
AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554

AND CONTROLLED ENTITIES

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007

**AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554
AND CONTROLLED ENTITIES**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

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AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554

DIRECTORS' REPORT

The directors present their report on the company for the financial year ended Saturday, 30 June 2007.

Directors

The names of the directors in office at any time during or since the end of the financial year are:

Ms Anne-Marie Syme	Appointed	4 March 2005
Mr Wayne Miller	Appointed	2 March 2005
Mr Mark Shelton	Appointed	4 March 2005
Mr Barrie Rowe	Appointed	2 March 2005

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating results

The profit of the company for financial year after providing for income tax amounted to \$244,409.

Review of operations

A review of the operations of the company during the financial year and the results of those operations found that during the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial report.

Significant changes in state of affairs

The company acquired all the shares or units in the following entities:

- Clarendon Insurance Brokers Pty Limited as trustee for The Wilson Marshall Unit Trust on 10 July 2006. Now renamed ACI Broking (Vic) Pty Ltd
- Jascad Australia Pty Ltd on 13 July 2006 which was renamed, with the Australian Financial Services licence amended to enable it to trade as Aurora Underwriting Agency Pty Ltd.
- Tasman Insurance Brokers Limited on 13 October 2006.
- Hammond Insurance Broking Pty Ltd on the 28th February 2007. Now renamed ACI Broking (WA) Pty Ltd.
- Brian Bushell and Associates on the 31st of May, 2007

The company acquired the following portfolios:

- Mr Neville Hatton – Hatton Financial Services general insurance portfolio on 30 September 2006.

The company commenced the operations of the following companies:

- Tasman Premium Finance Pty Ltd on the 1st June 2007

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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DIRECTORS' REPORT CONTINUED

Principal activity

The principal activity of the company during the financial year was that of insurance broking and risk management advising. No significant change in the nature of these activities occurred during the year.

Events after the balance sheet date

The company acquired a 51% share in the following entity:

- Lighthouse Financial Advisers Ltd on 30th September 2007.

The company commenced the operations of the following company:

- Consolidated Wealth Management Pty Ltd on the 27th August 2007

Capital raisings:

In the period July to November 2007 the following shares were issued for consideration of \$657,000:

1.05 million	2 cent shares (2006/2007 Year Performance Bonus Shares)
2.19 million	30 cent shares

Environmental issues

The company's operations are not regulated by any significant environmental regulation under a law of Commonwealth or of a State or Territory.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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DIRECTORS' REPORT CONTINUED

Information on directors

The information of directors is as follows:

Ms Anne-Marie Syme

Qualifications

- Director

Experience

- Age 47, has extensive business interests in the mortgage aggregation and origination industry. A well known business woman nationally serving on industry representative groups and company boards of directors.

Special responsibilities

- Appointed Chairman in 2005.

Mr Wayne Miller

Qualifications

- ANZIIF (FELLOW) Chartered Insurance Professional, Qualified Practising Insurance Broker, Dip Fin Serv (Ins. Brok)

Experience

- Age 46, Founded the company, has 27 years experience in the insurance industry providing professional insurance and risk management advice.

Special responsibilities

- Managing Director

Mr Barrie Rowe

Qualifications

- B Bus, ACA,CPA

Experience

- Age 70, A lecturer in Australian Financial Services matters at TAFE and experienced in mergers and acquisitions of public companies. Travels internationally servicing clients in his current accounting/taxation practice.

Special responsibilities

- Alternate Director, taxation consultant and company secretary

Mr Mark Shelton

Qualifications

- B Bus, ASCPA

Experience

- Age 45, highly experienced in company secretarial and finances in the print media industry. Experienced in mergers and acquisitions of private companies.

Special responsibilities

- Non-Executive Director

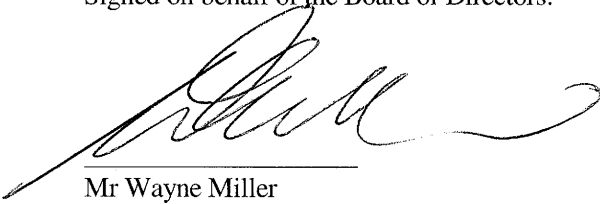
AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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DIRECTORS' REPORT CONTINUED

Indemnification of Directors and Officers of the Company

The company has Directors and Officers Company Reimbursement Insurance in place.

Signed on behalf of the Board of Directors.



Mr Wayne Miller
Managing director

Date: 5/12/07

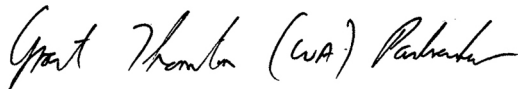
Perth, Western Australia

**AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
AUSTRALIAN CONSOLIDATED INSURANCE LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton (WA) Partnership
Chartered Accountants



Michael Hillgrove
Partner

Date: 5 December 2007

Perth, Western Australia

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	ECONOMIC ENTITY		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenue	2	3,234,086	318,194	-	-
Other Income	2	113,861	9,812	1,513,669	3,193
Commission paid		(295,285)	(96,411)	-	-
Employee benefits expense		(1,485,374)	(437,490)	(536,660)	(307,831)
Occupancy expenses		(167,709)	(50,265)	(36,000)	(39,000)
Finance expenses	3	(72,487)	(3,348)	(59,696)	(2,221)
Depreciation and amortisation expenses	3	(44,534)	(6,486)	(19,603)	(6,486)
Other expenses from ordinary activities		(936,513)	(354,167)	(336,446)	(269,679)
		346,045	(620,161)	525,264	(622,024)
Profit/(loss)before income tax		346,045	(620,161)	525,264	(622,024)
Income tax benefit/(expense)	5	(101,636)	176,615	(157,072)	177,715
Profit attributable to members of the parent entity		244,409	(443,546)	368,192	(444,309)

The accompanying notes form part of these financial statements

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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AND CONTROLLED ENTITIES

BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2007

	Notes	ECONOMIC ENTITY		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
CURRENT ASSETS					
Cash and cash equivalents	6	4,426,917	331,543	543	177,356
Trade and other receivables	7	8,013,373	888,474	1,954	23,552
Prepayments		-	5,647	-	-
Deposits	8	-	24,295	-	15,000
TOTAL CURRENT ASSETS		<u>12,440,290</u>	<u>1,249,959</u>	<u>2,497</u>	<u>215,908</u>
NON-CURRENT ASSETS					
Investments	9	1,000	-	4,373,751	13,670
Loans	10	-	-	1,006,415	47,648
Property, plant and equipment	11	212,522	54,026	64,567	54,026
Deferred tax assets		70,053	209,901	45,837	202,909
Intangible assets	12	3,005,376	25,668	-	12,000
TOTAL NON-CURRENT ASSETS		<u>3,288,951</u>	<u>289,595</u>	<u>5,490,570</u>	<u>330,253</u>
TOTAL ASSETS		<u>15,729,241</u>	<u>1,539,554</u>	<u>5,493,067</u>	<u>546,161</u>
CURRENT LIABILITIES					
Trade and other payables	13	10,313,586	1,076,762	71,283	98,409
Provisions	14	113,751	19,196	18,573	13,011
Current tax liabilities		21,714	8,092	-	-
TOTAL CURRENT LIABILITIES		<u>10,449,051</u>	<u>1,104,050</u>	<u>89,856</u>	<u>111,420</u>
NON-CURRENT LIABILITIES					
Long term borrowings		3,250,577	17,800	3,250,578	17,800
TOTAL NON-CURRENT LIABILITIES		<u>3,250,577</u>	<u>17,800</u>	<u>3,250,578</u>	<u>17,800</u>
TOTAL LIABILITIES		<u>13,699,628</u>	<u>1,121,850</u>	<u>3,340,434</u>	<u>129,220</u>
NET ASSETS		<u>2,029,613</u>	<u>417,704</u>	<u>2,152,633</u>	<u>416,941</u>
EQUITY					
Contributed equity		2,316,501	949,001	2,316,501	949,001
Retained losses	15	(286,888)	(531,297)	(163,868)	(532,060)
TOTAL EQUITY		<u>2,029,613</u>	<u>417,704</u>	<u>2,152,633</u>	<u>416,941</u>

The accompanying notes form part of these financial statements

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	ECONOMIC ENTITY		PARENT ENTITY	
		2007	2006	2007	2006
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers		5,066,691	177,643	1,512,955	-
Payments to suppliers and employees		(2,957,368)	(613,745)	(919,957)	(545,315)
Interest received		108,907	9,812	714	3,193
Net cash provided by (used in) operating activities	18(b)	2,218,230	(426,290)	593,712	(542,122)
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant & equipment		(203,030)	(56,735)	(30,145)	(56,735)
Payment for subsidiaries, net of cash acquired		(2,082,603)	(25,668)	-	(12,000)
Purchase subsidiaries		-	-	(3,975,085)	(13,670)
Net cash provided by (used in) investing activities		(2,285,633)	(82,403)	(4,005,230)	(82,405)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from borrowings		3,232,777	17,800	3,232,779	17,800
Share capital		930,000	614,000	930,000	614,000
Loans advanced		-	-	(928,074)	(47,648)
Deposits Paid		-	(24,295)	-	(15,000)
Net cash provided by (used in) financing activities		4,162,777	607,505	3,234,705	569,152
Net increase (decrease) in cash held		4,095,374	98,812	(176,813)	(55,375)
Cash at beginning of year		331,543	232,731	177,356	232,731
Cash at end of year	18(a)	4,426,917	331,543	543	177,356

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AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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STATEMENT OF CHANGES IN EQUITY

	Share capital \$	Retained earnings \$	Total \$
ECONOMIC ENTITY			
Balance at 1 July 2005	335,001	(87,751)	247,250
Shares issued during the year	614,000	-	614,000
Profit attributable to members	-	(443,546)	(443,546)
	<u>614,000</u>	<u>(443,546)</u>	<u>170,454</u>
Subtotal	<u>614,000</u>	<u>(443,546)</u>	<u>170,454</u>
Balance at 1 July 2006	949,001	(531,297)	417,704
Shares issued during the year	1,367,500	-	1,367,500
Profit attributable to members	-	244,409	244,409
	<u>1,367,500</u>	<u>244,409</u>	<u>1,611,909</u>
Subtotal	<u>1,367,500</u>	<u>244,409</u>	<u>1,611,909</u>
Balance at 1 July 2007	<u><u>2,316,501</u></u>	<u><u>(286,888)</u></u>	<u><u>2,029,613</u></u>
PARENT ENTITY			
Balance at 1 July 2005	335,001	(87,751)	247,250
Shares issued during the year	614,000	-	614,000
Profit attributable to members	-	(444,309)	(444,309)
	<u>614,000</u>	<u>(444,309)</u>	<u>169,691</u>
Subtotal	<u>614,000</u>	<u>(444,309)</u>	<u>169,691</u>
Balance at 1 July 2006	949,001	(532,060)	416,941
Shares issued during the year	1,367,500	-	1,367,500
Profit attributable to members	-	368,192	368,192
	<u>1,367,500</u>	<u>368,192</u>	<u>1,735,692</u>
Subtotal	<u>1,367,500</u>	<u>368,192</u>	<u>1,735,692</u>
Balance at 1 July 2007	<u><u>2,316,501</u></u>	<u><u>(163,868)</u></u>	<u><u>2,152,633</u></u>

The accompanying notes form part of these financial statements

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Statement of significant accounting policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers Australian Consolidated Insurance Limited as an individual parent entity and Australian Consolidated Insurance Limited and controlled entities as an economic entity. Australian Consolidated Insurance Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report of Australian Consolidated Insurance Limited and the controlled entities and Australian Consolidated Insurance Limited as an individual parent entity complies with all equivalents to International Financial Reporting Standards (AIFRS) in their entirety

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Principals of consolidation

A controlled entity is any entity Australian Consolidated Insurance Limited has the power to control the financial and operating policies of an entity so as to obtain benefits from activities.

A list of controlled entities is contained in Note 17 to the financial statements. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

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AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

(b) Income tax

The change for current income tax expenses is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation, and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Plant and equipment

Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured readily. All other repairs and maintenance are charged to the income statement during the financial period in which they incurred.

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AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land and the original building, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	7.5% - 36.0%

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

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

The accompanying notes form part of these financial statements

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

(f) Impairment of assets

At each reporting date, the group views the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets' carrying value. Any excess of the asset carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(h) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

(j) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Finance cost

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other finance costs are recognised in income in the period in which they are incurred.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	ECONOMIC ENTITY		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Note 2: Revenue				
Operating activities				
- brokerage and commission	3,234,086	318,194	-	-
- other revenue	4,954	-	1,512,955	-
- interest	108,907	9,812	714	3,193
	<u>3,347,947</u>	<u>328,006</u>	<u>1,513,669</u>	<u>3,193</u>
Total revenue	<u>3,347,947</u>	<u>328,006</u>	<u>1,513,669</u>	<u>3,193</u>

Note 3: Profit from ordinary activities

Profit from ordinary activities before income tax expenses has been determined after:

(a) Expenses				
Borrowing costs				
- financial institution	72,487	3,348	59,696	2,221
	<u>72,487</u>	<u>3,348</u>	<u>59,696</u>	<u>2,221</u>
Depreciation of non-current assets				
- plant & equipment	44,534	6,486	19,603	6,486
Total depreciation	<u>44,534</u>	<u>6,486</u>	<u>19,603</u>	<u>6,486</u>
Remuneration of auditor				
- audit or review	19,221	11,497	17,296	7,497
- other services	-	-	-	-
Total remuneration of auditor	<u>19,221</u>	<u>11,497</u>	<u>17,296</u>	<u>7,497</u>

Note 4: Segment reporting

The economic entity operates predominantly in one business and geographical segment as an insurance broker and risk management advisor.

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AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	ECONOMIC ENTITY		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Note 5: Income tax expense				
a) The components of tax expense comprise:				
Current tax	-	-	-	-
Deferred tax	101,636	169,623	157,072	177,715
b) The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2006: 30%)				
- economic entity	104,774	186,048	-	-
- parent entity	-	-	157,579	186,607
	<u>104,774</u>	<u>186,048</u>	<u>157,579</u>	<u>186,607</u>
Add tax effect of:				
Non-allowable items	7,647	12,737	3,636	7,060
Increase in leave provision	164	5,759	1,669	3,903
	<u>7,811</u>	<u>18,496</u>	<u>5,305</u>	<u>10,963</u>
Less tax effect of:				
Additional deductible items	(10,949)	(2,701)	(5,812)	(2,701)
	<u>(10,949)</u>	<u>(2,701)</u>	<u>(5,812)</u>	<u>(2,701)</u>
Income tax attributable to entity	<u><u>101,636</u></u>	<u><u>169,623</u></u>	<u><u>157,072</u></u>	<u><u>177,715</u></u>

Note 6: Cash and cash equivalents

Cash at bank – general	1,139,451	182,989	216	177,156
Cash at bank – trust	3,287,466	148,152	-	-
Cash on hand	-	402	327	200
	<u>4,426,917</u>	<u>331,543</u>	<u>543</u>	<u>177,356</u>

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FOR THE YEAR ENDED 30 JUNE 2007

	ECONOMIC ENTITY		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Note 7: Trade and other receivables				
Other debtors	67,508	15,230	-	-
Withholding Credits	31,368	1,954	1,954	1,954
Trade debtors	7,914,497	871,290	-	21,598
	<u>8,013,373</u>	<u>888,474</u>	<u>1,954</u>	<u>23,552</u>
Note 8: Financial assets				
Current				
Deposits	-	24,295	-	15,000
	<u>-</u>	<u>24,295</u>	<u>-</u>	<u>15,000</u>
Note 9: Investments				
Shares in controlled entity – at cost	-	-	4,373,751	13,670
Shares in external entity – at cost	1,000	-	-	-
	<u>1,000</u>	<u>-</u>	<u>4,373,751</u>	<u>13,670</u>
Note 10: Loans				
Non Current				
Loan to controlled entities	-	-	1,006,415	47,648
	<u>-</u>	<u>-</u>	<u>1,006,415</u>	<u>47,648</u>
Note 11: Plant and equipment				
Plant and equipment at cost	393,500	61,054	91,199	61,054
Accumulated depreciation	(180,978)	(7,028)	(26,632)	(7,028)
	<u>212,522</u>	<u>54,026</u>	<u>64,567</u>	<u>54,026</u>

The accompanying notes form part of these financial statements

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	ECONOMIC ENTITY		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
(a) Movements in carrying amounts				
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:				
		Plant and equipment	Total	
Balance at the beginning of the year		54,026	54,026	
Additions		203,030	203,030	
Depreciation expense		(44,534)	(44,534)	
		<u>212,522</u>	<u>212,522</u>	

Note 12: Intangible assets

Goodwill on acquisition	-	12,000	-	12,000
Goodwill on consolidation	3,005,376	13,668	-	-
	<u>3,005,276</u>	<u>25,668</u>	<u>-</u>	<u>12,000</u>

Goodwill on consolidation represents the excess total cost in the subsidiary company over the net equity acquired.

Note 13: Trade and other payables

Trade creditors	141,518	34,565	9,882	30,176
Underwriters	9,790,233	877,692	-	-
Sub-intermediaries	99,999	38,731	-	-
Superannuation and PAYG payable	57,353	58,540	16,427	22,444
Sundry payable and accrued expenses	199,041	58,034	23,031	36,589
Fringe benefit taxation	25,442	9,200	21,943	9,200
	<u>10,313,586</u>	<u>1,076,762</u>	<u>71,283</u>	<u>98,409</u>

Note 14: Provisions

Provision for annual leave	92,615	19,196	18,573	13,011
Provision for long service leave	21,136	-	-	-
	<u>113,751</u>	<u>19,196</u>	<u>18,573</u>	<u>13,011</u>

The accompanying notes form part of these financial statements

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	ECONOMIC ENTITY		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Note 15: Retained losses				
Retained profits (losses) at the beginning of the financial year	(531,297)	(87,751)	(532,060)	(87,751)
Net profit (loss) attributable to members of the company	244,409	(443,546)	368,192	(444,309)
	<u>244,409</u>	<u>(443,546)</u>	<u>368,192</u>	<u>(444,309)</u>
Retained profits (losses) at the end of the financial year	<u>(286,888)</u>	<u>(531,297)</u>	<u>(163,868)</u>	<u>(532,060)</u>

Note 16: Company details

The registered office and principal place of business of the company is:

Australian Consolidated Insurance Limited
36 Brisbane Street
Perth WA 6000

Note 17: Group companies

All entities are incorporated in Australia and 100% owned.

Contributions to group operating profit after income tax:

ACI Ltd	368,192	(444,309)
ACI Broking Services Pty Ltd	21,719	763
ACI Broking (WA) Pty Ltd	26,884	-
ACI Broking (Vic) Pty Ltd	7,175	-
Tasman Insurance Brokers Ltd	(7,714)	-
Aurora Underwriting Agency Pty Ltd	22,717	-
Brian Bushell & Associates Pty Ltd	(194,629)	-
Tasman Premium Finance Pty Ltd	65	-
	<u>244,409</u>	<u>(443,546)</u>

The accompanying notes form part of these financial statements

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

	ECONOMIC ENTITY		PARENT ENTITY	
	2007	2006	2007	2006
	\$	\$	\$	\$
Note 18: Statement of cash flows				
(a) Reconciliation of cash				
Cash at the end of the year is shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:				
Cash on hand	1,350	402	327	200
Cash at bank - trust	3,287,466	148,152	-	-
Cash at bank general	1,138,101	182,989	216	177,156
	4,426,917	331,543	543	177,356
 (b) Reconciliation of cash flow from operations with operating profit after income tax				
Operating profit (loss) after income tax	244,309	(443,546)	368,192	(444,309)
Non cash flows in operation				
Depreciation and amortisation	44,534	6,486	19,603	6,486
Changes in assets and liabilities				
(Decrease)/increase in provisions	94,555	19,196	5,562	13,011
Decrease/(increase) in prepayments	5,647	(5,647)	-	-
Increase/decrease in trade or term debtors	(7,074,916)	(878,041)	-	-
Increase/(decrease) in creditors / accruals	8,764,253	1,059,969	43,283	60,405
Decrease/(increase) in future tax benefits	139,848	(184,707)	157,072	(177,715)
	2,218,230	(426,290)	593,712	(542,122)

The accompanying notes form part of these financial statements

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

ECONOMIC ENTITY		PARENT ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

(c) Acquisition of Entities

During the year 100% of the following entities were acquired.

ACI Broking (Vic) Pty Limited
Tasman Insurance Broking
Neville Hatton Portfolio
ACI Broking (WA) Pty Limited
Brian Bushell & Associates Pty Ltd
Aurora Underwriting Agency Pty Ltd

The cost to acquire these entities is reflected in note 9.

Note 19: Leasing commitments

Lease commitments payable

-not later than 1 year	13,649	13,649	13,649	13,649
-later than 1 year but not later than 5 years	46,314	59,963	46,314	59,963
- later than 5 years	-	-	-	-
	59,963	73,612	59,963	73,612
	59,963	73,612	59,963	73,612

The commitments refer to a novated motor vehicle lease for an employee. The future liability is contingent on the continued employment of that person. On termination the remaining liabilities are the responsibility of the employee.

Note 20: Contingent liabilities

Commitments regarding subsidiaries, payable after 30 June 2007

Total payable 4,550,545

With regard to certain of the subsidiaries, further payments are expected to be made as above but may vary depending on the performance of each subsidiary concerned.

The accompanying notes form part of these financial statements

AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

ECONOMIC ENTITY		PARENT ENTITY	
2007	2006	2007	2006
\$	\$	\$	\$

Note 21: Directors' remuneration

One non-executive director is paid a consulting fee of \$12,000 per year; executive directors are remunerated through their employment contracts.

Note 22: Subsequent events

Refer to the Directors Report for subsequent event reporting.

The accompanying notes form part of these financial statements

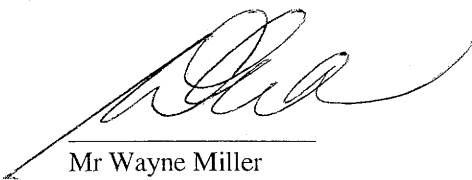
AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554
AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 3 to 24:
 - a) comply with Accounting Standards and the Corporations Law; and
 - b) give a true and fair view of the financial position as at 30 June 2007 and performance for the year ended on that date of the company and economic entity; 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.



Mr Wayne Miller
Managing director

Date: 5/12/07
Perth, Western Australia

The accompanying notes form part of these financial statements

**AUSTRALIAN CONSOLIDATED INSURANCE LIMITED
A.B.N. 94 113 206 554
AND CONTROLLED ENTITIES**

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF AUSTRALIAN CONSOLIDATED INSURANCE LIMITED AND
CONTROLLED ENTITIES
A.B.N. 94 113 206 554**

Report on the financial report

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

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1 the Directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Australian Consolidated Insurance Limited and controlled entities on 30 June 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In our opinion:

- a) The financial report of Australian Consolidated Insurance Limited and controlled entities is in accordance with 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 2007 and of their performance for the year ended on that date; and
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- b) The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.



Grant Thornton (WA) Partnership
Chartered Accountants



Michael Hillgrove
Partner

Date: 5 December 2007

Perth, Western Australia