

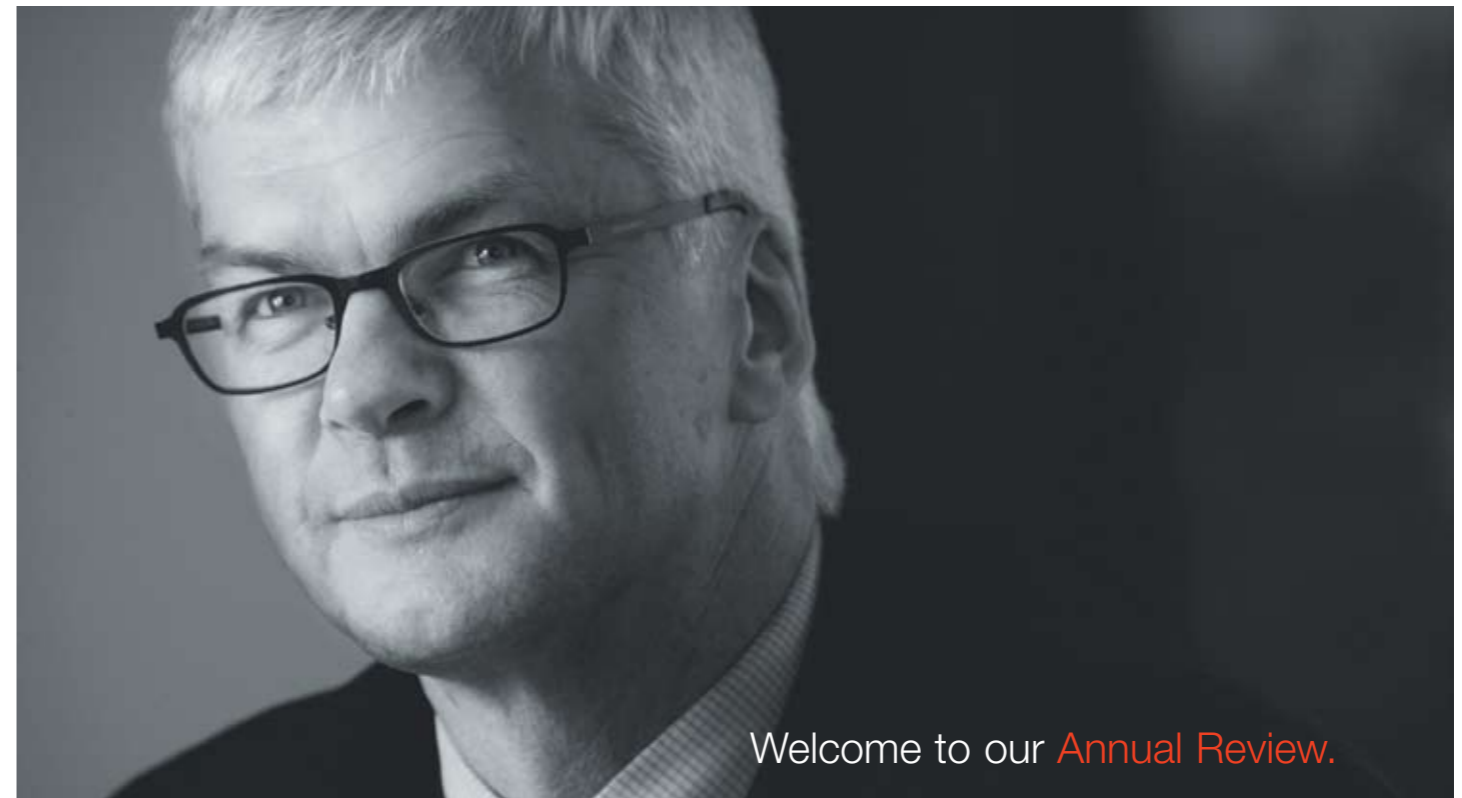
Annual Review  
**06/07**

**EQUITRUST**

Merchant Bank

**Mission Statement**

We are a responsibly aware company.  
Always delivering on its word,  
Nurturing its people  
And building enduring relationship.  
We provide excellence  
In investment security and return,  
And creative finance solutions,  
Through strong property knowledge.



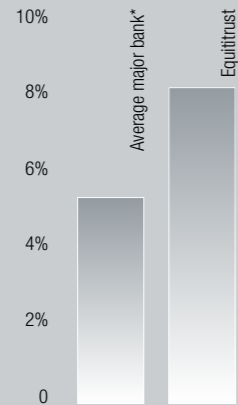
**KPMG Audit**



**CEO Comment Mark McIvor**

KPMG are the independent auditors of Equititrust Limited and the Income Fund, and compliance plan auditors of the Fund. They conduct an annual audit of the Income Fund and the compliance plan, and an interim review of the half-year report. Financial services represents one of KPMG's largest industry practices. In Australia they are one of the leaders in the marketplace, providing services to banks, brokerage firms, investment banks, credit unions, building societies, mortgage broking companies, registered schemes and finance companies.

Another year gone; how time flies. It's been a sound year of growth and consolidation. We're excited to have recently eclipsed \$500m in total credit capacity. I'm less excited about having turned 50, with next year marking my 25th anniversary in business. We've seen upward movement in the cash rate in an attempt to curb credit appetite. Whilst inflation remains the key to interest rates, our challenge is the steady increase in lending volumes at acceptable risk. Whilst our Income Fund investment rates have just increased by 0.25%, we hope we've not disappointed our investors by not always mirroring cash rate increases. However we've not been confident that borrower demand would sustain this. The property market and demand has been a mixed bag with different regions at varying stages of the cycle. Locally we continue in a stabilisation phase typical after a downturn, although beach and riverfront property remain strong, as does the commercial sector. Queensland 'hotspots' are keeping us busy, with Sydney remaining subdued. Less positive sentiment and continual RBA pressure are having effect and require a weather eye on our various markets. We are constantly challenging ourselves as to the best formula for risk managing our growth. The key remains the balance of investor security and return with borrower rates to encourage widening appeal. We remain passionately committed. I hope you enjoy our Annual Review.



\*Based on average major bank rate during 05/06 on a \$100,000 deposit with interest paid monthly

The 2006 financial year was our best in terms of new monies raised with gross inflow of \$130m. Record new investors joined us as we approach 3000 in number. Our Capital Warranty is set to increase to \$8m and we're pleased to be soon offering a six-month investment option. This fills the gap for many investors who aren't willing to commit funds for twelve months, but desire a higher rate than applicable to Access Investment. The availability of this will coincide with the release of our next Product Disclosure Statement, due to be finalised before year's end.

## Investment Management Report



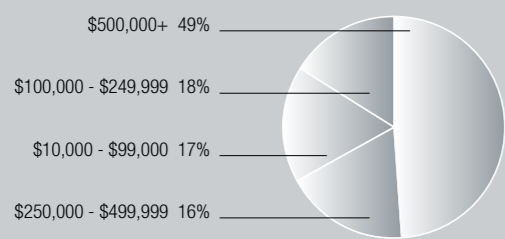
Ross Janetzki Director Investments

Despite increases in the cash rate, as at October 1 we delivered returns superior to the major banks by an average of 50%. I'm often asked how we determine our investment rates. It's a balance of factors including the appropriate superiority to traditional bank deposits, the state of the borrower market and the lending volume we wish to encourage. As we grow, our great challenge is enlarging our appeal to borrowers to ensure increasing lending volumes whilst still providing a secure and premium investment rate.

We are currently designing an investment 'space' to appeal to large super funds for up to \$200m at a lesser rate (say 7%). The benefit to the overall cost of funds will allow us to lower our borrower rate, whilst giving us greater scope to increase investor returns in an ascending rate environment. Strategically, this will provide a formula for risk-managed fund growth up to double our current size. We are proposing constitutional amendments to allow this investment space and also to comply with new ASIC guidelines for liquidity provision. We'll have further details for you shortly.

We appreciate the endorsement we receive from our 'sophisticated investors' who by definition under the Corporations Act, deposit \$500,000 or more in a given investment. As can be seen from the graph, they account for about half of total funds.

Many clients continue to increase their investment, which for us is a delight. We highly value the trust and confidence. My phone line is always open, so please don't hesitate to call.



Investments by client bands



Among our investors, we're proud to have retired financial planners, lawyers, accountants, engineers, doctors, business people and banking executives. Hence our catchphrase, "The smart money's with Equititrust". And of course there are others of you whose mental zing is far from shabby. Take Harry Messel (Emeritus Professor AC CBE). In this man's midst, even MENSA members could feel like dimwits. The following was obtained via a University of Sydney publication.

- At age 29 he was appointed to the University of Sydney as Professor of Physics and Head of the School of Physics.
- Through the Nuclear Physics Foundation, he raised more than \$100,000,000 to support the research of the School.
- He pioneered the introduction of computers in Australia.
- He made major contributions to high school education through his famous text, now affectionately known as "The Blue Book".
- He influenced Australian science policy through his advice to government and his service to Australian government bodies.

## A Life in Academia Professor Harry Messel



*Professor Harry, when did you know academic life was for you?*  
Probably at age four. Ever since I can remember, I was always interested in learning. I entered Kingston Military College 65 years ago and when graduating was awarded the Governor General's Medal. Later this year, I'm proud to say they're conferring an honorary DSc degree on me.

*But you have plenty of degrees already...*

Well, after the war I studied at Queens University, Ontario, Canada. I must have been the first person there who wanted to do two degrees simultaneously, because they had to change the by-laws. I received honours degrees in engineering physics and mathematics.

*What was your role in the military?*

I volunteered for the Pacific after the European Theatre. I was on leave during the bombings of Nagasaki and Hiroshima; after that I got out. I saw no point in being a soldier if I wouldn't be fighting.

*What did you do then?*

I was very eager to learn, but never sure what I wanted to do. I'm still not sure. I wanted to study medicine, geology, political science, chemistry - you name it. Anyway, I did post-graduate work on mathematics group theory and modern algebra. After that, I wanted something more practical, so I did a PHD in theoretical nuclear physics.

*When did you move to Australia?*

Soon after getting the PhD I became a senior lecturer at Adelaide University. You know the funniest thing? You couldn't do a PhD there, nor could you at Sydney Uni. I thought it was wrong; Australia was losing its brightest students to other countries.

When I campaigned against it, a Nobel Laureate told me Australia should stick to undergraduate work and leave PHD schooling to the British. What he didn't know was I'd already begun poaching his senior staff. Anyway, I didn't get the support I needed so I resigned.

*What was your next role?*

In '52 I became head of the physics school at Sydney Uni. Soon after, I set up the Nuclear Research Foundation - Frank Packer was the first member. We fought for nuclear power in the 50s and 60s. During the 60s "nuclear" became a dirty word so we changed the name to the Science Foundation for Physics.

*You still advocate nuclear power?*

I fought like hell for it and still believe in it. I feel, and felt, we should not only be buying uranium but enriching it.

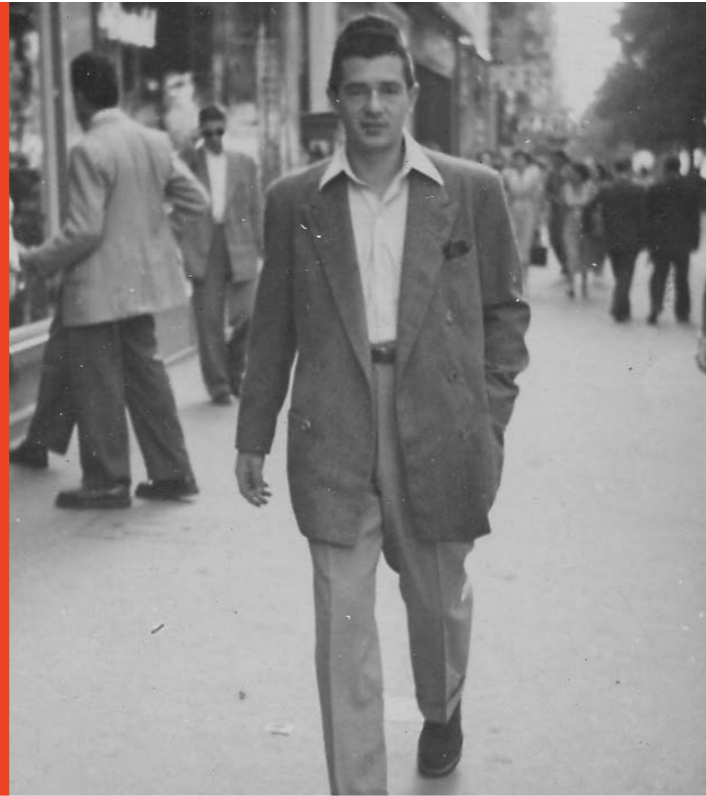
*Did you enjoy your chancellorship at Bond?*

I thought Bond Uni was a wonderful idea. You get what you pay for with education; in the 50s university wasn't free. Anyway, when I joined Bond it was on the verge of bankruptcy. Thankfully Neville Wran and Malcolm Turnbull joined the board, and I'm proud to say when I left six and a half years later the place was \$42m in the black.

*And finally, Professor Harry, why Equititrust?*

The company's done well. The risk seems minimal and the returns are good.

Many of our investors have led lives that almost defy belief. Perhaps you're one of them. Few however, can match John Stankovik's story for entertainment value. Sure Jelena Dokic has represented two countries in her chosen sport, but has she been a wartime intelligence officer? Harry Kewell may be good at soccer, but can he speak eight languages? And let's face it, he'll probably never lace the boots for Serbia or be a Captain in the US army. But John Stankovik has done these things and more...



## A colourful life John Stankovich

*John, where did you grow up?*

In Belgrade. My father was an engineer. I had three sisters. In my younger days my father was one of the few who had a car. When World War II started he was honoured to have a son who'd fight for the country.

*How did Yugoslavia fare?*

Well, Hitler defeated us very quickly. When I was eighteen my father told me to join the resistance leader, Colonel Mihailovic. I trained at his military academy in Selo Ba and became a *porucnik*, a sub-lieutenant. The problem was the Germans were ruthless. Each time a soldier of theirs was killed, the Germans would shoot a hundred of our civilians. But that wasn't all; we were also fighting the Communists. Not only was Yugoslavia occupied by the Germans, we were fighting a civil war.

*Were there any lighter moments?*

Well, the US was backing us and, believe it or not, Churchill's son, Randolph, was supporting Tito - the head of the Communists. Meanwhile the American Intelligence officers were with Colonel Mihailovic. The Americans would drop us provisions, but the blunders were unbelievable. Once we received grenades that didn't have any pins - they were useless. Another time they dropped us left boots, but no right ones. They blamed it on the wind.

*You also did Intelligence work?*

Yes and I enjoyed it, but it's a thankless task. If you're caught out, you're truly on your own. I posed mainly as a correspondent and sometimes as a beggar, pretending to be deaf and dumb.

*What did you do next?*

When I finished up with the military in 1947 I was married. We based ourselves in France and I played professional soccer. But the problem was that Tito had come to power in Yugoslavia. He had an extradition deal with the French and ordered all expatriates to return. No harm, apparently, would come to anyone unless they were a proven criminal. But Tito was a lot like Stalin. I knew everyone would be a "proven criminal" and killed. Anyway, because of my service to the military, the French gave me a new identity. I was no longer a Yugoslav, but a "displaced person" - a person without nationality. *Can you really speak eight languages?*

Yes; French, Italian, Russian, German, Greek, Serbian, Bulgarian and of course English. Because Yugoslavia is now divided, I technically know another three - Croatian, Bosnian and Macedonian.

*When did you move to Australia?*

14th January 1951. You know, back then you had to live in the country five years to be eligible to naturalise. Nowadays, new immigrants don't have to wait that long. Maybe they should.

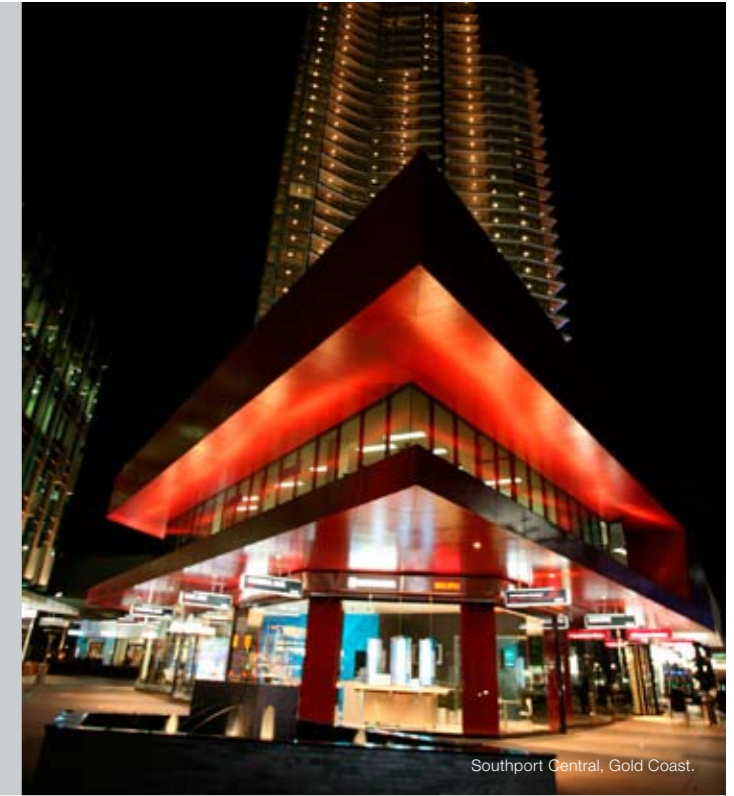
*Tell me about your soccer career.*

Before the war I played for the Serbian junior team and when I moved to Australia I managed to make the Victorian team. As for the national team, well, FIFA had banned Australia from having one. We weren't permitted to play internationally because our clubs refused to pay release fees for European players who'd chosen to move here.

*Finally John, why Equititrust?*

I like the people; I trust them. And of course the return surpasses what the banks offer.

Our growth expectations for the 05/06 year were exceeded despite the slowing market and cooling demand. We posted a 17% increase in lending volume - exceeding \$350m - in an environment of weaker demand. Development lending continues to make a pivotal contribution, representing approximately 54% of the Income Fund book at 30 September.



Southport Central, Gold Coast.

## Lending Management Report



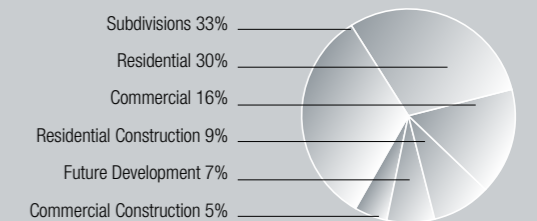
Tim James Director Lending.

Demand was underpinned by regional areas continuing to experience unprecedented growth fuelled by the resources boom. Land subdivisions in these areas have dominated due to the huge demand for houses. The employment growth in the mines and service industries has underpinned the growth and driven prices upwards.

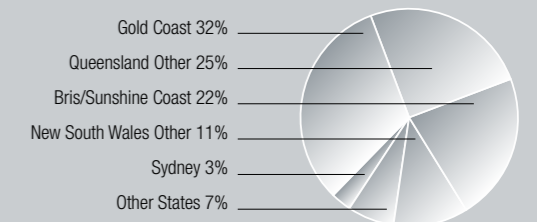
Our local residential market is still feeling the effects of the downturn, however construction costs remain high. Combined with slower investor demand, feasibilities are impacted, making it harder for certain projects to work. The commercial and industrial sectors remain strong. The Sydney market remains soft and we've been happy for it to take a 'back seat', making only a minor contribution to demand.

In addition to a variety of interesting projects, we are delighted to have played an important finance role in the Gold Coast's newest landmark project, "Southport Central". This project has the potential to cement Southport as a commercial office headquarters with a total proposed space of 32,523 m2. It has set a new benchmark for quality commercial development in the area and has been well received in the marketplace.

The year ahead will see us continue to strongly focus on project management and servicing the needs of our repeat and experienced customers. It remains a time for conservative positions and underwriting risk through good margin of safety or pre-sale.



EIF Loan Property Types - 30 September 2006



EIF Loan geographies at 30 September 2006



Salt on Kings, Caloundra.

## Property Market Overview Looking Ahead

Elements of the broad economy over the past financial year have been:

- Flattish residential property prices (with the notable exception of WA)
- A robust commercial property market
- Marginally higher inflation
- Continuing low unemployment
- High national immigration
- Continuance of the long-term trend in the number of people per dwelling
- Low residential vacancy rates.

So what's next? Commonwealth (Bank)

Research noted the following will have impact:

- The potential negatives of higher petrol prices and interest rates
- The positives of tax cuts, the commodity price boom and rising exports
- A healthy jobs market, surging business investment and corporate profitability.

As to official interest rates:

- NAB's Dr Alan Oster suggests there is only a slight chance of rates rising again shortly.

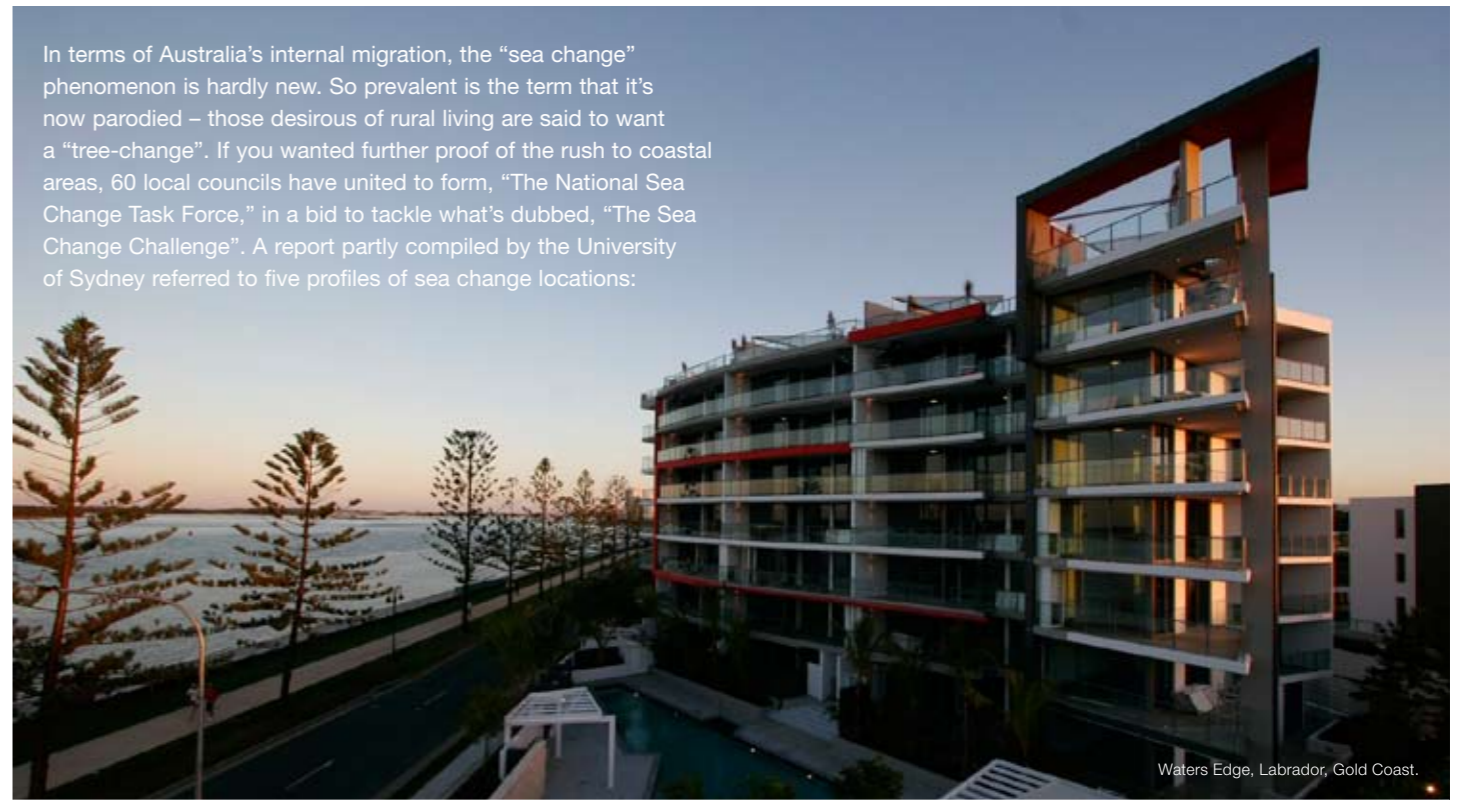
- Westpac's Bill Evans thinks official rate rises are now off the RBA's short-term agenda
- CBA thinks the RBA will remain on the sidelines in the coming months
- BIS Shrapnel are forecasting a possible 0.5% hike in the middle of next year.

What does this mean for property? In terms of residential prices, BIS Shrapnel predicted the following over the next three years:

- Gold Coast to increase 9%
- Sunshine Coast to increase 8%
- Brisbane to increase 12%
- Sydney to decline 2%
- Melbourne to increase 8%.

They also predicted that:

- Residential vacancies could tighten below 2% in many capital cities
- Residential rents could increase by 10%p.a. in Sydney over the next three years, while Melbourne and Brisbane could experience 6-8%p.a. over the same period.



Waters Edge, Labrador, Gold Coast.

## Times of Sea Change

### Coastal commuters

Communities at the edge of capital cities, for example Gosford and Wyong in NSW and Pine Rivers and Caboolture in Queensland, experienced more than double the national growth rate between 1996 and 2001.

### Coastal getaways

Towns within three hours drive of a capital city, such as Bunbury in WA, have in recent years had growth rates significantly higher than national and state averages.

### Coastal cities

The Gold Coast, Cairns, Mackay and Newcastle have had numerically substantial growth, but at percentage rates closer to state averages. Still, according to KPMG researcher Bernard Salt, the Gold Coast was the fastest growing Australian city in the 2004 financial year.

### Coastal lifestyle destinations

Communities more than three-hours drive from a major city with tourism and leisure attractions – such as Coffs Harbour, Byron Bay, The Whitsundays - are experiencing more rapid growth than state and national averages, but less than that of coastal getaways and coastal commuters.

### Coastal hamlets

Small, remote coastal communities often surrounded by protected natural areas, for example Port Douglas in Queensland and Bellingen in NSW, have likewise attracted hoards.

ABS population figures (for the year ended June 30, 2004) reveal the big picture. In that year coastal areas, excluding capital cities, grew by 2%. This was 60% higher than the national average of 1.2%.

In terms of Australia's internal migration, the "sea change" phenomenon is hardly new. So prevalent is the term that it's now parodied – those desirous of rural living are said to want a "tree-change". If you wanted further proof of the rush to coastal areas, 60 local councils have united to form, "The National Sea Change Task Force," in a bid to tackle what's dubbed, "The Sea Change Challenge". A report partly compiled by the University of Sydney referred to five profiles of sea change locations:

National Sea Change Task Force Executive Director, Alan Stokes, said, "We're anticipating, and the demographers agree, that there will be another surge to the coast within the next four to five years. That's the retirement of the baby boomers, who represent the biggest group of the Australian population. We're expecting that as they retire, at least over that period of 10-15 years, there will be an additional one million people moving to coastal areas around Australia. This is retirement and lifestyle driven and our challenge is to prepare for that next big surge."

In a recent report, independent valuers HTW, agreed:

"The insatiable appetite Australians have developed to reside near water has created a seemingly unstoppable shift in not only our nation's demographics, but also a forever changed coastal property marketplace. Towns with the right ingredients to act as powerful sea change magnets such as Queensland's Noosa, Port Douglas, Coolool, Coolangatta and Palm Cove, New South Wales' Tweed Coast/Kingscliff and Terrigal/Newcastle and West Australia's seaside resorts such as Broome and Bunbury deliver the right mix for their lifestyle-minded inhabitants."

Stokes also predicted:

"The returns in some of these areas will continue to escalate and could well overtake – at some stage before the end of the next decade – the median prices within capital cities."

In keeping with our geographic focus of coastal metropolitan, the year saw us finance a variety of seaside and waterfront projects, such as those photographed on the previous page and above.



## An Interview with Andrew & Phil Denton

The Denton brothers are literally big developers. As towering seventeen-stoners, neither would seem out of place in the Bronco's forward pack. But you're more likely to find them on paddocks that flank beaches than bleachers. With grassroots beginnings in Sydney, they're now the big boys in subdivisions in Queensland.

### How did you first get involved in property development?

We both started out in the construction industry as apprentices. As we moved through the ranks it was a natural progression for us to become developers.

### What was your first project?

Our first project was a 10-lot subdivision in West Pennant Hills – a suburb in the North West area of Sydney.

### You have made land subdivisions a speciality – why?

For us, land subdivision is less risky than building dwellings.

The final product is brought to market more quickly.

Land subdivision also has the ability to be staged, based on current market conditions.

### What are the key components to successful land subdivision?

Buy well, buy well, and buy well!

### Though Sydney based you prefer to operate substantially in Queensland – why is that?

The property market is stronger in Queensland; this together with the ability to purchase the raw land at a cheaper price than in Sydney makes a development in Queensland much more profitable. Also, holding costs are reduced as a result of the ability to purchase well.

### How many potential lots in planning and development do you have?

All told, over 2000 lots in Nambour, Hervey Bay, Mackay and the northern Gold Coast corridor.

### What do you most enjoy about land development?

We enjoy construction and creating something out of nothing.

We really enjoy creating communities out of rural land.

### How do you see the Queensland market?

We see the Queensland market strong for the next four years as a result of the increased migration to Queensland and the mining growth.

### And finally, why Equititrust?

Equititrust is easy to deal with; they have always been willing to work with us to find a solution that meets our finance needs.

We have direct access to the directors and other employees who are able to make decisions quickly. This open line of communication takes the hassle out of development finance.

## Getting to know us...

If you're an Equititrust investor, you've probably spoken with him. In a company packed with loyal workers, he's the fifth longest-serving employee. But when did Ross Janetzki start with Equititrust? In late '93; Paul Keating was Prime Minister, Allan Border was the Australian cricket captain and petrol was under 60 cents a litre. And it makes him feel old. Sure, Sonny Bill Williams was playing Rugby League, but it was for the Under 9s in Auckland.

### Ross Janetzki



### What was your original role at Equititrust?

It was varied. I had to source borrowers, ascertain the value of their security property, and promote the company to investors.

### Now you only deal with investors?

Yes. You could say I'd rather be promoting than be promoted to. The precondition is that I'm promoting something I believe in. That may seem trite, but when you consider all the things that people market - the trivial, the homogenous, the downright shonky – my role has a certain luxury.

### What do you do for leisure?

I attempt golf regularly with Arthur Taylor from our lending division and Simon Smith, who is our IT Manager. I also like spending time with the family - particularly now the kids are older. I have a daughter, Hannah, who is five, and a son, Callum, who is three. My wife, Emma, teaches yoga.

### You once worked as a comedian...

Yes, I tried my hand. I had moderate success, winning the odd competition and getting some paid work.

### You no longer do it?

I outgrew comedy really. Besides, your joke writing must be prolific, which for me was comedy's tyranny. People are happy to hear a song a hundred times, but rarely the same joke twice. When Paul McCartney starts strumming Mull of Kintyre, people don't yell, "Come on mate, I've heard this one!"

### How much longer will you be at Equititrust?

I heard recently that staying too long in the one job looks bad on a person's CV. Variation of experience, it seems, is more valued these days than loyalty. I can only hope this sentiment changes; I plan on being with Equititrust for many years yet.

He was the dux of his school, he has degrees in Accounting and Property Valuation, and has real-world experience in these disciplines. He was perfectly credentialled to mature into his role as Director Lending of Equititrust.

### Tim James



### Tim, what was your original role at Equititrust?

I joined Equititrust in 1999 as a Credit Analyst. This was a newly created role, which involved preparing development cashflows and feasibilities, and assisting with the ongoing management of development deals. Because of my experience as an accountant, and as a valuer with HTW, I was able to quickly adapt to the role and evolve it.

### What elements of your job do you most enjoy?

I like getting to know my clients and assisting them with their goals. Helping them transform raw land into finished units, for example, and walking through the end product is particularly satisfying. The lending team is very experienced and works well collectively. It's that teamwork, I suppose, that gives me the greatest satisfaction.

### What is your preferred growth strategy for Equititrust's lending?

Slow and steady wins the race. By that I mean build volume incrementally as we continue to grow. I would like us to be able to offer a rate range to borrowers, although that will entail some cheaper cost of funds.

### You've recently become a father again?

Yes, my wife Amber and I have two girls – Lili who is four and Ella, our new one. I enjoy them and, at my age, two is ideal.

### What do you do to relax?

Surf and play the odd game of golf. No such luck lately though – Amber's had me renovating the house. These days, my most relaxing times of the week are when I'm driving to and from work!

As at 30 June 2006 our total funds included

Income Fund Total Assets	\$369,302,179
Sophisticated & Premium Fund Investment	\$81,099,923
	<b>\$450,402,099</b>

Our 2006 financial year saw strong growth in funds under management (FUM) and good lending volume. Whilst posting reasonable profits, a slower property market and arguably more difficult lending environment saw only modest profit growth. This nevertheless translated into a substantial 33% increase in retained earnings to provide investor comfort.

Incremental increases in credit lines assisted lending capacity and notwithstanding inflationary pressures, we reduced operating costs as a percentage of FUM. Liquidity remained within appropriate range as we sought to ensure funds were fully utilised. As our growth



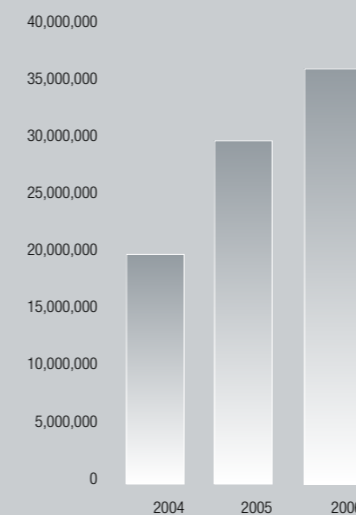
Sid Super Financial Controller

## Financial Management Report

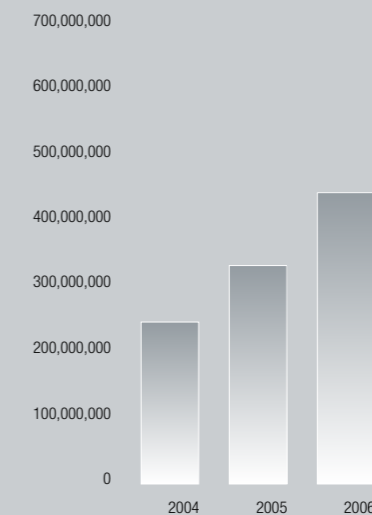


elevates to the next plane the task of ensuring adequate systems and personnel is paramount. (At the time of writing this report FUM has exceeded \$500m). In this regard we are continually reviewing internal systems and processes and are currently exploring a significant software upgrade.

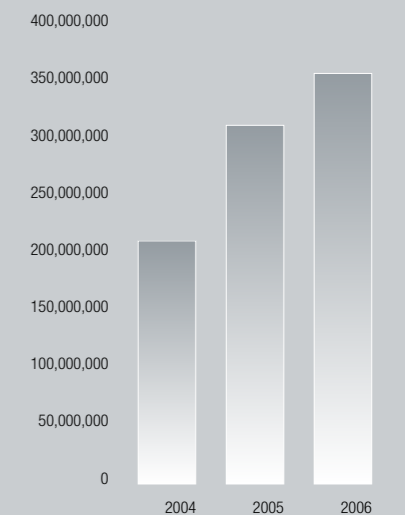
In accordance with the new International Accounting Standards (AIFRS) we are now required to consolidate Equititrust accounts with Fund Accounts. You will note a change in our balance sheet structure, in that investor funds are obliged to be recorded as a liability instead of equity. Also, as a consequence of further refinements under AIFRS, we are no longer permitted to build general provisions for possible future loan loss. All provisions must be specific. Accordingly, in addition to specific provisions we will simply continue to grow our reserves as a means of underpinning our Capital Warranty and meeting any future adverse positions. Our \$32m in retained earnings is testament to this commitment. Loan to value ratios in the Fund at year end were a conservative 65.47% with finance and lending management paying particular attention to borrower performance in the slower property market. Nonperforming loans remain at acceptable levels and are managed with vigour. Internal compliance procedures, KPMG and bank audits affirmed the maintenance of a strong culture of compliance. We propose to further strengthen this with the introduction of a systematic review by an external compliance specialist. We're excited about the challenges ahead and continue to strategise the optimum formula for future growth. A big thank you to my invaluable team.



Company Equity	
2004	\$20,041,109
2005	\$28,208,172
2006	\$36,788,256
Average growth p.a. - 36%	



Funds Under Management	
2004	\$255,738,995
2005	\$337,348,357
2006	\$450,402,102
Average growth p.a. - 33%	



Per Annum Lending	
2004	\$217,511,073
2005	\$305,661,001
2006	\$357,048,682
Average growth p.a. - 29%	

## Balance Sheet

Equititrust Limited and its Controlled Entities  
for the year ended 30 June 2006

	Consolidated		The Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>Current assets</b>				
Cash and cash equivalents	8,972,582	7,670,199	120,323	242,260
Trade and other receivables	4,918,042	3,023,113	6,786,143	3,973,743
Mortgage loans	264,648,211	232,764,990	8,270,218	726,972
Investments	27,767,167	4,000,000	34,865,933	33,787,236
<b>Total current assets</b>	<b>306,306,002</b>	<b>247,458,302</b>	<b>50,042,617</b>	<b>38,730,211</b>
<b>Non current assets</b>				
Trade and other receivables	5,154,494	4,130,861	5,154,494	4,130,861
Property, plant and equipment	107,849	150,636	107,849	150,636
Mortgage loans	151,553,219	92,424,251	-	-
Deferred tax assets	557,295	586,169	557,295	586,169
<b>Total non current assets</b>	<b>157,372,857</b>	<b>97,291,917</b>	<b>5,819,638</b>	<b>4,867,666</b>
<b>Total assets</b>	<b>463,678,859</b>	<b>344,750,219</b>	<b>55,862,255</b>	<b>43,597,877</b>
<b>Current liabilities</b>				
Bank overdraft	3,270,030	300,000	3,270,030	300,000
Trade and other payables	5,802,387	4,716,010	2,205,289	2,136,384
Interest-bearing loans and borrowings	95,391,900	48,120,000	12,060,000	11,720,000
Securitised investors funds	320,887,607	262,172,617	-	-
Loan from related party	-	-	502,350	502,350
Income tax payable	901,521	1,247,181	901,521	1,247,181
Provisions	359,364	246,653	359,364	246,653
<b>Total current liabilities</b>	<b>426,612,809</b>	<b>316,802,461</b>	<b>19,298,554</b>	<b>16,152,568</b>
<b>Non current liabilities</b>				
Provisions	70,475	97,764	70,475	97,664
<b>Total non current liabilities</b>	<b>70,475</b>	<b>97,764</b>	<b>70,475</b>	<b>97,664</b>
<b>Total liabilities</b>	<b>426,683,284</b>	<b>316,900,225</b>	<b>19,369,029</b>	<b>16,250,232</b>
<b>Net assets</b>	<b>36,995,575</b>	<b>27,849,994</b>	<b>36,493,226</b>	<b>27,347,645</b>
<b>Equity</b>				
Issued capital	4,097,385	4,097,385	4,097,385	4,097,385
Retained earnings	32,898,190	23,752,609	32,395,841	23,250,260
<b>Total equity</b>	<b>36,995,575</b>	<b>27,849,994</b>	<b>36,493,226</b>	<b>27,347,645</b>

## Summarised Income Statement

Equititrust Limited and its Controlled Entities  
As at 30 June 2006

	Consolidated		The Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>Total revenue</b>	<b>57,007,466</b>	<b>46,991,798</b>	<b>23,361,506</b>	<b>21,875,384</b>
<b>Profit before tax</b>	<b>12,971,061</b>	<b>12,263,033</b>	<b>12,971,061</b>	<b>12,263,033</b>
<b>Income tax expense</b>	<b>(3,825,480)</b>	<b>(3,852,465)</b>	<b>(3,825,480)</b>	<b>(3,852,465)</b>
<b>Net Profit attributable to Equitiholders of parent entity</b>	<b>9,145,581</b>	<b>8,410,568</b>	<b>9,145,581</b>	<b>8,410,568</b>

*Building Relationship*

**EQUITRUST**

Merchant Bank

**Manager**

Equititrust Limited  
ACN 061 383 944  
ABN 74 061 383 944

**Head Office Gold Coast**

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