated		Company	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
(h)	The entity's share of associates' profits/(losses)				
	Share of associates':				
	Operating profits before income tax	11,584	10,519	-	-
	Income tax expense attributable to operating profits	2,709	3,156	-	-
	Operating profits after income tax	8,875	7,363	-	-
	Adjusted for;				
	Amortisation of intangibles	(255)	(342)	-	-
	Share of associates' net profits	8,620	7,021	-	-
(i)	The entity's share of the assets and liabilities of associates in aggregate:				
	Current assets	69,557	43,135	-	-
	Non-current assets	27,175	23,823	-	-
	Current liabilities	67,330	40,573	-	-
	Non-current liabilities	6,000	6,438	-	-
	Net assets	23,402	19,947	-	-

13. OTHER FINANCIAL ASSETS (NON CURRENT)

Mortgages - related entities (amortised cost)	573	2,366	-	-
Mortgages - other (amortised cost)	932	932	-	-
Other	143	763	-	-
	1,648	4,061	-	-

The mortgages are secured by registered fixed and floating charges over assets in the business, securities and supplemented with cross guarantees and indemnities where necessary.

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
14. SHARES IN CONTROLLED ENTITIES				
Shares in controlled entities - unlisted shares (at cost)*	-	-	50,014	42,975

* All controlled entities are incorporated in Australia and comprise:

Name	Equity interest held 2007 %	Equity interest held 2006 %	Company - At cost 2007 $,000	Company - At cost 2006 $,000
Interests in subsidiaries:				
Austbrokers Pty Limited and its controlled entities	100	100	104	104
- Finsura Holdings Pty Ltd	80	80	-	-
Austbrokers Services Pty Limited	100	100	-	-
Adept Insurance Brokers Pty Ltd and subsidiaries	100	100	4,398	4,470
Australian European Insurance Holdings Pty Ltd and subsidiaries	100	100	12,164	12,164
Austbrokers Financial Solutions (Syd) Pty Ltd (formerly AEI Life Brokers and Superannuation Advisers Pty Ltd)	100	100	1,117	1,117
Austbrokers Sydney Pty Ltd and its controlled entities	100	100	2,905	2,905
- Austbrokers Canberra Pty Ltd	75	-	-	-
- Austbrokers AEI Transport Pty Ltd	67.5	-	-	-
- Carriers Insurance Brokers Pty Ltd	54	-	-	-
AHL Insurance Brokers Pty Ltd and subsidiaries	100	100	7,299	7,299
Austbrokers CE McDonald Pty Limited	100	80	1,580	1,580
Austbrokers Central Coast Pty Limited	80	80	1,543	1,543
M & F Agencies Pty Ltd	80	80	1,052	1,052
Austbrokers RWA Pty Ltd	80	80	2,424	2,424
Drummond Porter Pty Ltd	80	80	520	520
Stateplan Hume Pty Ltd	70	70	889	889
Stateplan Hume Financial Services Pty Ltd	52.5	52.5	-	-
Shield Underwriting Holdings Pty Ltd and subsidiaries	100	-	6,913	-
MTA Insurance Agency Pty Ltd / MTA Insurance Agency Unit Trust	100	-	-	-
Shield Shared Services Pty Ltd	100	-	-	-
SGP Insurance Brokers Pty Ltd	70	70	744	744
Tealrose Pty Ltd / Financial Insurance Services (Brokers) Pty Ltd	75	75	766	766
Austbrokers Premier Pty Ltd	80	80	4,032	3,834
Austbrokers Terrace Insurance Brokers Pty Ltd	100	100	1,564	1,564
Carrying value of investments in subsidiaries			50,014	42,975

During the year the company acquired a 100% interest in Shield Underwriting Holdings Pty Limited (SUH) and Shield Shared Services Pty Ltd for $6.913 million. During the year SUH acquired the remaining 50% of the shares it did not already own in Motor Trader Association Insurance Agency Unit Trust for $1.

During the year the Austbrokers Group acquired a 54% interest in Carriers Insurance Brokers Pty Limited through Austbrokers AEI Transport Pty Ltd acquiring an 80% interest for $1.744 million.

During the year the company created three new subsidiaries, Stateplan Hume Financial Services Pty Ltd, Austbrokers Canberra Pty Ltd and Austbrokers AEI Transport Pty Ltd.

During the prior year, the company acquired interests in Austbrokers Premier Pty Ltd (formerly Premier Auspac Pty Ltd) for a total amount of $3.8 million.

During the prior year, the company subscribed for additional shares or increased its shareholding in the following controlled entities for the amount of $1.3 million .

Austbrokers RWA Pty Ltd
Austbrokers Financial Solutions (Syd) Pty Ltd
Austbrokers Central Coast Pty Ltd
CE McDonald Qld Pty Limited

15. PLANT AND EQUIPMENT

	Consolidated			Company		
	Plant and equipment $,000	Motor vehicle $,000	Total $,000	Plant and equipment $,000	Motor vehicle $,000	Total $,000
Year ended 30 June 2007						
Balance at the beginning of the year	8,154	1,917	10,071	-	-	-
Acquisition of a subsidiary	125	-	125	-	-	-
Additions	2,214	642	2,856	-	-	-
Disposals	(2,777)	(1,043)	(3,820)	-	-	-
Plant and equipment at cost	7,716	1,516	9,232	-	-	-
Depreciation						
Balance at the beginning of the year	5,087	652	5,739	-	-	-
Acquisition of a subsidiary	59	-	59	-	-	-
Disposals	(2,347)	(484)	(2,831)	-	-	-
Depreciation during year	1,131	237	1,368	-	-	-
Accumulated depreciation	3,930	405	4,335	-	-	-
Summary						
Net carrying amount at beginning of year	3,067	1,265	4,332	-	-	-
Net carrying amount at end of year	**3,786**	**1,111**	**4,897**	-	-	-
Year ended 30 June 2006						
Balance at the beginning of the year	7,443	1,960	9,403	-	-	-
Acquisition of a subsidiary	208	179	387	-	-	-
Additions	2,556	329	2,885	-	-	-
Disposals	(2,053)	(551)	(2,604)	-	-	-
Plant and equipment at cost	8,154	1,917	10,071	-	-	-
Depreciation						
Balance at the beginning of the year	4,978	749	5,727	-	-	-
Acquisition of a subsidiary	143	47	190	-	-	-
Disposals	(986)	(333)	(1,319)	-	-	-
Depreciation during year	952	189	1,141	-	-	-
Accumulated depreciation	5,087	652	5,739	-	-	-
Summary						
Net carrying amount at beginning of year	2,465	1,211	3,676	-	-	-
Net carrying amount at end of year	**3,067**	**1,265**	**4,332**	-	-	-

16. INTANGIBLE ASSETS AND GOODWILL

	Consolidated			Company
	Goodwill $,000	Insurance broking registers $,000	Total $,000	Total $,000
Year ended 30 June 2007				
Balance at the beginning of the year	36,611	20,546	57,157	-
Additional businesses and portfolios acquired	9,062	427	9,489	-
Disposals of broking portfolios	(1,516)	(562)	(2,078)	-
Total Intangibles	44,157	20,411	64,568	-
Amortisation				
Balance at the beginning of the year	-	5,523	5,523	-
Amortisation current year	-	1,917	1,917	-
Disposals of broking portfolios	-	(224)	(224)	-
Accumulated amortisation	-	7,216	7,216	-
Summary				
Net carrying amount at beginning of year	36,611	15,023	51,634	-
Net carrying amount at end of year	**44,157**	**13,195**	**57,352**	-
Year ended 30 June 2006				
Balance at the beginning of the year	36,756	18,974	55,730	-
Additional broking portfolios acquired	1,027	633	1,660	-
Disposals of broking portfolios	(3,922)	(322)	(4,244)	-
Acquisition of a subsidiary	2,750	1,261	4,011	-
Total Intangibles	36,611	20,546	57,157	-
Amortisation				
Balance at the beginning of the year	-	3,856	3,856	-
Amortisation current year	-	1,784	1,784	-
Disposals of broking portfolios	-	(117)	(117)	-
Accumulated amortisation	-	5,523	5,523	-
Summary				
Net carrying amount at beginning of year	36,756	15,118	51,874	-
Net carrying amount at end of year	**36,611**	**15,023**	**51,634**	-

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of the business. As at acquisition date, any goodwill relates to benefits from the combination of synergies as well as the entity's ability to generate future profits.

Included in the carrying amount of goodwill totalling $44.2 m (2006: $36.6 m) are the following investments which are significant compared to the total carrying value at year end.

	Consolidated	
	2007 $'000	2006 $'000
Austbrokers Sydney Pty Ltd and its controlled entities	20,730	18,944
Shield Underwriting Holdings and its controlled entities	6,619	-
Other controlled entities	16,808	17,667
Total	44,157	36,611

17. IMPAIRMENT TESTING OF INTANGIBLE ASSETS AND GOODWILL

The recoverable amount of the equity accounted associates/broking subsidiaries has been determined based on a fair value calculation based on actual profits for the previous 12 months.

These profits are tested against the prior years profits as well as the following years' financial budgets approved by senior management. After determining the appropriate after tax profit for each associate/controlled entity, the after tax profit is multiplied by 9.5 times, based on 10.5% return, being the calculated cost of capital for Austbrokers Holdings Pty Limited. In the prior year a multiple of 6.6 times was used based on a rate of return of 15%. The resulting valuation for each broker is then compared to the carrying value in the consolidated accounts.

In the event that the carrying value exceeds the valuation, a further fair value test is applied by using a multiple of 1.6 times (2006: 1.5 times) revenue for general insurance broking businesses and 2.5 times for life insurance renewable commissions and the resulting valuation is also compared to the carrying value. In the event that the carrying value exceeds the revised valuation, an impairment loss is recognised.

In determining the total impairment, each subsidiary or associate is considered a separate cash generating unit. Given the similarity of all businesses, consistent assumptions for profit and revenue multiples are used to determine fair values. The revenue multiples are based on externally accessible factors and are considered in the middle of generally accepted market values. The profit multiple based on the cost of capital for the Austbrokers Group is after taking into account the risk free rate, market risks and borrowing capacity for the Group.

18. SHARE-BASED PAYMENT PLANS

Employee Share Option Plan

Share options are granted to senior executives by the ultimate parent company Austbrokers Holdings Limited.

The share-based payments expense recognised in the income statement is included in note 4 (iv) Expenses.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of and movements in share options issued during the year:

Share Options	2007 No.	2007 WAEP ($)	2006 No.	2006 WAEP ($)
Outstanding at the beginning of the year	771,700	2.00	-	-
Granted during the year	752,800	3.47	771,700	2.00
Lapsed during the year: Options issued during 2006	(31,700)	2.00	-	-
Lapsed during the year: Options issued during 2007	(18,600)	3.47	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,474,200	2.73	771,700	2.0

The outstanding balance as at 30 June 2007 is represented by:

- 771,700 options in the ultimate controlling entity, Austbrokers Holdings Limited granted on 5 October 2005, exercisable 3 years from the issue date at an exercise price of $2.00.
- 675,000 options in the ultimate controlling entity, Austbrokers Holdings Limited granted on 25 September 2006, exercisable 3 years from the issue date at an exercise price of $3.47.
- 77,800 options in the ultimate controlling entity, Austbrokers Holdings Limited granted on 29 January 2007, exercisable 3 years from 25 September 2006 at an exercise price of $3.47.

50,300 options in the ultimate controlling entity, Austbrokers Holdings Limited lapsed on 29 June 2007 due to retirement of a staff member.

All options must be exercised by no later than 7 years from the issue date.

The fair value of the equity-settled share options granted under the option plan is estimated as at the date of grant using a binomial model taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used for the years ended 30 June 2007 and 30 June 2006.

	2007	2006
Dividend yield (%)	4.32	6.50
Expected volatility (%)	25.00	25.00
Expected life of option (years)	5.00 - 5.50	5.00 - 5.50
Binomial value (fair value) ($)	0.72	0.32
Risk free rate	5.64%	5.35%
Exercise Price	$3.47	$2.00

Options issued under the Austbroker's Senior Executive Option Plan ("the Plan") have a 7 year life. The expected life of the options is 5.00-5.50 years. This assumes that participants will take the opportunity to exercise vested options at an earlier date in the life of the option.

The company has applied a volatility of 25% for Austbrokers based on the higher end of the range of volatilities for comparable companies in the insurance sector.

The Binomial value takes into account that the participant can exercise options from year 3 onwards and that there was no cessation of employment of any employee with granted options.

19. TRADE AND OTHER PAYABLES

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
Current				
Trade payables	82,491	80,298	-	340
Other payables	6,750	2,713	3,723	2,163
Related party payables				
- Related entities	-	462	-	-
- wholly owned group	-	-	-	-
	89,241	83,473	3,723	2,503
Non-current				
Trade payables	202	-	-	-
	202	-	-	-

20. PROVISIONS

	Employee entitlements $,000	Claims/Other $,000	Make good provision $,000	Total $,000
CONSOLIDATED				
At 1 July 2006	5,462	-	306	5,768
Arising during the year	(160)	-	364	204
Acquired during the year	318	-	92	410
At 30 June 2007	5,620	-	762	6,382
Current 2007	3,509		53	3,562
Non-current 2007	2,111		709	2,820
	5,620	-	762	6,382
At 1 July 2005	2,891	130	138	3,159
Arising during the year	2,204	-	168	2,372
Unused amounts reversed	-	(130)	-	(130)
Acquired during the year	367	-	-	367
At 30 June 2006	5,462	-	306	5,768
Current 2006	3,636	-	-	3,636
Non-current 2006	1,826	-	306	2,132
	5,462	-	306	5,768
COMPANY				
At 1 July 2006	-	-	-	-
Arising during the year	-	-	-	-
At 30 June 2007	-	-	-	-
Current 2007	-	-	-	-
Non-current 2007	-	-	-	-
	-	-	-	-
Current 2006	-	-	-	-
Non-current 2006	-	-	-	-
	-	-	-	-

20. PROVISIONS (continued)

Makegood provision on leased premises

In accordance with the various lease agreements, the Group must restore the leased premises to a similar condition that existed prior to leasing the premises by removing all fixed and removable partitions. A provision has been included for expected amounts payable.

Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will ultimately be incurred. During the year further amounts were provided for premises leased during the year.

Claims/Contingencies

In previous years, the Group provided for non-recovery of claims paid by an underwriting agency owned by Austbrokers Holdings Limited. This provision was released during the prior year.

21. INTEREST BEARING LOANS AND BORROWINGS

	Consolidated		Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Obligations under finance leases and hire purchase contracts (note 23)	268	689	-	-
Unsecured loan from other related parties	86	-	-	-
Unsecured loan from other parties	50	-		
	404	689	-	-
Non-current				
Obligations under finance leases and hire purchase contracts (note 23)	579	646	-	-
Unsecured loan from other parties	313	-	-	-
Unsecured loan from other related parties	-	86	-	-
Secured bank loan *	13,524	12,000	-	-
	14,416	12,732	-	-

* The Group has entered into an agreement with St George Bank to provide finance facilities to the Austbrokers Holdings Limited Group amounting to $32.645 million. At balance date these facilities have been utilised to the amount of $12 million in a bill acceptance/discount facility and a further $352,000 for credit card and other guarantee facilities.

The term of the loan facility is five years from the first drawdown date which was October 2005.

The facilities are secured by registered fixed and floating charges over the assets and undertakings of the Group and cross guarantees and indemnities given by each of the wholly owned subsidiaries.

The facilities are subject to financial undertakings and warranties typical of facilities of this nature and have sub-limits for various purposes including acquisitions.

Interest rates are set at the time of rollover of the bills which is usually at six monthly intervals. The current effective interest rate is 6.52% per annum (2006 7.05%).

*During the current year, Austbrokers AEI transport Pty Ltd entered into an agreement with St George Bank to provide finance facilities amounting to $1.95 million to secure funding for the acquisition of Carriers Insurance Broking Pty Ltd. At balance date these facilities have been utilised to the amount of $1.524 million in a bill acceptance/discount facility.

The term of the loan facility is five years from the first drawdown date which was June 2007.

The facilities are secured by registered fixed and floating charges over the assets of Austbrokers AEI Transport Pty Ltd and cross guarantees and indemnities given by each of the minority shareholders.

Interest rates are set at the time of rollover of the bills which is usually at six monthly intervals. The current effective interest rate is 6.85% per annum.

22. ISSUED CAPITAL AND RESERVES

		Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
Ordinary shares fully paid		49,707	49,207	49,707	49,207
On 9 November 2006 the Company allotted 129,870 shares at an issue price of $3.85 per share increasing issued capital by $500,000.					
		Units	Units	Units	Units
50,129,870 (2006: 50,000,000) ordinary shares fully paid		50,129,870	50,000,000	50,129,870	50,000,000
Movements in shares on issue	Notes				
Beginning of the financial year		50,000,000	47,327,342	50,000,000	47,327,342
On 9 November 2006 allotted shares at an issue price of $3.85	(i)	129,870	-	129,870	-
On 29 September 2005, issued 100 ordinary shares to NNA Pty Ltd	(ii)	-	100	-	100
On 30 September 2005 converted 47,327,442 ordinary shares into 50,000,000 ordinary shares	(iii)	-	2,672,558	-	2,672,558
On 8 November 2005 cancelled 23,500,000 ordinary shares	(iv)	-	(23,500,000)	-	(23,500,000)
On 9 November 2005 allotted 23,500,000 shares at an issue price of $2 per share	(v)	-	23,500,000	-	23,500,000
		50,129,870	50,000,000	50,129,870	50,000,000

(i) On 9 November 2006 the Company allotted 129,870 shares at an issue price of $3.85 per share in part consideration for the acquisition of Insurance Advisernet Australia Pty Ltd..

(ii) On 29 September 2005 the Company issued 100 ordinary shares to NNA Pty Ltd for $100. In January 2006 NNA Pty Ltd contributed a further $1,683,000. The additional contribution was calculated on the after tax proceeds of the sale by the Company of its shares in AIB Pty Limited at the price specified in its transfer notice less the after tax proceeds of sale to the Company of the sale of those shares at the price that the Company ultimately receives.

(iii) On 30 September 2005 the Company converted the 47,327,442 ordinary shares then on issue into 50,000,000 ordinary shares.

(iv) On 8 November 2005 the Company reduced the share capital of the Company by $47,000,000 by cancelling 23,500,000 ordinary shares issuing a promissory note which was paid after the allotment of shares on 9 November 2005.

(v) On 9 November 2005 the Company allotted 23,500,000 shares at an issue price of $2 per share.

Ordinary shares have the right to receive dividends and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.
Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Nature and purpose of reserves

Asset revaluation reserve

The asset revaluation reserve is used to record movements in the revalued amounts of broker register acquired through step up acquisition of broking subsidiaries. The current year amortisation expense relating to these step ups is transferred to retained earnings once the amortisation expense is charged to the profit and loss account. The reserve can only be used to pay dividends in limited circumstances.

Share based payment reserve

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to note 18 for further details of these plans.

		Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
MINORITY INTERESTS					
Interest in:	Ordinary shares	-	-	-	-
	Retained earnings	7,211	3,534	-	-
		7,211	3,534	-	-

23. COMMITMENTS AND CONTINGENCIES

Finance lease and hire purchase commitments - Group as lessee

The Group has finance leases and hire purchase contracts for various items of plant and machinery. These leases have terms of renewal but no purchase options and escalation clauses. Renewals are at the option of the specific entity that holds the lease.

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
Finance Lease and Hire Purchase Commitments				
Payable				
-Not later than one year	319	675	-	-
-Later than one year and not later than five years	609	645	-	-
-Later than five years	42	132	-	-
Minimum lease and hire purchase payments	970	1,452	-	-
Deduct: Future finance charges	123	117	-	-
Present value of minimum lease and hire purchase payments (refer note 21)	847	1,335	-	-

Operating lease commitments - Group as lessee

The Group has entered into commercial leases on certain motor vehicles and items of machinery. These leases have an average life of between 3 and 7 years with no renewal option included in the contracts. There are no restrictions placed upon the lessee by entering into these leases.

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
Operating Lease Commitments: Non Cancellable operating leases contracted for but not capitalised in the financial statements *				
Payable				
-Not later than one year	2,742	1,494	-	-
-Later than one year and not later than five years	6,713	1,299	-	-
	9,455	2,793	-	-

* Includes the entity's share of the associate's commitments

Contingent liabilities

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
Estimates of the maximum amounts of contingent liabilities that may become payable *				
Bank guarantees				
Tealrose Pty Ltd has obtained a commercial overdraft facility of $15,796 from their bankers. The facility has been secured by a first registered fixed and floating charge over the assets and undertakings of that company.	-	16	-	-

* Includes the entity's share of the associate's contingent liabilities

Banking facilities

	Consolidated 2007 $'000	Consolidated 2006 $'000	Company 2007 $'000	Company 2006 $'000
Austbrokers RWA has obtained a commercial overdraft facility of $200,000 from their bankers. The facility has been secured by a first registered fixed and floating charge over the assets and undertakings of the company. The shareholders have also provided a letter of comfort and guarantees.	-	200	-	-

24. SEGMENT INFORMATION

The group operates in one business segment being insurance brokers and one geographical segment being Australia.

25. SUBSEQUENT EVENTS

On 30 August 2007 the Directors of Austbrokers Holdings Limited declared a final dividend on ordinary shares in respect of the 2007 financial year. The total amount of the dividend is $4,762,338 which represents a fully franked dividend of 9.5 cents per share. The dividend has not been provided for in the 30 June 2007 financial statements.

On 20 August 2007, the company entered into an agreement to acquire a 50% interest in Strathearn Insurance Brokers with initial payments totalling $8.5 million. The final acquisition price will be based on future results and is expected to be in the range of $11 million to $13.5 million.

On 1 July 2007, the Company disposed of a 50% interest in Tealrose Pty Ltd to an associate company, Stateplan Holdings Pty Ltd, for $810,000.

26. AUDITORS' REMUNERATION

	Consolidated		Company	
	2007	2006	2007	2006
	$	$	$	$
Amounts received or due to Ernst & Young (Australia) for:				
Audit of the financial statements	565,000	497,000	-	-
Other assurance related services	30,000	22,000	-	-
Other - taxation services	193,780	-	-	-
Total auditors' remuneration	788,780	519,000	-	-
Amounts received or due to non Ernst & Young audit firms for:				
Audit of the financial statements	228,968	464,000	-	-
Other assurance related services	54,630	118,000	-	-
Other - taxation services	86,458	31,000	-	-
Total auditors' remuneration	370,056	613,000	-	-

Audit fees of the parent were paid by a related entity.

27. RELATED PARTY DISCLOSURES

(a) The following related party transactions occurred during the period:

(i) Transactions with related parties in wholly owned group

Entities within the wholly owned group charge/receive management fees for expenses incurred and services rendered. Further entities within the wholly owned group invest in trusts managed by related parties. These transactions are at normal commercial terms and conditions.

Entities within the wholly owned group provide funds to other entities within the group. These funds are non-interest bearing and are repayable on demand.

(ii) Transactions with other related parties

Entities within the wholly owned group charge associated entities management fees for expenses incurred and services rendered. These fees total $492,126 (2006: $399,259).The fees are at normal commercial terms and conditions.

A member of the economic entity has advanced additional loans of $1.5 million during the year to associated entities at commercial terms and conditions. These loans are secured and at 30 June 2007 had an outstanding amount of $3.5 million (2006: $4.8 million).

(iii) Transactions with directors and director-related entities

Other than disclosed in note 27 (c), there were no other transactions with director or director related entities.

27. RELATED PARTY DISCLOSURES (continued)

(b) Details of Key Management Personnel

The directors of the company in office during the year and until the date of signing this report are:

Leonard Francis Earl	Director (non-executive)
David John Harricks	Director (non-executive)
Richard Anthony Longes	Chairman (non-executive)
William Lachlan McKeough	Director and Chief Executive Officer
Phillip Robert Shirriff	Director (non-executive)

The following persons were the executives with the greatest authority for the planning, directing and controlling the activities of the consolidated entity during the financial year:

S.S. Rouvray	Chief Financial Officer and Company Secretary
F. Gualtieri	National Manager - Premium Finance, Risk, IT and Administration Services
G.J. Arms	National Operations Manager
F. Pasquini	Regional Operations Manager
R.W. Broadbent	Regional Operations Manager

(c) Shareholdings of Key Management Personnel

Shares held in Austbrokers Holdings Limited	Balance at beginning of period 01-Jul-06	Shares acquired during year	Options Exercised	Balance at end of period 30 Jun 07
Directors				
R. A. Longes	100,000	-	-	100,000
L. F. Earl	22,000	-	-	22,000
P. R. Shirriff	100,000	-	-	100,000
D. J. Harricks	20,000	-	-	20,000
W.L. McKeough	85,000	-	-	85,000
Executives				
S.S. Rouvray	100,000	-	-	100,000
F. Gualtieri	50,000	-	-	50,000
G.J. Arms	30,000	-	-	30,000
F. Pasquini	39,000	-	-	39,000
R.W. Broadbent	12,500	-	-	12,500
Total	558,500	-	-	558,500

27. RELATED PARTY DISCLOSURES (continued)

(d) Compensation of Key Management Personnel by Category

	Consolidated 2007 $	Consolidated 2006 $	Company 2007 $	Company 2006 $
Short-Term	2,062,609	2,363,211	2,062,609	2,363,211
Post Employment	239,455	156,380	239,455	156,380
Other Long-Term	-	-	-	-
Termination Benefits	-	-	-	-
Share-based Payment	406,440	211,744	406,440	211,744
	2,708,504	2,731,335	2,708,504	2,731,335

(e) Options granted as part of remuneration

Year ended 30 June 2007	Granted No.	Grant Date	Fair value per option at grant date ($) (note 18)	Exercise price per option ($) (note 18)	Expiry Date	First Exercise Date	Last Exercise Date
Director							
W.L. McKeough	336,700	25-Sep-06	0.32	3.47	25-Sep-13	25-Sep-09	25-Sep-13
Executives							
S.S. Rouvray	75,950	25-Sep-06	0.32	3.47	25-Sep-13	25-Sep-09	25-Sep-13
F. Gualtieri	39,800	25-Sep-06	0.32	3.47	25-Sep-13	25-Sep-09	25-Sep-13
G.J. Arms	39,850	25-Sep-06	0.32	3.47	25-Sep-13	25-Sep-09	25-Sep-13
F. Pasquini	36,100	25-Sep-06	0.32	3.47	25-Sep-13	25-Sep-09	25-Sep-13
R.W. Broadbent	36,100	25-Sep-06	0.32	3.47	25-Sep-13	25-Sep-09	25-Sep-13
Total	564,500						

Year ended 30 June 2006	Granted No.	Grant Date	Fair value per option at grant date ($) (note 18)	Exercise price per option ($) (note 18)	Expiry Date	First Exercise Date	Last Exercise Date
Director							
W.L. McKeough	336,700	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
Executives							
S.S. Rouvray	108,300	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
F. Gualtieri	46,700	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
W.Y. Patterson	45,000	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
G.J. Arms	43,300	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
F. Pasquini	40,850	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
R.W. Broadbent	40,850	5-Oct-05	0.32	2.00	5-Oct-12	5-Oct-08	5-Oct-12
Total	661,700						

27. RELATED PARTY DISCLOSURES (continued)

(f) Option holdings of Key Management Personnel

	Balance at beginning of period 01-Jul-06*	Granted as Remuneration	Options Exercised	Balance at end of period 30-Jun-07	Total	Not Exercisable
Director						
W.L. McKeough	336,700	336,700	-	673,400	673,400	673,400
Executives						
S.S. Rouvray	108,300	75,950	-	184,250	184,250	184,250
F. Gualtieri	46,700	39,800	-	86,500	86,500	86,500
G.J. Arms	43,300	39,850	-	83,150	83,150	83,150
F. Pasquini	40,850	36,100	-	76,950	76,950	76,950
R.W. Broadbent	40,850	36,100	-	76,950	76,950	76,950
Total	616,700	564,500	-	1,181,200	1,181,200	1,181,200

The company has applied the exemption under Corporations Amendments Regulation 2006 which exempts listed companies from providing all remuneration disclosures in relation to their key management personnel in their annual financial reports is required by Accounting Standard AASB 124 "Related Party Disclosures". These remuneration disclosures are provided on pages 9 to 17 of the Director's report.
* W.Y. Patterson excluded from opening balances as he is not included in key management personnel for 2007.

(g) No loans have been advanced to key management personnel during the current year.

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans and overdrafts, finance leases and hire purchase contracts, and cash and short-term deposits.

The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.

Cash flow interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate.

Commodity price risk

The Group's exposure to price risk is minimal.

Credit risk

The Group trades only with recognised, creditworthy third parties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Group.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, available-for sale financial assets, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognised third parties, there is no requirement for collateral.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

The Group's policy is that not more that 35% of borrowings should mature in any 12-month period. At 30 June 2007, none of the Group's finance facilities will require renegotiation in less than one year (2006: Nil).

29. FINANCIAL INSTRUMENTS

(a) Terms, conditions and accounting policies

The accounting policies and terms and conditions for each class of financial asset and financial liability at the balance date are detailed in Note 2 and Note 28. The carrying value of financial assets and liabilities approximates their net fair value.

(b) Interest rate risk

The economic entity's exposure to interest rate risks and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at the balance date, are as follows:

29. FINANCIAL INSTRUMENTS (continued)

(b) Interest rate risk (continued)

	CONSOLIDATED						
		Fixed interest rate maturing in:					
Financial instruments	Floating interest	1 year or less	1 year to 5 years	More than 5 years	Non-interest bearing	Total carrying amount per the statement of financial position	Weighted average effective interest rate
	2007	**2007**	**2007**	**2007**	**2007**	**2007**	**2007**
	$'000	$'000	$'000	$'000	$'000	$'000	%
(i) Financial assets							
Cash	58,162	-	-	-	-	58,162	6.0
Receivables	-	-	-	-	55,417	55,417	-
Mortgages	-	4,055	1,648	-	-	5,703	8.8
(ii) Other assets							
Receivables					84	84	
Plant and equipment	-	-	-	-	4,897	4,897	-
Asset classified as held for sale					1,002	1,002	
Investment in associates	-	-	-	-	27,329	27,329	-
Intangible assets	-	-	-	-	57,352	57,352	-
Deferred income tax asset	-	-	-	-	1,680	1,680	-
Total assets	58,162	4,055	1,648	-	147,761	211,626	-
(iii) Financial liabilities							
Trade creditors and accruals	-	-	-	-	89,443	89,443	-
Loans - related party/entity	-	-	-	-	-	-	-
Interest bearing loans and borrowings	-	-	14,820	-	14,820	29,640	7.5
(iv) Other liabilities							
Income tax payable	-	-	-	-	1,307	1,307	-
Provisions	-	-	-	-	6,382	6,382	-
Deferred tax liabilities	-	-	-	-	4,944	4,944	-
Total liabilities	-	-	14,820	-	116,896	131,716	-

	CONSOLIDATED						
		Fixed interest rate maturing in:					
Financial instruments	Floating interest	1 year or less	1 year to 5 years	More than 5 years	Non-interest bearing	Total carrying amount per the statement of financial position	Weighted average effective interest rate
	2006	**2006**	**2006**	**2006**	**2006**	**2006**	**2006**
	$'000	$'000	$'000	$'000	$'000	$'000	%
(i) Financial assets							
Cash	58,045	-	-	-	-	58,045	4.5
Receivables	-	-	-	-	52,746	52,746	-
Mortgages	-	4,177	4,061	-	-	8,238	7.1
(ii) Other assets							
Plant and equipment	-	-	-	-	4,332	4,332	-
Investment in associates	-	-	-	-	18,222	18,222	-
Intangible assets	-	-	-	-	51,634	51,634	-
Deferred income tax asset	-	-	-	-	1,807	1,807	-
Total assets	58,045	4,177	4,061	-	128,741	195,024	-
(iii) Financial liabilities							
Trade creditors and accruals	-	-	-	-	83,473	83,473	-
Loans - related party/entity	-	-	-	-	-	-	-
Interest bearing loans and borrowings	-	-	13,421	-	-	13,421	7.1
(iv) Other liabilities							
Income tax payable	-	-	-	-	3,095	3,095	-
Provisions	-	-	-	-	5,768	5,768	-
Deferred tax liabilities	-	-	-	-	4,799	4,799	-
Total liabilities	-	-	13,421	-	97,135	110,556	-

29. FINANCIAL INSTRUMENTS (continued)

(b) Interest rate risk (continued)

	COMPANY						
		Fixed interest rate maturing in:					
Financial instruments	Floating interest	1 year or less	1 year to 5 years	More than 5 years	Non-interest bearing	Total carrying amount per the statement of financial position	Weighted average effective interest rate
	2007	**2007**	**2007**	**2007**	**2007**	**2007**	**2007**
	$'000	$'000	$'000	$'000	$'000	$'000	%
(i) Financial assets							
Cash	3,919	-	-	-	-	3,919	6.0
Receivables	-	-	-	-	10,774	10,774	-
(ii) Other assets							
Investment in associates	-	-	-	-	11,054	11,054	-
Shares in controlled entities	-	-	-	-	50,014	50,014	-
Deferred income tax asset	-	-	-	-	-	-	-
Total assets	3,919	-	-	-	71,842	75,761	
(iii) Financial liabilities							
Trade creditors and accruals	-	-	-	-	3,723	3,723	-
Loans - related party/entity	-	-	-	-	-	-	-
(iv) Other liabilities							
Income tax payable	-	-	-	-	767	767	-
Provisions	-	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	27	27	-
Total liabilities	-	-	-	-	4,517	4,517	

	COMPANY						
		Fixed interest rate maturing in:					
Financial instruments	Floating interest	1 year or less	1 year to 5 years	More than 5 years	Non-interest bearing	Total carrying amount per the statement of financial position	Weighted average effective interest rate
	2006	**2006**	**2006**	**2006**	**2006**	**2006**	**2006**
	$'000	$'000	$'000	$'000	$'000	$'000	%
(i) Financial assets							
Cash	7,614	-	-	-	-	7,614	4.5
Receivables	-	-	-	-	10,825	10,825	-
Mortgages	-	-	-	-	-	-	-
(ii) Other assets							
Plant and equipment	-			-	-	-	-
Investment in associates	-	-	-	-	9,996	9,996	-
Shares in controlled entities	-	-	-	-	42,975	42,975	-
Deferred income tax asset	-	-	-	-	102	102	-
Total assets	7,614	-	-	-	63,898	71,512	
(iii) Financial liabilities							
Trade creditors and accruals	-	-	-	-	2,503	2,503	-
Loans - related party/entity	-	-	-	-	-	-	-
(iv) Other liabilities							
Income tax payable	-	-	-	-	1,270	1,270	-
Deferred tax liabilities	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	3,773	3,773	

Directors' Declaration

In accordance with a resolution of the directors of Austbrokers Holdings Limited, I state that:

1 In the opinion of the directors:

(a) the financial statements, the notes and the additional remuneration report disclosures included in the directors' report of the company and consolidated entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the company and the consolidated entity's financial position as at 30 June 2007 and of their performance for the period ended on that date; and

(ii) complying with Accounting Standards and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

2 This declaration has been made after receiving the declarations required to be made to the directors in accordance with sections 295A of the Corporations Act 2001 for the financial period ending 30 June 2007.

On behalf of the Board

W L McKeough
Director

Sydney, 30 August 2007

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Independent auditor's report to members of Austbrokers Holdings Limited

We have audited the accompanying financial report of Austbrokers Holdings Limited (the company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from to time during the financial year.

The company has disclosed information as required by paragraphs Aus 25.4 to Aus 25.7.2 of Accounting Standard 124 *Related Party Disclosures* ("remuneration disclosures"), under the heading "Remuneration Report" on pages 6 to 12 of the directors' report, as permitted by Corporations Regulation 2M.6.04.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the consolidated financial statements and notes, complies with International Financial Reporting Standards. The directors are also responsible for the remuneration disclosures contained in the directors' report.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report and the remuneration disclosures, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Austbrokers Holdings Limited is in accordance with:

(a) the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the financial position of Austbrokers Holdings Limited and the consolidated entity at 30 June 2007 and of their performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and

(b) other mandatory financial reporting requirements in Australia.

2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

3. the remuneration disclosures that are contained on pages 6 to 12 of the directors' report, and identified as being subject to audit, comply with Accounting Standard AASB 124 Related Party Disclosures.

Ernst & Young

Ernst & Young

Gaydon

P R Gaydon

Partner

Sydney

30 August 2007

Corporate Information

ABN 60 000 000 715

This annual report covers both Austbrokers Holdings Limited as an individual entity and the consolidated entity comprising Austbrokers Holdings Limited and its subsidiaries. The Group's functional and presentation currency is AUD ($).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Directors' report on pages 2 - 4.

Directors
R.A. Longes (Chairman)
W.L. McKeough (Chief Executive)
L.F. Earl
D.J. Harricks
P.R. Shirriff

Company Secretary
S.S. Rouvray

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