

Appendix 4D

Half- yearly report Period ended 31 December 2015

EUROZ LIMITED

ABN 53 000 364 465

Results for announcement to the market

Extracts from this report for announcement to the market

\$A'000

Total Revenue	Up	20.1%	To	22,320
Profit / (Loss) from ordinary activities after tax attributable to members of Euroz Limited	Up	90.6%	To	(623)
Net Profit / (loss) for the period attributable to members of Euroz Limited	Up	90.6%	To	(623)
Net tangible assets per share	Down	14.5%	To	65 cents

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

Record date for determining entitlements to the dividend

08/01/2016

Dividend payable date

15/01/2016

Results commentary for announcement to the market

Euroz continues to generate modest underlying profitability and cashflow which has enabled us to recently declare a 1.75c fully franked dividend that was paid to all shareholders in January.

Headline profitability continues to be affected by decreases in the share prices of our investments in Westoz Investment Company Limited and Ozgrowth Limited though not to the same extent as in the corresponding period last financial year.

We are pleased Euroz Securities and Westoz Funds Management remained profitable in the first half despite a continuation of difficult market conditions in our WA related universe.

Prodigy Investment Partners will report modest losses as we establish this start up business, launch new funds and grow funds under management.

The integration of Entrust Private Wealth Management has occurred on budget and on schedule. All one off costs associated with the acquisition have been absorbed and we are pleased Entrust is now maintaining consistent profitability in line with our expectations.

Our major market position, high staff ownership, strong balance sheet and significant cash holdings has once again protected and assisted the Company to remain modestly profitable during these difficult markets.

We have now endured extremely challenging business conditions for the past 18 months but this has also provided the opportunity and determination for us to set and improve the foundations for our three core business divisions: Stockbroking & Corporate Finance, Funds Management and Wealth Management.

Our strategy is to be recognised as a truly diversified wealth management company with a higher level of recurring revenues combined with an expanded and diversified stream of high value transactional revenues.

Reporting period

The financial information contained in this report is for the six month period ended 31 December 2015. This report should be read in conjunction the Euroz Limited Annual Report for the twelve months to 30 June 2015.

**EUROZ LIMITED
AND CONTROLLED ENTITIES
A.B.N. 53 000 364 465**

HALF-YEAR REPORT

31 DECEMBER 2015

Euroz Limited and Controlled Entities

ABN 53 000 364 465

Half-year Report - 31 December 2015

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Euroz Limited
Directors' Report

Your Directors submit the financial report of the consolidated entity for the half-year ended 31 December 2015.

DIRECTORS

The names of Directors who held office during or since the end of the half-year:-

Andrew McKenzie – *Executive Chairman*
Jay Hughes
Doug Young
Greg Chessell
Russell Kane
Simon Yeo
Anthony Brittain (appointed 27 November 2015)

PRINCIPAL ACTIVITIES

During the half-year the principal activities of the consolidated entity consisted of:

- Stockbroking and corporate finance
- Funds management
- Wealth management

OPERATING RESULTS AND REVIEW OF OPERATIONS

The Directors of Euroz Limited announce a net consolidated loss attributable to the owners of Euroz Limited after tax of (\$623,221) for the half-year to 31 December 2015 (2014: Loss of \$6,665,074).

Headline profitability continues to be affected by decreases in the share prices of our investments in Westoz Investment Company Limited and Ozgrowth Limited though not to the same extent as in the corresponding period last financial year.

The non-cash fluctuations in these shares prices do not affect our ability to generate cash or pay dividends as demonstrated by cash earnings per share ('EPS') of 2.2c per share at 31 December 2015. The Directors are pleased to announce that Euroz Limited will pay the same first half dividend of 1.75c per share fully franked that we paid in the corresponding half last year.

We are pleased Euroz Securities Limited and Westoz Funds Management Pty Ltd remained profitable in the first half despite a continuation of difficult market condition in our Western Australia related universe.

Prodigy Investment Partners Limited will report modest losses as we established this start up business, launch new funds and grow funds under management.

The integration of Entrust Private Wealth Management Pty Ltd has occurred on budget and on schedule. All one off costs associated with the acquisition have been absorbed and we are pleased Entrust is now maintaining consistent profitability in line with our expectations.

Our major market position, high staff ownership, strong balance sheet and significant cash holdings has once again protected and assisted the Company to remain modestly profitable during these difficult markets.

We have now endured extremely challenging business conditions for the past 18 months but this has also provided the opportunity and determination for us to set and improve the foundations for our three core business divisions: Stockbroking & Corporate Finance, Funds Management and Wealth Management.

Euroz Limited
Directors' Report (continued)

Our strategy is to be recognised as a truly diversified wealth management company with higher level of recurring revenues combined with an expanded and diversified stream of high value transactional revenues.


DIVIDENDS

A dividend of 1.75 cents per share, fully franked, was provided.

AUDITOR'S DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2015.

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



Andrew McKenzie
Director

Dated: 22 February 2016

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF EUROZ LIMITED

In relation to our review of the financial report of Euroz Limited for the half year ended 31 December 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

PKF Mack

PKF MACK

S Fermanis

SIMON FERMANIS
PARTNER

22 FEBRUARY 2016
WEST PERTH
WESTERN AUSTRALIA

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Euroz Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2015

	Note	31 December 2015 \$	31 December 2014 \$
Revenue	2	22,319,517	18,583,528
Loss on fair value movement on investments		(7,327,235)	(14,092,493)
Brokerage and underwriting expenses		(2,341,076)	(830,554)
Carrying value of principal trading stock sold		(1,904,306)	(2,502,983)
Employee benefits expense		(9,240,169)	(7,579,553)
Depreciation and amortisation expenses	2	(69,521)	(531,323)
Regulatory expenses		(134,070)	(174,569)
Consultancy expenses		(604,363)	(754,004)
Conference and seminar expenses		(357,719)	(610,590)
Communication expenses		(140,666)	(122,667)
Other expenses		(2,548,357)	(1,975,152)
Loss before income tax expense		(2,347,965)	(10,590,360)
Income tax benefit		1,553,626	3,888,641
Loss for the period		(794,339)	(6,701,719)
Other comprehensive income, net of tax		-	-
Total comprehensive income, net of tax		(794,339)	(6,701,719)
Loss for the period is attributable to:			
Non-Controlling interest		(171,118)	(36,645)
Owners of Euroz Limited		(623,221)	(6,665,074)
		(794,339)	(6,701,719)
Total comprehensive (loss)/income for the period is attributable to:			
Non-Controlling interest		(171,118)	(36,645)
Owners of Euroz Limited		(623,221)	(6,665,074)
		(794,339)	(6,701,719)
Basic earnings per share		Cents (0.50)	Cents (4.39)
Diluted earnings per share		Cents (0.50)	Cents (4.39)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Euroz Limited
Consolidated Statement of Financial Position
As at 31 December 2015

	Note	31 December 2015 \$	30 June 2015 \$
Current assets			
Cash and cash equivalents		39,757,228	45,041,470
Trade and other receivables		1,520,299	1,384,626
Inventories		4,461,970	5,582,420
Other current assets		<u>6,000,309</u>	<u>1,029,116</u>
Total current assets		<u>51,739,806</u>	<u>53,037,632</u>
Non-current assets			
Long term receivable		-	5,000,000
Investments		6,087,025	-
Investment entities at fair value		45,871,449	53,769,308
Plant and equipment		509,457	317,822
Deferred tax assets		7,584,760	5,096,470
Intangible assets	8	<u>10,152,312</u>	<u>2,833,112</u>
Total non-current assets		<u>70,205,003</u>	<u>67,016,712</u>
Total assets		<u>121,944,809</u>	<u>120,054,344</u>
Current liabilities			
Trade and other payables		1,740,319	1,525,486
Current tax liabilities		607,649	-
Short term provisions		<u>3,876,094</u>	<u>6,552,049</u>
Total current liabilities		<u>6,224,062</u>	<u>8,077,535</u>
Non-current liabilities			
Deferred tax liabilities		415,842	397,177
Long term provisions		<u>1,113,680</u>	<u>322,220</u>
Total non-current liabilities		<u>1,529,522</u>	<u>719,397</u>
Total liabilities		<u>7,753,584</u>	<u>8,796,932</u>
Net assets		<u>114,191,225</u>	<u>111,257,412</u>
Equity			
Share capital	9(a)	105,676,382	99,533,415
Reserve	9(f)	934,747	658,175
Retained earnings		<u>7,592,471</u>	<u>11,032,079</u>
Total Equity attributable to the holders of the Company		114,203,600	111,223,669
Minority interest		<u>(12,375)</u>	<u>33,743</u>
Total equity		<u>114,191,225</u>	<u>111,257,412</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Euroz Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2015

	Attributable to the owners of the Company					
	Issued Capital	Retained Earnings	Share based payment reserve	Option premium reserve	Total	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2015	99,533,415	11,032,079	658,175	-	111,223,669	111,257,412
Profit/(loss) for the period	-	(623,221)	-	-	(623,221)	(794,339)
Investee equity	-	-	-	-	-	-
Total comprehensive income for the period	-	(623,221)	-	-	(623,221)	(794,339)
<i>Transactions with owners, recorded directly in equity</i>						
Issue of Ordinary Shares	6,550,102	-	-	-	6,550,102	6,675,102
Treasury shares acquired	(407,135)	-	-	-	(407,135)	(407,135)
Share Based Payments	-	-	276,572	-	276,572	276,572
Dividends to equity holders	-	(2,816,387)	-	-	(2,816,387)	(2,816,387)
Total contributions by and distributions to owners	6,142,967	(3,439,608)	276,572	-	2,979,931	2,933,813
Balance at 31 December 2015	105,676,382	7,592,471	934,747	-	114,203,600	114,191,225
Balance at 1 July 2014	90,924,294	25,948,183	266,978	-	117,139,455	117,139,455
Profit/(loss) for the period	-	(6,665,074)	-	-	(6,665,074)	(6,701,719)
Investee equity	-	-	-	-	-	-
Total comprehensive income for the period	-	(6,665,074)	-	-	(6,665,074)	(6,701,719)
<i>Transactions with owners, recorded directly in equity</i>						
Issue of Ordinary Shares	8,684,240	-	-	-	8,684,240	8,809,240
Treasury shares acquired	(98,800)	-	-	-	(98,800)	(98,800)
Share Based Payments	-	-	162,831	-	162,831	162,831
Dividends to equity holders	-	(2,694,926)	-	-	(2,694,926)	(2,694,926)
Total contributions by and distributions to owners	8,585,440	(9,360,000)	162,831	-	(611,729)	(523,374)
Balance at 31 December 2014	99,509,734	16,588,183	429,809	-	116,527,726	116,616,081

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Euroz Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2015

	31 December 2015	31 December 2014
	\$	\$
Cash flows from operating activities		
Receipts from customers	17,650,091	13,453,226
Proceeds from sale of trading shares	2,086,627	2,092,998
Payments to suppliers and employees	(15,838,823)	(14,354,668)
Payments for trading shares	(974,141)	(2,502,983)
Interest received	458,464	754,821
Income taxes paid	255,533	(2,504,896)
	<u>3,637,751</u>	<u>(3,061,502)</u>
Net cash (used in)/from operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(261,157)	(124,644)
Payments for investments	(5,215,102)	(810,185)
Receipts from investments	2,583,406	2,639,770
Payment for subsidiaries net of cash received (refer note 4)	(1,529,978)	5,824,004
	<u>(4,422,831)</u>	<u>7,528,945</u>
Net cash from investing activities		
Cash flows from financing activities		
Payment for Treasury Shares	(407,135)	(98,800)
Dividends paid	(4,092,027)	(13,754,580)
	<u>(4,499,162)</u>	<u>(13,853,380)</u>
Net cash used in financing activities		
Net decrease in cash and cash equivalents	(5,284,242)	(9,385,937)
Cash and cash equivalents at 1 July	45,041,470	55,388,472
	<u>39,757,228</u>	<u>46,002,535</u>
Cash and cash equivalents at 31 December		

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

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2015

Note 1. Statement of significant accounting policies

The half-year consolidated financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by Euroz Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Euroz Limited is a company limited by shares, incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange. The half-year financial report is presented in Australian dollars.

This consolidated half-year financial report was approved by the Board of Directors for issue on 22 February 2016.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the consolidated entity's 2015 annual financial report for the financial year ended 30 June 2015.

The half-year report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and realisation of assets and the settlement of liabilities in the normal course of business.

Adoption of new or revised accounting standards and interpretations

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, significant judgment made by management in applying the consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended 30 June 2015.

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2015

Note 2: Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

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

The consolidated entity's reportable segments under AASB 8 are therefore as follows;

Stockbroking

Stockbroking business offering trading of Australian securities, corporate investment opportunities and provision of company research.

Principal trading

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

Funds management

The consolidated entity provides advice in relation to fund management.

Wealth management

Provides comprehensive wealth management solution through a combination of financial planning and portfolio management.

Investment

Investment in investment entities.

Basis of accounting for purpose of reporting by operating segments

The accounting policies used by the consolidated entity in reporting segments internally are consistent with those adopted in the financial statements of the consolidated entity.

Segment assets and liabilities

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

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

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2015

Note 2: Segment information (continued)

Segment performance

	Stockbroking	Principal Trading	Funds Management	Investment	Wealth Management	Total
	\$	\$	\$	\$	\$	\$
31 December 2015						
Revenue	13,136,183	2,086,627	879,228	-	3,137,572	19,239,610
Interest revenue	225,501	-	19,620	179,841	1,828	426,790
Other revenue	-	-	-	2,618,518	34,599	2,653,117
Total segment revenue	13,361,684	2,086,627	898,848	2,798,359	3,173,999	22,319,517
Segment net profit after tax	1,516,234	33,201	(517,185)	(2,445,839)	619,250	(794,339)
Depreciation & amortisation	65,459	-	4,062	-	-	69,521
Segment assets	30,742,520	1,937,759	2,777,502	82,279,074	4,207,954	121,944,809
Segment liabilities	2,553,701	-	60,198	4,410,159	729,526	7,753,584

	Stockbroking	Principal Trading	Funds Management	Investment	Total
	\$	\$	\$	\$	\$
31 December 2014					
Revenue	11,477,800	1,203,126	1,218,590	3,889,191	17,788,707
Other revenue	409,574	-	30,956	354,291	794,821
Total segment revenue	11,887,374	1,203,126	1,249,546	4,243,482	18,583,528
Segment net profit after tax	275,216	(262,019)	382,178	(7,097,094)	(6,701,719)
Interest revenue	369,575	-	30,956	354,291	754,822
Depreciation & amortisation	530,442	-	881	-	531,323
Segment assets	32,698,977	2,323,818	3,013,759	84,110,234	122,146,788
Segment liabilities	2,338,738	-	384,811	2,807,158	5,530,707

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2015

31 December 2015	31 December 2014
\$	\$

Note 3: Dividends

Fully franked ordinary dividend declared on 31 December 2015 of 1.75 cents (2014: 1.75 cents) per share franked at the tax rate of 30% (2014: 30%). This has been recognised as a provision in the statement of financial position at 31 December 2015.

2,816,387	2,694,926
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Note 4: Business combination

On 13 July 2015, Euroz Limited completed the acquisition of Entrust Private Wealth Management Pty Ltd to further enhance its wealth management capabilities.

Details of the acquisition is as follows:

	Fair value
ASSETS	\$
Cash and cash equivalents	820,022
Receivables and other current assets	710,396
Deferred tax assets	314,176
Intangibles (refer note 8 (b))	1,722,927
	3,567,521
Goodwill on acquisition (refer note 8 (a))	5,596,273
	9,163,794
LIABILITIES	
Trade and other current liabilities	776,807
Current tax liabilities	60,601
Provisions	526,386
	1,363,794
Fair value of net assets acquired	7,800,000
Representing:	
Cash	2,350,000
Shares issued	5,450,000
	7,800,000
Fair value of consideration paid to vendors	7,800,000
Net cash paid for subsidiary:	
Cash consideration paid	2,350,000
Less: net cash acquired	(820,022)
	1,529,978

The fair values in relation to the acquisition have been finalised.

The consideration paid consists of 5,450,000 shares in Euroz Limited fair valued to \$5,450,000 and cash totaling \$2,350,000.

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2015

Note 5: Contingent liabilities and assets

The consolidated entity had contingent liabilities at 31 December 2015 as follows:

	31 December 2015	30 June 2015
	\$	\$
(i) Secured guarantees in respect of: operating lease of the consolidated entity	<u>1,321,126</u>	<u>1,321,126</u>

The consolidated entity has a deposit with Pershing in order to meet its capital requirements under ASX Clear Pty Ltd. This deposit totaled \$5,000,000 at reporting date.

The consolidated entity had no contingent assets at 31 December 2015.

Note 6: Key management personnel

Permanent arrangements of key management personnel are disclosed in the annual financial report.

Note 7: Subsequent events

The Directors are not aware of any other matter or circumstance subsequent to 31 December 2015 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

Note 8: Intangible assets

	31 December 2015	30 June 2015
	\$	\$
Goodwill (refer (a) below)	8,429,385	2,833,112
Other intangible assets (refer (b) below)	<u>1,722,927</u>	<u>-</u>
	<u>10,152,312</u>	<u>2,833,112</u>

	31 December 2015	30 June 2015
	\$	\$
(a) Goodwill		
Opening balance	2,833,112	-
Acquired on the acquisition of business (refer to note 4)	5,596,273	2,833,112
Amortisation	-	-
Balance	<u>8,429,385</u>	<u>2,833,112</u>

As referred to in note 4, Euroz acquired \$5,596,273 in goodwill on the acquisition of a business during the period. The Directors deem this to be an indefinite life intangible asset and accordingly perform an impairment assessment at reporting date. Based on this assessment at 31 December 2015, no impairment was considered necessary. As part of the assessment future maintainable profits were calculated over a 5 year period and an appropriate discount factor of 5.83% applied. The resulting discounted 5 year attributable profit allocated exceeds the carrying value of goodwill at reporting date. The carried forward balance of \$2,833,112 relating to a prior year acquisition has also been assessed for impairment at 31 December 2015 under the parameters described in the 30 June 2015 financial report.

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2015

Note 8: Intangible assets (continued)

	31 December 2015	30 June 2015
	\$	\$
(b) Other intangible assets		
Opening balance	-	-
Acquired on the acquisition of business (refer to note 4)	1,722,927	-
Amortisation	-	-
Balance	<u>1,722,927</u>	<u>-</u>

As referred to in note 4, Euroz acquired \$1,722,927 in other intangible assets on the acquisition of a business during the period. These intangibles consist of 3 separate assets as follows:

Client portfolio A	\$ 500,000
Client portfolio B	80,000
Client portfolio C	<u>1,142,927</u>
	<u>1,722,927</u>

Upon acquisition, Client portfolio A pre-acquisition had been impaired by \$365,326 (gross value - \$865,326). The carrying value of all 3 assets was assessed at reporting date for impairment based on a projection of future maintainable profits over a 5 year period and discounted by an attributable discount factor (5.83%). The profit projection was determined based on the recent performance of the underlying portfolio. The Directors have determined based on this assessment that no impairment is necessary at reporting date.

Note 9: Share capital

	31 December 2015	30 June 2015	31 December 2015	30 June 2015
	Shares	Shares	\$	\$
(a) Share capital				
Ordinary shares:				
Issued and paid up capital - consisting of ordinary shares	<u>159,160,320</u>	<u>152,997,812</u>	<u>105,676,382</u>	<u>99,533,415</u>

(b) Movements in ordinary share capital

	31 December 2015	30 June 2015
	(no)	(no)
At the beginning of the period	152,997,812	146,153,785
Acquisition of treasury shares	(460,000)	(410,000)
Acquisition of business	5,450,000	5,200,000
Issued as part of dividend reinvestment plan	1,172,508	2,054,027
Exercise of options	-	-
At the end of the period	<u>159,160,320</u>	<u>152,997,812</u>

Euroz Limited
Notes to the Financial Statements
For the half-year ended 31 December 2015

Note 9: Share capital (continued)

(c) Movements in ordinary share capital

	31 December 2015 \$	30 June 2015 \$
At the beginning of the period	99,533,415	90,924,294
Acquisition of treasury shares	(407,135)	(425,245)
Acquisition of business (refer to note 4)	5,450,000	6,604,000
Issued as part of dividend reinvestment plan	1,100,102	2,430,366
Exercise of options	-	-
At the end of the period	<u>105,676,382</u>	<u>99,533,415</u>

Total value attributed to treasury shares acquired deducted from issued share capital as at 31 December 2015 amounts to \$1,975,085 (30 June 2015: \$1,567,950).

(d) Movements in treasury shares

	31 December 2015 (no)	30 June 2015 (no)
Opening balance	1,310,000	900,000
On-market purchase during the period	460,000	410,000
	<u>1,770,000</u>	<u>1,310,000</u>

(e) Movements in performance shares

	31 December 2015 (no)	30 June 2015 (no)
Opening balance	96	45
Issued as part of performance rights plan	72	76
Forfeited during the period	(2)	(25)
	<u>166</u>	<u>96</u>

(f) Movements in share based payments reserve

	31 December 2015 \$	30 June 2015 \$
Opening balance	658,175	266,978
Movement	276,572	391,197
Closing balance	<u>934,747</u>	<u>658,175</u>

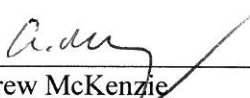
The increase in share based payments reserve relates to the fair value of performance rights issued as part of the performance rights plan. The fair value of performance rights is calculated as 25% of an individual's annual bonus as determined by the Board. Furthermore, 25% of brokerage commissions above a certain level earned by staff may participate in the plan subject to a certain threshold being reached. Performance rights are subject to a 4 year vesting period.

Euroz Limited
Directors' Declaration
For the half-year ended 31 December 2015

The Directors of the company declare that:-

1. The financial statements and notes, of the consolidated entity are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
2. In the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Andrew McKenzie
Director

Dated: 22 February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EUROZ LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Euroz Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2015, or during the half year.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001. As the auditor of Euroz Limited and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the Directors' of the company a written Auditor's Independence Declaration.

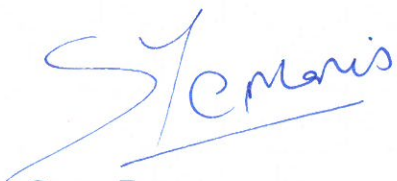
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Euroz Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.



PKF MACK



SIMON FERMANIS
PARTNER

22 FEBRUARY 2016
WEST PERTH,
WESTERN AUSTRALIA