EQUITY Trustees
For your best interests

EQT RELEASE

Appendix 4E– Full Year Report

Name of Entity

Equity Trustees Limited

ABN or equivalent company reference

46 004 031 298

Full Year Ended

30 June 2005

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	$A'000		$A'000	
Revenue from ordinary activities	21,593	Up 10.0%	From	19,622
Profit from ordinary activities after tax attributable to members	3,698	Up 31.6%	From	2,811
Net profit for the period attributable to members	3,698	Up 31.6%	From	2,811

Dividends	Amount per Share	Franked amount per share
Final Dividend The directors have declared a fully franked final dividend of 25 cents per share. The directors have also declared that the dividend reinvestment plan (DRP) will be activated for this dividend. The share price to be used for the DRP will be calculated based on the volume weighted average price of EQT traded shares on 5 days after Record date. A discount of 2.5% will be applied.	25 cents	100%

Last date for receipt of election notice for participation in the dividend reinvestment plan	26 September 2005

Record date for determining entitlements to the dividend.	26 September 2005

Payment date for dividend	10 October 2005

This full year report should be read in conjunction with the 2005 Annual Financial Report.

ASX ADDITIONAL INFORMATION

Additional information required by the ASX, and not shown elsewhere in this report, follows. The information is current as at 30 June 2005.

	30 June 2005	30 June 2004
Net tangible asset backing / per share	$2.79	$2.35

Net tangible asset backing per share, based on 6,480,850 shares on issue (2004: 6,300,854).

Control gained over entities having material effect	NA	NA

- Name of Entity (or group of entities)
- Date to which the profit (loss) has been calculated
- Contribution to consolidated profit (loss) from ordinary activities and extraordinary items since the date in which control was acquired.

Loss of control of entities having material effect	NA	NA

- Name of Entity (or group of entities).
- Date to which the profit (loss) has been calculated.
- Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control.

Audit

The Financial Statements for the year ended 30 June 2005 have been audited and an unqualified opinion provided.

Comments on Results

The profit after tax of $3.698mil (2004: $2.811mil) represents an earnings per share of 57.58 cents (2004: 45.52). The increase in earnings per share equates to 26.5%

Included in the result is a profit on sale of investments (net of tax) of $0.69mil (2004: $0.48mil). If this profit is excluded, profit after tax from trading activities is $3.01mil (2004: $2.33mil), representing a year on year increase of 29.2%. The earnings per share on trading activities is 46.86 cents (2004: 37.74) representing an increase of 24.1%.

The final dividend of 25 cents per share brings the total dividend for the 2005 year to 40 cents, representing a 33.3% increase over the prior year. Dividends continue to be fully franked.

The total 2005 dividend of 40 cents represents a payout ratio of 85% based on trading profit (excluding profits on sale of investments).

Shareholders funds have increased by 16.6%, from $16.47mil to $19.20mil.

This full year report should be read in conjunction with the 2005 Annual Financial Report.

EQUITY TRUSTEES LIMITED

ABN 46 004 031 298

and Controlled Entities

FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2005

Board of Directors
Philip G Molyneux, B.Econ, FCA. Chairman
Peter J Williams, Dip.All, MAICD, FAIM. Managing Director
David F Groves, B.Com, M.Com, CA, FAICD
John R McConnell, B.Com, FAICD, FAIM, FAIBF
Barry J Jackson, B.Com (Hons), MAICD
JA (Tony) Killen, Dip.All, FAICD, FAIM
Ross A Illingworth, BBus (HR), GAICD, CFP

Company Secretary / Chief Financial Officer
Terry Ryan, B.Bus, CA, ASIA

Auditors
Deloitte Touche Tohmatsu
180 Lonsdale Street
Melbourne, Victoria 3000

Share Registry
Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria, 3067

Registered Office
Level 2, 575 Bourke St.
Melbourne, Victoria 3000
Telephone: (03) 8623 5000
Facsimile: (03) 8623 5200
Email: equity@eqt.com.au

EQUITY TRUSTEES LIMITED

ABN 46 004 031 298

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

The directors of Equity Trustees Limited submit herewith the annual financial report for the financial year ended 30 June 2005. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of directors of the company during or since the end of the financial year are:

Philip G Molyneux, Chairman
Peter J Williams, Managing Director
David F Groves
John R McConnell
Barry J Jackson
JA (Tony) Killen
Ross A Illingworth

COMPANY SECRETARY

Mr Terry Ryan, Chartered Accountant, held the office of Company Secretary during and since the end of the financial year. Mr Ryan joined Equity Trustees Limited in 2003 and previously held senior finance, administration and secretarial roles in the financial services industry and is a member of the Institute of Chartered Accountants and the Institute of Securities, Banking and Finance.

PRINCIPAL ACTIVITIES

The principal activities of the Equity Trustees Group during the course of the financial year were the provision of services as trustee, executor, administrator, attorney and agent, tax agent, custodian, fiduciary and agency services, funds management and superannuation.

REVIEW OF OPERATIONS

For a review of operations refer to the Managing Director's report.

CHANGES IN THE STATE OF AFFAIRS

During the financial year, there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

Subsequent to the end of the financial year, the directors announced a capital raising of approximately $9 million, consisting of a share placement and share purchase plan (SPP).

The new capital, amounting to 15%, or approximately 970,000 shares will be used for future growth/acquisition, increased leverage of existing businesses, interstate expansion and to further improve the group's balance sheet.

Apart from the above and any matters referred to in the financial statements or notes thereto, there has not been any matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

FUTURE DEVELOPMENTS

Apart from the introduction of Australian equivalents to International Financial Reporting Standards (A-IFRS) as outlined in Note 39 to the financial statements, the subsequent event noted above and matters disclosed in the financial statements, disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.

DIVIDENDS

In respect of the financial year ended 30 June 2004:

i. An interim dividend of 10 cents per share, franked to 100% at 30% corporate income tax rate, was paid to holders of fully paid ordinary shares on 5 April 2004.

ii. A final dividend of 20 cents per share, franked to 100% at 30% corporate income tax rate, was paid to holders of fully paid ordinary shares on 6 October 2004.

In respect of the financial year ended 30 June 2005:

iii. An interim dividend of 15 cents per share, franked to 100% at 30% corporate income tax rate, was paid to holders of fully paid ordinary shares on 12 April 2005.

iv. Subsequent to 30 June 2005, the directors declared a final dividend of 25 cents per share, franked to 100% at 30% corporate income tax rate, payable to holders of fully paid ordinary shares on 10 October 2005.

INDEMNIFICATION OF DIRECTORS, OFFICERS AND AUDITORS

During the financial year, the company paid a premium in respect of a contract insuring the directors, company secretary and officers of the company and its controlled entities against a liability incurred as such a director, secretary or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify a director, an officer or auditor of the company or any related body corporate against a liability incurred as such a director, an officer or auditor.

DIRECTORS' MEETINGS

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 13 board meetings, 13 committee of the board, 3 remuneration and 12 audit & compliance committee (A&CC) meetings were held.

Directors in Attendance	Board Meetings		Committee of the Board[1]		Remuneration Committee		Audit & Compliance Committee	
	Eligible to Attend[2]	Attended	Eligible to Attend[2]	Attended	Eligible to Attend[2]	Attended	Eligible to Attend[2]	Attended
PG Molyneux	13	13	7	7	3	3	-	-
PJ Williams	13	12	13	13	-	-	12	8
DF Groves	13	12	6	6	-	-	12	12
JR McConnell	13	12	6	6	-	-	12	12
BJ Jackson	13	13	6	6	3	3	-	-
JA Killen	13	12	4	4	3	3	-	-
RA Illingworth	13	13	11	11	-	-	12	11

1 Committee of the board meetings are constituted by at least any two directors acting pursuant to the authority of the full board.

2 Meetings held that the director was eligible to attend whilst holding office.

DIRECTORS' SHAREHOLDING

The following table sets out each director's relevant interest in shares. All shares are fully paid ordinary shares. The movement of shareholdings during the year ended 30 June 2005 are summarised in Note 6 to the financial statements.

Director	Number of Shares held as at 30 June 2005
DF Groves	149,663
RA Illingworth	40,529
JR McConnell	15,963
BJ Jackson	10,000
PG Molyneux	5,543
JA Killen	3,039
PJ Williams	1,042

SHARE OPTIONS

No options over unissued shares were granted during the financial year and no options have been granted in the period between the end of the financial year and the date of this report.

REMUNERATION REPORT

Remuneration packages contain the following key elements:

i. Salary / fees;
ii. Performance incentives (executives only);
iii. Non-Monetary - includes parking benefit;
iv. Superannuation – superannuation guarantee charge (SGC);
v. Other – directors retiring allowance (DRA); and
vi. Shares – shares issued under the Employee Share Acquisition Plan.

Remuneration of all specified executives is reviewed on an annual basis by the Remuneration Committee and determined with regard to current market rates. The quantum of remuneration, including bonuses, is established taking into account the overall cost structure of the group and the trading performance of the group, including earnings per share and dividends.

Performance incentives are calculated by reference to agreed key performance indicators in relation to the group's trading performance for the year ended 30 June 2005. These include profitability, expense control, revenue growth and other performance criteria specific to the respective executive's responsibilities. In all cases the Remuneration Committee confirms the appropriateness of the criteria and confirms the level of achievement. Where applicable, executive performance incentives relating to the year ended 30 June 2005 were accrued at year end and were paid in August 2005. The original grant date for executive performance incentive arrangements was 2 October 2003. Performance criteria for the year ended 30 June 2005 were confirmed on 1 April 2005 and there were no alterations to terms or conditions since that date.

The following table discloses the specified directors of Equity Trustees Limited during the year, together with remuneration entitlements:

2005

Specified Directors	Primary			Post-Employment	Other	Total
Name	**Fee / Salary $**	**Performance Incentive $**	**Non-Monetary $**	**Super-annuation $**	**DRA* $**	**$**
Non-executive directors						
PG Molyneux, Chairman	55,000	-	-	4,950	17,875	77,825
DF Groves	39,000	-	-	3,510	45,107	87,617
JR McConnell	39,000	-	-	3,510	27,430	69,940
BJ Jackson	35,000	-	-	3,150	11,667	49,817
JA (Tony) Killen	35,000	-	-	3,150	11,667	49,817
RA Illingworth	39,000	-	-	3,510	13,000	55,510
Executive Director						
PJ Williams, Managing Director	236,704	69,650	6,671	11,585	-	324,610
Total Specified Directors' Remuneration	**478,704**	**69,650**	**6,671**	**33,365**	**126,746**	**715,136**

2004

Non-executive directors						
PG Molyneux, Chairman	55,000	-	-	4,950	25,687	85,637
DF Groves	39,000	-	-	3,510	29,127	71,637
JR McConnell	39,000	-	-	3,510	13,000	55,510
BJ Jackson	35,000	-	-	3,150	11,667	49,817
JA (Tony) Killen	35,000	-	-	3,150	11,667	49,817
RA Illingworth	39,111	-	-	3,520	13,000	55,631
Executive Director						
PJ Williams, Managing Director	224,772	80,495	6,750	11,002	-	323,019
Total Specified Directors' Remuneration	**466,883**	**80,495**	**6,750**	**32,792**	**104,148**	**691,068**

*DRA represents an accrual for directors retiring allowance and is calculated in accordance with the accounting policy. Refer to Note 1(f).

During or since the financial year, no director of the company has received or become entitled to receive a benefit because of a contract that the director or a firm of which the director is a member or an entity in which the director has a substantial financial interest made with the company or an entity that the company controlled, or a body corporate that was related to the company, when the contract was made or the director received, or became entitled to receive the benefits except for a benefit included in the aggregate amount of emoluments received, or due and receivable by the director shown in this report or the financial statements.

The following table discloses the highest remunerated specified executives of Equity Trustees Limited Group during the year, together with remuneration entitlements:

2005

Specified Executives	Primary			Post-Employment	Equity	Total
Name	**Salary** **$**	**Performance Incentive** **$**	**Non-Monetary** **$**	**Super-annuation** **$**	**Shares** **$**	**$**
T Ryan, CFO & Company Secretary	180,984	39,191	6,829	11,585	997	239,586
HH Kalman, GM & CIO - Funds Management	181,133	36,879	6,711	11,585	997	237,305
RP Dillon, Managing Director - Wealthpac	176,000	44,000	-	-	-	220,000
PM Maddox, GM - Corporate Trusts & RE Services	161,753	30,096	6,711	11,585	997	211,142
GW Smith, GM - Operations	139,036	29,755	6,810	12,523	997	189,121
SR Manuell, GM - Private Clients	146,289	28,914	567	11,585	997	188,352
Total Specified Executives' Remuneration	**985,195**	**208,835**	**27,628**	**58,863**	**4,985**	**1,285,506**

2004

Specified Executives	Primary			Post-Employment	Equity	Total
Name	**Salary** **$**	**Performance Incentive** **$**	**Non-Monetary** **$**	**Super-annuation** **$**	**Shares** **$**	**$**
T Ryan, CFO & Company Secretary	172,271	42,000	6,810	11,002	996	233,079
HH Kalman, GM & CIO - Funds Management	169,761	42,000	6,589	11,002	996	230,348
RP Dillon, Managing Director - Wealthpac	176,000	44,000	-	-	-	220,000
PM Maddox, GM - Corporate Trusts & RE Services	160,713	13,011	6,757	11,002	996	192,479
SR Manuell, GM - Private Clients	134,045	25,000	6,421	11,002	996	177,464
GW Smith, GM - Operations	132,308	25,000	6,300	11,908	996	176,512
Total Specified Executives' Remuneration	**945,098**	**191,011**	**32,877**	**55,916**	**4,980**	**1,229,882**

NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 8 to the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on Page 10 of the financial report.

STATUTORY TRUSTEE

Equity Trustees Limited is authorised by the law of the state of Victoria to take in its name a Grant of Probate of the will of a deceased person. Assets and liabilities of trusts, estates and agencies for which the company acts as trustee, executor or agent, are not included in the company's financial statements.

RESERVE FUND

The provisions of the Trustee Companies Act 1984 which require the creation of a reserve fund to be set aside by statutory trustee companies have been complied with and are reflected in the company's financial statements.

Signed in accordance with a resolution of the directors made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the directors

Peter J Williams
Managing Director
Dated 7 September 2005

Deloitte

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The Board of Directors
Equity Trustees Limited
575 Bourke Street
MELBOURNE VIC 3000

Dear Board Members

Equity Trustees Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Equity Trustees Limited.

As lead audit partner for the audit of the financial statements of Equity Trustees Limited for the financial year ended 30 June 2005, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely,

DELOITTE TOUCHE TOHMATSU

PA Caldwell
Partner
Chartered Accountants
7 September 2005

Member of
Deloitte Touche Tohmatsu

EQUITY TRUSTEES LIMITED

ABN 46 004 031 298

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

	Note	Consolidated		Company	
		2005	2004	2005	2004
		$	$	$	$
Revenue from ordinary activities	2	**21,593,452**	**19,621,667**	**18,234,264**	**16,767,633**
Payroll expenses		(10,153,473)	(9,212,499)	(8,253,388)	(7,624,452)
Finance expenses		(116,315)	(292,079)	(52,365)	(231,808)
Insurance expenses		(708,126)	(740,173)	(625,280)	(650,292)
Professional service fees		(1,179,619)	(401,647)	(1,162,750)	(388,351)
Occupancy expenses		(1,053,226)	(1,084,793)	(910,107)	(905,174)
Advertising expenses		(750,608)	(452,623)	(737,566)	(431,847)
Computer expenses		(1,001,073)	(916,753)	(954,869)	(865,028)
General expenses		(411,165)	(589,304)	(297,475)	(462,486)
Writedown of goodwill		-	(44,282)	-	(44,282)
Value of fixed assets, investments sold		(1,008,576)	(2,182,346)	(1,008,576)	(2,182,346)
Writeback of investment provision		67,000	58,000	67,000	58,000
Total Expenses		**(16,315,181)**	**(15,858,499)**	**(13,935,376)**	**(13,728,066)**
Profit From Ordinary Activities Before Income Tax Expense		**5,278,271**	**3,763,168**	**4,298,888**	**3,039,567**
Income tax expense relating to ordinary activities	4	**(1,580,035)**	**(952,212)**	**(1,285,123)**	**(723,782)**
Profit From Ordinary Activities After Related Income Tax Expense		**3,698,236**	**2,810,956**	**3,013,765**	**2,315,785**
Net Profit Attributable to Members of the Parent Entity		**3,698,236**	**2,810,956**	**3,013,765**	**2,315,785**
Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners	27	**3,698,236**	**2,810,956**	**3,013,765**	**2,315,785**
Earnings per share					
- Basic (cents per share)	28	**57.58**	**45.52**		

Notes to the Financial Statements are included on pages 14 to 34

EQUITY TRUSTEES LIMITED

ABN 46 004 031 298

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

		Consolidated		Company	
		2005	2004	2005	2004
	Note	$	$	$	$
Current Assets					
Cash	36(a)	995,419	909,507	241,961	271,526
Receivables	9	3,607,445	2,651,448	3,436,089	2,501,527
Other Financial Assets	10	9,258,706	5,615,601	9,258,706	5,615,601
Total Current Assets		**13,861,570**	**9,176,556**	**12,936,756**	**8,388,654**
Non-Current Assets					
Receivables	11	192,610	256,930	2,038,735	2,762,333
Other Financial Assets	12	904,158	1,136,020	904,170	1,136,032
Intangibles	16	5,193,050	5,193,050	-	-
Property, Plant & Equipment	15	1,349,776	1,023,426	1,301,175	980,259
Deferred Tax Assets	17	747,598	594,087	747,598	594,087
Total Non-Current Assets		**8,387,192**	**8,203,513**	**4,991,678**	**5,472,711**
Reserve Fund					
Financial Assets	14	5,100,000	4,700,000	5,100,000	4,700,000
Total Reserve Fund		**5,100,000**	**4,700,000**	**5,100,000**	**4,700,000**
Total Assets		**27,348,762**	**22,080,069**	**23,028,434**	**18,561,365**
Current Liabilities					
Payables	18	2,106,706	1,359,582	1,893,849	1,204,681
Provisions	20	866,833	658,387	769,146	614,928
Other	21	2,783,929	272,731	187,404	272,731
Current Tax Liability	19	1,694,564	196,999	1,694,564	196,999
Total Current Liabilities		**7,452,032**	**2,487,699**	**4,544,963**	**2,289,339**
Non-Current Liabilities					
Provisions	22	666,385	492,891	642,224	473,699
Other Non-Current Liabilities	23	34,995	2,631,520	124,502	124,502
Total Non-Current Liabilities		**701,380**	**3,124,411**	**766,726**	**598,201**
Total Liabilities		**8,153,412**	**5,612,110**	**5,311,689**	**2,887,540**
Net Assets		**19,195,350**	**16,467,959**	**17,716,745**	**15,673,825**
Equity					
Contributed Equity	25	14,109,415	12,849,247	14,109,415	12,849,247
Reserves	26	1,754,201	1,754,201	1,754,201	1,754,201
Retained Earnings	27	3,331,734	1,864,511	1,853,129	1,070,377
Total Equity		**19,195,350**	**16,467,959**	**17,716,745**	**15,673,825**

Notes to the financial statements are included on pages 14 to 34

EQUITY TRUSTEES LIMITED

ABN 46 004 031 298

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

		Consolidated Inflow/(Outflow)		Company Inflow/(Outflow)	
		2005	2004	2005	2004
	Note	$	$	$	$
Cash Flows from Operating Activities					
Fees and commissions received from customers		18,926,589	16,669,252	14,699,789	13,610,682
Payments to suppliers and employees		(15,064,965)	(13,079,307)	(11,904,344)	(11,029,679)
Dividends received		358,291	237,327	358,291	237,327
Interest received		668,895	387,420	643,889	370,566
Interest paid		(147,414)	(133,126)	(147,414)	(133,126)
Income tax (paid)/received		(235,979)	128,855	(235,979)	146,425
Net cash provided by/(used in) operating activities	36 (b)	**4,505,417**	**4,210,421**	**3,414,232**	**3,202,195**
Cash Flows from Investing Activities					
Payment for property, plant and equipment		(486,917)	(720,430)	(465,278)	(673,221)
Proceeds from sale of property, plant and equipment		-	5,268	-	5,268
Payment for investment securities		(1,059,802)	(755,336)	(1,059,802)	(755,336)
Proceeds on sale of investment securities		1,988,824	1,831,495	1,988,824	1,831,495
Repayment of loans to company		2,340	28,095	956,409	28,095
Receipts of other loans		-	-	-	638,400
Net cash provided by/(used in) investing activities		**444,445**	**389,092**	**1,420,153**	**1,074,701**
Cash Flows from Financing Activities					
Dividends paid		(2,231,013)	(619,914)	(2,231,013)	(619,914)
Proceeds from issue of equity securities under the DRP		1,260,168	619,914	1,260,168	619,914
Net cash provided by/(used in) financing activities		**(970,845)**	**-**	**(970,845)**	**-**
Net Increase/(Decrease) in Cash Held		3,979,017	4,599,513	3,863,540	4,276,896
Cash at Beginning of Financial Year		8,825,108	4,225,595	8,187,127	3,910,231
Cash at End of Financial Year	36 (a)	**12,804,125**	**8,825,108**	**12,050,667**	**8,187,127**

Notes to the Financial Statements are included on pages 14 to 34

1 Summary of Accounting Policies

Financial Reporting Framework

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law. The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Comparative Amounts

Comparative amounts have, where appropriate, been reclassified in the notes to the financial statements in order to ensure compatibility with amended classifications in the current reporting period. The reclassification of comparative amounts has not resulted in a change to the aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities or equity, or the net profit/(loss) of the company or economic entity as reported in the prior financial report.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Accounts Payable
Trade payables and other payables are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of goods and services.

(b) Acquisition of Assets
Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition. In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

(c) Capital Gains Tax
No provision has been made for capital gains tax which may arise in the event of sale of revalued assets as no decision has been made to sell any of these assets.

(d) Depreciation
Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life.

The following estimated useful lives are used in the calculation of depreciation.

- Computers & other peripherals	2 - 4 years
- Computer Software & Development	2.2 - 5 years
- Office Furniture & Equipment	3 - 7 years
- Artworks	7 - 83 years

(e) Estate and Trust Liabilities
Equity Trustees Limited is an entity specified in the Second Schedule to the *Trustee Companies Act 1984* and is also defined as an Authorised Trustee Corporation in Section 9 of the Corporations Act 2001 and was incorporated in Victoria. Pursuant to Class Order 98/105 dated 10th July 1998 made under sub-section 341 to the Corporations Act 2001, the parent entity is relieved from the requirements of paragraphs 4.1 to 6.6 of AASB 1033 'Presentation and Disclosure of Financial Instruments', paragraphs 4.1 to 5.3 and 7.1 to 8.4 of AASB 1040 "Statement of Financial Position" and paragraphs 4.1 to 6.6 of AASB 1034 'Information to be disclosed in Financial Reports' in relation to the disclosure in the Financial Statements or consolidated Financial Statements of:
(a) Liabilities incurred by the parent entity whilst acting as trustee or in any representative capacity where the parent entity has a valid and subsisting right of indemnity out of any assets which are sufficient to satisfy such right of indemnity; and
(b) Assets, consisting of the nature and amount from which the parent entity has a right of indemnity in respect of liabilities referred to in (a).

(f) Employee Benefits
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of wages, salaries, annual leave and long service leave expected to be settled within 12 months are measured at their nominal values.
Provisions made in respect of long service leave which are not expected to be settled in 12 months are measured as the present value of the estimated future cash outflows to be made by the economic entity in respect of services provided by employees up to the reporting date.

The directors retirement allowance is calculated on the directors fees paid in the preceeding three years. A retirement benefit is provided for on a pro-rata basis up to the first five years of continuous service, after which the full benefit is payable to a maximum of three years retirement benefit.

(g) Financial Instruments
The economic entity does not enter into any derivative financial instruments. The economic entity invests in various financial instruments which attract a level of interest rate risk. Further details of financial instruments are disclosed in note 37 to the financial statements.

Note 1 continued

(h) Income Tax

Tax effect accounting principles have been adopted whereby income tax (expense) / benefit has been calculated on pre-tax accounting profits (loss) after adjustment for permanent differences. The tax effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at appropriate taxation rates in provision for deferred income tax and future income tax benefit, as applicable.

During the year ended 30 June 2003, the directors elected that all wholly-owned Australian entities would join a tax consolidated group. As a result, all income tax expenses, revenues, assets and liabilities of the members of the tax consolidated group are recognised in the financial statements of the parent entity. Due to the existence of a tax sharing agreement between the entities in the tax consolidated group, the income tax expense / revenue of the parent entity includes the tax contribution amounts paid or payable between the parent entity and subsidiary entities made in accordance with the agreement. No entity has joined or left the Equity Trustees Consolidated Group during the year ended 30 June 2004 or 2005. Further information about the tax sharing agreement is detailed in note 4 to the financial statements. The current and deferred tax assets and liabilities of the parent entity are not reduced by any amounts owing from or to subsidiary entities in accordance with the tax sharing agreement as these amounts are recognised as intercompany receivables and payables.

(i) Goods and Services Tax (GST)

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

i. Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

ii. For receivables and payables which are recognised inclusive of GST.

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

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

(j) Investments

Investments in controlled entities are recorded at cost. Marketable securities held as non-current assets or in the reserve fund are valued at cost less, where appropriate, a writedown to recoverable amount. In assessing the recoverability of these assets the Directors take into consideration the intention of the company to hold them on a long term basis. Marketable securities held as current assets for trading purposes are valued at current market value. Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on an accrual basis.

(k) Principles of Consolidation

The consolidated financial statements have been prepared by combining the financial statements of all the entities that comprise the economic entity, being the company (the parent entity) and its controlled entities as defined in Accounting Standard AASB 1024 `Consolidated Accounts'. A list of controlled entities appears in note 33 to the financial statements. Consistent accounting policies have been employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the company obtains control and until such time as the company ceases to control such entity. In preparing the consolidated financial statements, all intercompany balances and transactions and unrealised profits arising within the economic entity are eliminated in full.

(l) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(m) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount when the carrying value of any non-current asset exceeds the recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

(n) Revenue Recognition

Corpus Commission

Subject to a grant of probate, corpus commission is recognised as revenue based upon stage of completion.

Sale of Goods and Disposable Assets

Revenue from the sale of goods and disposal of other assets is recognised when the economic entity has passed control of the goods or other assets to the buyer.

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Other Fees and Commissions

Revenue from fees and commissions are brought to account when legally due and are recognised on an accrual basis so as to reflect a full 12 months of transactions. Revenue not received at balance date is reflected in the balance sheet as a receivable.

(o) Management Rights

Management rights relating to the acquisition of the Wealthpac mastertrust business are carried at cost as a non-current intangible asset. The asset has an indefinite useful life and is accordingly not amortised but is subject to an ongoing impairment test to confirm the carrying value.

Note 1 continued

(p) Leased Assets

Operating lease payments are recognised as an expense on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

The consolidated entity has not entered into any finance leases.

(q) Provisions

Provisions are recognised when the economic entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(r) Dividends

A provision is recognised for dividends when they have been declared, determined or publicly recommended by the directors before the reporting date.

(s) Australian Equivalents to International Financial Reporting Standards (A-IFRS)

Refer to Note 39.

2 Profit from Ordinary Activities

The profit from ordinary activities before income tax includes the following items of revenue and expense:

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
(a) Operating Revenue				
Revenue:				
Commission and fees	18,717,529	16,022,336	15,420,106	13,250,642
Rental revenue:				
Other rental revenue	41,758	65,486	5,000	-
Dividends				
Other entities	358,291	296,462	358,291	296,462
Interest revenue:				
Other entities	685,206	387,420	660,199	370,566
Total Operating Revenue	**19,802,784**	**16,771,704**	**16,443,596**	**13,917,670**
(b) Non-Operating Revenue				
Proceeds from the sale of assets (note 3):				
Current:				
Investments	1,775,289	868,678	1,775,289	868,678
Non-current:				
Plant and equipment	-	5,268	-	5,268
Investments	15,379	1,976,017	15,379	1,976,017
Total Non Operating Revenue	**1,790,668**	**2,849,963**	**1,790,668**	**2,849,963**
Total Revenue	**21,593,452**	**19,621,667**	**18,234,264**	**16,767,633**
(c) Expenses				
Borrowing Cost:				
Interest:				
Directors and director related entities	73,946	141,936	73,946	141,936
Other entities	-	10,669	-	10,669
Depreciation of non-current assets:				
Plant and equipment	151,912	179,850	137,674	173,056
Written down value of fixed assets sold	-	23,507	-	23,507
Cost of investments sold	1,008,576	2,158,839	1,008,576	2,158,839
Amortisation of non-current assets:				
Capitalised software development costs	6,687	95,473	6,687	95,473
Writedown/(writeback) to recoverable amount of:				
Investments	(67,000)	(58,000)	(67,000)	(58,000)
Goodwill	-	44,282	-	44,282
Doubtful debts/bad debts - third party	(71,734)	41,128	(71,734)	41,128
Operating lease rental expenses:				
Minimum lease payments	402,445	441,777	342,229	385,604
(d) Significant Expenses				
Legal fees (Note 32)	829,480	88,945	826,611	87,601

3 Sale of Assets

Sale of assets in the ordinary course of business have given rise to the following profits and losses:

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
Net Profits				
Property, plant and equipment	-	4,115	-	4,115
Investments	830,943	685,856	830,943	685,856
	830,943	**689,971**	**830,943**	**689,971**
Net Losses				
Property, plant and equipment	-	22,354	-	22,354
Investments	48,851	-	48,851	-
	48,851	**22,354**	**48,851**	**22,354**

4 Income Tax

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

Profit from Ordinary Activities	**5,278,271**	**3,763,168**	**4,298,888**	**3,039,567**
Income tax expense calculated at 30% of profit from ordinary activities	**(1,583,481)**	**(1,128,950)**	**(1,289,666)**	**(911,870)**
Permanent differences:				
Other non-allowable items	(272,367)	(82,289)	(271,388)	(70,939)
Writeback of investment provision	20,100	17,400	20,100	17,400
Franking Credits	97,360	78,659	97,360	78,659
Prior year adjustment	158,353	162,968	158,471	162,968
	3,446	**176,738**	**4,543**	**188,088**
Income tax expense attributable to profit from ordinary activities	**(1,580,035)**	**(952,212)**	**(1,285,123)**	**(723,782)**

Tax Consolidation System

Legislation to allow groups, comprising of a parent entity and its Australian resident wholly-owned entities, to elect to consolidate and be treated as a single entity for income tax purposes was enacted in 2002. This legislation, which includes both mandatory and elective elements, is applicable to the company.

The directors elected for those entities within the consolidated entity that are wholly-owned Australian resident entities to be taxed as a single entity from 1 July 2002. The adoption of the tax consolidation system has been formally notified to the Australian Taxation Office. The head entity within the tax consolidated group for the purpose of the tax consolidation system is Equity Trustees Limited. No entity has joined or left the Equity Trustees Consolidated Group during the 2005 financial year (2004: nil).

Entities within the tax consolidated group have entered into a tax-sharing agreement with the head entity. Under the terms of this agreement, Equity Trustees Limited and each of the entities in the tax consolidated group have agreed to pay a tax equivalent payment to or from the head entity, based on the net accounting profit or loss of the entity and the current tax rate. Such amounts are reflected in amounts receivable from or payable to other entities in the tax consolidated group.

5 Directors' and Executives' Remuneration

The remuneration of specified directors and executives for the year ended 30 June 2005 is outlined in the Directors' Report.

6 Related Party and Specified Executive Disclosures

(a) *Specified directors' and specified executives' remuneration and retirement benefits*

Details of directors remuneration and retirement benefits are disclosed in the Directors' Report.

(b) *Specified directors' and specified executives' equity holdings*

The movement of shareholdings in Equity Trustees Limited during the year by specified directors' and specified executives, or their personally related entities was:

	Holdings of Fully Paid Ordinary Shares					
2005	**Balance at 30 June 2004**	**Change in relevant interest via a related party**	**Issued under employee share acquisition plan**	**Issued under dividend reinvestment plan**	**Purchased (sold) during year**	**Balance at 30 June 2005**
Specified Directors						
P G Molyneux	5,543	-	-	-	-	5,543
P J Williams	1,014	-	-	28	-	1,042
D F Groves	130,163	9,351	-	149	10,000	149,663
J R McConnell	15,567	-	-	396	-	15,963
B J Jackson	10,000	-	-	-	-	10,000
J A Killen	3,039	-	-	-	-	3,039
R A Illingworth	40,529	-	-	-	-	40,529
Specified Executives						
T Ryan	328	-	89	-	-	417
H H Kalman	630	-	89	19	140	878
R P Dillon	138,905	-	-	53	(136,927)	2,031
P B Maddox	326	-	89	-	-	415
S R Manuell	326	-	89	-	-	415
G W Smith	326	-	89	-	-	415

(c) *Other transactions with specified directors and specified executives*

There were no other transactions during the year ended 30 June 2005 with specified directors and specified executives, or their personally related entities (2004 nil transactions).

(d) *Transactions with other related parties*

A controlled entity acts as trustee for the Wealthpac Super Access Fund from which it receives administration fees. These fees are contractually agreed with members based on a percentage of assets under administration.

During the year the following amounts were paid to an entity associated with R P Dillon, a director of a controlled entity:

- operating lease payments of $60,216 (2004: $56,173).

- interest paid/payable of $73,946 (2004: $141,936) relating to the acquisition of the Wealthpac business.

During the year the Wealthpac Master Trust paid an entity associated with R P Dillon, a director of a controlled entity:

- consulting fees of $Nil (2004: $13,662)

During the year Mr Illingworth, a director of the parent entity, was employed by a stockbroker who is part of a panel of stockbrokers providing stockbroking services for clients of the economic entity. Mr Illingworth does not personally provide these services.

All related party transactions took place on normal commercial terms and conditions.

(e) *Controlling entities*

The parent entity in the economic entity is Equity Trustees Limited.

(f) *Investments in Managed Investment Schemes*

Included in the investment portfolio of the company are interest bearing investments in managed investment schemes where the company acts as responsible entity. These investments are made on normal commercial terms and conditions. Refer also to note 37 (c).

7 Employee Share Acquisition Plan

An employee share acquisition plan is in place to allow eligible employees to participate in share acquisitions and allotments as approved by the board on an on-going basis as deemed appropriate.

In accordance with the terms of the Employee Share Acquisition Plan, each eligible employee was offered 89 (2004: 138) ordinary fully paid shares in Equity Trustees Limited, representing a value not exceeding $1,000.

The fair value of shares, $95,693 (2004: $87,680), was determined based on the Equity Trustee Limited share price ($11.20) at 5pm on Monday 27 June 2005 and the shares were issued on 28 June 2005 for no consideration.

The total number of shares issued under the plan was 8,544 (2004: 12,144). Refer to note 25.

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
8 Remuneration of Auditors				
Auditing the financial report	165,132	149,744	144,232	131,599
Other services				
Regulatory & statutory returns	38,365	50,798	38,365	43,325
Tax	47,213	19,500	47,213	19,500
Accounting advice	-	27,500	-	27,500
	250,710	247,542	229,810	221,924
9 Current Receivables				
Trade receivables	2,704,210	1,854,552	2,579,764	1,746,159
Provision for doubtful debts	(66,371)	(146,471)	(66,371)	(146,471)
	2,637,839	1,708,081	2,513,393	1,599,688
Prepayments	391,105	360,631	344,195	319,103
Corpus commission earned but not collected	578,501	582,736	578,501	582,736
	3,607,445	2,651,448	3,436,089	2,501,527
10 Other Current Financial Assets				
At cost:				
Short term deposits	9,258,706	5,615,601	9,258,706	5,615,601
11 Non-Current Receivables				
Intercompany loans	-	-	1,846,125	2,505,403
Corpus commission earned but not collected	192,610	256,930	192,610	256,930
	192,610	256,930	2,038,735	2,762,333
12 Other Non-Current Financial Assets				
At cost :				
Quoted investments	956,923	1,253,826	956,923	1,253,826
Provision for writedown to recoverable amount	(60,000)	(127,000)	(60,000)	(127,000)
	896,923	1,126,826	896,923	1,126,826
Non-quoted investments - shares in controlled entities (note 33)	-	-	12	12
Loans and mortgages	7,235	9,194	7,235	9,194
	904,158	1,136,020	904,170	1,136,032

13 Reserve Fund

The *Trustee Companies Act 1984,* Section 36, requires that a Reserve Fund be provided, the value of which shall not be less than five-tenths of one percentum of the value of that part of the trust estates in Victoria committed to the administration of the trustee company and five-tenths of one percentum of the value of money received in Victoria for investment in a Common Fund to which Section 4 (1)(m) of the Trustee Act 1958 applies.

Section 39 (3) of the Act provides that:

In the event of the appointment of a liquidator, a receiver, a receiver and manager or an official manager of a trustee company, moneys in its reserve fund are available for the following purposes:

(a) First, for the payment of sums due from the trustee company to estates committed to the trustee company's administration or management in Victoria;

(b) Secondly, for the payment of sums due from the trustee company to persons in respect of moneys (not being an estate or part of an estate) paid in Victoria to the trustee company for investment in a common fund;

(c) Thirdly, for the payment of sums due from the trustee company to estates committed to the trustee company's administration of management outside Victoria;

(d) Fourthly, for the payment of sums due from the trustee company to persons in respect of moneys (not being an estate or part of an estate) paid outside Victoria to the trustee company for investment in a common fund; and

(f) Fifthly, for the payment of debts of the trustee company.

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
14 Reserve Fund Investments				
Short term deposits	2,550,000	2,300,000	2,550,000	2,300,000
Quoted investments	2,550,000	2,400,000	2,550,000	2,400,000
	5,100,000	4,700,000	5,100,000	4,700,000

The above investments have been appropriated to the Reserve Fund which is in excess of the Reserve Liability requirements of the Company pursuant to Section 36 of the Trustee Companies Act 1984.
The Reserve Fund calculation as at 30 June 2005 is $5,085,060

	Consolidated			Company		
	Computers & Software	Office Furn. & Equipment	Total	Computers & Software	Office Furn. & Equipment	Total
	$	$	$	$	$	$
15 Property, Plant & Equipment						
Gross Carrying Amount						
Balance at 30 June 2004	1,804,882	681,960	2,486,842	1,804,882	631,909	2,436,791
Additions	442,603	42,346	484,949	442,603	22,674	465,277
Balance at 30 June 2005	2,247,485	724,306	2,971,791	2,247,485	654,583	2,902,068
Accumulated Depreciation						
Balance at 30 June 2004	(1,171,338)	(292,078)	(1,463,416)	(1,171,338)	(285,194)	(1,456,532)
Depreciation expense	(72,597)	(86,002)	(158,599)	(72,597)	(71,764)	(144,361)
Balance at 30 June 2005	(1,243,935)	(378,080)	(1,622,015)	(1,243,935)	(356,958)	(1,600,893)
Net Book Value						
As at 30 June 2004	633,544	389,882	1,023,426	633,544	346,715	980,259
As at 30 June 2005	1,003,550	346,226	1,349,776	1,003,550	297,625	1,301,175

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
16 Intangibles				
Management rights	5,193,050	5,193,050	-	-
	5,193,050	5,193,050	-	-

The management rights acquired in 2003, have been carried at cost in accordance with the accounting policy outlined in note 1(o).
Effective 1 January 2003, economic entity acquired the management rights relating to the Wealthpac mastertrust business. The purchase price of the mastertrust business is payable by an initial tranche payment of cash and shares. Subsequent tranche payments, after the initial three year period, will depend on trading performance over the period. The performance criteria are based on profitability and growth in funds under management. At 30 June 2005 recognition was made of the first two tranche payments totalling $5,193,050, on the basis that, at this stage, there is reasonable probability of these payments being made. As the performance criteria is reassessed over the three year period it may be necessary to acknowledge an increase in the consideration payable, however at this stage such deferred consideration is not quantifiable. Equity Trustees can elect to settle subsequent tranche payments by a combination of cash and shares. The share component will not exceed 50% of each tranche payment. Refer to note 32 for information regarding a contingent liability related to these management rights.

17 Deferred Tax Assets

	Consolidated 2005	Consolidated 2004	Company 2005	Company 2004
(a) Future Income Tax Benefit	$	$	$	$
Timing differences attributable to:				
Parent entity	706,078	566,438	706,078	566,438
Entities in the tax consolidated group (i)	41,520	27,649	41,520	27,649
	747,598	594,087	747,598	594,087

(i) Entities in the tax consolidated group have entered into a tax sharing and contribution agreement. Refer to note 4.

	Consolidated 2005	Consolidated 2004	Company 2005	Company 2004
(b) Future Income Tax Benefits not brought to account as an asset:				
Tax losses - capital	-	240,254	-	240,254

The taxation benefits of tax losses not brought to account will only be obtained if:

a) assessable income is derived of a nature and amount sufficient to enable the benefit from the deductions to be realised;

b) conditions for deductibility imposed by the law are complied with; and

c) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

18 Current Payables

	Consolidated 2005	Consolidated 2004	Company 2005	Company 2004
	$	$	$	$
Trade payables	1,805,541	1,132,899	1,592,684	977,998
FBT payable	13,712	25,000	13,712	25,000
Goods and services tax payable	287,453	201,683	287,453	201,683
	2,106,706	1,359,582	1,893,849	1,204,681

19 Current Tax Liabilities

	Consolidated 2005	Consolidated 2004	Company 2005	Company 2004
Income tax payable attributable to parent entity	1,694,564	196,999	1,694,564	196,999

Entities in the tax consolidated group have entered into a tax sharing agreement. Refer to note 4.

20 Current Provisions

Consolidated	Claims	Donations: Equity Trustees Foundation	Employee Benefits (note 24)	Total
	$	$	$	$
Balance at 30 June 2004	135,000	22,000	501,387	658,387
Additional provisions recognised	220,000	40,000	-	260,000
Reductions arising from payments	-	(22,000)	-	(22,000)
Reductions arising from re-measurement of estimated future sacrifices	(135,000)	-	-	(135,000)
Other movements	-	-	105,446	105,446
Balance at 30 June 2005	220,000	40,000	606,833	866,833

Company	Claims	Donations: Equity Trustees Foundation	Employee Benefits (note 24)	Total
	$	$	$	$
Balance at 30 June 2004	135,000	22,000	457,928	614,928
Additional provisions recognised	220,000	40,000	-	260,000
Reductions arising from payments	-	(22,000)	-	(22,000)
Reductions arising from re-measurement of estimated future sacrifices	(135,000)	-	-	(135,000)
Other movements	-	-	51,218	51,218
Balance at 30 June 2005	220,000	40,000	509,146	769,146

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
21 Other Current Liabilities				
Corpus commission collected but not earned	187,404	272,731	187,404	272,731
Deferred purchase consideration (note 16 & 32)	2,596,525	-	-	-
	2,783,929	272,731	187,404	272,731
22 Non-Current Provisions				
Employee benefits (note 24)	257,846	211,097	233,685	191,905
Directors' retiring allowance	408,539	281,794	408,539	281,794
	666,385	492,891	642,224	473,699
23 Other Non-Current Liabilities				
Amounts owing to controlled entity	-	-	89,507	89,507
Deferred purchase consideration (note 16 & 32)	-	2,596,525	-	-
Corpus commission collected but not earned	34,995	34,995	34,995	34,995
	34,995	2,631,520	124,502	124,502

24 Employee Benefits

The aggregate employee benefits liability recognised and included in the financial statements is as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
Provision for employee benefits:				
Current (note 20)				
- Annual leave	557,441	436,449	459,754	392,990
- Long service leave	49,392	64,938	49,392	64,938
	606,833	501,387	509,146	457,928
Non-current (note 22)				
- Long service leave	257,846	211,097	233,685	191,905
	864,679	712,484	742,831	649,833

	Consolidated		Company	
	2005	2004	2005	2004
	No.	No.	No.	No.
Number of employees at end of the financial year	111	99	89	78

25 Contributed Equity

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
Fully Paid Ordinary Shares				
Balance at beginning of financial year	12,849,247	11,580,197	12,849,247	11,580,197
Issue of shares under dividend reinvestment plan	1,260,168	619,914	1,260,168	619,914
Issue of shares in consideration for acquisition of business	-	649,136	-	649,136
Balance at end of financial year	14,109,415	12,849,247	14,109,415	12,849,247

	2005		2004	
	No	$	No	$
Fully Paid Ordinary Shares				
Balance at beginning of financial year	6,300,854	12,849,247	6,074,935	11,580,197
Issue of shares under dividend reinvestment plan - 2004 final dividend	171,452	1,260,168	89,583	619,914
Issue of shares in consideration for acquisition of business	-	-	124,192	649,136
Issue of shares under employee share acquisition plan (note 7)	8,544	-	12,144	-
Balance at end of financial year	6,480,850	14,109,415	6,300,854	12,849,247

Fully Paid Ordinary Share Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
26 Reserves				
Reserves comprise :				
Capital profits reserve	254,201	254,201	254,201	254,201
General reserve	1,500,000	1,500,000	1,500,000	1,500,000
	1,754,201	1,754,201	1,754,201	1,754,201
27 Retained Profits				
Balance at beginning of financial year	1,864,511	(326,531)	1,070,377	(625,494)
Net profit	3,698,236	2,810,956	3,013,765	2,315,785
Dividends paid (note 29)	(2,231,013)	(619,914)	(2,231,013)	(619,914)
Balance at end of financial year	3,331,734	1,864,511	1,853,129	1,070,377

28 Earnings Per Share

	Consolidated	
	2005 cents per share	2004 cents per share
Basic earnings per share	57.58	45.52
	No. of shares	No. of shares
The weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	6,422,678	6,175,732
	$	$
Earnings used in the calculation of earnings per share	3,698,236	2,810,956

Diluted earnings per share is not calculated as no potential ordinary shares are dilutive.
If shares are issued to partly settle deferred purchase consideration, as outlined in note 21, those shares will be included in the calculation of earnings per share in future periods.

29 Dividends

	2005		2004	
	Cents per share	$	Cents per share	$
a) **Recognised Amounts**				
Fully Paid Ordinary Shares				
Final dividend 2004 - franked to 30% (prior year - no final 2003 dividend)	20	1,260,168	-	-
Interim dividend 2005 - franked to 30% (prior year - interim dividend 2004 franked to 30%)	15	970,845	10	619,914
		2,231,013		619,914

	Consolidated		Company	
	2005 $	2004 $	2005 $	2004 $
b) Adjusted franking account balance @ 30%	3,059,880	3,609,893	3,059,880	3,609,893

Due to the changes in Australian income tax legislation, from 1 July 2002 franking accounts are maintained on a 'tax paid' rather than an 'after tax distributable profits' basis.

30 Superannuation Plans

Name of Plans : The Equity Trustees Staff Retirement Plan and Wealthpac Access Superannuation Fund
During the year the assets of the Equity Trustees Staff Retirement Plan were consolidated into the Wealthpac Access Superannuation Fund.
Employees are eligible to participate in accumulation contribution superannuation plans operated by the consolidated entity.

	Consolidated 2005 $	Consolidated 2004 $	Company 2005 $	Company 2004 $

31 Commitments for Expenditure

a) Operating Leases

	Consolidated 2005 $	Consolidated 2004 $	Company 2005 $	Company 2004 $
Not longer than 1 year	903,514	1,026,620	776,624	888,573
Longer than 1 year and not longer than 5 years	2,368,453	2,788,883	2,368,453	2,788,883
Longer than 5 years	-	330,463	-	330,463
	3,271,967	4,145,966	3,145,077	4,007,919

Leasing Arrangements

i) There are two non-cancellable property leases with rent payable in advance as follows:
Expiring 14 December 2009 with lease payment increases of 5% p.a. and an option to renew at the end of the period for a further seven years.
Expiring April 2006 with lease payments based on fixed amounts.

ii) A number of equipment leases are in existence with expiry dates to June 2008.

Sub Leases

A subsidiary has entered into a sub lease, where future minimum lease receipts are expected as follows:

	Consolidated 2005 $	Consolidated 2004 $	Company 2005 $	Company 2004 $
Not longer than 1 year	-	48,687	-	-
	-	48,687	-	-

b) Other Expenditure Commitments

	Consolidated 2005 $	Consolidated 2004 $	Company 2005 $	Company 2004 $
Not longer than 1 year	141,650	245,412	141,650	245,412
	141,650	245,412	141,650	245,412

32 Contingent Liabilities

A controlled entity has a contingent liability of $20,000 relating to a bank guarantee for a performance bond in relation to the holding of an Australian Financial Services licence. The parent entity has a contingent liability of $500,000 relating to a bank guarantee in relation to its non-broker participation with the Australian Stock Exchange, and $47,745 in relation to a performance bond for a controlled entity's building lease. This is unchanged from 2004.

The following contingent liabilities have first been identified during the 2005 financial year.

During the period the company received a claim for an error or omission in relation to the handling of an estate. The directors believe that the claim is not supported and therefore no liability has been recorded in the financial statements during the period to 30 June 2005.

During the 2002 financial year Equity Trustees Limited entered into an 8 year lease for its premises at 575 Bourke Street. The lease agreement includes a requirement that the premises to be returned to an open plan state at the end of the lease. However, there are a number of uncertainties that impact the quantification of the amount and timing of the potential liability to restore the premises. These uncertainties include the term of the lease including lease extensions, the likelihood of the premises being taken over by a new tenant without substantial restoration being required and the ability to accurately estimate the cost of the likely level of restoration required. If substantial restoration is required the directors estimate the contingent liability may range from $500,000 to $800,000.

Apart from the above, a dispute has arisen in relation to the acquisition of the Wealthpac business resulting in the commencement of legal action by the company in the Supreme Court of Victoria. The dispute relates to the formulae contained in the Business Sale Agreement. It is the view of the company that the formulae should be rectified to ensure that a 15% per annum return on investment is achieved based on the Wealthpac adjusted pretax profit generated during the three year buy-out period. An amount of $2.596 million is recorded as a liability at 30 June 2005, which when added to the amount of $2.596 million already paid, equates to a total cost of $5.193 million. This amount closely equates to the estimated amount to be paid in accordance with the rectified formulae. The disputed amount, in excess of $5.193 million recorded in the financial statements, is estimated in the range of $14 to $16 million, although this is impacted by factors such as market movements, Wealthpac profitability and funds growth over the remainder of the three year buy-out period, which concludes at 31 December 2005.

Legal fees have been incurred to date and an accrual made for estimated legal fees to complete the case.

It is the directors' view that there are strong reasons to support the rectification claim. Based on this view, the directors believe that the liability to the Wealthpac vendors is correctly recorded as at 30 June 2005.

33 Controlled Entities

	Percentage of shares held 2005 %	Percentage of shares held 2004 %
Parent Entity		
Equity Trustees Limited ABN 46 004 031 298 (Incorporated in Australia)		
Controlled Entities: (All incorporated in Australia)		
Equity Nominees Limited	100	100
Equity Investment Management Limited	100	100
Wealthpac Australia Limited	100	100

34 Segment Information

(a) Business Segments

	Total	
	2005	2004
Segment Revenues	$	$
Funds Management	9,730,383	8,782,692
Trustee Services	9,048,911	7,268,130
Total of all segments	18,779,294	16,050,822
Unallocated [1]	2,814,158	3,570,845
Consolidated	21,593,452	19,621,667
[1] Unallocated includes the following:		
- Investments in shares	1,790,668	2,844,695
- Other	1,023,490	726,150
Total Unallocated	2,814,158	3,570,845

Segment Results		
Funds Management	5,525,208	3,227,275
Trustee Services	4,765,649	3,647,535
Total of all segments	10,290,857	6,874,810
Unallocated [2]	(5,012,586)	(3,111,642)
Profit from ordinary activities before income tax expense	5,278,271	3,763,168
Income tax expense relating to ordinary activities	(1,580,035)	(952,212)
Profit from ordinary activities after related income tax expense	3,698,236	2,810,956
[2] Unallocated includes the following:		
- Write-back of investments	(67,000)	(58,000)
- Profit on sale of investments	782,092	685,856
- Support Business Units' expenses	(5,727,678)	(3,739,498)
Total Unallocated	(5,012,586)	(3,111,642)

	Assets		Liabilities	
	2005	2004	2005	2004
Segment Assets & Liabilities	$	$	$	$
Funds Management	7,211,011	6,979,630	3,327,787	2,926,648
Trustee Services	2,378,194	1,836,544	697,117	862,464
Total of all segments	9,589,205	8,816,174	4,024,904	3,789,112
Unallocated	17,759,557	13,263,895	4,128,508	1,822,998
Consolidated	27,348,762	22,080,069	8,153,412	5,612,110

The acquisition of segment assets, depreciation and amortisation of segment assets and other 'non-cash' expenses has not been disclosed as these are attributed to the Group as a whole and not to any particular segment.

(b) Geographical Segments

The Group operates solely in Australia

35 Acquisition of Business

During the year ended 30 June 2005, there were no acquisitions or sales of businesses (2004: nil).

Refer to notes 16 and 32 regarding the Wealthpac Business acquired in 2003.

36 Statement Of Cash Flows for the Financial Year ended 30 June 2005

(a) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:

	Consolidated		Company	
	2005	2004	2005	2004
	$	$	$	$
Cash	995,419	909,507	241,961	271,526
Other Current Financial Assets - Short term deposits	9,258,706	5,615,601	9,258,706	5,615,601
Reserve Fund - Short term deposits	2,550,000	2,300,000	2,550,000	2,300,000
	12,804,125	8,825,108	12,505,667	8,187,127

(b) Reconciliation of Profit from Ordinary Activities after Income Tax to Net Cash Flows from Operating Activities.

	Consolidated 2005	Consolidated 2004	Company 2005	Company 2004
Profit from ordinary activities after income tax	3,698,236	2,810,956	3,013,765	2,315,785
(Profit) / loss on sale of investments	(782,092)	(685,856)	(782,092)	(685,856)
Depreciation and amortisation of non-current assets	158,599	275,323	144,361	268,529
(Profit) / loss on sale of plant and equipment	-	18,239	-	18,239
Diminution of investments	(67,000)	(58,000)	(67,000)	(58,000)
Amounts written off:				
- Intangibles	-	44,282	-	44,282
(Increase) / decrease in assets:				
Current receivables	(712,063)	335,762	(810,491)	(38,415)
Non-current receivables	(200,878)	(76,012)	(354,947)	23,119
Other non-current assets	(153,511)	534,229	(153,511)	534,229
Increase / (decrease) in liabilities:				
Current payables	2,187,087	(70,313)	2,289,731	19,789
Current provisions	105,446	(10,097)	51,218	(10,097)
Other current liabilities	(85,327)	718,574	(85,327)	718,574
Non-current payables	-	-	-	-
Non-current provisions	173,494	71,668	168,525	52,017
Other non-current liabilities	183,426	301,666	-	-
Net Cash Flows from Operating Activities	4,505,417	4,210,421	3,414,232	3,202,195

(c) Non-cash financing activities.

During the 2005 financial year:

- no shares were issued in relation to the acquisition of the Wealthpac business.
- 55,373 shares (2004: 30,857) were issued in accordance with the dividend reinvestment plan (DRP) and 116,079 shares (2004: 58,726) were issued in accordance with underwriting arrangements to cover the shortfall of shares not issued under the DRP.

37 Financial Instruments

(a) Significant Accounting Policies

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial assets, financial liability and equity investment are disclosed in note 1 to the financial statements.

(b) Interest Rate Risk

The following table details the economic entity's exposure to interest rate risk as at the reporting date.

2005					
Financial Assets					
Cash, short term deposits	5.2	12,804,125			12,804,125
Receivables - trade				2,488,084	2,488,084
Receivables - other				1,311,971	1,311,971
Quoted investments				3,446,923	3,446,923
Loans / mortgages	4.50		7,235		7,235
Total		12,804,125	7,235	7,246,978	20,058,338
Financial Liabilities					
Trade payables				444,862	444,862
Other payables				335,670	335,670
Amount owing on purchase of controlled entity				2,596,525	2,596,525
Employee entitlements				742,830	742,830
Directors entitlements				408,540	408,540
Total				4,528,427	4,528,427
2004					
Financial Assets					
Cash, short term deposits	5.60	8,825,108			8,825,108
Receivables - trade				1,708,081	1,708,081
Receivables - other				1,200,297	1,200,297
Quoted investments				3,526,826	3,526,826
Loans / mortgages	4.50		9,194	-	9,194
Total		8,825,108	9,194	6,435,204	15,269,506
Financial Liabilities					
Trade payables				1,132,899	1,132,899
Other payables				731,408	731,408
Amount owing on purchase of controlled entity				2,596,525	2,596,525
Employee entitlements				712,484	712,484
Directors entitlements				281,794	281,794
Total				5,455,110	5,455,110

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The economic entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial losses from defaults.

As outlined in note 6(f), included in the investment portfolio of the company are interest bearing investments in managed investment schemes where the company acts as responsible entity. Although the company has a prima facie credit exposure from these investments, this risk is not significant due to the existence of controls relating to the security of the underlying assets.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the economic entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(d) Net Fair Value

Except as detailed in the following table, the carrying amount of the financial assets and liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

The net fair value of financial assets in the following table has been determined with reference to the quoted market prices of quoted investments as at the reporting date net of transaction costs;

	Note	Carrying Amount		Net Fair Value	
		2005	2004	2005	2004
		$	$	$	$
Financial Assets					
Quoted investments*	12 & 14	3,446,923	3,526,826	7,632,582	7,076,159

* In accordance with the accounting policy as outlined in note 1(j), marketable securities are valued at cost less, where applicable, a writedown to recoverable amount. At 30 June 2005, the net fair value exceeded carrying cost by $4,185,659 (2004: $3,549,333). During the year, a pre-tax capital profit was realised amounting to $782,092 (2004: $685,856).

38 Subsequent Events

Subsequent to the end of the financial year, the directors announced a capital raising of approximately $9 million, consisting of a share placement and share purchase plan.

The new capital, amounting to 15%, or approximately 970,000 shares will be used for future growth/acquisition, increased leverage of existing businesses, interstate expansion and to further improve the group's balance sheet.

39 Impacts of adopting Australian Equivalents to International Financial Reporting Standards (A-IFRS)

Management of the transition to A-IFRS

The consolidated entity will be required to prepare financial statements that comply with Australian equivalents to International Financial Reporting Standards ("A-IFRS") for annual reporting periods beginning on or after 1 January 2005. Accordingly, the consolidated entity's first half-year report prepared under A-IFRS will be for the half-year reporting period ended 31 December 2005, and its first annual financial report prepared under A-IFRS will be for the year ended 30 June 2006.

This financial report has been prepared in accordance with Australian Accounting Standards and other financial reporting requirements (Australian GAAP) applicable to financial periods ended 30 June 2005.

During 2004 a scoping exercise was undertaken to determine the changes required for the consolidated entity and the company (the entity) to adopt A-IFRS .This scoping exercise then formed the basis of the entity's implementation plan.

At the date of this financial report the entity has completed all material phases of the implementation including the assessment of accounting policy alternatives on transition to A-IFRS and the finalisation of the A-IFRS accounting policies that will be adopted on 1 July 2005 as well as the determination of the likely material impact on the results and financial position of the entity. Management of the entity expects the entity to be in a position to fully comply with the requirements of A-IFRS in the entity's accounts for the half year ended 31 December 2005 and for the year ended 30 June 2006.

The likely material impacts of A-IFRS on the results and financial position of the entity

Based on the directors' accounting policy decisions current at the date of this financial report, the following proforma statements and notes outline the likely material impacts on the entity had the financial statements been prepared using A-IFRS.

Readers of the financial report should note that further developments in A-IFRS (for example, the release of further pronouncements / additional guidance by the Australian Accounting Standards Board and the Urgent Issues Group or changes to the entity's operations), if any, may result in changes to the accounting policy decisions made by the directors of the entity and, consequently, the likely impacts outlined in the following narration.

The directors of the entity may, at any time within the completion of the entity's first A-IFRS compliant financial report, elect to revisit and where considered necessary, revise the accounting policies applied in preparing the following proforma statements and notes.

There is a significant amount of judgement involved in the preparation of the reconciliations from current Australian GAAP to A-IFRS, consequently there is a possibility that the final reconciliations presented in the first Financial Report prepared in accordance with A-IFRS (being the half-year ending 31 December 2005) may vary materially from the reconciliations below.

39 Impacts of adopting Australian Equivalents to International Financial Reporting Standards

	Note	Consolidated			Company		
		AGAAP actual $	A-IFRS impact $	A-IFRS proforma $	AGAAP actual $	A-IFRS impact $	A-IFRS proforma $
Revenue							
Revenue from ordinary activities	c	21,593,452	(1,790,668)	19,802,784	18,234,264	(1,790,668)	16,443,596
Gain on sale of current and non-current assets	d	-	782,092	782,092	-	782,092	782,092
Employee benefits	e,f	(10,153,473)	(93,427)	(10,246,900)	(8,253,388)	(93,427)	(8,346,815)
Depreciation and amortisation expense		(158,599)	-	(158,599)	(144,361)		(144,361)
Borrowing costs		(73,946)	-	(73,946)	(73,946)	-	(73,946)
Impairment of non-current assets	d	67,000	(67,000)	-	67,000	(67,000)	-
Other expenses from ordinary activities	d,g	(5,996,163)	987,545	(5,008,618)	(5,530,681)	987,545	(4,543,136)
Profit from ordinary activities before income tax expense		5,278,271	(181,458)	5,096,813	4,298,888	(181,458)	4,117,430
Income tax expense relating to ordinary activities		(1,580,035)	5,631	(1,574,404)	(1,285,123)	5,631	(1,279,492)
Net profit		3,698,236	(175,827)	3,522,409	3,013,765	(175,827)	2,837,938
Net profit attributable to members of the parent entity		3,698,236	(175,827)	3,522,409	3,013,765	(175,827)	2,837,938

39 Impacts of adopting Australian Equivalents to International Financial Reporting Standards

	Note	Consolidated			Company		
		AGAAP actual $	A-IFRS impact $	A-IFRS proforma $	AGAAP actual $	A-IFRS impact $	A-IFRS proforma $
Current Assets							
Cash		995,419	-	995,419	241,961	-	241,961
Receivables		3,607,445	-	3,607,445	3,436,089	-	3,436,089
Other Financial Assets	d	9,258,706	(78,274)	9,180,432	9,258,706	(78,274)	9,180,432
Total Current Assets		13,861,570	(78,274)	13,783,296	12,936,756	(78,274)	12,858,482
Non-Current Assets							
Receivables	i	192,610	-	192,610	2,038,735	41,520	2,080,255
Other Financial Assets	d	904,158	4,185,659	5,089,817	904,170	4,185,659	5,089,829
Intangibles		5,193,050	-	5,193,050		-	-
Property, Plant & Equipment		1,349,776	-	1,349,776	1,301,175	-	1,301,175
Deferred Tax Assets	i	747,598	43,948	791,546	747,598	2,428	750,026
Total Non-Current Assets		8,387,192	4,229,607	12,616,799	4,991,678	4,229,607	9,221,285
Reserve Fund							
Financial Assets		5,100,000	-	5,100,000	5,100,000	-	5,100,000
Total Reserve Fund		5,100,000	-	5,100,000	5,100,000	-	5,100,000
Total Assets		27,348,762	4,151,333	31,500,095	23,028,434	4,151,333	27,179,767
Current Liabilities							
Payables	g	2,106,706	195,923	2,302,629	1,893,849	195,923	2,089,772
Provisions		866,833	-	866,833	769,146	-	769,146
Other		2,783,929	-	2,783,929	187,404	-	187,404
Current Tax Liability		1,694,564	-	1,694,564	1,694,564	-	1,694,564
Total Current Liabilities		7,452,032	195,923	7,647,955	4,544,963	195,923	4,740,886
Non-Current Liabilities							
Provisions		666,385	(49,431)	616,954	642,224	(49,431)	592,793
Other Non-Current Liabilities		34,995	-	34,995	124,502	-	124,502
Deferred Tax Liability	i	-	1,180,062	1,180,062	-	1,180,062	1,180,062
Total Non-Current Liabilities		701,380	1,130,631	1,832,011	766,726	1,130,631	1,897,357
Total Liabilities		8,153,412	1,326,554	9,479,966	5,311,689	1,326,554	6,638,243
Net Assets		**19,195,350**	**2,824,779**	**22,020,129**	**17,716,745**	**2,824,779**	**20,541,524**
Equity							
Contributed Equity	f	14,109,415	95,693	14,205,108	14,109,415	95,693	14,205,108
Reserves	d	1,754,201	2,867,323	4,621,524	1,754,201	2,867,323	4,621,524
Retained Earnings		3,331,734	(138,237)	3,193,497	1,853,129	(138,237)	1,714,892
Total Equity		**19,195,350**	**2,824,779**	**22,020,129**	**17,716,745**	**2,824,779**	**20,541,524**

39 Impacts of adopting Australian Equivalents to International Financial Reporting Standards (A-IFRS)

Explanatory notes to the proforma financial statements

The following explanatory notes relate to the proforma financial statements above and describe, for significant items, the differences between the accounting policies under A-IFRS and the current treatment of those items under Australian GAAP (AGAAP).

(a) Business combinations and goodwill

On initial adoption of A-IFRS the directors have elected not to restate business combinations (including acquistion of Wealthpac Group) that occurred before 1 July 2004. Accordingly, the impacts of the adoption of A-IFRS on the financial report associated with past business combinations will be limited to the recognition of additional deferred tax assets and deferred tax liabilities and changes relating to amortisation of goodwill and annual impairment testing.

In addition EIML has acquired the management rights of the Wealthpac Access Master Trust. Under A-IFRS, intangible assets are required to be recognised separately from goodwill where they meet the criteria for separate recognition. The management rights have been separately recognised as an intangible asset since their acquistion by EIML. Refer note 39 (b) for further information regarding the impact of A-IFRS on the management rights.

Under A-IFRS, deferred tax liabilities and deferred tax assets acquired are measured on a different basis to present (refer note 39 (i)), and contingent liabilities that are reliably measurable are required to be recognised as part of the business combination. No additional deferred tax liabilities or assets, or contingent liabilities have been identified as requiring recognition on transitional to A-IFRS.

(b) Management Rights

EIML acquired an intangible asset being the management rights of the Wealthpac Access Master Trust in 2003. Under A-IFRS, an intangible asset with an indeterminable life is subject to an annual impairment test. As at 30 June 2005 no impairment has been identified in relation to these management rights. For further information regarding these management rights and a contingent liability associated with these management rights refer to notes 16 and 32.

(c) Revenue from ordinary activities

Although not impacting the net profit of the company and the consolidated entity, the adoption of A-IFRS will result in a number of transactions being recorded on a "net" rather than a "gross" basis. In addition, the adoption of A-IFRS results in the reclassification of proceeds from sale of non-current assets from "revenue from ordinary activities" to gain on sale of current and non-current assets.

As a consequence, revenue from ordinary activities will decreased by $1,790,668 (company: $1,790,668), other expenses will decrease by $1,008,576 (company: $1,008,576) and a gain on sale of current and non-current assets of $782,092 (company: $782,092) will be recognised for the financial year ended 30 June 2005.

(d) Financial instruments

The directors have determined the classifications that will apply to the various financial assets and financial liabilities held by the entity. Under A-IFRS, financial assets must be categorised as either: i) at fair value through profit or loss, ii) loans and receivables, iii) held-to-maturity, or iv) as available-for-sale. Financial liabilities must be categorised as either at fair value through profit or loss or as other financial liabilities. The classification of the financial assets and financial liabilities determines the measurement basis to be adopted. The entity does not have any derivatives.

Investments will be classified as "available for sale". Unrealised gains and losses on available for sale financial assets will be recognised directly in reserves through the statement of changes in reserves, except for impairment losses and foreign exchange gains and losses which are recognised in the statement of financial performance (currently the entity does not have foreign currency denominated investments). Under A-IFRS when gains and losses on investments are realised the full gain or loss will be recognised in the statement of financial performance and revaluation reserve will be adjusted accordingly. Previously under AGAAP these investments were recorded at cost less a provision for writedown.

As disclosed in the proforma statements on 1 July 2005, the closing reported financial assets will increase by $4,107,385 (company: $4,107,385) being the increase from AGAAP cost less provision for share writedown to fair value under A-IFRS at as 30 June 2005. As at 30 June 2004 the financial assets increased by $3,549,306 (company:$3,549,306) being the increase from AGAAP cost less provision for share writedown to fair value as at 30 June 2004. Under AGAAP there was a provision for share writedown held, under A-IFRS this provision has been reversed on the investments being valued at fair value. During the 2005 year under AGAAP $67,000 (company: $67,000) of the provision was written back to the statement of financial performance, under A-IFRS this adjustment is reversed.

(e) Employee Benefits

Under A-IFRS the entity is required to discount to present value employee benefits liabilities that are not expected to be taken in the next 12 months. The impact will be a decrease in additional employee benefit expense of $2,266 (company: $2,266) will be recognised in profit and loss for the financial year ended 30 June 2005 and a decrease in the balance of current provisions as at 30 June 2005 by $49,341 (company:$49,431)

(f) Share Based Payments

The entity made three share based payments that vested subsequent to 7 November 2002. Under the Australian accounting standards in effect prior to the introduction of A-IFRS (AGAAP) these payments did not result in any expense being recorded in the statement of financial performance. The directors have elected to not recognise the impact under A-IFRS for the two payments that vested prior to 1 January 2005. The A-IFRS impact for the share based payment that vested after 1 January 2005 is that contributed equity will increase by $95,693 (company: $95,693) and an additional employee benefit expense of $95,693 (company: $95,693) will be recognised in profit and loss for the financial year ended 30 June 2005.

(g) Leases

Under A-IFRS operating lease payments are required to be recognised as an expense on a straight line basis unless another systematic basis is more representative of the time pattern of the user's benefits, even if the payments are not on that basis. The entity has a property lease under which there is a fixed level of increase each year. The impact of the change to A-IFRS in relation to the recognition of expenditure under this lease is an increase in the expense recorded in the statement of financial performance for the financial year ended 30 Jun 2005 of $21,031 (company: $21,031) and an increase in payables balance as at 30 June 2005 of $195,923.

(h) Property, plant and equipment

On initial adoption of A-IFRS, the directors have not elected to apply the options permitted by the first-time adoption provisions in AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' to revalue property, plant and equipment on an asset by asset basis.

(i) Income tax

Under A-IFRS, tax balances are determined using a 'balance sheet' approach, which significantly differs from the current methodology prescribed and applied as described in note 1(h). Changes in deferred tax assets and deferred tax liabilities will arise as a consequence of the different method of measurement.

Under A-IFRS, the criteria for recognition of carried forward tax losses is 'probable' as compared to the present 'virtually certain' test. As at 30 June 2005 the consolidated enity does not have any unrecognised carry forward tax losses.

The cumulative impact on the consolidated financial position at 30 June 2005 of the different methodology to be applied will be an increase in deferred tax liabilities by $1,180,062 (company: $1,180,062) and an increase in deferred tax assets by $43,948 (company: $2,428). The increased deferred tax liability arises as a result of the change under A-IFRS to recording investments at fair value that resulted in an increase in the value of investments by $4,107,385 as at 30 June 2005 (refer note 39 (d)). The impact on the consolidated profit and loss for the financial year ended 30 June 2005 is a decrease in tax expense of $5,631 (company: $5,631).

Tax consolidation

UIG Interpretation 1052 'Tax Consolidation Accounting' proposes a significantly different manner of accounting for income taxes in tax-consolidated group compared to the present Australian requirements (refer note 1(h) and note 4). The approved interpretation is expected to be applicable for financial years ending on or after 31 December 2005, and would require that each entity in the tax-consolidated group recognise deferred tax assets (other than unused tax losses and unused tax credits) and deferred tax liabilities relating to its own balances. Accordingly, deferred tax assets of $41,520 attributable to members of the tax-consolidated group other than the head entity presently recognised by Equity Trustees Limited as at 30 June 2005 would be derecognised under A-IFRS.

Differences between the current tax liability (or asset) and the amount of any funding amount arising under a tax funding arrangement are be treated as a contribution by (or distribution to) equity participants. Under the existing tax funding arrangement, no tax consolidation contributions by (or distributions to) equity participants are expected to arise.

(j) Retained Earnings

The adjustments required on first-time adoption of A-IFRS are recognised directly in retained earnings at the date of transition (30 June 2004) to A-IFRS. The cumulative effect of these adjustments for the consolidated entity will be an increase in retained earnings of $37,591 (company: $37,591).

EQUITY TRUSTEES LIMITED
ABN 46 004 031 298

DIRECTORS' DECLARATION FOR THE FINANCIAL YEAR ENDED 30 JUNE 2005

The directors declare that:

a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

c) the directors have received from the Managing Director and the Chief Financial Officer the declarations required by s. 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the directors,

....

Peter J Williams
Managing Director
Melbourne

Signed this ...7th...Day of....September........ 2005

Deloitte

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Independent audit report to the members of Equity Trustees Limited

Scope

The financial report, remuneration disclosures and directors' responsibility
The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Equity Trustees Limited (the company) and the consolidated entity, for the financial year ended 30 June 2005 as set out on pages 11 to 35. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

The consolidated entity has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), as required by Accounting Standard AASB 1046 *Director and Executive Disclosures by Disclosing Entities* (AASB 1046) under the heading "remuneration report" in pages 5 to 8 of the directors' report, as permitted by the Corporations Regulations 2001.

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

Audit approach
We have conducted an independent audit of the financial report and the remuneration disclosures in order to express an opinion on them to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement and the remuneration disclosures comply with AASB 1046 and the Corporations Regulations 2001. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the Corporations Act 2001 and Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows and whether the remuneration disclosures comply with AASB 1046 and the Corporations Regulations 2001.

Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the remuneration disclosures, and the evaluation of accounting policies and significant accounting estimates made by the directors.

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

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion:

(1) the financial report of Equity Trustees Limited is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2005 and of their performance for the year ended on that date; and

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

(b) other mandatory professional reporting requirements in Australia.

(2) the remuneration disclosures that are contained in pages 5 to 8 of the directors' report comply with Accounting Standard AASB 1046 *Director and Executive Disclosures by Disclosing Entities* and the Corporations Regulations 2001.

Inherent Uncertainty Regarding Litigation

Without qualification to the opinion expressed above, attention is drawn to the following matter. As explained in Note 32 to the financial statements, Equity Trustees Limited is the plaintiff in litigation seeking rectification of formulae in the Business Sale Agreement which calculates deferred consideration payable for the purchase of the Wealthpac business. The consideration in dispute under the executed Agreement is estimated as $14mil to $16mil greater than the amount calculated in accordance with a rectified Agreement. Preliminary hearings and discovery proceedings are in progress. The circumstances of the case are such that the ultimate outcome of the litigation cannot presently be determined with an acceptable degree of reliability, and accordingly no provision for the disputed consideration which may be payable under the executed Agreement has been made in the financial statements.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter A Caldwell
Partner
Chartered Accountants
7 September 2005