

“Specialising in the development
of asset management businesses”

Annual Report 2008

Table of Contents

Introduction	01
About Us	02
Chairman's Report	04
Managing Director's Report	06
Management	15
Directors' Report	16
Auditor's Independence Declaration	25
Corporate Governance Statement	26
Financial Statements	29
Notes to the Financial Statements	34
Directors' Declaration	68
Independent Auditor's Report	69
ASX Additional Information	70
Corporate Information	72

AGM

Treasury Group Limited's Annual General Meeting will be held at the AGL Theatre, The Museum of Sydney, 37 Philip Street, Sydney on 12 November 2008 commencing at 10.00am. All shareholders are invited to attend and are entitled to be present.

Shareholders who are unable to attend the Annual General Meeting, but choose to vote on the proposed resolutions, are encouraged to complete a proxy form and lodge it at least 48 hours prior to the meeting with our share registry.

Treasury Group Limited
ABN 39 006 708 792

Treasury Group's strategy is to generate shareholder value by partnering with outstanding investment professionals in the boutique funds management sector.

Treasury Group Limited (Treasury Group or the Company) commenced its focus on funds management in 2000 and has since grown to be a market leader in boutique fund management.

The successful business model that we have developed empowers investment professionals to do what they do best — manage client funds. Our unique model comprises a suite of support services and infrastructure that streamlines operations and allows the investment teams to focus on achieving better results for their clients.

Today, the group has grown to include six boutique fund managers, with group-wide funds under management exceeding \$12.5 billion.

Whether you are a client of one of the boutiques or a shareholder in Treasury Group we trust you will have a long and rewarding association with us.

About Us

Our business is to support talented fund managers in their own boutique funds management businesses.

Company Overview

Treasury Group invests in, and supports the management of, small to medium sized asset management companies. The aim is to support talented fund managers in an environment which:

- addresses the fund managers' long term career goals
- is low on bureaucracy
- is free of the corporate excesses prevalent in larger companies
- aligns the clients interests with those of the team entrusted with managing their funds
- aims for the highest standards of compliance, corporate governance and client service

Profile

The group currently includes six boutique fund management businesses. The first investments were in Australian equity managers, but we have since expanded to include three international equity managers.

In 2001, Treasury Group invested in Investors Mutual Limited (Investors Mutual), a value manager in Australian equities.

Orion Asset Management Limited (Orion), a growth manager in Australian equities, was formed with Tim Ryan in 2003.

Global Value Investors Limited (GVI), a value manager in international equities, was formed in early 2005 as a joint venture with Investors Mutual.

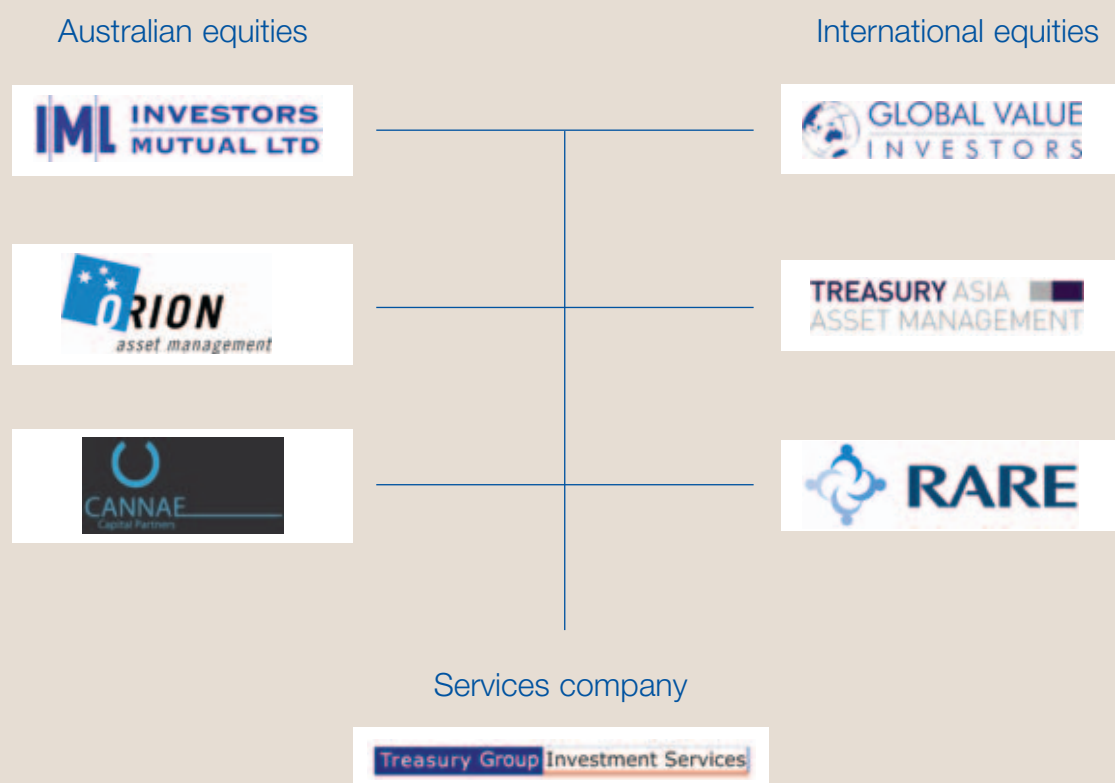
Treasury Asia Asset Management Limited (TAAM), a specialist in Asia Pacific equities, was formed in association with Peter Sartori in 2005.

RARE Infrastructure Limited (RARE) was formed in July 2006, specialising in global listed infrastructure.

Cannae Capital Partners Limited (Cannae), led by Hugh Giddy invests in Australian and New Zealand equities, and commenced in October 2007.

Company Structure

Of our current suite of boutique asset managers, Treasury Group's longest standing relationship is with Investors Mutual Ltd. Other boutiques have followed over the years, with the current structure of the group being as follows:



Vision

Treasury Group's vision is to be the leading developer of boutique funds management businesses in Australia. Our proven experience with boutique fund managers is based on our extensive network of valuable relationships, a robust back-office support capability and access to investment capital.

Mission

Our mission is to provide fund managers with full service capability and to maintain a culture based on partnering and support. The businesses will be founded on robust processes and systems and insightful knowledge of markets and clients. The goal is to achieve scalable returns in the medium term for the investment teams and our shareholders.

Value

We believe that the experience and skill of key investment professionals is critical when considering successful long-term investment goals. To back that up, we adopt a philosophy of supporting high quality investment professionals through lean and efficient operations, low bureaucracy, and a focus on long term business goals.

Chairman's Report

Over the past year the Treasury Group team has navigated the business through a period of market volatility. Our sound financial performance was not reflected in Treasury Group's share price, which fell in line with other financial stocks. However, the growth of the newer boutiques positions the company for a period of organic growth in the years ahead. The challenging equity markets have highlighted the diversity of the Treasury Group business model and opened up a range of new business opportunities.



Results

An 8% increase in normalised profit after tax was characterised by an increasing diversification of earnings. The profit growth during the year was less than previous years due to the volatile markets and higher expenses as we invested in the business with the view to long term gains. The board approved a fully franked final dividend of 30 cents per share, bringing the annual dividend for 2007/2008 to a total of 60 cents (30 cents interim and 30 cents final). Our dividend policy is to pay a half year dividend that is equal to half the previous full year dividend. This gives shareholders predictability in dividend payment.

- Revenue grew from \$58.25 million to \$62.91 million
- NPAT dropped from \$18.00 million to \$17.24 million
- Normalised NPAT increased from \$15.95 million to \$17.33 million
- Full year fully franked dividend of 60 cents per share

Strategy

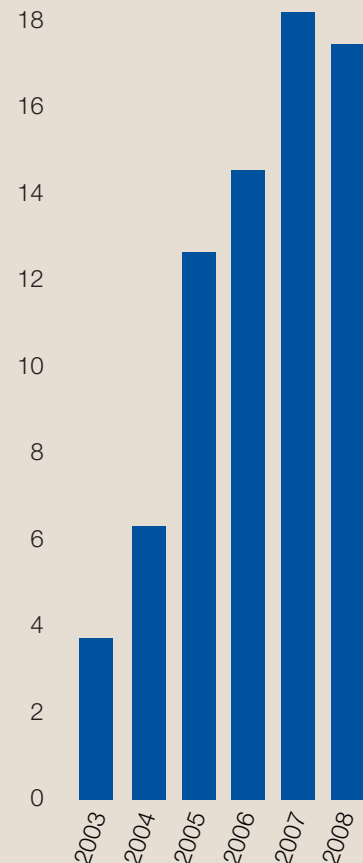
Treasury Group has positioned itself as the leading Australian developer and supporter of boutique funds management businesses. The focus of the company is to partner with high calibre fund managers to create growing and profitable businesses. The focus has always been on quality people. We are now broadening our search for talented managers in various areas of alternative investing. We are also expanding our marketing reach to ensure the managers receive the best possible exposure to local and international investors. These initiatives will assist in further growth of the Treasury Group offering, continued diversification of revenue sources and add to group profitability.

Outlook

Our more developed boutiques, Investors Mutual (IML) and Orion Asset Management, are well run and enjoy solid client support. IML may have a challenging year ahead as their strong value style and predominant focus on industrial companies, remained out of favour in 2007 and the first half of 2008. We anticipate a steady recovery in IML's position as the cycle should now favour value

Net Profit After Tax

(\$M)



managers. Orion Asset Management has been a standout success since it launched its business over five years ago. We anticipate a steady future with dependable recurring earnings from these two established managers. Our newer boutiques are now contributing to profits and their businesses are growing on the back of solid performance and concerted marketing.

The Treasury Group share price has fallen over the past twelve months as investors steered away from financial stocks and the market overall fell sharply in the first half of 2008. The well documented credit crisis in the United States, and its global ramifications, coupled with concerns over inflationary pressures, have impacted a number of other economies. Our focus on quality investment teams and our refusal to support exotic financial products has placed us in an enviable financial position with no debt and several income sources. We will continue to carefully assess growth options and make prudent decisions for the long term success of the business.

Guided by our Managing Director, David Cooper, and his executive team, the company looks ahead to continued growth and profitability. On behalf of the Board I thank our executives and managers for their contributions to date and I am confident that the company is well positioned for increasing shareholder returns.

The outlook for growth is exciting as we assist in the continued development of the existing businesses and look for new opportunities.

M Fitzpatrick
Chairman

Managing Director's Report

It has been a challenging year for Treasury Group as our business strategy was playing out well but in the face of a high level of market volatility. It is pleasing to report that the diversification of earnings continues, a number of our boutiques enjoyed strong growth, and a rise in new business opportunities opened up new areas of business expansion.



Company profile

Treasury Group is in the business of starting, supporting and growing asset management businesses.

Treasury Group's primary focus is on supporting talented investment professionals to run their own boutique investment businesses in an environment which:

- enables the fund managers to focus on what they do best — manage money;
- provides comprehensive back office support services dedicated to delivering quality operational support, regulatory and business compliance, corporate governance and client service.

Review of 2008 financial year

During the financial year the company experienced growth on a number of fronts as well as some challenges in other areas. With the stock market dropping sharply in the second half of the year the total funds under management fell, despite organic inflows across the business.

Investors Mutual continues to adhere to its long held value philosophy, although its underweighting to the resource sector has adversely impacted its Funds' performances.

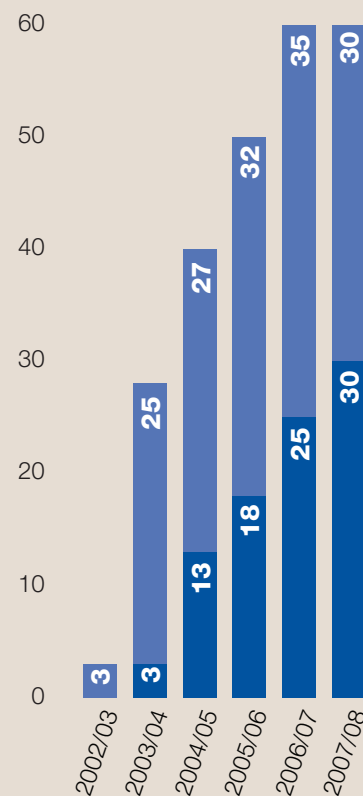
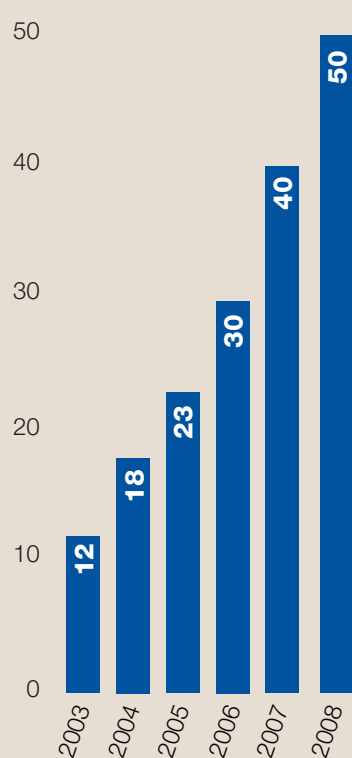
It was also a challenging period for Cannae Capital Partners to begin business as a value manager but we are encouraged by the early following Cannae has received from both institutional and high net worth clients.

Orion Asset Management, Global Value Investors, Treasury Asia Asset Management, and RARE Infrastructure, have all performed well and have enhanced their reputation as high quality asset management businesses.

The search and assessment of new boutique prospects resulted in a number of quality potential boutique asset manager opportunities for Treasury Group to consider.

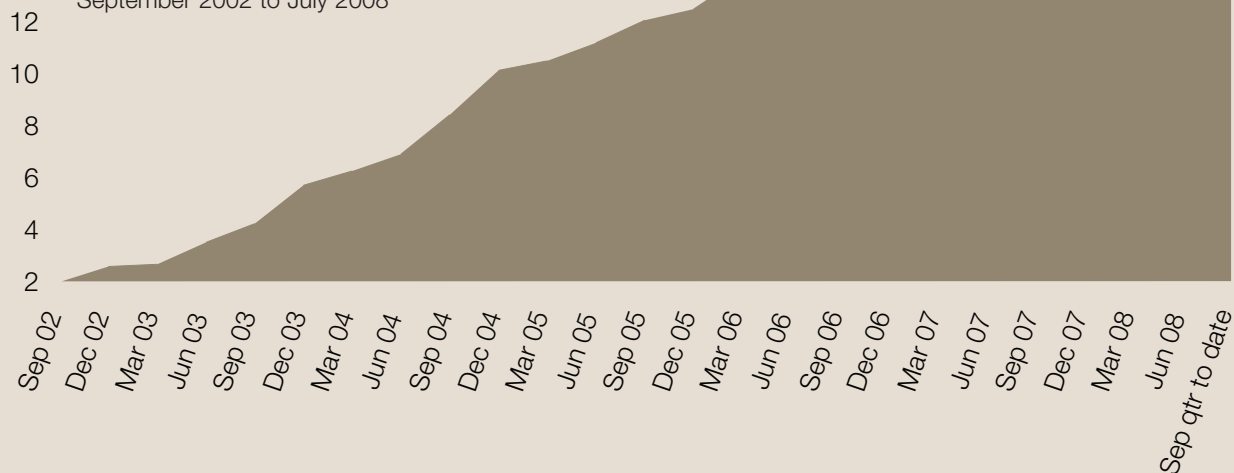
Number of Investment Professionals within the group

Dividend (cents per share)



18 Funds Under Management (\$ billions)

All managers associated with Treasury Group
September 2002 to July 2008



Managing Director's Report continued



Treasury Group Investment Services (TIS) — (wholly owned subsidiary)

Treasury Group through TIS, provides its managers with a full suite of business support services and is the Responsible Entity (RE) for investment products issued by group managers. TIS also acts as investment manager for a listed investment company, Premium Investors Limited. During the year, TIS assisted with launching five new managed investment schemes for the managers and continued to act as the investment manager, promoter and global distributor for our Dublin based UCITS funds operated by TG Investment Funds plc. TIS is now exploring business and licensing requirements in other jurisdictions with a view to expanding the opportunities available to managers in the group.

During the year TIS was delighted to provide pro bono RE services and support for the establishment of Third Link Growth Fund. This investment product, conceived by Chris Cuffe to provide investors with market returns from a multi manager investment product, will most importantly also deliver an annuity style income to the non-profit sector; as all the costs associated with managing an investment product have been provided on a pro bono basis.

Top left — Operations: Carolyn Kiffin

Top right — Risk & Compliance Services (left to right): James Vella
Bardon, Nicholas Ireland, Elizabeth Calnan, Boon How, Donna Madden

Bottom left— Finance & Office Admin (left to right): Anne-Maree Lynch,
Susan Tju, Weina Zhu, Ian Perry, Jade Chung, Maria Batoon, Remedios Igonia

Below — IML (left to right) Front: Simon Conn, Anton Tagliaferro, Hugh Dive

Back: Don Facchino, Chris Prunty, Tony Richard-Preston, Julian Beaumont,
Paul Winter, Tim Hyett, Mark Wade, Jason Teh



Investors Mutual Limited (IML)

IML continues to adhere to its long held value philosophy, although being underweight the resource sector has adversely impacted its Funds' performances. Funds under management (FUM) fell over the year mainly as a result of a steep drop in the Australian sharemarket, particularly in the Industrials sector where IML has the majority of its exposure.

A slower retail market as well as lower ratings from some research houses has also impacted IML's FUM, although the great majority of IML's client base understands the manager's stance and remains supportive of IML's style.

During the year IML refreshed and upgraded the investment team. The expanded investment team are working hard to improve fund performances. The return to good investment performance witnessed since 30 June has been very encouraging. It will remain a challenging year for IML as investors remain cautious during the current period of economic uncertainty, but this is an environment that should favour value investors like IML.

Managing Director's Report continued



Orion Asset Management Limited (Orion)

Another year of solid investment performance has cemented Orion's reputation as one of Australia's leading boutique fund managers.

Orion now has a track record extending over five years and has built strong and sustained client relationships. The alliance

with US based Trilogy Global Advisers has flourished, with funds under management exceeding \$1 billion during the year.

Top left — Orion (left to right): Melanie Hassapis,
Lisa Chapman, Tim Ryan, Dushko Bajic, Dominic Fallins

Bottom left — Orion (left to right): John Lobb, Tristan Patience,
John Hartman, Rebecca Waller, Leah Hasapis

Below — GVI (left to right): Matthew Saddington,
Daniel Fitzgerald, William Tomac, Roy Chen, Matthew Hegarty,
Ayush Srivastava



Global Value Investors (GVI)

Excellent investment performance, derived from a focused, value based global equity process, has seen GVI increase its presence in the retail market in Australia.

With over four years of competitive investment returns, the GVI team is focusing on continuing their strong track

record, increasing their retail presence and expanding actively into the institutional arena.

Managing Director's Report continued



Top left — TAAM (left to right):

Ushanthi Jayasinghe, Anna Maxwell,
Peter Sartori, Sheldon Rivers

Bottom left — Singapore office

(left to right): Michelle Mak,
Stephen Lee, Eng Teck Tan, Kathy Ng

Treasury Asia Asset Management (TAAM)

TAAM received a number of new client mandates during the year and made some additions to the investment team.

With offices now in both Sydney and Singapore, TAAM has successfully grown its institutional mandated client base to 10 and is now expanding its retail business and European pooled

fund business. The quality of the new clients that have invested in TAAM during the year is testament to the quality of the investment team and investment process. Asian markets represent one of the most attractive regions in the world to invest with economic growth higher than the more developed economies.

Below – RARE (left to right) Front: Richard Elmslie, Nick Langley, David Maywald

Back – George Raftopoulos, Emma Adams, Matt Dell, Tim Humphries, Jonathan Reyes, Sarah Shaw

Absent – Rod Chisholm



RARE Infrastructure (RARE)

During the year RARE's growth in funds under management to over \$800m has been from various sources including local superannuation funds, local retail investors, and global clients based in North America and Europe.

RARE formed a joint venture with CIBC for the exclusive retail distribution of RARE product in Canada. CIBC is one of the largest retail banks in Canada. During the year RARE also launched a Dublin based pooled fund on the back of demand

for such a product by European based investors keen to access the RARE team's expertise. Interest in global listed infrastructure remains strong with institutional investors and growing interest in the retail market.

Managing Director's Report continued

Below — Cannae (left to right): Andy Forster, Daniel Mueller, Hugh Giddy, Daniel Moore, Alison Williamson



Cannae Capital Partners (Cannae)

Cannae started operations at a difficult time with market volatility increasing and markets falling in the first half of 2008.

Despite this Cannae has secured three institutional clients and is well placed to grow its business over the next three years. Cannae's concentrated portfolio approach is receiving favourable reviews from wholesale investors and high net worth individuals.

New boutique for 2009

We are pleased to announce that Treasury Group is planning to establish a new boutique asset management business. The new boutique is a Pan Asia, multi strategy asset manager. The target client base is local and global institutions and high net worth individuals. The business is expected to be operational in the December quarter of 2008.

Conclusion

The long term business goals of Treasury Group remain focused on growing the manager line up, continual enhancement of support services, building an extensive network of local and global marketing contacts, all leading to a healthy growth in profits.

The current economic uncertainty in the developed economies, and the increasing importance and growth of developing economies, is likely to be a continuing feature over the next three years. Of the seven current boutiques associated with Treasury Group, four are quality international asset managers and all have strong credentials in emerging markets. We believe Treasury Group is well placed to compete for the capital flows seeking out quality boutique managers with exposure to these developing markets.

I congratulate the boutiques on their continued success and pass on my gratitude to the hard working support staff on handling the growth of these businesses in an enthusiastic and highly professional manner.

D. Cooper
Managing Director

Management



1. Christine Feldmanis,
2. Joseph Ferragina,
3. Justine Williamson,
4. Rob Sullivan

Christine Feldmanis

Christine Feldmanis is the Managing Director for Treasury Group Investment Services Limited (TIS) and director of TG Investment Funds plc. TIS is responsible for all back office support functions of the managers including risk and compliance.

Joseph Ferragina

Joseph Ferragina is our Chief Financial Officer and leads the team responsible for accounting, finance and tax across the group. Joseph also sits on the boards of RARE Infrastructure, Orion Asset Management and TG Investments Funds plc.

Justine Williamson

Justine Williamson is the Human Resources Manager across the group. Justine is involved across all aspects of recruitment, performance management and remuneration.

Rob Sullivan

Rob Sullivan, Head of Distribution, has extensive experience in developing key long term client relationships and building assets under management derived both locally and globally, for Treasury Group boutiques.

Directors' Report



Your Directors submit their report for the year ended 30 June 2008.

Directors

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

Names, qualifications, experience and special responsibilities

Michael Fitzpatrick (1) **(Chairman) B. Eng, B (Oxon) Honours**

Mr Fitzpatrick joined the Board on 5 October 2004. He was the founder and Managing Director of Hastings Funds Management Limited. Prior to establishing Hastings in 1994, he was a Director of Credit Suisse First Boston. He is also a Director of Rio Tinto Ltd, Rio Tinto plc, Chairman of Victorian Funds Management Corporation, Chairman of the Australian Football League and former Chairman of the Australian Sports Commission and was a Director of Hastings High Yield Fund and Hastings Diversified Utilities Fund. Mr Fitzpatrick is also a member of the Audit Committee, Remuneration Committee and Nominations Committee.

David Cooper (2) **(Managing Director) B. Ec. /Fin.**

Mr Cooper joined the Board on 8 August 2005, having been the Chief Executive Officer (CEO) of the company since July 2004.

Mr Cooper joined Treasury Group Limited in July 2002 as Strategic Investments Manager. Prior to joining the Company, he was the Head of the Institutional Division at Perpetual Investments Ltd.

Rodney Green (3) **(Non-Executive Director) CA, ASIA**

Mr Green joined the Board on 14 November 2001 and has over 30 years experience in the financial services industry. Prior to joining Treasury Group Limited Mr Green was the Chief Investment Officer and then Chief Executive Officer of Perpetual Investments Ltd with total funds under management then of \$15 billion. Mr Green is also a member of the Remuneration Committee.

Mr Green was a director of Premium Investors Limited (a listed investment company) until his resignation on 24 April 2006.

Peter Kennedy (4) **(Non-Executive Director) B.Ec. L.L.M.**

Mr Kennedy joined the Board on 4 June 2003 and is a senior partner with Madgwick lawyers and has over 30 years experience in commercial law. He is the Chairman of the Audit Committee and the Remuneration Committee.

During the past three years Mr Kennedy has also served as a Chairman of the following other listed companies:

- Australian Value Funds Management Limited (now called Prime Financial Group Ltd)

Reubert Hayes (5)
(Non-Executive Director) SF Fin, FAICD

Mr Hayes joined the Board on 22 February 2007 having over 40 years of experience in investment management and stockbroking research. He was also a founder and CEO of Ausbil Dexia Limited a specialist wholesale boutique asset management operation. Mr Hayes was a joint founder of Barclays Bank investment operations in Australia in 1984, and was CEO of that business for 12 years until 1996. Mr Hayes is also a Director of Emerging Leaders Investment Ltd. He is the Chairman of the Nomination Committee.

Company Secretaries

Reema Ramswarup (6)
BA (Justice Administration) (appointed 30 April 2008)

Ms Ramswarup commenced with Treasury Group Limited in March 2008. She has worked in company secretarial roles at Wattyl and AMP and has secretariat experience in local government and professional services. Ms Ramswarup is currently completing her Graduate Diploma in Applied Corporate Governance through Chartered Secretaries Australia.

Joseph Ferragina
BComm, CA, MAppFin, FFin, GAICD (appointed 1 February 2008, resigned 26 August 2008)

A Chartered Accountant and Fellow Member of the Taxation Institute of Australia. Mr Ferragina has gained specialised experience in a range of funds management companies including Colonial First State Investment Managers and AMP Henderson Global Investors Ltd, which led him to a position as CFO of Ronin Funds Management, a spin off from AMP. He became the CFO of Treasury Group Limited in October 2005.

Leah Watson
B.Bus (Acc/Info Systems), Grad Dip (App Corp Gov), CA, ACIS (resigned 1 February 2008)

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

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

	Ordinary Shares	Options over Ordinary Shares
D. Cooper	633,000	900,000
M. Fitzpatrick	2,658,085	—
R. Green	1,465,000	—
R. Hayes	—	—
P. Kennedy	93,708	—

Earnings Per Share

	Cents
Basic earnings per share	75.3
Diluted earnings per share	75.0

Dividends

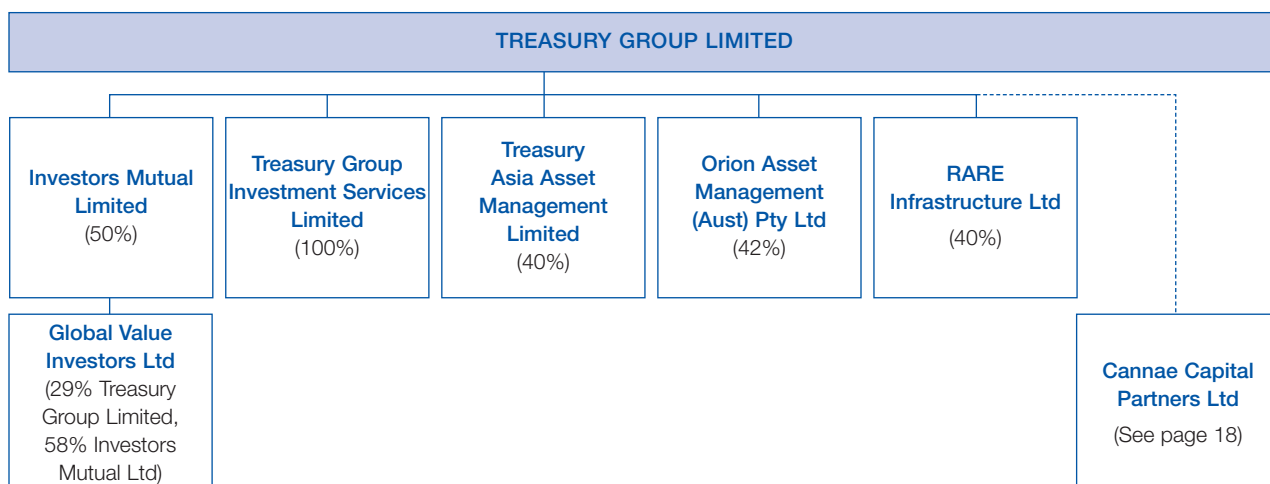
	Cents	\$
Final dividend recommended:		
on ordinary shares (fully franked)	30.0	6,932,831
Dividend paid in the year:		
Interim for the year		
on ordinary shares (fully franked)	30.0	6,985,987
Final for 2007 shown as recommended in the 2007 report		
on ordinary shares (fully franked)	35.0	7,971,797

Corporate Information

Corporate structure

Treasury Group Limited is a company limited by shares that is incorporated and domiciled in Australia. Treasury Group Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. The Group's corporate structure as at the date of this report is as follows:

- Orion Asset Management (Aust) Pty Ltd ("Orion") is not a controlled entity, and is treated as an associate accordingly. Its financial result is included on an equity accounting basis during the financial year.
- Global Value Investors Ltd ("GVI") is effectively owned 58%, which will be diluted to an effective 50% after shares have been allocated to key staff members of the business. GVI is therefore a controlled entity. Its financial results are included within the consolidated figures.
- Treasury Asia Asset Management Ltd ("TAAM") is a controlled entity that commenced operations on 12 July 2005. Treasury Group Limited has a 40% share holding in TAAM. Its financial results are included in the consolidated figures as the company is controlled at board level.



Directors' Report continued

Nature of operations and principal activities

The principal activities of the consolidated entity during the financial year were:

Provision of funds management services to:

- Institutions;
- Master funds and wraps;
- Retail investors; and
- Private clients.

There have been no significant changes in the nature of those activities during the year.

Employees

The consolidated entity employed 67 full time equivalent employees as at 30 June 2008 (2007: 62 employees). The consolidated group includes Treasury Group Limited, Treasury Group Investment Services Limited, Investors Mutual Limited, Treasury Asia Asset Management Limited and Global Value Investors Limited.

Operations and Financial Review

Group Overview

Funds Management

Investors Mutual Limited provides a funds management capability to both institutional and retail investors. The consolidated entity holds 50% of the issued capital of the Company.

Orion Asset Management Ltd, a wholly-owned controlled entity of Orion Asset Management (Aust) Pty Ltd, provides funds management services to a range of institutions.

Global Value Investors Ltd (GVI) commenced operation as a fund manager in February 2005. Global Value Investors Ltd invests in global industrial companies that exhibit recurring earnings, and a strong, stable and competitive business. Treasury Group Limited holds 29% of the issued share capital with the remainder being held by Investors Mutual Limited and employees of GVI.

Treasury Asia Asset Management Ltd commenced operation as a fund manager on 12 July 2005. Treasury Asia Asset Management Ltd is a boutique asset manager specialising in the Asia Pacific Region.

RARE Infrastructure Ltd (RARE) was launched in July 2006 and is a boutique asset manager specialising in listed global infrastructure assets. Treasury Group Limited converted its notes on 18 December 2007. RARE is not a controlled entity and has been treated as an associate for accounting purposes from 18 December 2007.

Treasury Group Limited owns a convertible note that entitles it to convert the notes into a 35% holding in Cannae Capital Partners Ltd (Cannae) and an option which entitles Treasury Group Limited to purchase a further 5%. Cannae was launched in July 2007 and is a boutique asset manager specialising in Australian and New Zealand Equities.

Funds Management, Administration & Compliance Services

Treasury Group Investment Services Ltd, a wholly-owned controlled entity of Treasury Group Limited, is the manager of a listed investment company, Premium Investors Limited (PRV). PRV was listed on the Australian Stock Exchange on 27 November 2003.

Operating Results for the Year

The consolidated net profit attributable to members of Treasury Group Limited amounted to \$17,244,317 (2007: \$18,003,774).

Earnings Per Share

The earnings for the last financial year reflect the volatile and turbulent global financial markets experienced during the last 12 months.

	2008	2007	2006	2005	2004
Basic earnings per share (cents)	75.3	80.8	65.4	60.4	37.2
Diluted earnings per share (cents)	75.0	79.4	63.7	58.1	31.8

Review of Financial Conditions

Capital Structure

The Group has a sound capital structure. This is evident from the Company's cash flow position and that no borrowing facility is required to fund the growth activities of the Group.

In addition, new capital by way of the exercise of options on ordinary shares provided an additional \$4,809,907 in new capital to the Company.

During the financial year the Company bought back shares on the Australian Securities Exchange and reduced its share capital by \$1,555,477.

Cash Flow from Operations

Net cash flow from operating activities increased by \$0.4m to \$27.75m or by 2% over the year. This result reflects the volatile and turbulent global financial markets experienced during the past 12 months.

The exercise of options resulted in shareholder funds increasing by \$1.7m. During the year, Treasury Group Limited paid \$14.96 m in dividends. Consolidated cash as at 30 June 2008 stood at \$19.01 m.

Risk Management

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

The Group believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee. Instead all Board members are involved in the risk management process.

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

- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the monitoring of key performance indicators of both a financial and non-financial nature; and
- The establishment of an investment review panel with the express purpose of examining new asset management opportunities for the Group.

Significant changes in the state of affairs

There have been no other significant changes in the state of affairs of the Company during the financial year.

Significant Events After the Balance Date

- The Company has entered into a non binding agreement to commence a new funds management business. This new business will be an alternative investment boutique that will specialise in managing Pan Asia multi strategy funds.
- On 26 August 2008 the Directors of Treasury Group Limited declared a final dividend on ordinary shares in respect of the 2008 financial year. The total amount of the dividend is \$6,932,831, which represents a fully franked dividend of 30 cents per share. The dividend has not been provided for in the 30 June 2008 financial statements.
- On 26 August 2008 Mr Ferragina resigned as Company Secretary.

Likely Developments and Expected Results

In the opinion of the Directors, disclosure of information regarding likely developments in the operations of the consolidated entity and the expected results of those operations other than matters referred in the Chairman's address would prejudice the consolidated entity's interests. Accordingly no further information is included in this report.

Share Options

Unissued shares

As at the date of this report, there were 2,125,000 unissued ordinary shares under options (2,125,000 at reporting date). Further details of the options outstanding to employees are included in Note 23 to the financial report.

Shares issued as a result of the exercise of options

During the financial year, 704,001 options were exercised to acquire fully paid ordinary shares of Treasury Group Limited at a weighted average exercise price of \$6.83. No additional options were exercised since the end of the financial year.

Indemnification and Insurance of Directors and Officers

The Group has entered into an agreement for the purpose of indemnifying Directors and officers of the Company against all losses and liabilities incurred by the Directors or officers on behalf of the Company.

The following liabilities, except for a liability for legal costs, are excluded from the above indemnity:

- (a) A liability owed to the Company or related body corporate;

- (b) A liability for pecuniary penalty order under section 1317G or a compensation order under section 1317H of the Corporations Act 2001;
- (c) A liability owed to someone other than the Company or a related body corporate and did not arise out of conduct in good faith;
- (d) Any other liability against which the Company is precluded by law from indemnifying the Director.

The insurance contract prohibits the disclosure of the insurance premium for insuring officers of the company against a liability which may be incurred in that person's capacity as an officer of the Company.

Remuneration Report (Audited)

This report outlines the remuneration arrangements for Directors and Executives of Treasury Group Limited in accordance with the requirements of the *Corporations Act 2001* and its Regulations. It also provides the remuneration disclosures required by paragraphs Aus 25.4 to AUS 25.7.2 of AASB 124 *Related Party Disclosures*, which have been transferred to the Remuneration Report in accordance with Corporations Regulation 2M.6.04. For the purposes of this report Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether executive or otherwise) of the parent company, and includes the five executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the Managing Director and senior executives of the Parent and the Group.

Remuneration Philosophy

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

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

- Provide competitive rewards to attract high calibre executives;
- Link executive rewards to shareholder value; and
- Significant portion of Executive remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks.

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the Managing Director and the Executive Team. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team.

Remuneration Structure

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

Directors' Report continued

Non-Executive Director Remuneration

Objective

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

Structure

In accordance with the ASX Listing Rules the aggregate remuneration of Non-Executive Directors is determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 15 November 2006 when shareholders approved an aggregate remuneration of \$650,000 per year for services of Directors as directors of the Company and its subsidiaries.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. Non-Executive Directors do not receive performance based bonuses from Treasury Group Limited.

Executive Remuneration

Objective

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

- Reward executives for company, business unit and individual performance targets set by reference to appropriate benchmarks;
- Align the interests of executives with those of shareholders;
- Link reward with the strategic goals and performance of the Company; and
- Ensure total remuneration is competitive by market standards.

Structure

Remuneration consists of the following key elements:

- Fixed Remuneration
- Variable Remuneration
 - Short Term Incentive (STI); and
 - Long Term Incentive (LTI)

The proportion of fixed remuneration and variable remuneration is established by the Remuneration Committee.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually by the Remuneration Committee and the process consists of a review of performance, relevant comparative remuneration in the market and advice on policies and practices.

Variable Remuneration — Short Term Incentive (STI)

Objective

The objective of the STI plan is to link the achievement of the Company's operational targets with the remuneration received by the Executives charged with meeting those targets. The STI is fully discretionary in the hands of the Remuneration Committee. The Remuneration Committee receives a recommendation from the Managing Director on executive performance. The Managing Director bases his report on a number of tailored KPIs for each Executive. The total potential STI available is set at a level so as to provide sufficient incentive to the Executive to achieve the operational targets such that the cost to the Company is reasonable.

Structure

Actual STI payments granted to each Executive depend on the achievement of annual corporate profitability measures and each Executive exceeding expectations on their KPIs. Secondary consideration is given to their general value add to the business.

The aggregate of annual STI payments available for Executives across the Company is subject to the approval of the Remuneration Committee. Payments are usually delivered as a cash and equity bonus.

Variable Remuneration — Long Term Incentive (LTI)

Objective

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

Structure

LTI grants are delivered in the form of options and / or shares.

The Company uses the share price as the performance hurdle for the long term incentive plan to ensure alignment between shareholder return and reward for Executives.

Details of the nature and amount of each element of the emolument of each Director of the Company and each of the Key Management Personnel of the Company and the consolidated entity for the financial year are as follows:

		Short term		Post employment	Share based payments		Other	Total	Performance related
		Salary & fees	Cash bonus	Super-annuation	Shares	Options	Termination benefits		
		\$	\$	\$	\$	\$	\$	\$	
Directors									
M. Fitzpatrick — Chairman	2008	97,248	—	8,752	—	—	—	106,000	—
	2007	97,248	—	8,752	—	—	—	106,000	—
D. Cooper — Managing Director	2008	486,871	300,000	13,129	—	425,697	—	1,225,697	59%
	2007	389,908	212,500	35,092	—	193,945	—	831,445	26%
R. Green — Non-Executive Director	2008	60,550	—	5,450	—	—	—	66,000	—
	2007	60,550	—	5,450	—	—	—	66,000	—
P. Kennedy — Non-Executive Director	2008	91,000	—	—	—	—	—	91,000	—
	2007	83,500	—	—	—	—	—	83,500	—
R. Hayes — Non-Executive Director (appointed 22 February 2007)	2008	95,307	—	8,578	—	—	—	103,885	—
	2007	22,361	—	2,013	—	—	—	24,374	—
D. Sharp Non-Executive Director (resigned 16 May 2007)	2007	139,518	—	—	—	—	—	139,518	—
Executives									
J. Ferragina Treasury Group Ltd — C.F.O.	2008	269,372	99,666	13,129	42,714	105,466	—	530,347	47%
	2007	217,314	80,500	12,686	—	93,611	—	404,111	20%
E. Jurgeleit Treasury Group Ltd Group — Manager — Risk and New Developments (Resigned 1 February 2008)	2008	157,916	—	8,834	—	—	—	166,750	—
	2007	203,327	64,804	12,686	—	56,167	—	336,984	19%
C. Feldmanis Treasury Group Investment Services Ltd — Managing Director	2008	275,204	161,467	13,129	83,525	62,120	—	595,143	52%
	2007	227,314	84,000	12,686	—	56,167	—	380,167	22%
R. Sullivan Treasury Group Ltd — Head of Distribution	2008	213,954	297,517	13,129	17,907	84,316	—	626,823	64%
	2007	162,314	99,115	12,686	—	—	—	274,115	36%
A. Tagliaferro Investors Mutual Ltd — Investment Director	2008	163,497	—	36,503	—	—	—	200,000	—
	2007	165,115	—	42,385	—	—	—	207,500	—
T. Hyett Investors Mutual Ltd — Chief Executive Officer	2008	251,871	200,000	13,129	—	—	—	465,000	45%
	2007	277,091	295,976	41,886	—	—	—	614,953	48%
C. Byrne Investors Mutual Ltd — Chief Operating Officer	2008	241,871	205,000	13,129	—	—	—	460,000	45%
	2007	232,314	192,755	12,686	—	—	—	437,755	44%
Total remuneration: Key Management and Highest Paid Personnel	2008	2,404,661	1,263,650	146,891	144,146	677,599	—	4,636,947	45%
	2007	2,277,875	1,029,650	199,007	—	399,890	—	3,906,422	37%

Directors' Report continued

Remuneration options: Granted and vested during the year 2008

				Terms and Conditions for Each Grant			
	Vested number	Granted number	Grant date	Value per option at grant date	Exercise price per option	First exercise date	Last exercise date
Directors							
D. Cooper	—	500,000	14/11/2007	\$1.94	\$20.00	01/07/2010	31/12/2010
Executives							
R. Sullivan	—	150,000	13/07/2007	\$1.43	\$20.00	01/07/2010	31/12/2010
R. Sullivan	—	125,000	12/03/2008	\$1.15	\$12.07	12/03/2011	12/09/2011
J. Ferragina	—	100,000	12/03/2008	\$1.15	\$12.07	12/03/2011	12/09/2011
C. Feldmanis	—	50,000	12/03/2008	\$1.15	\$12.07	12/03/2011	12/09/2011
Total	—	925,000 *					

During 2008 options were granted as equity compensation benefits to certain key management personnel as disclosed above. No options were issued to the non-executive members of the Board of Directors under this scheme. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at various exercise prices.

* The fair value of options granted is estimated on the day of grant using a Binomial option-pricing model with the following assumptions used; Historical volatility for the financial year of 26% — 32% (2007: 28%), Risk Free rate of 7.05%, a dividend consistent with the current policy of the Company and other variables as contained in the Notes to the financial report.

All options have a vesting condition of continuous service between grant date and first exercise date.

2007

No options were granted as equity compensation to Key Management Personnel or Directors during the year.

Options granted as part of remuneration 2008

	Value of options granted during the year	Value of options exercised during the year	Value of options forfeited during the year	Total value of options granted exercised and lapsed during the year	Remuneration consisting of options for the year
	\$	\$	\$	\$	%
D. Cooper	970,000	—	—	970,000	35%
R. Sullivan	358,723	—	—	358,723	13%
J. Ferragina	115,450	—	—	115,450	20%
C. Feldmanis	57,752	—	—	57,752	10%
E Jurgeleit	—	—	(182,555)	(182,555)	—

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.

The maximum grant, which will be payable assuming that all service criteria are met, is equal to the number of options granted multiplied by the fair value at the grant date. The minimum grant payable assuming that service criteria are not met is zero.

(d) Shares issued on exercise of remuneration options (Consolidated)

2008

During the financial year ended 30 June 2008 the Company did not issue any shares to Key Management Personnel on exercise of remuneration options.

2007

	Shares issued Number	Paid \$ per share
Directors		
D. Cooper	200,000	\$7.00
D. Cooper	200,000	\$8.00
Total	400,000	

All shares were fully paid.

The Company uses the fair value measurement provisions of AASB 124 "Related Party Disclosures" and the AASB 2 "Share-based Payment" prospectively for all options granted to Directors and relevant Executives which have not vested as at 1 July 2004. The fair value of such grants is being amortised and disclosed as part of Director and Executive emoluments on a straight-line basis over the vesting period.

From 1 July 2003, options granted as part of Director and Executive emoluments have been valued using a Binomial option pricing model, which takes account of factors including the option exercise price, the current level and volatility of the underlying share price, the risk-free interest rate, expected dividends on the underlying share, current market price of the underlying share and the expected life of the option. Further details in relation to the issuance and value of options are contained in Note 23 to the financial report.

(e) Shares granted as part of a deferred share plan (Consolidated)

2008

During the financial year ended 30 June 2008 the Company issued 16,122 deferred shares to Rob Sullivan and 12,898 shares to Christine Feldmanis. The shares were purchased on the Australian Securities Exchange and will vest on 12 March 2011.

2007

During the financial year ended 30 June 2007 the Company did not issue any deferred shares to Key Management Personnel.

Employment Contracts

The Managing Director, Mr Cooper, is employed under contract. The current employment contract commenced on 15 July 2007 and has no predetermined termination date. Under the terms of the present contract, a base salary of \$500,000 (gross) is being paid.

As long term incentive, Mr Cooper was awarded 500,000 \$20 options on 11 December 2007.

Mr Cooper is also eligible for a bonus based on a number of clearly defined KPI's. Any bonus payment is at the sole discretion of the Remuneration Committee.

Additional terms in the contract include:

- The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs Mr Cooper is only entitled to that portion of remuneration which is fixed, and only up to the date of termination. On termination with cause any unvested options will immediately be forfeited.
- The Company may terminate the contract without notice if Mr Cooper becomes incapacitated by accident or an illness such that he is unable to perform his duties for 90 consecutive days or for an aggregate period of 90 days in any period of 12 months.

Where employment is terminated no further payments will be paid by the company except unpaid salary accrued to the date of termination and accrued annual leave.

Where the employment is terminated due to a decision by the Company to make the position redundant, the Company will pay Mr Cooper an amount the equivalent to 1 year's salary in addition to any payment to which Mr Cooper is entitled in relation to a notice period.

The Chief Financial Officer, Mr Ferragina, is employed under contract. The current employment contract has no predetermined termination date. Under the terms of the contract Mr Ferragina may terminate the contract by giving three months written notice.

The Managing Director of Treasury Group Investment Services Ltd, Ms Feldmanis is employed under contract. Ms Feldmanis has no predetermined termination date. Under the terms of the contract Ms Feldmanis may terminate the contract by giving three months written notice.

The Head of Distribution, Mr Sullivan is employed under a contract with no predetermined termination date. Under the terms of the contract Mr Sullivan may terminate the contract by giving three months written notice.

Mr Tagliaferro's current contract has no predetermined termination date. Under the terms of the contract Mr Tagliaferro and the company concerned may terminate the contract by giving a nine month notice period.

Directors' Meetings

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

Directors Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
Meetings eligible to attend	Meetings Attended	Meetings eligible to attend	Meetings Attended	Meetings eligible to attend	Meetings Attended	Meetings eligible to attend	Attended
D. Cooper	14	—	—	—	—	—	—
M. Fitzpatrick	14	3	2	3	3	—	—
R. Green	14	—	—	3	3	—	—
P. Kennedy	14	3	3	3	3	—	—
R. Hayes	14	3	3	—	—	—	—

Directors' Report continued

Committee membership

As at the date of this report, the Company had an Audit Committee, a Remuneration Committee and a Nomination Committee of the Board of Directors.

Members acting on the Committees of the Board during the year were:

Audit	Remuneration	Nomination
P. Kennedy (c)	P. Kennedy (c)	R Hayes (c)
M. Fitzpatrick	R. Green	M. Fitzpatrick
R. Hayes	M. Fitzpatrick	

Notes

(c) Designates the Chairman of the Committee.

Tax Consolidation

Effective 1 July 2003, for the purposes of income taxation, Treasury Group Limited and its 100% owned controlled entities have formed a tax consolidated group.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Treasury Group Limited support the Principles of Corporate Governance. The Company's Corporate Governance Statement is contained in the following section of this annual report.

Environmental Regulation and Performance

The Consolidated Entity's operations are not presently subject to significant environmental regulation under the law of the Commonwealth and State.

Non-audit Services

The following non-audit services were provided by the entity's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received \$58,975 in respect of tax compliance services during the year.

Auditor Independence and Non-audit Services

The Directors received the independence declaration from the auditors of Treasury Group Limited. A copy of the declaration is set out on page 25.

Signed in accordance with a resolution of the Directors.



M Fitzpatrick
Chairman

Melbourne, 26 August 2008

Auditor's Independence Declaration

To the Directors of Treasury Group Limited



Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001
Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
www.ey.com/au

In relation to our audit of the financial report of Treasury Group Limited for the financial year ended 30 June 2008, 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.

A stylized, handwritten signature of 'Ernst & Young' in black ink, written over a light grey rectangular background.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Sean Balding', written over a light grey rectangular background.

Sean Balding

Partner

26 August 2008

Liability limited by a scheme approved
under Professional Standards Legislation

Corporate Governance Statement

Treasury Group Limited (the Company) is committed to maintaining the highest possible standards of Corporate Governance. In determining what those high standards should involve, the Company has turned to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ("ASX Principles"). The Company is pleased to advise that the Company's practices are largely consistent with those ASX guidelines.

As at 30 June 2008, the position of Treasury Group Ltd is as follows:

Principle 1: Lay solid foundations for management and oversight

The Board's role is to govern the Company rather than to manage it. The Board recognises the importance of clearly delineating between its roles and the roles of management, and has adopted a formal statement of matters reserved to itself and a list of delegations to management. It is the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board is accountable to shareholders for the successful operations of the Company.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is contained in the Corporate Governance section on the Company's website.

Role of senior executives

It is the role of senior executives to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of senior executives in carrying out these delegated duties. The Board conducts an annual review of the performance of senior executives against pre-determined qualitative and quantitative key performance indicators. Senior executives undergo an induction programme to gain an understanding of the Company's financial position, its strategies, operations and risk management policies as well as the rights, duties, responsibilities and roles of the Board and senior executives.

Principle 2: Structure the Board to add value

The Board considers independent decision-making as critical to effective governance, and the Company recognises the importance of independent directors and the external perspective and advice that they can offer. The names of the Directors and their qualifications and experience are included in the profiles in the Directors Report, along with the term of office held by each of the Directors.

The Company does not have a majority of independent directors as recommended by the ASX Principles, but rather a balance of executive and non-executive directors. The Board size is considered appropriate for the size of the Company's operations.

Mr Kennedy and Mr Hayes are Non-Executive Directors, and also meet the ASX Principles' criteria for independence.

Mr Fitzpatrick is a Non-Executive Director and Chairman of the Company, but is also a major shareholder of the Company and as such he does not meet the ASX Principles' criteria for independence. However, his experience and knowledge of the Company make his contribution to the Board such that it is appropriate for him to remain as Chairman of the Board.

The Company's Chairman and Managing Director have separate roles. The division of responsibilities between the Chairman and the Managing Director are set out in the Board charter.

Mr Green is a Non-Executive Director of the Company, and is also a major shareholder. However, as one of the founders of the Company, his experience and knowledge of the Company make his contribution to the Board valuable and as such it is appropriate for him to be part of the Board.

It is the intention of the Company, in time, to appoint additional non-executive directors in order to meet the ASX Principles' criteria that a majority of the Board should be independent. Nevertheless, all incumbent directors bring an independent judgment to bear in Board deliberations.

The Board established a Nomination Committee in 2004, to help achieve a structured Board that adds value to the Company by ensuring an appropriate mix of skills are present in Directors on the Board at all times.

Whilst the ASX Principles suggest a minimum of three members, the Company believes that the present Committee structure is adequate to perform its duties. The members of the Nomination Committee are Mr Hayes (Chairman) and Mr Fitzpatrick.

The Nomination Committee's charter and a description of the process for selection and appointment of new directors are available on the Company's website.

The Board Charter provides for the undertaking of annual Board and Committee performance evaluation. The Board's performance is measured against both qualitative and quantitative indicators. The objective of this evaluation is to provide best practice Corporate Governance to the Company.

The Nomination Committee oversees management succession plans including the Managing Director and his direct reports and evaluates the Board, Committee and Executive's performance and makes recommendations for the appointment and removal of Directors.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

In order to provide a specific opportunity for performance matters to be discussed with each Director, each year the Board Chairman conducts a formal Director review process. Self and peer evaluations are completed and the Chairman meets with each Director individually to discuss issues including performance and discusses with the Board as a whole the effectiveness of the Board and its Committees. Given the nature of the Company's activities, the Board believes that there is sufficient formality in the process of evaluation of the Board, individual Directors and the Chairman.

New directors undergo an induction process in which they are given a full briefing on the Company. Where possible, this includes meetings with key executives, tours of the premises, an induction package and presentations. Information conveyed to new directors includes:

- details of the role and responsibilities of a director;
- formal policies on director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements;
- access to a copy of the Board and Committee Charters;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board;
- background information on and contact information for key people in the organisation;
- an analysis of the Company;

- a synopsis of the current strategic direction of the Company including a copy of the current strategic plan and annual budget; and
- a copy of the Constitution of the Company.

Each director has the right of access to all Company information and to Company's executives. The Board collectively and each Director, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at the Company's expense, up to specified limits, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

Principle 3: Promote ethical and responsible decision-making

To ensure that the Company maintains the highest standards of integrity, honesty and fairness in its dealings with all stakeholders, the Board has established a formal Code of Conduct for management and employees and also a Code of Ethical Conduct for the Board. These Codes act as a guide for compliance with legal and other obligations that the Company has to stakeholders which include customers, clients, government authorities, creditors, employees and the community as whole. These Codes govern all the Company's commercial operations and the conduct of the Board, employees, consultants, contactors, advisors and all other people when they represent the Company.

These Codes also outline the responsibility and accountability of individuals for reporting and investigating unethical practices and can be viewed in the Corporate Governance section on the Company's website.

The Company has a Securities Trading and Insider Trading Policy under which Directors and employees and their associates may only trade in the Company's securities during specific period trading windows. This policy can be viewed in the Corporate Governance section of the Company's website.

Principle 4: Safeguard integrity in financial reporting

The Board established an Audit Committee in 2004. The Audit Committee has a formal charter, which can be found in the Corporate Governance section of the Company's website.

The Audit Committee comprises of three non-executive directors, two of whom are independent, and the Committee is also chaired by an independent director. During the year under review, the members of the Audit Committee were Mr Kennedy (Chairman), Mr Fitzpatrick and Mr Hayes. Whilst Mr Fitzpatrick is not independent, the Company believes that the Committee structure is adequate to perform its duties independently. All members can critically evaluate financial statements and are otherwise financially literate. Mr Kennedy, the Chairman, has a commerce background with experience in financial and accounting matters. Details of members' qualifications may be found in the director profiles in the Directors' Report.

The Audit Committee held three meetings for the year and details of attendance of the members of the Audit Committee are contained in the Directors' Report.

Information on procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners may be found in the Corporate Governance section of the Company's website.

Principle 5: Make timely and balanced disclosure

The Board has established a Continuous Disclosure Policy for ensuring compliance with the ASX Listing Rule disclosure requirements. This policy is located in the Corporate Governance section of the Company's website.

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the *ASX Listing Rules*, the Company immediately notifies the ASX of information:

- concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Upon confirmation of receipt from the ASX, the Company posts all information disclosed in accordance with this policy on the Company's website in an area accessible by the public.

To enhance clarity and balance of reporting and to enable investors to make an informed assessment of the Company's performance, financial results are accompanied by a commentary.

Details of payments to executives for the 2007–2008 financial year are disclosed in the Directors' Report. Core entitlements of any new executives will be disclosed at the time when they are agreed as well as at the time the actual payment is made

Principle 6: Respect the rights of shareholders

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through releases to the market via ASX, the Company's website, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Shareholder Communications Policy is published on the Company's website in its Corporate Governance section.

Principle 7: Recognise and manage risk

The Board's Charter clearly establishes that it is responsible for ensuring that there is a sound system for overseeing and managing risk. The Audit Committee is also responsible for establishing policies on risk oversight and management. A summary of the Company's Risk Management and internal compliance and control system is available on the Company's website in its Corporate Governance section.

Due to the size and scale of operations of the Company, there is no separate internal audit function or Risk Management Committee. This internal audit is independent of the external auditor.

In accordance with Recommendation 7.3 of the *ASX Principles*, the Managing Director and Chief Financial Officer have stated in writing to the Board:

"That

- the statement given in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks."

Corporate Governance Statement continued

Principle 8: Remunerate fairly and responsibly

The Board has established a Remuneration Committee to assist the Board in making appropriate decisions about incentive schemes and superannuation arrangements. The role of the Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

Mr Kennedy, Mr Fitzpatrick and Mr Green are the current members of the Remuneration Committee. Mr Kennedy, the Chairman of the Remuneration Committee is an Independent Director. The Remuneration Committee held three meetings throughout the year and details of attendance of the members of the Committee are contained in the Directors' Report. The Remuneration Committee has a formal charter which is available on the website of the Company in the Corporate Governance Section.

The Board have endorsed the following Senior Executive Remuneration Policy and the Non-Executive Director Remuneration Policy.

Senior Executive Remuneration Policy

The Company is committed to remunerating its senior executives in a manner that is market-competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Senior Executive Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in the Officer and Employee Option Plan and Share Purchase Plan;
- statutory superannuation.

By remunerating Senior Executives through performance and long-term incentive plans in addition to their fixed remuneration, the Company aims to align the interests of senior executives with those of shareholders and enhance Company performance. The amount of remuneration, including both monetary and non-monetary components, for each of the Key Management Personnel during the year (discounting accumulated entitlements) is detailed in the Directors' Report.

The value of shares and options granted to Senior Executives has been calculated using the Binomial method.

The objective behind using this remuneration structure is to drive improved Company performance and thereby increase shareholder value as well as aligning the interests of executives and shareholders.

The Board may use its discretion with respect to the payment of bonuses, stock options and other incentive payments. This discretion is exercised on the following basis:

- Retentions and motivation of key executives;
- Attraction of quality management to the Company;
- Performance incentives which allow executives to share the rewards of the success of the Company.

The Company has a Share Purchase Plan and an Officer and Employee Option Plan that have been approved by shareholders in which executives may participate. The number of shares and options issued under the plans is reasonable in relation to the existing capitalisation of the Company and all payments under the plans are made in accordance with thresholds set in plans approved by shareholders.

Non-Executive Director Remuneration Policy

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in the option scheme of the Company. Non-Executive Directors are entitled to statutory superannuation.

The payment to Directors is based on a workload criterion. Consequently, all Non-Executive Directors, except the Chairman receive a fixed amount plus a load for Committee Membership and Committee chairing. The Chairman receives an extra loading given the duties and extra time associated with the position.

Current Director Remuneration

The aggregate amount of remuneration paid to Non-Executive Directors is approved by shareholders and is currently \$650,000. The remuneration received by all of the Company's non-executive directors is detailed in the Directors' Report and totals \$323,000 (including superannuation) paid directly by Treasury Group Limited.

Further information in relation to the remuneration of Directors can be found in the Directors' Report.

Income Statement

For the Year Ended 30 June 2008

		Consolidated		Treasury Group Limited	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
Continuing operations					
Revenues	5 (a)	62,913,506	58,248,506	23,423,412	18,613,186
Other income	5 (b)	1,816,157	1,719,504	980,295	1,152,199
Salaries and employee benefits expenses	5 (c)	(17,630,981)	(13,705,973)	(3,206,013)	(2,422,521)
Fund management and administration fees		(2,946,221)	(3,952,982)	—	—
Other expenses	5 (c)	(9,984,675)	(6,948,589)	(1,994,456)	(1,496,540)
Share of net profits of associates	14 (a) (iii)	6,409,267	4,645,846	—	—
Profit from continuing operations before income tax expense		40,577,053	40,006,312	19,203,238	15,846,324
Income tax (expense) / income	7 (c)	(10,975,059)	(10,850,716)	289,529	311,392
Profit from continuing operations after income tax		29,601,944	29,155,596	19,492,767	16,157,716
Discontinued operations					
Profit after tax on disposal of discontinued operations	6	—	1,250,418	—	1,780,927
Total profit after tax from discontinued operations		—	1,250,418	—	1,780,927
Net profit for the year		29,601,944	30,406,014	19,492,767	17,938,643
Attributable to:					
Minority interest		12,357,677	12,402,240	—	—
Members of the parent	21 (e)	17,244,317	18,003,774	19,492,767	17,938,643
Earnings per share (cents per share)					
• basic for profit for the year attributable to ordinary equity holders of the parent	25	75.29	80.79		
• basic for profit from continuing operations attributable to ordinary equity holders of the parent	25	75.29	75.18		
• diluted for profit for the year attributable to ordinary equity holders of the parent	25	75.02	79.44		
• diluted for profit from continuing operations for the year attributable to ordinary equity holders of the parent	25	75.02	73.92		
Franked dividends paid per share (cents per share)	8	65.00	57.00		

The above income statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2008

		Consolidated		Treasury Group Limited	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
Current assets					
Cash and cash equivalents	9 (a)	19,007,871	24,622,018	5,555,422	11,036,366
Trade and other receivables	10	20,315,503	17,441,812	7,816,158	5,287,345
Available-for-sale investments	11	7,181,251	11,836,793	9,667,999	192,479
Investments at fair value through profit and loss	12	15,570,020	—	340,000	—
Other assets		794,070	324,354	115,146	57,041
Total current assets		62,868,715	54,224,977	23,494,725	16,573,231
Non-current assets					
Trade and other receivables	10	525,280	1,331,045	174,040	1,182,305
Investments at fair value through profit and loss	12	—	1,200,000	—	1,200,000
Loans and other receivables	13	5,052,725	2,693,135	6,567,050	5,505,640
Deferred tax assets	7 (d)	1,704,845	2,327,453	1,248,940	400,249
Investments in associates	14 (a) (iv)	7,902,771	8,686,531	—	—
Plant and equipment	15	626,896	532,044	69,040	99,586
Intangibles	16	35,570	4,722	4,558	4,213
Goodwill	17	2,271,268	2,271,268	—	—
Investments in subsidiaries	18	—	—	17,282,261	15,422,813
Other assets		161,164	—	89,536	—
Total non-current assets		18,280,519	19,046,198	25,435,425	23,814,806
Total assets		81,149,234	73,271,175	48,930,150	40,388,037
Current liabilities					
Trade and other payables	19	13,037,263	13,664,884	765,587	624,859
Provisions	20	650,489	490,079	112,720	79,673
Income tax payable		2,407,112	3,563,176	—	—
Total current liabilities		16,094,864	17,718,139	878,307	704,532
Non-current liabilities					
Provisions	20	306,650	214,400	56,250	—
Deferred tax liabilities	7 (d)	698,530	885,036	685,301	345,000
Total non-current liabilities		1,005,180	1,099,436	741,551	345,000
Total liabilities		17,100,044	18,817,575	1,619,858	1,049,532
Net assets		64,049,190	54,453,600	47,310,292	39,338,505
Equity					
Equity attributable to equity holders of the parent					
Contributed equity	21 (a)	30,060,320	26,805,890	30,060,320	26,805,890
Reserves	21 (f)	2,745,492	3,482,993	2,210,882	2,028,508
Retained profits	21 (e)	20,973,243	18,686,710	15,039,090	10,504,107
Parent interests		53,779,055	48,975,593	47,310,292	39,338,505
Minority interests	21 (g)	10,270,135	5,478,007	—	—
Total equity		64,049,190	54,453,600	47,310,292	39,338,505

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2008

	Consolidated						
	Ordinary shares	Share options	Net unrealised gains/ (losses)	Retained earnings	Minority interest	Foreign exchange	Total
	\$	\$	\$	\$	\$	\$	\$
At 1 July 2007	26,805,890	2,222,914	1,260,079	18,686,710	5,478,007	—	54,453,600
Net loss on remeasurement available-for-sale investments	—	—	(1,360,354)	—	—	—	(1,378,709)
Transfer of realised gains to other income	—	—	(557,194)	—	—	—	(538,839)
Total income and expense for the period recognised directly in equity	—	—	(1,917,548)	—	—	—	(1,917,548)
Profit for the period	—	—	—	17,244,317	12,357,677	—	29,601,994
Total income and expense for the period	—	—	—	17,244,317	12,357,677	—	29,601,994
Shares issued	4,809,907	—	—	—	—	—	4,809,906
Shares bought back	(1,555,477)	—	—	—	—	—	(1,555,476)
Share-based payments	—	1,151,819	—	—	—	—	1,151,819
Foreign exchange differences	—	—	—	—	—	28,228	28,228
Minority interest relating to acquisitions	—	—	—	—	3,583,935	—	3,583,935
Dividends paid	—	—	—	(14,957,784)	(11,149,484)	—	(26,107,268)
At 30 June 2008	30,060,320	3,374,733	(657,469)	20,973,243	10,270,135	28,228	64,049,190

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

	Consolidated					
	Ordinary shares	Share options	Net unrealised gains/ (losses)	Retained earnings	Minority interest	Total
	\$	\$	\$	\$	\$	\$
At 1 July 2006	23,404,024	1,548,374	863,996	13,405,893	7,549,023	46,771,310
Net gains on remeasurement available-for-sale investments	—	—	396,083	—	—	396,083
Transfer of realised gains to other income	—	—			—	
Total income and expense for the period recognised directly in equity	—	—	396,083	—	—	396,083
Profit for the period	—	—	—	18,003,774	12,402,240	30,406,014
Total income and expense for the period	—	—	396,083	18,003,774	12,402,240	30,802,097
Shares issued	3,401,866	—	—	—	—	3,401,866
Share-based payments	—	674,540	—	—	—	674,540
Disposal of partly owned subsidiary	—	—	—	—	(782,446)	(782,446)
Dividends paid	—	—	—	(12,722,957)	(13,690,810)	(26,413,767)
At 30 June 2007	26,805,890	2,222,914	1,260,079	18,686,710	5,478,007	54,453,600

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

Statement of Changes in Equity continued

Treasury Group Limited					
	Ordinary shares	Share options	Retained earnings	Unrealised gains	Total
	\$	\$	\$	\$	\$
At 1 July 2007	26,805,890	2,028,508	10,504,107	—	39,338,505
Net gains on remeasurement available-for-sale investments	—	—	—	(394,902)	(394,902)
Total income and expense for the period recognised directly in equity	—	—	—	(394,902)	(394,902)
Profit for the period	—	—	19,492,767	—	19,492,767
Total income and expense for the period	—	—	19,492,767	—	19,492,767
Shares issued	4,809,907	—	—	—	4,809,907
Shares bought back	(1,555,477)	—	—	—	(1,555,477)
Share-based payments	—	577,276	—	—	577,276
Dividends paid	—	—	(14,957,784)	—	(14,957,784)
At 30 June 2008	30,060,320	2,605,784	15,039,090	(394,902)	47,310,292

Treasury Group Limited					
	Ordinary shares	Share options	Retained earnings	Unrealised gains	Total
	\$	\$	\$	\$	\$
At 1 July 2006	23,404,024	1,548,374	5,288,421	—	30,240,819
Profit for the period	—	—	17,938,643	—	17,938,643
Total income and expense for the period	—	—	17,938,643	—	17,938,643
Shares issued	3,401,866	—	—	—	3,401,866
Share-based payments	—	480,134	—	—	480,134
Dividends paid	—	—	(12,722,957)	—	(12,722,957)
At 30 June 2007	26,805,890	2,028,508	10,504,107	—	39,338,505

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

Cash Flow Statement

For the Year Ended 30 June 2008

		Consolidated		Treasury Group Limited	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		62,977,966	57,609,396	390,190	78,847
Payments to suppliers and employees (inclusive of GST)		(29,383,012)	(26,393,777)	(3,948,085)	(3,454,467)
Dividends and distributions received		3,284,316	5,509,452	18,495,378	15,509,572
Interest received		1,693,378	1,472,178	809,200	801,328
Income tax (paid) / received		(10,823,597)	(10,880,117)	—	197,417
Net cash flows from operating activities	9(b)	27,749,051	27,317,132	15,746,683	13,132,697
Cash flows from investing activities					
Proceeds on disposal of subsidiary, net of cash disposed	6	—	(26,203)	—	—
Purchase of plant and equipment		(399,864)	(85,487)	(5,318)	(34,211)
Purchase of intangible assets		(39,665)	(6,683)	(2,100)	(6,018)
Proceeds from disposal of plant and equipment		—	27,743	—	24,429
Proceeds from disposal of available-for-sale investments		4,645,684	3,014,819	1,086,706	1,040,898
Purchase of investments at fair value through profit and loss		(16,425,545)	—	—	—
Purchase of available-for-sale investments		—	(3,895,238)	(10,199,717)	—
Purchase of other investments		—	(119,337)	—	(119,337)
Repayment of loans made		265,087	—	1,565,087	519,420
Advances to controlled entities		—	—	—	(965,000)
Advances to associated entities		(901,671)	—	(901,671)	—
Advances to other related entities		(1,130,000)	(2,596,503)	(1,130,000)	(2,596,503)
Net cash flows (used in) investing activities		(13,985,974)	(3,686,889)	(9,587,013)	(2,136,322)
Cash flows from financing activities					
Proceeds from issues of equity		7,058,946	3,401,986	4,872,647	3,475,082
Payment for equity bought back		(1,811,622)	—	(1,555,477)	—
Equity dividends paid		(24,758,529)	(22,873,602)	(14,957,784)	(12,722,957)
Net cash flows (used in) financing activities		(19,511,205)	(19,471,616)	(11,640,614)	(9,247,875)
Foreign exchange translation reserve		20,256	—	—	—
Net increase / (decrease) in cash and cash equivalents		(5,727,872)	4,158,627	(5,480,944)	1,748,500
Cash and cash equivalents at beginning of year		24,622,018	20,463,391	11,036,366	9,287,866
Cash and cash equivalents relating to entities joining the Group during the year		113,725	—	—	—
Cash and cash equivalents at end of year	9(a)	19,007,871	24,622,018	5,555,422	11,036,366

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 30 June 2008

1. Corporate Information

The financial report of Treasury Group Limited (the 'Company' or the 'Group') for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the Directors on 26 August 2008.

Treasury Group Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange (ASX).

The nature of operations and principal activities of the Group are disclosed in the Directors' Report.

2. Summary of Significant Accounting Policies

Table of Contents

(a) Basis of preparation	(i) Impairment of available-for-sale financial assets	(q) Trade and other payables
(b) Compliance with IFRS	(j) Investments in associates	(r) Employee leave benefits
(c) New accounting standards and interpretations	(k) Plant and equipment	(s) Contributed equity
(d) Revenue recognition	(l) Goodwill and intangibles	(t) Leases
(e) Basis of consolidation	(m) Investments and other financial assets	(u) Earnings per share
(f) Cash and cash equivalents	(n) Income tax	(v) Share-based payments
(g) Trade and other receivables	(o) Other taxes	(w) Segment reporting
(h) Derecognition of financial assets and financial liabilities	(p) Impairment of non-financial assets other than goodwill	(x) Foreign currency translation
		(y) Comparatives

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value, convertible notes, which are fair valued through profit and loss and loans and receivables, which are measured at amortised cost.

The financial report is presented in Australian dollars.

(b) Compliance with IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (AIFRS) as issued by the International Accounting Standards Board.

(c) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2008.

These are outlined in the table below:

AASB Amendment	Affected Standard(s)	Nature of change to accounting policy	Application date of standard*	Application date for Group
AASB Int. 12 and AASB 2007-2	Service Concession Arrangements and consequential amendments to other Australian Accounting Standards	The Group currently has no service concession arrangements or public-private-partnerships (PPP), so the amendments are not expected to have any impact on the Group's financial report.	1 January 2008	1 July 2008
AASB Int. 4 (Revised)	Determining whether an Arrangement contains a Lease	Refer to AASB Int. 12 and AASB 2007-2 above.	1 January 2008	1 July 2008
AASB Int. 129	Service Concession Arrangements: Disclosures	Refer to AASB Int. 12 and AASB 2007-2 above.	1 January 2008	1 July 2008
AASB Int. 13	Customer Loyalty Programmes	The Group does not have any customer loyalty programmes and as such this interpretation is not expected to have any impact on the Group's financial report.	1 July 2008	1 July 2008

* Designates the beginning of the applicable reporting period unless otherwise stated.

2. Summary of Significant Accounting Policies continued

AASB Amendment	Affected Standard(s)	Nature of change to accounting policy	Application date of standard*	Application date for Group
AASB Int. 14	AASB 119 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	The Group does not have any defined benefit pension plans and as such the interpretation is not expected to have any impact on the Group's financial report.	1 January 2008	1 July 2008
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Group's financial statements, although it may indirectly impact the level at which goodwill is tested for impairment. In addition, the amendments may have an impact on the Group's segment disclosures.	1 January 2009	1 July 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	These amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised. The Group has no borrowing costs associated with qualifying assets and as such the amendments are not expected to have any impact on the Group's financial report.	1 January 2009	1 July 2009
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial statements and consequential amendments to other Australian Accounting Standards	These amendments are only expected to affect the presentation of the Group's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Group has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 January 2009	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations	The Group has share-based payment arrangements that may be affected by these amendments. However, the Group has not yet determined the extent of the impact, if any.	1 January 2009	1 July 2009
AASB 3 (Revised)	Business combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into — to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively. The Group has not yet determined the extent of the impact, if any.	1 January 2009	1 July 2009

* Designates the beginning of the applicable reporting period unless otherwise stated.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

AASB Amendment	Affected Standard(s)	Nature of change to accounting policy	Application date of standard*	Application date for Group
AASB 127 (Revised)	Consolidated and Separate Financial Statements	If the Group changes its ownership interest in existing subsidiaries in the future, the change will be accounted for as an equity transaction. This will have no impact on goodwill, nor will it give rise to a gain or a loss in the Group's income statement.	1 January 2009	1 July 2009
Amendments to International Financial Reporting Standards	Cost of Investment in a Subsidiary, Jointly Controlled Entity or Associate	<p>The main amendments of relevance to Australian entities are those made to IAS 27 deleting the 'cost method' and requiring all dividends from a subsidiary, jointly controlled entity or associate to be recognised in profit or loss in an entity's separate financial statements (i.e., parent company accounts). The distinction between pre- and post-acquisition profits is no longer required. However, the payment of such dividends requires the entity to consider whether there is an indicator of impairment.</p> <p>AASB 127 has also been amended to effectively allow the cost of an investment in a subsidiary, in limited reorganisations, to be based on the previous carrying amount of the subsidiary (that is, share of equity) rather than its fair value.</p> <p>The Group has not yet determined the extent of the impact, if any.</p>	1 January 2009	1 July 2009
Amendments to International Financial Reporting Standards	Improvements to IFRSs	<p>The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part 1 deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.</p> <p>The Group has not yet determined the extent of the impact of the amendments, if any.</p>	1 January 2009 except for amendments to IFRS 5, which are effective from 1 July 2009.	1 July 2009
IFRIC 15	Agreements for the Construction of Real Estate	The Group does not enter into agreements to provide construction services to the buyer's specifications and as such this interpretation is not expected to have any impact on the Group's financial report.	1 January 2009	1 July 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	The Interpretation is unlikely to have any impact on the Group since it does not significantly restrict the hedged risk or where the hedging instrument can be held.	1 January 2009	1 July 2009

* Designates the beginning of the applicable reporting period unless otherwise stated.

2. Summary of Significant Accounting Policies continued

Adoption of new accounting standards

Since 1 July 2007 the Company has adopted AASB 2 'Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations arising on Liquidation'. As a result the Group has classified investors in the funds that have been consolidated as minority interests rather than liabilities.

(d) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Service fees

Fees charged for providing administrative services to related companies are recognised as revenue as the services are provided.

Management fees

Fees charged for managing investments are recognised as revenue as the services are provided.

Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividends and distributions

Revenue is recognised when the Group's right to receive the payment is established.

(e) Basis of consolidation

The consolidated financial statements comprise Treasury Group Limited and its subsidiaries as at 30 June each year (the Group). Interests in associates are equity accounted and are not part of the consolidated Group (see note (j) below).

Subsidiaries are all those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, with the exception of TG RARE Infrastructure Fund and TG Treasury Asia Asset Management Fund, which have a financial year ending 31 March, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Minority interests not held by the Group are allocated their share of net profit after tax in the Income Statement and are presented within equity in the Consolidated Balance Sheet, separately from parent shareholders' equity.

Subsidiaries are carried at cost in the parent company's separate financial statements with the exception of TG RARE Infrastructure Fund and TG Treasury Asia Asset Management Fund which are classified as available-for-sale investments and are carried at market value.

(f) Cash and cash equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

(g) Trade and other receivables

Trade receivables, which are generally 30 day terms, are recognised at fair value and subsequently valued at amortised cost using the effective interest method, less any allowance for uncollectible amounts. Cash flows relating to short term receivables are not discounted as any discount would be immaterial.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt. Financial difficulties of the debtor or default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

The Group did not have any impaired receivables (2007: Nil).

(h) Derecognition of financial assets and financial liabilities

(i) Financial assets

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

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

(ii) Financial liabilities

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

(i) Impairment of available-for-sale financial assets

The Group assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the Income Statement, is transferred from equity to the Income Statement. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. The Group's available-for-sale investments consist of investments in unlisted unit trusts which are valued at redemption value. Management would consider that there was objective evidence of impairment if there was a significant or prolonged decline in market value to below cost.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(j) Investments in associates

The Group's investments in its associates are accounted for using the equity method of accounting in the consolidated financial statements. The associates are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture.

The Group generally deems they have significant influence if they have over 20% of the voting rights or Board representation.

Under the equity method, the investments in the associates are carried in the Consolidated Balance Sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to the associates is included in the carrying amount of the investments and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associates.

The Group's share of its associates' post-acquisition profits or losses is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's Income Statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Investments in associates are carried at cost in the parent company's separate financial statements.

(k) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Major depreciation methods and periods are:

2008 & 2007

Furniture & fittings:	5 – 10 years	diminishing value
Office equipment:	3 – 10 years	diminishing value
Leasehold improvements:	1 – 6 years	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Disposal

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

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

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform with those used by the Group for like transactions and events in similar circumstances.

(l) Goodwill and intangibles

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units), to which the goodwill relates. When the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit (group of cash-generating units) and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end.

(m) Investments and other financial assets

Financial assets in the scope of AASB 139: Financial Instruments: Recognition and Measurement, are classified as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, or available-for-sale investments. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and Derecognition

All regular way purchases of sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or been transferred.

2. Summary of Significant Accounting Policies continued

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit and loss'.

Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit.

Derivatives are also classified as held for trading unless they are designed as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the balance sheet.

The Group has designated its investment in convertible notes as at fair value through profit and loss as it contains an embedded derivative financial instrument.

(ii) Loans and receivables

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

(iii) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three other categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on that balance sheet date.

(n) Income tax

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

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

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries or associates, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

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

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

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

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

(o) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

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

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

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

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

(p) Impairment of non-financial assets other than goodwill

Amortising intangible assets and property, plant and equipment are tested for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Notes to the Financial Statements continued

2. Summary of Significant Accounting Policies continued

(q) Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of the goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments, including on-costs, to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Leases

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

Operating leases

Operating lease payments are recognised as an expense in the Income Statement on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(u) Earnings per share

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

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

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

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

(v) Share-based payments

Equity-settled transactions:

The Group provides benefits to employees (including Senior Executives and Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There are currently four plans in place to provide these benefits:

- The Employee Share Option Plan, which provides benefits to Directors, Senior Executives and employees.
- The Employee Share Plan, which provides the opportunity to the employees (including Directors) of the Group to purchase shares in the parent company at a discount.
- Converting Preference Share Plan issued by a Group company, which provides benefits to senior employees of that company.
- The Executive share plan, which provides benefits to the Senior Executives of Treasury Group Ltd and Treasury Group Investment Services Ltd.

The cost of the equity-settled employee share option plan is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a Binomial model.

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

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

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

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

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

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

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

2. Summary of Significant Accounting Policies continued

Converting Preference Shares (CPS) issued in conjunction with non recourse loans are accounted for in accordance with AASB 2 Share Based Payments and have been treated as the equivalent of a grant of options. As a result, the amounts receivable from employees in relation to these loans and the share capital issued under the scheme is not recognised. The CPS are non-voting securities that receive a fixed coupon. The CPS convert to non-voting B-Class shares in the subsidiary on 1 January 2009. Participants in that plan can deal with 50% of the shares on this date and may deal with the remaining 50% on or after 1 January 2011. The non-recourse loans have been issued for a term of 10 years. An increase in share capital is only recognised as the employees repay the loans.

(w) Segment reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. Management has assessed the reportable business segments under AASB 114 Segment Reporting and have determined that on adoption of AASB 8 Segment Reporting (applicable from 1 January 2009), additional operating segments are likely to be reported. A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different than those of segments operating in other economic environments.

(x) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of Treasury Group Limited and its Australian subsidiaries is Australian dollars (\$). The Singapore subsidiary's functional currency is Singapore Dollars, TG RARE Infrastructure's functional currency is in Euros and TG Asia Asset Management Fund's functional currency is in US Dollars. The functional currencies are translated to presentation currency (see below).

(ii) Transactions & balances

Transactions in foreign currencies are initially recorded in the functional currency by applying an average spot exchange rate for the period. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary items are measured in terms of historical cost in a foreign currency and are translated using the exchange rate at the date the fair value was determined.

(iii) Translation of Group Companies functional currency to presentation currency

The results of the overseas subsidiaries are translated into Australian Dollars at an average rate for the period. Assets and liabilities are translated at exchange rates prevailing at balance date.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

On consolidation exchange differences arising from the translation of the net investment in the overseas subsidiaries are taken to the foreign currency translation reserve. If the Singapore subsidiary were sold, the exchange differences would be transferred out of equity and recognised in the income statement.

(y) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

3. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash, short-term deposits, available-for-sale investments, receivables, payables and convertible notes held.

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

Risk Exposures and Responses

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash and short term investments.

At balance date the Group had the following mix of financial assets exposed to Australian variable interest rate risk:

Notes to the Financial Statements continued

3. Financial Risk Management Objectives and Policies continued

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
Financial Assets				
Cash at bank and in hand	7,930,988	6,189,634	562,814	1,079,338
Commercial Bills	11,076,883	18,432,384	4,992,608	9,957,028
Security deposits	525,280	409,386	174,040	260,646
Loans	5,052,725	2,693,135	6,567,050	5,505,640
	24,585,876	27,724,539	12,296,512	16,802,652

The Group mainly invests in 30 — 90 day commercial bills only to ensure that high returns are achieved whilst managing the day-to-day cash flow needs of the Group.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date.

At 30 June 2008, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post tax Profit Higher / (Lower)		Equity Higher / (Lower)	
	2008 \$	2007 \$	2008 \$	2007 \$
Consolidated				
+0.25% (25 basis points)	47,285	40,335	—	—
-0.50% (50 basis points)	(94,570)	(80,670)	—	—
Parent				
+0.25% (25 basis points)	24,888	19,294	—	—
-0.50% (50 basis points)	(49,776)	(35,589)	—	—

The movements in profit are due to higher/lower interest income from cash and short term deposit balances.

The Group does not have any significant exposure to fixed interest rate risk as the loans made by Treasury Group to its related party, which are the only assets or liabilities exposed to fixed interest rate risk, are carried at amortised cost.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, available-for-sale financial assets and loans receivable from related entities. The Group's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

Receivables balances and loans made to related entities are monitored on an ongoing basis at board level and remain within approved levels, with the result that the Group's exposure to bad debts is not significant.

It is a core part of Treasury Group's policy to extend loans to new companies in the group to provide them financing until they reach profitability. As with all new start-ups there is a risk that a new venture will fail, in which case Treasury Group would have to write the loan off. All loans made to new ventures are monitored on an ongoing basis at board level to minimise the risk of a write off occurring. The maximum exposure to credit risk is the value of the loans.

Liquidity risk

The Group does not have any external financing liabilities and has significant cash balances. As such management is of the opinion that it does not face significant liquidity risks. Management prepares cash flow forecasts on a monthly basis to ensure that it has sufficient liquid assets to meet its liabilities.

The Group's objective is to maintain financial flexibility and only invests surplus funds in cash and short-term deposits.

Both in the current and proceeding year all of the Group's and parent entity's financial liabilities are due within 6 months or less.

Price risk

Equity security price risk arises from investments in unlisted managed trusts, which mainly invest their funds in equities listed on the ASX. The investments are made by members of the Group for the purpose of seeding new products. Equity securities price risk also arises from investments in equity markets made by the consolidated funds.

3. Financial Risk Management Objectives and Policies continued

For Australian investments, a simple analysis has been conducted using past economic data to provide some perspective when considering the determination of a reasonably possible change. In the preparation of this analysis the following assumptions and sources of information have been used:

- Data has been sourced from Bloomberg
- Ten years of data (last traded price)
- No averages were taken, weekly log-returns were calculated across 10 years of daily data and determined the volatility of weekly returns
- Standard deviation has been calculated on weekly returns
- Examination of percentage changes in risk variables based on one standard deviation both up and down
- Numbers presented are based on historical data and may not be indicative of future movements of market variables
- Numbers are presented in annual effective terms, they have been scaled to represent an annual shift

In relation to international investments a 10 year historical annualised return for the MSCI Global Index has been used sourced from MSCI Barra.

As at 30 June 2008, the Group had the following exposure to equity security price risks:

	Consolidated		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Available-for-sale investments				
— Units in managed investment trusts	6,537,475	11,245,755	9,435,856	—
Investment at fair value through profit and loss				
— Listed shares in other corporations	5,019,407	—	—	—
— Units in managed investment trusts	182,728	—	—	—
	21,739,610	11,245,755	9,435,856	—

As at 30 June 2008, if the unit price for the Group's investments had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post tax Profit		Equity	
	Higher / (Lower)		Higher / (Lower)	
	2008	2007	2008	2007
	\$	\$	\$	\$
Consolidated				
ASX 200 +13%	471,611	—	594,910	1,023,364
ASX 200 -11%	(399,055)	—	(503,386)	(865,923)
MSCI World index +2.59%	181,655	—	—	—
MSCI World index -2.59%	(181,655)	—	—	—
Parent				
MSCI World index +2.59%	—	—	177,012	—
MSCI World index -2.59%	—	—	(177,012)	—

The investments that are classified as available-for-sale and any movements in market value are captured in an Unrealised Gains Reserve and do not impact reported profit unless they are deemed to be impaired at reporting date.

Foreign Currency Risk

As at 30 June 2008 the Group has invested \$5,077,496 in Euro denominated investments and \$4,590,503 in US Dollar denominated investments to provide initial funding to the TG Investments Dublin Funds. Investments in foreign currency funds are individually approved by the Board. The Group has not hedged its foreign currency exposure.

A simple analysis has been conducted using past economic data to provide some perspective when considering the determination of a reasonably possible change. In the preparation of this analysis the following assumptions and sources of information have been used:

- Data has been sourced from Bloomberg
- Ten years of data (last traded price)
- No averages were taken, weekly log-returns were calculated across 10 years of daily data and determined the volatility of weekly returns
- Standard deviation has been calculated on weekly returns
- Examination of percentage changes in risk variables based on one standard deviation both up and down
- Numbers presented are based on historical data and may not be indicative of future movements of market variables
- Numbers are presented in annual effective terms, they have been scaled to represent an annual shift

The Group does not have any significant transactional currency exposures.

Notes to the Financial Statements continued

3. Financial Risk Management Objectives and Policies continued

At 30 June 2008, the Group had the following exposure to foreign currency:

	Consolidated		Treasury Group Limited	
	2008	2007	2008	2007
	\$	\$	\$	\$
Available-for-sale investments — Euro	693,777	591,038	4,927,699	192,479
Available-for-sale investments — US Dollar	—	—	4,590,503	—
Fair value through profit and loss investments — Euro	7,036,759	—	—	—
Fair value through profit and loss investments — US Dollar	5,932,986	—	—	—
	13,663,522	591,038	9,518,202	192,479

As at 30 June 2008, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

	Post tax Profit		Equity	
	Higher / (Lower)		Higher / (Lower)	
	2008	2007	2008	2007
	\$	\$	\$	\$
Consolidated				
AUD/Euro +11%	541,830	—	—	—
AUD/Euro -10%	(492,573)	—	—	—
AUD/US \$ +12%	498,371	—	—	—
AUD/US \$ -10%	(415,309)	—	—	—
Parent				
AUD/Euro +11%	—	—	373,092	—
AUD/Euro -10%	—	—	(339,175)	—
AUD/US \$ +12%	—	—	385,602	—
AUD/US \$ -10%	—	—	(321,335)	—

4. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on experience and other factors, including expectations of future events that may have an impact on the Group. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) Significant accounting judgments

Taxation

The Group's accounting policy requires management's judgment as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from unrecouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future income, operating costs, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some of all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the income statement.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Classification of and valuation of investments

The Group has decided to classify some investments in unit trusts as 'available-for-sale' investments and movements in fair value are recognised directly in equity. The fair value of the investments has been determined by reference to the published unit price in an active market.

4. Significant Accounting Judgements, Estimates and Assumptions continued

The Group has classified an investment in a convertible note as 'at fair value through profit and loss'. The fair value has been determined based on an independent valuation report prepared by RSM Bird Cameron.

Impairment of non-financial assets other than goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include performance, technological, economic and political environments and future product expectations. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in use calculations, which incorporate a number of key estimates and assumptions.

(ii) Significant accounting estimates and assumptions

Impairment of goodwill

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using either a Binomial model or a Black-Scholes model, with the assumptions detailed in Note 23. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
5. Revenue and Expenses				
(a) Revenues from continuing operations				
Fee income				
Fund management fees	57,205,477	51,919,489	—	—
Fund performance fees	112,628	2,806,955	—	—
Service fees				
— wholly-owned subsidiaries	—	—	184,209	69,480
— partly-owned subsidiaries	—	—	—	49,115
— associates	808,336	494,548	170,219	—
— other related entities	—	633,498	—	—
— other	171,372	—	—	—
Total fee income	58,297,813	55,854,490	354,428	118,595
Dividends and distributions				
— subsidiaries	—	—	11,800,102	13,500,162
— associates	—	—	9,052,475	3,828,177
— other	107,736	—	—	—
Unit trust distribution	1,688,482	647,023	583,723	—
Total dividends and distributions	1,796,218	647,023	21,436,300	17,328,339
Interest				
Related parties				
— wholly-owned subsidiaries	—	—	—	27,839
— subsidiaries	—	—	216,271	190,320
— associates	161,475	20,896	282,479	20,896
— other	178,045	114,441	57,040	114,441
Other persons/corporations	2,479,955	1,611,656	1,076,894	812,756
Total interest	2,819,475	1,746,993	1,632,684	1,166,252
Total revenues	62,913,506	58,248,506	23,423,412	18,613,186

Notes to the Financial Statements continued

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
5. Revenue and Expenses continued				
(b) Other income				
Fair value gain on revaluation of other investments at fair value through profit and loss	977,432	1,150,000	977,432	1,150,000
Net gain on disposal of available-for-sale investments	769,770	564,517	—	—
Foreign exchange gain	5,773	—	2,576	—
Other	63,182	4,987	287	2,199
Total other income	1,816,157	1,719,504	980,295	1,152,199
(c) Expenses from continuing operations				
Salaries and employee benefits				
Salaries and employee benefits	16,446,930	13,094,568	2,673,571	2,078,748
Share-based payment expense arising from equity-settled share-based payment transactions	1,184,051	611,405	532,442	343,773
	17,630,981	13,705,973	3,206,013	2,422,521
Depreciation and amortisation				
Software	8,817	1,961	1,755	1,805
Furniture & fittings	13,995	13,939	2,660	2,522
Office equipment	164,546	185,014	29,535	46,657
Leasehold improvements	115,396	105,390	3,669	964
Total depreciation of non-current assets	302,754	306,304	37,619	51,948
Other expenses				
Accounting & audit fees	451,552	288,039	143,263	93,885
Operating lease rental — minimum lease payments	639,029	509,916	122,905	90,466
Marketing & stationery expenses	1,443,506	1,255,958	42,493	46,613
Travel & accommodation costs	1,334,278	1,029,378	200,973	134,044
Communication costs	366,554	243,070	41,972	43,083
Payroll tax	822,197	705,625	183,284	129,322
Legal & compliance fees	369,390	325,760	46,026	10,178
Consulting fee	440,766	483,448	349,932	207,484
Insurance charges	516,226	352,289	109,890	55,790
Directors' fees (non-executives)	403,029	423,747	323,000	366,396
IT servicing & consulting charges	321,242	230,289	41,122	30,691
Training expenses	59,692	84,682	15,915	13,129
Share registry expenses	64,590	53,302	64,590	53,302
ASX fees	73,355	49,064	61,688	48,651
Subscriptions	377,008	388,949	38,471	26,431
Loss on disposal of plant and equipment	—	6,338	—	3,042
Write down of investment in associate	140,552	—	140,552	—
Losses on investments at fair value through profit and loss	1,476,653	—	—	—
Donations	11,009	33,862	—	11,000
Other expenses	371,293	178,569	30,761	81,085
	9,681,921	6,642,285	1,956,837	1,444,592
Total other expenses	9,984,675	6,948,589	1,994,456	1,496,540

		Consolidated	
	Notes	11 July 2006 \$	
6. Discontinued Operations			
Details of the disposal of Armytage are as follows:			
The major classes of assets and liabilities attributable to Armytage are as follows:			
Assets			
Cash and cash equivalents		1,026,203	
Trade and other receivables		656,881	
Deferred tax asset		20,957	
Available for sale investments		282,573	
Plant and Equipment		27,834	
Goodwill		137,971	
Assets classified as held for sale		2,152,419	
Liabilities			
Trade and other payables		488,676	
Tax liabilities		73,185	
Liabilities directly associated with assets classified for sale		561,861	
Net assets attributable to discontinued operations		1,590,558	
Consideration received or receivable			
Cash and short term deposits		1,000,000	
Present value of deferred sales proceeds		1,775,047	
Total disposal consideration		2,775,047	
Net assets disposed		(1,590,558)	
Less: Minority interest in net assets		760,456	
Divestment costs associated with disposal		(35,452)	
Gain on disposal before income tax		1,909,493	
Income tax expense		(659,075)	
Gain on disposal after income tax		1,250,418	
The proceeds on the sale exceeded the book value of the related net assets and accordingly no impairment losses were recognised on the reclassification of these operations as held for sale			
Net cash inflow on disposal		1,000,000	
Cash and cash equivalents balance disposed of		(1,026,203)	
Reflected in the cash flow statement		(26,203)	
		30 June 2008	30 June 2007
Earnings per share (cents per share):			
— Basic from discontinued operations		—	5.61
— Diluted from discontinued operations		—	5.52
Treasury Group Limited			
		11 July 2006 \$	
Proceeds		2,775,045	
Investment disposed		(299,591)	
Divestment costs associated with disposal		(35,452)	
Gain on disposal before income tax		2,440,002	
Income tax expense		(659,075)	
Gain on disposal after income tax		1,780,927	

Notes to the Financial Statements continued

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
7. Income Tax				
(a) Income tax expense				
The major components of income tax expense are:				
Income Statement				
Current income tax				
Current income tax (charge) / benefit	(10,095,538)	(9,775,759)	550,952	(81,935)
Adjustments in respect of current income tax charge of previous years	(116,240)	(107,261)	(42,521)	43,687
Deferred income tax				
Relating to origination and reversal of temporary differences	(763,281)	(1,626,771)	(218,902)	(309,435)
Income tax (expenses) / benefit reported in the Income Statement	(10,975,059)	(11,509,791)	289,529	(347,683)
(b) Amounts charged directly to equity				
Deferred income tax related to income charged or credited directly to equity				
Unrealised gain on available-for-sale investments	281,771	169,355	169,244	—
Income tax expense reported in equity	281,771	169,355	169,244	—
(c) Numerical reconciliation between aggregate tax expense recognised in the income statement and tax expense calculated per the statutory income tax rate				
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:				
Accounting profit before tax from continuing operations	40,577,053	40,006,312	19,286,537	18,286,325
Accounting profit before tax from discontinued operations	—	1,909,493	—	—
Accounting profit before income tax:	40,577,053	41,915,805	19,286,537	18,286,325
At the Group's statutory income tax rate of 30% (2007: 30%)	12,173,116	12,574,741	5,785,961	5,485,898
Share of net profit of associates	(1,922,780)	(1,393,754)	—	—
Share-based payments	366,886	161,454	154,361	103,132
Tax offset for franked distribution	—	(39,554)	(6,255,773)	(5,198,502)
Recoupment of losses not previously recognised	—	(72,926)	—	(72,926)
Expenditure not allowable for income tax purposes	36,720	24,325	8,392	4,881
Other	321,117	255,505	17,530	25,200
Aggregate income tax expense	10,975,059	11,509,791	(289,529)	347,683
Aggregate income tax expense is attributable to:				
Continuing operations	10,975,059	10,850,716	(289,529)	(311,392)
Discontinued operations	—	659,075	—	659,075
	10,975,059	11,509,791	(289,529)	347,683
(d) Recognised deferred tax assets and liabilities				
	Balance Sheet		Income Statement	
Deferred income tax at 30 June relates to the following:				
Consolidated				
Deferred tax assets				
Tax losses	964,331	587,951	—	—
Provisions	376,061	1,499,481	(844,115)	(821,791)
Revaluation of available for sale investments at fair value	281,771	—	—	—
Other	82,682	240,021	(147,994)	(459,980)
	1,704,845	2,327,453		

	Balance sheet		Income Statement	
	2008 \$	2007 \$	2008 \$	2007 \$
7. Income Tax continued				
<i>Deferred tax liabilities</i>				
Revaluations of investments at fair value through profit and loss	(3,923)	—	38,489	—
Revaluations of available-for-sale investments to fair value	—	(540,036)	—	—
Revaluation of convertible notes to fair value	(638,230)	(345,000)	258,000	(345,000)
Receivables	(49,255)	—	(56,098)	—
Other	(7,122)	—	(11,563)	—
	(698,530)	(885,036)	(763,281)	(1,626,771)
Parent				
<i>Deferred tax assets</i>				
Tax losses	854,220	362,951	—	—
Write down of investment in associate	42,166	—	42,166	—
Provisions	133,446	23,568	102,123	10,806
Unrealised losses	169,243	—	—	—
Other	49,865	13,730	(22,890)	24,759
	1,248,940	400,249		
<i>Deferred tax liabilities</i>				
Revaluation of convertible notes to fair value	(685,301)	(345,000)	(340,301)	(345,000)
	(685,301)	(345,000)	(218,902)	(309,435)
(e) Tax losses				
Unused tax losses for which no deferred tax asset has been recognised	—	388,307	—	—
Potential tax benefit at 30%	—	116,492	—	—

All unused tax losses were incurred by Australian entities.

The Group has tax losses arising in Australia of \$2,531,583 (2007: \$1,959,837) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose.

(f) Unrecognised temporary differences

At 30 June 2008, the Group has unrecognised deferred income tax liability of \$213,094 (2007: \$999,019) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries or associates should the companies remit all of their retained earnings at that date.

(g) Tax consolidation

Effective 1 July 2003, for the purposes of income taxation, Treasury Group Limited and its 100% owned controlled entities have formed a tax consolidated group. Treasury Group Limited is the head entity of the tax consolidated group. Members of the tax consolidated group have entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned controlled entities on a pro-rata basis. Under a tax funding agreement, each member of the tax consolidated group is responsible for funding their share of any tax liability. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group allocate current taxes to members of the tax consolidated group in accordance with their accounting profit for the period, while deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112 Income Taxes. Allocations are made at the end of each half year.

The allocation of taxes is recognised as an increase / decrease in the subsidiaries' inter-company accounts with the tax consolidated group head company, Treasury Group Limited. The Group has applied the group allocation approach in determining the appropriate amount of current taxes to allocate to members of the tax consolidated group.

Notes to the Financial Statements continued

Treasury Group Limited		
	2008 \$	2007 \$
7. Income Tax continued		
In preparing the accounts for Treasury Group Limited for the current year, the following amounts have been recognised as tax-consolidation contribution adjustments:		
Total decrease to tax expense of Treasury Group Limited	49,619	(380,760)
Total increase to inter-company assets of Treasury Group Limited	(49,619)	380,760
8. Dividends Paid and Proposed		
(a) Dividends proposed and not recognised as a liability*		
Final fully franked dividend 30 cents per share (2007: 35 cents per share)	6,932,831	7,903,907
(b) Dividends paid during the year		
Current year interim		
Fully franked dividend (30 cents per share) (2007: 25 cents per share)	6,985,987	5,645,648
Previous year final		
Fully franked dividend (35 cents per share) (2007: 32 cents per share)	7,971,797	7,077,309
Total paid during the year (65 cents per share) (2007: 57 cents per share)	14,957,784	12,722,957
* Calculation based on the ordinary shares on issue as at 31 July 2008		
(c) Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
— franking account balance as at the end of the financial year at 30% (2007: 30%)	6,233,127	4,221,989
— franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date	2,746,711	1,500,018
	8,979,838	5,722,007
The amounts of franking credits available for future reporting periods:		
— impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the year	(2,971,213)	(3,387,389)
Franking credits carried forward after payment of final dividend	6,008,625	2,334,618
The tax rate at which paid dividends have been franked is 30% (2007: 30%).		
Dividends proposed will be franked at the rate of 30% (2007: 30%).		

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
9. Cash and Cash Equivalents				
(a) Reconciliation of cash and cash equivalents				
Cash balance comprises:				
— cash at bank and in hand	7,930,988	6,189,634	562,814	1,079,338
— commercial bills	11,076,883	18,432,384	4,992,608	9,957,028
Closing cash balance	19,007,871	24,622,018	5,555,422	11,036,366

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
9. Cash and Cash Equivalents continued				
(b) Reconciliation				
Net profit	29,601,994	30,406,014	19,492,767	17,938,643
Adjustments for				
Depreciation and amortisation of non-current assets	302,754	306,304	37,619	51,948
Amortisation of deferred interest	(78,341)	(146,626)	(78,341)	(146,625)
Net loss on disposal of plant and equipment	—	6,338	—	3,042
Share of associates' net profits	(6,409,267)	(4,645,846)	—	—
Dividend received from associates	9,052,475	3,828,177	—	—
Non-cash distribution on investment	(794,061)	(647,023)	—	—
Gain on disposal of available-for-sale investments	(769,770)	(564,517)	—	—
Foreign exchange (gain) / loss	(5,773)	27,992	(2,576)	5,021
Non-cash interest	(730,848)	(117,528)	(338,371)	(209,163)
Share-based payments	1,151,819	611,405	514,535	343,773
Gain on disposal of subsidiary	—	(1,909,493)	—	(2,440,002)
Write down of investment in associate	140,552	—	140,552	—
Fair value gain on financial instruments at fair value through profit and loss	(977,432)	(1,150,000)	(977,432)	(1,150,000)
Fair value losses on financial instruments at fair value through profit and loss	1,476,653	—	—	—
Changes in assets and liabilities				
(Increase)/decrease in trade and other receivables	3,010,851	(3,564,744)	(76,386)	(364,050)
(Increase)/decrease in dividends receivable	(3,908,964)	1,681,275	(2,708,922)	(1,818,767)
(Increase)/decrease in deferred tax assets	622,608	(279,215)	(679,448)	376,030
(Increase)/decrease in prepayments and other current assets	(630,881)	(1,706)	(147,641)	118,032
(Decrease)/increase in trade and other creditors	(2,215,408)	2,498,722	140,728	42,682
(Decrease)/increase in tax provision	(1,156,064)	385,143	—	—
(Decrease)/increase in deferred tax liability	(186,506)	345,000	340,302	345,000
(Decrease)/increase in employee benefits	160,410	33,060	33,047	37,133
(Decrease)/increase in long service leave	92,250	214,400	56,250	—
Net cash flow from operating activities	27,749,051	27,317,132	15,746,683	13,132,697

(c) Financing facilities available

At reporting date, Treasury Group Limited did not have any financing facilities available.

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
10. Trade and Other Receivables				
Current				
Trade receivables	11,291,958	11,980,183	—	—
Sundry receivables	526,293	338,983	—	21,448
Receivable from disposal of subsidiary	1,000,000	1,000,000	1,000,000	1,000,000
Other receivables	2,918,503	43,327	388,905	—
Related party receivables				
— Subsidiaries — Dividend	—	—	2,300,000	3,500,042
— — Other	—	—	92,043	459,326
— Associates — Dividend	3,908,964	—	3,908,964	—
— — Other	669,785	753,367	126,246	274,629
— Other related parties	—	3,325,952	—	31,900
	20,315,503	17,441,812	7,816,158	5,287,345

Notes to the Financial Statements continued

10. Trade and Other Receivables continued

(a) Allowance for impairment loss

Trade receivables are non-interest bearing and generally on 30 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. No provision for impairment losses has been made.

At 30 June, the ageing analysis of trade receivables is as follows:

		Total	0–30 days	31–60 days PDNI*	61–90 days PDNI*	+91 days PDNI*
		\$	\$	\$	\$	\$
2008	Consolidated	11,291,958	8,834,139	2,370,417	7,371	80,031
	Parent	—	—	—	—	—
2007	Consolidated	11,980,183	9,233,697	15,390	2,712,513	18,582
	Parent	—	—	—	—	—

* Past due not impaired ('PDNI')

Receivables past due but not impaired are: Consolidated \$2,457,819 (2007: \$2,746,485). Parent \$Nil (2007: \$Nil). Payment terms on these amounts have not been re-negotiated. Management is satisfied that payment will be received in full. All overdue amounts as at 30 June 2007 were received in full.

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

(b) Related party receivables

For terms and conditions of related party receivables refer to note 28.

(c) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security with the exception of the receivable from disposal of subsidiary, which is secured by the shares of the subsidiary disposed. It is not the Group's policy to transfer (on-sell) receivables to special purpose entities.

Trade receivables represent the Group's outstanding invoices for management fees. As the fees are receivable from large investment and superannuation funds, management regards the credit risk as very low.

Receivables from other related parties are due from Premium Investors Ltd, a listed investment company, with a high credit rating. Management regards the credit risk as very low.

	Consolidated		Treasury Group Limited	
	2008	2007	2008	2007
	\$	\$	\$	\$
Non-current				
Receivable from disposal of subsidiary	—	921,659	—	921,659
Security deposits	525,280	409,386	174,040	260,646
	525,280	1,331,045	174,040	1,182,305

The receivable from disposal of subsidiary is due on 11 July 2008 and has been included in current receivables in 2008.

The amount receivable is in Australian Dollars, non-interest bearing and is not considered past due or impaired.

The maximum exposure to credit risk at the reporting date is the higher of the carrying value and the value of the collateral. The receivable is secured by the shares of the subsidiary disposed. The fair values and carrying values of non-current receivables of the Group are as follows:

	2008		2007	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Receivable from disposal of subsidiary	—	—	921,659	921,659
	—	—	921,659	921,659

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
11. Available-For-Sale Investments				
Current				
Units in unlisted managed investment trust				
— Investors Mutual Small Caps Fund	3,208,737	3,926,413	—	—
— Investors Mutual Value and Income Fund	1,744,119	3,839,831	—	—
— Global Value Investors Industrial Share Fund	—	907,618	—	—
— Sandhurst Professional Series	1,584,619	2,571,893	—	—
— TG RARE Infrastructure Fund	—	—	4,845,353	—
— TG Treasury Asia Asset Management Fund	—	—	4,590,503	—
Unlisted shares in other corporations	643,776	591,038	232,143	192,479
	7,181,251	11,836,793	9,667,999	192,479

Units are readily saleable with no fixed terms. Had the investments been sold on 30 June 2008 a capital gains benefit of \$281,769 (2007 expense: \$540,000) would have arisen.

The fair value of the unlisted available for sale investments is based on the current unit price of the investments which is determined by the value of the underlying investments of the unit trust.

Treasury Group Ltd owns the majority of the share capital of TG RARE Infrastructure Fund and TG Treasury Asia Asset management Fund. These investments are treated as subsidiaries at the group level and included in the consolidation.

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
12. Investments at Fair Value Through Profit and Loss				
Current				
At fair value through profit and loss				
Convertible notes	340,000	—	340,000	—
<i>Held for trading</i>				
Listed shares in other corporations	15,019,407	—	—	—
Unlisted shares in other corporations	27,885	—	—	—
Units in managed investment trusts	182,728	—	—	—
	15,570,020	—	340,000	—

Valuation assumptions

The convertible note converts at the option of Treasury Group Limited to 35% of the equity of Cannae Capital Partners Ltd (CCP). An increment of \$290,000 was recognised as a fair value gain. The fair value has been based on an independent valuers report from RSM Bird Cameron. The valuation was based on a percentage of FUM and assumed a 60% chance of CCP becoming profitable, at which point the conversion right would be exercised.

Valuation sensitivities

Based on the independent valuers report the potential effect of using reasonably possible alternatives as inputs to the valuation model the range of possible fair values is between \$207,000 and \$474,000.

Credit risk

The maximum credit risk related to the convertible notes is the carrying value of the notes.

Non-current

At fair value through profit and loss

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
Convertible notes	—	1,200,000	—	1,200,000
	—	1,200,000	—	1,200,000

Notes to the Financial Statements continued

12. Investments at Fair Value Through Profit and Loss continued

The convertible notes convert at the option of Treasury Group Limited to 40% of the equity of RARE Infrastructure Ltd (RARE). An increment of \$1,150,000 was recognised as a fair value gain. The fair value has been based on an independent valuers report from RSM Bird Cameron. The valuation was based on a percentage of FUM and assumed that a 60% chance of RARE becoming profitable, at which point the conversion right would be exercised. The notes were converted on 18 December 2007 at a value of \$2,000,000 (Note 14 (a) (iv)).

Valuation sensitivities

Based on the independent valuers report the potential effect of using reasonably possible alternatives as inputs to the valuation model the range of possible fair values was between \$804,000 — \$1,608,000.

Credit risk

The maximum credit risk related to the convertible notes is the carrying value of the notes.

		Consolidated		Treasury Group Limited	
Notes		2008 \$	2007 \$	2008 \$	2007 \$
13. Loans and Other Receivables (Non-Current)					
Loans receivables due from:					
Subsidiaries	28	—	—	1,514,325	2,812,505
Associates	28	3,870,000	—	3,870,000	—
Other related parties	28	1,182,725	2,693,135	1,182,725	2,693,135
		5,052,725	2,693,135	6,567,050	5,505,640

All amounts are receivable in Australian Dollars and are not considered past due or impaired.

(a) Loans

The majority of non-current loans to associates and a controlled entity are subordinated to all other creditors as a condition of their Australian Financial Services license as agreed with the Australian Securities and Investments Commission (ASIC). Interest rates on the loans are fixed at between 8% and 9%.

(b) Fair values

The fair values and carrying values of non-current receivables of the Group are as follows:

	2008		2007	
	Carrying Amount \$	Fair Value \$	Carrying Amount \$	Fair Value \$
Loans from other related parties	5,052,725	4,506,773	2,693,135	2,517,252
The fair values and carrying values of non-current receivables of the Parent are as follows:				
Loans from other related parties	6,567,050	5,931,523	5,505,640	5,240,530
Consolidated				
	Notes	2008 \$	2007 \$	
14. Investments in Associates				
Investment in associates	14 (a)	7,902,771	8,686,531	

(a) Interests in associates

Ownership interest held by consolidated entity			
Name	Balance date	2008 %	2007 %
Orion Asset Management (Aust) Pty Ltd — ordinary shares	30 June	41.9	41.9
Confluence Asset Management Ltd — ordinary shares	30 June	35	35
RARE Infrastructure Ltd — ordinary shares	30 June	40	—

14. Investments in Associates continued

(i) Principal activity

- (a) Orion Asset Management (Aust) Pty Ltd is the parent company of Orion Asset Management Ltd, a wholesale fund management company in Australia.
- (b) Confluence Asset Management Ltd is a funds management company which specialises in investing in companies with a small capitalisation in Australia. The company has ceased trading as at 30 June 2008.
- (c) RARE Infrastructure Ltd is a funds management company specialising in listed global infrastructure assets.

	Consolidated	
	2008	2007
	\$	\$
(ii) Share of associates' balance sheets:		
Current assets	9,314,983	6,518,699
Non-current assets	249,509	67,745
Current liabilities	(8,358,628)	(3,263,928)
Non-current liabilities	(1,707,286)	—
Net assets	(501,422)	3,322,516
(iii) Share of associates' profits		
Share of associates':		
— profits before income tax	8,803,428	6,572,784
— income tax expense	(2,394,161)	(1,926,938)
— profit after income tax	6,409,267	4,645,846
(iv) Carrying amount of investment in associates		
Balance at the beginning of the year	8,686,531	7,868,862
— new investment during financial year	2,000,000	—
— write-down of investment in associates (Confluence Asset Management Ltd)	(140,552)	—
— share of associates' net profits for the financial year	6,409,267	4,645,846
— dividends received from associates	(9,052,475)	(3,828,177)
Balance at the end of the year	7,902,771	8,686,531

There were no impairment losses relating to the investment in associates and no capital commitments or other commitments relating to the associate.

The investments in associates are carried at cost on the Balance Sheet of Treasury Group Limited, as disclosed in Note 18.

	Consolidated		Treasury Group Limited	
	2008	2007	2008	2007
Notes	\$	\$	\$	\$
15. Plant and Equipment				
Furniture & fittings				
At cost	175,698	162,743	38,026	38,026
Accumulated depreciation	(60,371)	(46,529)	(16,754)	(14,094)
15(a)	115,327	116,214	21,272	23,932
Office equipment				
At cost	1,075,396	929,058	247,241	247,241
Accumulated depreciation	(823,797)	(676,489)	(204,977)	(175,442)
15(a)	251,599	252,569	42,264	71,799
Leasehold improvements				
At cost	646,757	434,652	10,137	4,819
Accumulated depreciation	(386,787)	(271,391)	(4,633)	(964)
15(a)	259,970	163,261	5,504	3,855
Total written down amount	626,896	532,044	69,040	99,586

Notes to the Financial Statements continued

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
Notes				
15. Plant and Equipment continued				
(a) Reconciliations				
Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current financial year.				
Furniture & fittings				
Carrying amount relating to continuing operations	116,214	144,152	23,932	29,119
Additions	13,437	5,742	—	5,742
Disposals	(482)	(19,741)	—	(8,406)
Depreciation expense	(13,842)	(13,939)	(2,660)	(2,523)
	115,327	116,214	21,272	23,932
Office equipment				
Carrying amount relating to continuing operations	252,569	374,249	71,799	113,140
Additions	174,322	74,927	—	14,806
Disposals	(27,983)	(11,593)	—	(9,310)
Depreciation expense	(147,309)	(185,014)	(29,535)	(46,657)
	251,599	252,569	42,264	71,799
Leasehold improvements				
Carrying amount relating to continuing operations	163,261	340,547	3,855	76,757
Additions	212,105	4,819	5,318	4,819
Disposals	—	(76,715)	—	(76,757)
Depreciation expense	(115,396)	(105,390)	(3,669)	(964)
	259,970	163,261	5,504	3,855
16. Intangibles				
Software				
At cost	46,348	6,683	8,118	6,018
Accumulated amortisation	(10,778)	(1,961)	(3,560)	(1,805)
16(a)	35,570	4,722	4,558	4,213
(a) Reconciliations				
Reconciliations of the carrying amounts of intangibles at the beginning and end of the current financial year.				
Software				
Carrying amount relating to continuing operations	4,722	—	4,213	—
Additions	39,665	6,683	2,100	6,018
Amortisation expense	(8,817)	(1,961)	(1,755)	(1,805)
	35,570	4,722	4,558	4,213
17. Goodwill and Impairment Testing				
Carrying amount at the beginning of the financial year	2,271,268	2,271,268		
Carrying amount at the end of the financial year	2,271,268	2,271,268		

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indicator of impairment.

Goodwill acquired through business combinations have been allocated to the individual cash generating units, which are the individual subsidiaries, for impairment testing as follows:

- Investors Mutual Ltd; and
- Treasury Asia Asset Management Ltd.

17. Goodwill and Impairment Testing

Key assumptions used in value in use calculations:

Discount rates — 10.5% before tax;

Growth rate estimates — Based on current year budgets, after which a growth rate of 5% has been assumed.

Sensitive to changes in assumptions

Management believes that no reasonable possible changes in any of the above key assumptions would cause the carrying value of the cash-generating units to materially exceed their recoverable amounts.

Carrying amount of goodwill allocated to each of the cash generating units

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
Investors Mutual Ltd	1,508,168	1,508,168	—	—
Treasury Asia Asset Management Ltd	763,100	763,100	—	—
	2,271,268	2,271,268	—	—

18. Other Financial Assets

Non-current

Investment in controlled entities — unlisted at cost	28	—	—	9,633,877	9,633,877
Investment in associates — unlisted at cost	14	—	—	7,648,384	5,788,936
		—	—	17,282,261	15,422,813

Units are readily saleable with no fixed terms. There would be no material capital gains tax payable if these assets were sold at the reporting date.

		Consolidated		Treasury Group Limited	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
19. Trade and Other Payables (Current)					
Trade payables		3,037,780	2,043,782	168,477	37,005
Other payables		9,420,717	10,316,134	597,110	587,854
Related party payables:					
— associates		551,706	1,304,968	—	—
— other		27,060	—	—	—
		13,037,263	13,664,884	765,587	624,859

(a) Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(b) Related party payables

For terms and conditions relating to related party payables please refer to note 28.

(c) Interest rate and liquidity risk

Trade and other payables are non-interest bearing. Liquidity risk exposure is not regarded as significant. Trade, other and related party payables are all due within less than 90 days.

		Consolidated		Treasury Group Limited	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
20. Provisions					
Current					
Provision for annual leave		650,489	490,079	112,720	79,673
		650,489	490,079	112,720	79,673
Non-Current					
Provision for long service leave		306,650	214,400	56,250	—
		306,650	214,400	56,250	—

Notes to the Financial Statements continued

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
21. Contributed Equity and Reserves				
(a) Ordinary shares				
Issued and fully paid	30,060,320	26,805,890	30,060,320	26,805,890

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly the Company does not have authorised capital nor par value in respect of its issued shares.

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

(b) Movements in ordinary shares on issue

	Treasury Group Limited			
	2008		2007	
	Number of shares	\$	Number of shares	\$
Balance at beginning of the financial year	22,582,591	26,805,890	22,075,258	23,404,024
Issued during the year				
— exercise of options	704,001	4,809,906	507,333	3,401,866
— share buy-back	(159,569)	(1,555,476)	—	—
Balance at end of the financial year	23,127,023	30,060,320	22,582,591	26,805,890

(c) Capital management

The Company's capital management policies focus on ordinary share capital. When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders. Management are constantly adjusting the capital structure to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders or to conduct share buybacks.

During the year ended 30 June 2008, management paid dividends of \$14,957,784 (2007: \$12,722,957). Management anticipates to maintain a dividend payout ratio of approximately 80% over a medium term period. There are currently no plans to issue further shares on the market. The Company currently has a share buy-back scheme in place, which enables it to reduce the capital structure by buying back share capital with a value of \$8,444,524.

The Group does not have any external borrowings and is not subject to any externally imposed capital requirements.

(d) Share Options

Options over ordinary shares:

During the financial year 925,000 options were issued over ordinary shares (2007: 150,000). The options had a weighted average exercise price of \$17.64 (2007: \$16.00).

At the end of the year there were 2,125,000 (2007: 2,129,001) unissued ordinary shares in respect of which 2,125,000 options (2007: 2,129,001) were outstanding.

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
(e) Retained profits				
Balance at the beginning of the year	18,686,710	13,405,893	10,504,107	5,288,421
Net profit for the year	17,244,317	18,003,774	19,492,767	17,938,643
Dividends	(14,957,784)	(12,722,957)	(14,957,784)	(12,722,957)
Balance at end of year	20,973,243	18,686,710	15,039,090	10,504,107

	Consolidated		Treasury Group Limited	
Notes	2008 \$	2007 \$	2008 \$	2007 \$
21. Contributed Equity and Reserves continued				
(f) Reserves				
Net unrealised gains reserve				
Balance at the beginning of year	1,260,079	863,996	—	—
Transfer to income statement on disposal of investments	(538,839)	—	—	—
Net unrealised (losses) / gains on available-for-sale investments	(1,969,583)	574,829	(564,144)	—
Tax effect of (losses) / gains on available-for-sale investments	590,874	(178,746)	169,242	—
Balance at end of year	(657,469)	1,260,079	(394,902)	—
Options reserve				
Balance at the beginning of year	2,222,914	1,548,374	2,028,508	1,548,374
Share-based payments	1,151,819	611,405	514,535	343,773
Investment	—	63,135	—	63,135
Share-based payments recharged to related parties	—	—	62,741	73,226
Balance at end of year	3,374,733	2,222,914	2,605,784	2,028,508
Foreign currency translation reserve				
Balance at the beginning of year	—	—	—	—
Foreign currency translation	28,228	—	—	—
Balance at end of year	28,228	—	—	—
Total reserves	2,745,492	3,482,993	2,210,882	2,028,508

Nature and purpose of reserves

Net unrealised gains reserve

The reserve records after tax fair value changes on available-for-sale investments.

Options reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration as well as recording the value of the Company's investments in related companies. Refer to Note 23 for further details of these plans.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

	Consolidated	
	2008 \$	2007 \$
(g) Minority Interests		
Interest in retained earnings	10,270,135	5,478,007
	10,270,135	5,478,007

Notes to the Financial Statements continued

22. Commitments and Contingencies

Operating lease commitments

The Group has entered into commercial property leases to meet its office accommodation requirements. These non-cancellable leases have remaining terms of between 1 and 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

		Consolidated		Treasury Group Limited	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
Future minimum rentals:					
Minimum lease payments	22(a)				
— not later than one year		728,875	524,706	175,279	153,987
— later than one year and not later than five years		1,876,301	1,168,579	368,596	543,875
Aggregate lease expenditure contracted for at reporting date		2,605,176	1,693,285	543,875	697,862

		Consolidated		Treasury Group Limited	
	Notes	2008 \$	2007 \$	2008 \$	2007 \$
Amounts not provided for:					
— rental commitments		2,605,176	1,693,285	543,875	697,862
Total not provided for		2,605,176	1,693,285	543,875	697,862
Aggregate lease expenditure contracted for at reporting date		2,605,176	1,693,285	543,875	697,862

Note:

(a) Properties under non-cancellable operating leases have been sub-let to controlled entities and an associate. The total of future minimum lease payments expected to be received from controlled entities and associates at the reporting date are \$487,424 (2007: \$0) and \$0 (2007: \$149,454) respectively.

(b) The consolidated entity's share of the associates' lease commitment at the reporting date is \$521,944 (2007: \$0).

23. Employee Benefits and Superannuation Commitments

Officer and Executive Option Plan

An Officer and Executive Option Plan has been established where Treasury Group Limited may, at the discretion of the Board of Directors, grant options over the ordinary shares of Treasury Group Limited to Directors, executives and certain members of staff of the consolidated entity. The options are granted in accordance with performance guidelines established by the Board of Directors of Treasury Group Limited, although the Board of Treasury Group Limited retains the final discretion on the issue of the options. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. The options are not quoted on the ASX. There are no cash settlement alternatives. Employees have to be employed by the consolidated group during the vesting period, otherwise the options are forfeited.

The expense recognised in the Income Statement in relation to this share-based payments plan is \$577,276 for the Consolidated Entities (2007: \$416,999) and \$514,535 (2007: \$343,773) for the Parent.

The weighted average fair value of options granted during the year was \$17.64 for the consolidated entity (2007: N/A) and \$17.96 for the Parent (2007: N/A).

The following table illustrates the number and weighted average exercise prices of and movements in share options outstanding during the year:

	2008		2007	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of year	907,000	\$15.68	1,362,000	\$13.01
— forfeited during the year	(90,000)	\$17.00	(55,000)	\$10.00
— granted during the year	925,000	\$17.64	—	—
— exercised during the year	(175,000)	\$10.00	(400,000)	\$7.50
— reduction on termination*	(2,000)	\$7.16	—	—
Outstanding at the end of the year	1,565,000	\$17.41	907,000	\$15.68
Exercisable at the end of the year	—	—	2,000	\$7.16

* Some employees left the employment of the Group during 2008, but were entitled to retain their options.

23. Employee Benefits and Superannuation Commitments continued

The outstanding balance as at 30 June 2008 is represented by:

- 190,000 options over ordinary shares with an exercise price of \$16.00, exercisable between 30 June 2008 and 1 January 2009;
- 220,000 options over ordinary shares with an exercise price of \$16.00, exercisable between 1 July 2008 and 31 December 2008;
- 150,000 options over ordinary shares with an exercise price of \$19.00, exercisable between 30 June 2010 and 1 January 2011;
- 80,000 options over ordinary shares with an exercise price of \$19.00, exercisable between 1 July 2010 and 31 December 2010;
- 650,000 options over ordinary shares with an exercise price of \$20.00, exercisable between 1 July 2010 and 31 December 2010; and
- 275,000 options over ordinary share with an exercise price of \$12.07, exercisable between 12 March 2011 and 12 September 2011.

The fair value of options granted under the officer and executive option plan is estimated on the date of granting using a Binomial option-pricing model applying the following assumptions:

	2008	2007
• Historical volatility for the financial year	27.94%	N/A
• Risk free rate	7.25%	N/A
• Dividend yield	4.91%	N/A
• Expected life	3.75 years	N/A
• Other variables as contained in the notes to the financial report.		

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumptions that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of options granted were incorporated the measurement of fair value.

Officer and Executive Long Term Incentive Share Plan

A long term incentive share plan has been established by Treasury Group Ltd and its 100% subsidiary Treasury Group Investment Services Ltd, where Treasury Group Ltd may, at the discretion of the Board of Directors, grant deferred shares to Directors and executives. Shares are granted under this plan for no consideration and carry a right to dividends but no voting rights. The shares are granted in accordance with performance guidelines established by the Board of Directors of Treasury Group Ltd. Employees have to be employed by the consolidated entity during the vesting period, otherwise the shares are forfeited.

The expense recognised in the Income Statement in relation to this share-based payment plan is \$27,756 for the consolidated entity (2007: Nil) and \$13,430 for the parent entity (2007: Nil)

The following table illustrates the number and weighted average purchase price of shares purchased under the Officer and Executive Long Term Incentive Share Plan:

	2008		2007	
	Number of Shares	Share Price when purchased	Number of Shares	Share Price when purchased
Outstanding at beginning of year	—	—	—	—
— granted during the year	29,020	10.00	—	—
Outstanding at the end of the year	29,020	10.00	—	—

The shares vest on 12 March 2011.

Employee Share Plan

The Employee Share Plan has been established whereby Treasury Group Limited, at the discretion of the Board of Directors, provides the opportunity to employees and Directors to purchase shares in Treasury Group Limited at market value less a discount of 5% to 20%.

These shares are purchased via a salary sacrifice arrangement. The shares are held in trust at the employee's request for a period between 2 and 10 years. Employees have to be employed by the consolidated group while taking part in the plan. There are 67 employees eligible to participate in the plan. Shares acquired under the Employee Share Plan vest immediately. During the year 158,982 shares were purchased under the plan at a weighted average cost of \$13.45.

Converting Preference Share Plan

In 2007 Investors Mutual Ltd ('IML') introduced share based payment plans for certain staff. The board of IML has ultimate discretion over the granting of share based payments.

Converting Preference Shares (CPS) issued in conjunction with non recourse loans are accounted for in accordance with AASB 2 Share Based Payments. As a result, the amounts receivable from employees in relation to these loans and the share capital issued under the scheme is not recognised. The CPS are non-voting securities that receive a fixed coupon. The CPS convert to non-voting B-Class shares in the subsidiary on 1 January 2009. Participants in that plan can deal with 50% of the shares on this date and may deal with the remaining 50% on or after 1 January 2011. The non-recourse loans have been issued for a term of 10 years.

Notes to the Financial Statements continued

23. Employee Benefits and Superannuation Commitments

The plan has been valued using the Black-Scholes valuation method under the following assumptions:

- Exercise price \$41
- After tax interest rate 5.11%
- Expected life 4–5 years

The expense recognised in the Income Statement in relation to this share-based payments plan is \$345,994 for the consolidated statements (2007: \$133,875) and \$0 (2007: \$0) for the Parent.

Other Employee Share Based Payments

During the year Treasury Asia Asset Management Limited (TAAM), a subsidiary of Treasury Group Limited issued shares in TAAM to a number of key employees.

The shares vested immediately and were valued based on an independent valuer's report obtained from RSM Bird Cameron at the time of issuing the shares.

The expense recognised in the Income Statement in relation to this share-based payments plan is \$229,170 for the consolidated statements (2007: \$60,531) and \$0 (2007: \$0) for the Parent.

24. Subsequent Events

2008

- The Company has entered into a non binding agreement to commence a new funds management business. This new business will be an alternative investment boutique that will specialise in managing Pan Asia multi strategy funds.
- On 26 August 2008 the Directors of Treasury Group Limited declared a final dividend on ordinary shares in respect of the 2008 financial year. The total amount of the dividend is \$6,932,831, which represents a fully franked dividend of 30 cents per share. The dividend has not been provided for in the 30 June 2008 financial statements.
- On 26 August 2008 Mr Ferragina resigned as Company Secretary.

25. Earnings per Share

	Consolidated	
	2008	2007
	\$	\$
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Net profit attributable to ordinary equity holders of the parent from continuing operations	17,244,317	16,753,356
Profit attributable to ordinary equity holders of the parent from discontinued operations	—	1,250,418
Net profit attributable to ordinary equity holders	17,244,317	18,003,774
	Number of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share:	22,904,397	22,285,024
Effect of dilutive securities:		
Dilutive effect of potential ordinary shares — share options	80,407	377,664
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	22,984,804	22,662,688
Shares issued between reporting date and date of issue of the financial report	—	190,000
To calculate earnings per share amounts for the discontinued operations, the weighed average number of ordinary shares for both basic and diluted amounts is as per the table above. The following table provides the profit figure used as the numerator:		
Net profit attributable to ordinary equity holders of the parent from discontinued operations:		
— for basic earnings per share	—	1,250,418
— for diluted earnings per share	—	1,250,418

26. Key Management Personnel Disclosures

(a) Details of Key Management Personnel

(i) Directors

M. Fitzpatrick	Chairman (non-executive)
D. Cooper	Managing Director
R. Green	Director (non-executive)
P. Kennedy	Director (non-executive)
R. Hayes	Director (non-executive)

(ii) Executives

J. Ferragina	Chief Financial Officer
C. Feldmanis	Managing Director — Treasury Group Investment Services Ltd
R. Sullivan	Head of Distribution
A. Tagliaferro	Investment Director — Investment Mutual Ltd
E. Jurgeleit	Group Manager — Risk and New Business, resigned 1 February 2008

There were no changes to key management personnel between reporting date and the date the financial report was authorised for issue.

(b) Compensation for Key Management Personnel

	Consolidated		Parent	
	2008 \$	2007 \$	2008 \$	2007 \$
Compensation by category: Key Management Personnel				
Short-term	2,769,569	2,309,389	2,128,314	1,756,785
Post employment	120,633	144,435	68,203	89,364
Share-based payments	821,745	399,890	676,100	343,723
Termination benefits	—	—	—	—
Total remuneration	3,711,947	2,853,714	2,872,617	2,189,872

(c) Option holdings of Key Management Personnel

	Balance at 1 July 2007	Granted as remuneration	Options exercised	Options lapsed	Balance at 30 June 2008	Total vested and exercisable at 30 June 2008*
30 June 2008						
Directors						
M. Fitzpatrick	—	—	—	—	—	—
D. Cooper	400,000	500,000	—	—	900,000	—
R. Green	—	—	—	—	—	—
P. Kennedy	—	—	—	—	—	—
R. Hayes	—	—	—	—	—	—
Executives						
J. Ferragina	150,000	100,000	—	—	250,000	—
E. Jurgeleit	90,000	—	—	(90,000)	—	—
C. Feldmanis	90,000	50,000	—	—	140,000	—
R. Sullivan	—	275,000	—	—	275,000	—
A. Tagliaferro	—	—	—	—	—	—
Total	730,000	925,000	—	(90,000)	1,565,000	—

Notes to the Financial Statements continued

26. Key Management Personnel Disclosures continued

30 June 2007	Balance at 1 July 2006	Granted as remuneration	Options exercised	Options lapsed	Balance at 30 June 2007	Total vested and exercisable at 30 June 2007*
Directors						
M. Fitzpatrick	—	—	—	—	—	—
D. Cooper	800,000	—	(400,000)	—	400,000	—
R. Green	—	—	—	—	—	—
P. Kennedy	—	—	—	—	—	—
D Sharp #	—	—	—	—	—	—
R. Hayes^	—	—	—	—	—	—
Executives						
J. Ferragina	150,000	—	—	—	150,000	—
E. Jurgeleit	90,000	—	—	—	90,000	—
C. Feldmanis	90,000	—	—	—	90,000	—
R. Sullivan	—	—	—	—	—	—
A. Tagliaferro	—	—	—	—	—	—
Total	1,130,000	—	(400,000)	—	730,000	—

* Options are exercisable once vested

Resigned during the year

^ Appointed during the year

(d) Share Holdings of Key Management Personnel

30 June 2008

Ordinary shares held in Treasury Group Ltd (number)	Balance at 1 July 2007	Granted as remuneration	On exercise of options	Net change other	Balance 30 June 2008
Directors					
M. Fitzpatrick	2,651,500	—	—	6,585	2,658,085
R. Green	1,465,000	—	—	—	1,465,000
D. Cooper	633,000	—	—	—	633,000
P. Kennedy	60,000	—	—	33,708	93,708
R. Hayes	—	—	—	—	—
Executives					
J. Ferragina	19,588	—	—	(3,351)	16,237
E. Jurgeleit	—	—	—	—	—
C. Feldmanis	12,989	12,898*	—	2,858	28,745
R. Sullivan	—	16,122*	—	—	16,122
A. Tagliaferro	3,343,000	—	—	(173,000)	3,170,000
Total	8,185,077	29,020	—	(133,200)	8,080,897

* The shares were issued under a long term incentive plan with a vesting date of 12 March 2011

26. Key Management Personnel Disclosures continued

30 June 2007

Ordinary shares held in Treasury Group Ltd (number)	Balance at 1 July 2006	Granted as remuneration	On exercise of options	Net change other	Balance 30 June 2007
Directors					
M. Fitzpatrick	2,651,500	—	—	—	2,651,500
R. Green	1,465,000	—	—	—	1,465,000
D. Cooper	433,000	—	400,000	(200,000)	633,000
P. Kennedy	—	—	—	60,000	60,000
D Sharp *	14,325	—	—	(14,325)	—
R. Hayes^	—	—	—	—	—
Executives					
J. Ferragina	—	—	—	19,588	19,588
E. Jurgeleit	—	—	—	—	—
C. Feldmanis	—	—	—	12,989	12,989
R. Sullivan	—	—	—	—	—
A. Tagliaferro	3,345,000	—	—	(2,000)	3,343,000
Total	7,908,825	—	400,000	(123,748)	8,185,077

* Resigned during the year.

^ Appointed during the year.

All equity transactions with Key Management Personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

(e) Transactions with director-related entity

Details of the transactions with Director-related entities are set out in Note 28. All transactions were conducted on commercial terms.

(f) Loans to key management employees

No loans have been advanced to key management employees at any stage during the financial year ended 30 June 2008 (2007: \$Nil).

	Consolidated		Treasury Group Limited	
	2008 \$	2007 \$	2008 \$	2007 \$
27. Auditors' Remuneration				
The auditor of Treasury Group Limited is Ernst & Young.				
Amounts received or due and receivable by Ernst & Young Australia in respect of continuing operations for:				
— an audit or review of the financial report of the entity and any other entity in the consolidated entity	212,003	211,570	94,500	82,500
— tax compliance	58,975	59,077	11,525	11,385
	270,978	270,647	106,025	93,885

Notes to the Financial Statements continued

28. Related Party Disclosures

The consolidated financial statements include the financial statements of Treasury Group Limited and the subsidiaries in the following list:

Name	Percentage of equity interest held by the consolidated entity		Treasury Group Limited Investments	
	2008 %	2007 %	2008 \$	2007 \$
Companies				
Investors Mutual Ltd	50	50	3,869,925	3,869,925
Treasury Capital Management Pty Ltd	100	100	2	2
Treasury Group Investment Services Ltd	100	100	5,000,000	5,000,000
Treasury Group Nominees Pty Ltd	100	100	200	200
Global Value Investors Ltd	58	67	250	250
Treasury Asia Asset Management Ltd	40	41	763,500	763,500
			9,633,877	9,633,877
Funds				
IML Institutional Series Aust Share Funds 0	50	—	—	—
IML Institutional Series Aust Share Funds 15	50	—	—	—
Cannae Australian Share Fund	100	—	—	—
Cannae High Conviction Fund	100	—	—	—
TG RARE Infrastructure Fund	67	—	4,845,353	—
TG Treasury Asia Asset Management Fund	77	—	4,590,503	—
			9,435,856	—
<i>Discontinued operations:</i>				
Armytage private Ltd	—	50	—	299,591

- All subsidiaries, with the exception of TG RARE Infrastructure Fund and TG Treasury Asia Asset Management fund, are incorporated in Australia. The two overseas funds are incorporated in the Republic of Ireland.
- Treasury Asia Asset Management Ltd is classified as a subsidiary company as Treasury Group Limited is able to exercise control over the company at Board level.
- Treasury Group Limited owns a majority of the ordinary shares capital of Investors Mutual Ltd and indirectly in Global Value Investors Ltd.
- The Consolidated Entity has seeded a number of funds during the year. It is anticipated that the Group's holding will drop below 50% during the 2009 financial year.

Transactions with wholly-owned controlled entities

Service fees

During the year, Treasury Group Limited provided administrative services to a wholly-owned controlled entity. Dealings were on commercial terms and conditions. Details of service fees and receivables at reporting date are disclosed in Note 5 and Note 10 to the financial report respectively.

Loans

Loans advanced by Treasury Group Limited to wholly-owned controlled entities were with no fixed repayment dates. Interests on the loans were capitalised at commercial fixed rates.

No additional amount (2007: \$Nil) was advanced to a wholly-owned subsidiary, and the entire outstanding loan balance of \$538,415 was repaid during 2007. There were no loans outstanding to wholly-owned subsidiaries during 2008. Details of interest income are disclosed in Note 5 to the financial report.

28. Related Party Disclosures continued

Transactions with partly-owned controlled entities

Service fees

During the year, Treasury Group Limited provided administrative services to partly-owned controlled entities. Dealings were on commercial terms and conditions. Details of service fees and receivables at reporting date are disclosed in Note 5 and Note 10 to the financial report respectively.

Dividend

Any dividend received and receivable at reporting date are disclosed in Note 5 and Note 10 to the financial report respectively.

Loans

Loans advanced by Treasury Group Limited to partly owned entities are with a fixed repayment date. Interest on the loans is capitalised at commercial rates.

During the year, no additional loans (2007: \$965,000) were advanced to a partly owned subsidiary and \$1,308,632 in repayments were received, repaying the outstanding loan (2007: \$0). Details of interest income and the entire amount remained outstanding at year-end are disclosed in Note 5 and Note 13 to the financial report respectively.

Sub-let of operating lease

Property under operating lease has been sub-let to partly-owned controlled entities. Details of the sub-let transaction are disclosed in Note 22 to the financial report.

Transactions with associates

Service fees

During the year, a controlled entity provided administrative services to associates. Dealings were on commercial terms and conditions. Details of service fees and receivables at reporting date are disclosed in Note 5 and Note 10 to the financial report respectively.

Loans

During the year, Treasury Group Limited provided \$901,671 in additional loans to associates (2007: \$Nil). The existing loans have been in accordance with a working capital loan facility and are on a long-term basis. No repayments were received from associates during the year (2007: \$0).

In accordance with the loan agreements, interest on the loans was capitalised at commercial fixed rates. Details of interest income are disclosed in Note 5 to the financial report.

Fund management and performance fees

During the year, a controlled entity entered into investment management agreements with associates to acquire fund management services. Dealings were on commercial terms and conditions. Fund management and performances fees paid amounting to \$637,093 (2007: \$1,513,561) is included in the Fund Management and Administration Fees on the Income Statement. Payables at the reporting date are disclosed in Note 19 to the financial report.

Transactions with director-related entity

Dividend and dividend receivable

Any dividend received and receivable at reporting date are disclosed in Note 5 and Note 10 to the financial report respectively.

Sub-let of operating lease

Property under operating lease has been sub-let to an associate. Details of the sub-let transaction are disclosed in Note 22 to the financial report.

Disposal of a subsidiary

During the prior year Treasury Group Limited disposed of a subsidiary to Prime Financial Limited of which Mr P. Kennedy was a Director and Chairman until he resigned from that Board on 2 January 2007. The transaction was on commercial terms and conditions.

Loans

Loans advanced by Treasury Group Limited to other related parties are with no fixed repayment dates. Interest on the loans is capitalised at commercial rates. The existing loans have been in accordance with a working capital loan facility and are on a long-term basis. No repayments were received from associates during the year (2007: \$0)

During the year Treasury Group Limited provided loans of \$1,130,000 to a company of which Treasury Group Limited is entitled to nominate a Director (2007: \$2,509,503).

Details of interest income and the entire amount remained outstanding at year-end are disclosed in Note 5 and note 13 to the financial report respectively

29. Segment Information

The consolidated entity operates in one business segment, being fund management services, solely in Australia.

Directors' Declaration

In accordance with a resolution of the Directors of Treasury Group Limited, I state that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of the Company and of the consolidated entity are 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 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2008.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'M Fitzpatrick', is written over a light blue rectangular background.

M Fitzpatrick
Chairman

Melbourne, 26 August 2008

Independent auditor's report

to the members of the Treasury Group Limited



Ernst & Young Building
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001
Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
www.ey.com/au

Report on the Financial Report

We have audited the accompanying financial report of Treasury Group Limited, which comprises the balancesheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from 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 the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2(b), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Treasury Group Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the financial position of Treasury Group Limited and the consolidated entity at 30 June 2008 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.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 23 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Treasury Group Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

A stylized signature of the Ernst & Young firm, written in a cursive script.

Ernst & Young

A handwritten signature of Sean Balding, written in a cursive script.

Sean Balding

Partner

Melbourne

26 August 2008

Liability limited by a scheme approved
under Professional Standards Legislation

ASX Additional Information

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows.

(a) Distribution of equity securities (as at 31 July 2008).

The number of shareholders by size of holding, in each class of share are:

			Ordinary shares	
			Number of holders	Number of shares
1	—	1,000	1,538	936,120
1,001	—	5,000	1,249	2,868,718
5,001	—	10,000	131	949,272
10,001	—	100,000	99	2,797,816
100,001	and over		28	15,557,509
			2,818	23,109,435
The number of shareholders holding less than a marketable parcel of shares are:			41	84

(b) Twenty largest shareholders (as at 11 August 2008)

The names of the twenty largest holders of quoted shares are:

			Listed ordinary shares	
			Number of shares	Percentage of ordinary shares
1	AKAT Investments Pty Ltd		3,133,940	13.57%
2	Squitchy Lane Holdings Pty Ltd		2,401,500	10.39%
3	Mini Investments Pty Ltd		1,460,000	6.32%
4	HSBC Custody Nominees (Australia) Limited		1,090,693	4.72%
5	Mr Timothy Ryan		1,065,000	4.61%
6	Aust Executor Trustees NSW Ltd		878,583	3.80%
7	ANZ Nominees Limited		638,004	2.76%
8	Mr David Cooper		633,000	2.74%
9	Top Pocket Pty Ltd		511,390	1.78%
10	Perpetual Trustees Consolidated Limited		467,671	2.02%
11	Cogent Nominees Pty Limited		465,875	2.02%
12	Banson Nominees Pty Ltd		370,313	1.60%
13	UBS Nominees Pty Ltd		283,780	1.23%
14	Leyland Limited c/- Equity Trustees Limited		268,500	1.16%
15	HFM Investments Pty Ltd		250,000	1.08%
16	Hawk Capital Pty Ltd		202,540	0.88%
17	Citicorp Nominees Pty Ltd		190,934	0.83%
18	Treasury Group Nominees Pty Ltd		189,030	0.82%
19	Queensland Investment Corporation		177,350	0.77%
20	Harkosi Securities Pty Ltd		171,486	0.74%
			14,849,589	63.84%

(c) Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	Number of Shares
Michael Fitzpatrick	2,651,500
Anton Tagliaferro and AKAT Investments Pty Ltd	2,500,000
Mini Investment Pty Ltd	1,465,000

(d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Corporate Information

ABN 39 006 708 792

Directors

M. Fitzpatrick (Chairman)
D. Cooper
R. Green
P. Kennedy
R. Hayes

Chief Financial Officer

Joseph Ferragina

Company Secretary

Reema Ramswarup

Registered Office

Level 5
50 Margaret Street
Sydney, NSW, 2000
Phone (02) 8243 0400
Facsimile (02) 8243 0410

Bankers

Westpac Banking Corporation

Share Register

Computershare Investor Services Pty Ltd
452 Johnston Street
Abbotsford, Victoria, 3067
Phone (03) 9415 5000

Auditors

Ernst & Young

Internet Address

www.treasurygroup.com

