



ABN 88 113 436 141

ANNUAL REPORT

2007

CORPORATE DIRECTORY

Company

Trojan Equity Limited
ABN 88 113 436 141
GPO Box 3005
BRISBANE QLD 4001
info@trojanequity.com.au
www.trojanequity.com.au

Registered Office and Principal Place of Business

Suite 8, Level 9
320 Adelaide Street
BRISBANE QLD 4000
Tel 07 3220 2377
Fax 07 3503 9250

Directors

Andrew Kemp	Chairman
Troy Harry	Managing Director
Roger Clarke	Non - Executive Director

Company Secretary

Garry Gill

Manager

Trojan Investment Management Pty Ltd
ABN 71 102 972 501
AFSL Number 230016

Auditor

Johnston Rorke
Level 30, Central Plaza One
345 Queen Street
BRISBANE QLD 4000

Share Registry

Registries Limited
ABN 14 003 209 836
Level 2
28 Margaret Street
SYDNEY NSW 2000
Tel 02 9290 9600
Fax 02 9279 0664

Stock Exchange Listing

Trojan Equity Limited is listed on the Australian Stock Exchange

14 August 2007

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MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

It is with pleasure that we present the third Annual Report for Trojan Equity Limited after successfully completing our second full financial year as a listed company.

For the year to 30 June 2007, the Company recorded a pleasing net profit after tax of \$7.7 million. This represents basic earnings per share of 22.9 cents.

At 30 June 2007, the Company's net tangible asset backing stood at \$1.287 per share.

We are also pleased to declare a final dividend of 4 cents per share. This dividend will be fully franked and will be paid to shareholders in September. The 4 cent final dividend, when added to the 3 cent interim dividend paid in March, will bring total dividends paid for the year ended 30 June 2007 to 7 cents fully franked.

Throughout the year, the Australian stockmarket continued its extraordinary record breaking run. While we aim not to simply rely on a rising broader stockmarket to provide our profitability, this strong tailwind undoubtedly assisted us considerably during the year.

We believe it will be difficult for the market to repeat its stellar performance of the past four years and therefore we will be taking a cautious approach to the management of the portfolio in the year ahead. We will also continue to research heavily, visit companies and communicate with our network of contacts in the investment community in pursuit of undervalued asset situations in the Australian stockmarket.

We appreciate having such a supportive group of shareholders and we look forward to your continued support in the year ahead as we strive to provide superior investment returns.

Kind regards



Andrew Kemp
Chairman



Troy Harry
Managing Director

COMPANY PROFILE

Trojan Equity Limited is an investment Company listed on the Australian Stock Exchange, which provides investors with access to a concentrated portfolio of special situations which are predominately listed on ASX.

Capital Structure (as at 30 June 2007)

Ordinary Shares (ASX Code: TJN)	44,129,887
Options (ASX Code: TJNO)	16,391,700

Options are exercisable at any time until 5.00 pm on 17 June 2008 at a price of \$1.00.

Investment Objectives

The investment objectives of the Company are to:

- ❖ apply a disciplined approach to its investing;
- ❖ provide a superior rate of return to its Shareholders via a combination of capital growth and income;
- ❖ provide Shareholders with regular franked dividends; and
- ❖ preserve the capital of the Company.

Investment Strategy

The core strategy of the Company is to invest in **UNDERVALUED ASSET SITUATIONS** with **LIMITED DOWNSIDE RISK** where there is a **CATALYST** for the discount to valuation to be reduced or removed.

Investment Process

The steps in the investment process can be summarised as follows:

1. identify undervalued asset situations;
2. identify catalyst;
3. quantify downside risk;
4. quantify upside and compare to downside risk; and
5. make investment decision and asset allocation.

HOLDINGS AS AT 30 JUNE 2007

Australian Listed Securities	Fair Value at 30 June 2007
	\$
ARC Energy Limited	10,245,745
Tattersall's Limited	6,552,000
Wellcom Group Limited	4,800,000
The Maryborough Sugar Factory Limited	3,732,000
Life Therapeutics Limited	2,890,763
City Pacific Limited	2,304,000
Tower Australia Limited	2,270,000
Cellnet Group Limited	2,259,900
Nylex Limited	1,787,850
Lipa Pharmaceuticals Limited	1,653,050
CPI Group Limited	1,418,778
Adelphi Energy Limited	1,378,033
CVC Limited	940,000
Ruralco Holdings Limited	904,528
Gosford Quarry Holdings Limited	869,000
Mercury Mobility Limited	732,217
Pipe Networks Limited	686,000
CVC Trinity Property Fund	656,250
MFS Diversified Group	635,200
Greencross Limited	561,000
First Capital Limited	480,000
First Capital Limited Options	120,000
Intrapower Limited	45,000
Total	47,921,314
Australian Unlisted Securities	
P Cleland Enterprises Limited	13,400
S2Net Limited	185,000
Total	48,119,714

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DIRECTORS' REPORT

The Directors of Trojan Equity Limited (the Company) present their report for the year to 30 June 2007.

DIRECTORS

The names and details of the Company's Directors in office during the year and until the date of this report are as follows. All Directors were appointed on 18 March 2005.

Andrew P.S. Kemp - Chairman

Andrew Kemp is an Executive Director of Huntington Group Pty Ltd a Brisbane based corporate advisory and investment banking firm.

He holds a Bachelor of Commerce degree from the University of Melbourne and is a chartered accountant. After working for KPMG and Littlewoods Chartered Accountants in Melbourne and Sydney, Andrew joined AIFC, the then merchant banking affiliate of the ANZ Banking Group in Sydney in 1978.

From 1979 until 1985, Andrew was Queensland Manager of AIFC. He then joined North Queensland based Coutts Group as general manager early in 1985 and continued with this group until January 1987 when he formed Huntington Group.

Since 1980, Andrew has structured and implemented the ASX listing of 11 companies in addition to other corporate advisory and investment activities. He has held directorships of the following listed entities during the last 3 years:

- PTB Group Limited since December 2004
- Silver Chef Limited since April 2005
- SCV Group Limited since March 2004
- S8 Limited from February 2004 to January 2007

Troy J. Harry – Managing Director

Troy Harry is the founder of Trojan Investment Management Pty Ltd, which provides management services to the Company. He has a deep understanding of the Australian stock market with over 13 years experience in the Australian securities industry.

From April 1998 until July 2003, Troy was employed by ABN AMRO Morgans Limited in Brisbane where he advised a range of mostly high net worth individuals and small institutions. The advice provided was mostly regarding special situations identified by Troy and he developed a reputation among his clients for being able to identify undervalued asset situations. In July 2003, Troy resigned from ABN AMRO Morgans Limited to concentrate his efforts on his own business.

Concurrently with his roles at ABN AMRO Morgans Limited and Trojan Investment Management Pty Ltd, from November 2002 to June 2004, Troy acted as Managing Director of Harbour Capital Limited (Harbour). Harbour was an investment company listed on ASX with investments in royalties in Western Australia and private equity investments in greater China. Troy oversaw a significant corporate restructuring during his time at Harbour, with Harbour's share price rising from \$0.35 at the date of his appointment to \$0.76 at the date of his retirement.

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DIRECTORS' REPORT

Troy held directorship of the following listed entity during the last 3 years:

- Winepros Limited (now Cheviot Bridge Limited) from November 2003 to December 2004

He has experience in financial analysis, modelling and structuring and in advising and managing investment companies.

He holds a Bachelor of Business (Banking and Finance) degree from Queensland University of Technology and is a Fellow of the Australian Institute of Company Directors.

Roger B. Clarke – Non-Executive Director

Roger Clarke has over 30 years commercial experience, principally in the investment banking industry, with responsibilities in funds management, banking and corporate finance and involvement in a significant number of initial public offerings, capital raisings and corporate transactions.

Roger is Chairman of the Advisory Board of ABN AMRO Morgans Limited, and has been part of its executive team for the past 19 years.

He has held directorships of the following listed entities during the last 3 years:

- Chairman (and director) of Tissue Therapies Limited since February 2004
- Chairman (and director) of Pipe Networks Limited since February 2005
- Chairman (and director) of White Sands Petroleum Ltd since November 2005

Roger holds a Bachelor of Commerce degree from the University of Auckland and is a chartered accountant.

Company Secretary

The Company Secretary in office during the year was Garry Gill. Garry has been a member of the Institute of Chartered Accountants for over 25 years and has held a variety of corporate administrative positions for public, listed, private and government owned businesses.

Directors' Interests in the Company

At the date of this report, the interests of the Directors in the shares and options of the Company were:

	Ordinary Shares	Options
A.P.S. Kemp (Chairman)	60,000	-
T.J. Harry (Managing Director)	2,206,697	-
R.B. Clarke (Non-Executive Director)	175,000	-

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DIRECTORS' REPORT

REMUNERATION REPORT

The remuneration report is set out under the following main headings:

- A. Principles and Agreements
- B. Details of Remuneration
- C. Summary of Management Agreement

The information provided in the Remuneration Report includes remuneration disclosures that are required under Accounting Standard AASB 124 "*Related Party Disclosures*". These disclosures have been transferred from the financial report and have been audited.

A. Principles and Agreements (audited)

(a) Directors

The Company's Constitution provides that the Directors may be paid, as remuneration for their services, a sum determined from time to time by the Company's Shareholders in general meeting, with that sum to be divided amongst the Directors in such manner as they agree.

Directors' remuneration for their services as Directors is by a fixed sum and not a commission on a percentage of profits or operating revenue. There is provision for Directors who devote special attention to the business of the Company or who perform services which are regarded as being outside the scope of their ordinary duties as Directors, or who at the request of the Board engage in any journey on Company business, to be paid extra remuneration determined by the Board. Directors are also entitled to their reasonable travel, accommodation and other expenses incurred in attending Company or Board meetings, or meetings of any committee engaged in the Company's business.

Any Director may be paid a retirement benefit as determined by the Board, consistent with the *Corporations Act 2001* and the Listing Rules.

A Director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly any material interest, if it will be contrary to the *Corporations Act 2001*. If such a Director does vote, his or her vote will not be counted, nor will his or her attendance be counted in the quorum present at the meeting. Either or both of these prohibitions may be relaxed or suspended to any extent by ordinary resolution passed at a general meeting if permitted by the *Corporations Act 2001*.

Directors do not receive bonuses nor are they issued options on securities as part of their Directors' Fees. Directors' fees cover all main Board activities and membership of committees.

T.J. Harry is the sole Director and employee of Trojan Investment Management Pty Ltd, which receives management and performance fees paid / payable pursuant to the management agreement with the Company (refer c. below). The performance fee component has been designed to incentivise the Manager and to align its interests with those of all shareholders of the Company.

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DIRECTORS' REPORT

(b) Senior Executives and Company Secretary

The Company has engaged Trojan Investment Management Pty Ltd to manage the Investment Portfolio. Accordingly, the Company does not engage employees or executives. The Board's policy is for the Company Secretary to be remunerated by way of a fixed sum based on the services provided with no entitlement to bonuses or options on securities as part of his or her remuneration.

B. Details of Remuneration (audited)

Remuneration received or receivable by Directors was as follows:

Director	Short-term Benefits		Post Employment Benefits Superannuation	Total
	Fees and/or Salary	Cash Profit Sharing/ Other Bonuses		
	\$	\$	\$	\$
2007				
A.P.S. Kemp (Chairman)	21,000	-	-	21,000
R.B. Clarke (Non-Executive Director)	-	-	21,000	21,000
T.J. Harry** (Managing Director)	451,920	1,789,904	10,000	2,251,824
Totals	472,920	1,789,904	31,000	2,293,824
2006				
A.P.S. Kemp* (Chairman)	21,000	-	-	21,000
R.B. Clarke (Non-Executive Director)	19,200	-	1,728	20,928
T.J. Harry** (Managing Director)	174,425	1,124,122	10,000	1,308,547
Totals	214,625	1,124,122	11,728	1,350,475

* During the prior year A.P.S. Kemp undertook the role of Company Secretary (to 14 July 2005) for which he received no remuneration.

** Includes management and performance fees paid / payable to Trojan Investment Management Pty Ltd.

The current Company Secretary, Garry Gill, received \$24,000 (2006: \$24,000) in short-term remuneration (fees).

Apart from the Directors, there are no other key management personnel or executives.

C. Summary of Management Agreement (audited)

The Company has entered into a Management Agreement with Trojan Investment Management Pty Ltd for a term of 25 years commencing on 27 May 2005, the date of allotment of shares and options pursuant to the Prospectus dated 5 April 2005.

The ASX has granted a waiver to Listing Rule 15.16 to the extent necessary to permit Trojan Investment Management Pty Ltd to be appointed as Manager for the 25-year term.

The Management Agreement requires the Manager to manage the Company's investments and provide sufficient information to enable the Company to observe and perform its covenants under the Agreement. The Management Agreement establishes the powers of the Manager to perform its duties under the Agreement.

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DIRECTORS' REPORT

C. Summary of Management Agreement (audited) (cont)

Under the Management Agreement, the Manager is paid a management fee of 1% of Net Assets per annum calculated and paid at the end of each month.

The Manager is entitled to be paid a performance fee when pre-tax profit of the Company (before provision of the performance fee) exceeds a return of 8% on the Net Assets of the Company during any Performance Calculation Period. The performance fee will be 20% of that portion of pre-tax profit (before provision for performance fee) that exceeds the 8% hurdle.

The Manager is also entitled to recover costs incurred on behalf of the Company.

The Management Agreement includes provisions whereby the Company may terminate the Agreement and immediately remove the Manager in the event of specified circumstances arising. These include the liquidation of, appointment of receivers to the Manager or breaches of the Agreement, which cannot be rectified. The Agreement also provides the process by which certain breaches of the Agreement may be remedied. If these breaches are not remedied, the Manager may be removed by not less than three months notice.

The Manager may terminate the Agreement at any time after the fifth anniversary of the date the Company is listed on ASX by giving to the Company at least three months written notice.

Upon termination no specific termination compensation is payable other than the management fee and performance fee which has accrued to the date of termination.

Management fees paid or payable to the Manager in accordance with the Management Agreement during the year were:

	2007	2006
	\$	\$
Base management fee	451,920	174,425
Performance fee	1,789,904	1,124,122
Total	2,241,824	1,298,547

DIRECTORS' AND COMMITTEE MEETINGS

The number of meetings of the Company's Board of Directors and of the Company's Audit and Risk Management Committee held during the year and the number of meetings attended by each Director/Committee Member was:

Director	Board		Audit and Risk Management Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended
A.P.S. Kemp	6	6	2	2
T.J. Harry	6	6	-	-
R.B. Clarke	6	6	2	2

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DIRECTORS' REPORT

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee comprises:

A.P.S.Kemp
R.B. Clarke

DIVIDENDS

The following dividends were declared and paid during the financial year.

	cents	\$
Dividends paid during the year		
Interim for the year	3.0	1,309,741
Final for 2006 shown as recommended in the 2006 financial report	6.0	1,701,180
Dividends recommended not paid		
Final dividend recommended for the 2007 financial year	4.0	1,765,195

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was trading in marketable securities.

COMPANY STATUS

Trojan Equity Limited is a company incorporated under the *Corporations Act 2001*. The Company's shares are listed on ASX.

OPERATING AND FINANCIAL REVIEW

For the year ended 30 June 2007, the Company has recorded a profit before tax of \$10,170,383 (2006: \$5,706,504) and a net profit after tax of \$7,656,968 (2006: \$4,063,965). This represents basic earnings per share of 22.9 cents per share (2006: 26.1 cents per share).

At 30 June 2007, the Company's net tangible assets stood at \$56.8 million, representing a net tangible asset backing of \$1.287 per share.

The Directors have declared on 14 August 2007 a final dividend of 4 cents per share. This dividend will be fully franked and will be paid to shareholders on 27 September 2007. The Company's Dividend Re-Investment Plan will operate on this dividend. The 4 cent final dividend, when added to the 3 cent interim dividend paid in March, will bring total dividends paid for the year ended 30 June 2007 to 7 cents fully franked.

Throughout the year, the Company continued to pursue its investment objectives and as at 30 June 2007, our five largest holdings were:

1. ARC Energy Limited
2. Tattersall's Limited
3. Wellcom Group Limited
4. The Maryborough Sugar Factory Limited
5. Life Therapeutics Limited

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DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (CONT)

Tattersall's Limited and Wellcom Group Limited were the largest contributors to our profit for the year, contributing \$2.6 million and \$2.2 million respectively to our profit before tax.

Life Therapeutics Limited was the largest loss for the year, contributing a negative \$1.7 million to our profit before tax.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year, other than disclosed in this report.

SIGNIFICANT EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since 30 June 2007, which significantly affect or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years, except as noted in note 15 of the financial report.

LIKELY DEVELOPMENTS

During the next financial year, the Company will continue to invest in a concentrated portfolio of predominantly ASX listed securities.

The core strategy of the Company will continue to be to invest in undervalued asset situations where there is a catalyst for the discount to valuation to be reduced or removed. In addition, a portion of the Company's funds will be applied to other short term trading situations.

The Company's prospects during the next financial year are difficult to predict due to the nature of the Company's business and will be dependent on, among other things, general stock market conditions and the number of opportunities which meet the Company's investment criteria that can be identified. We will continue to display discipline and patience and we will not feel compelled to make investments unless we can identify situations which meet the Company's investment criteria.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Company has entered into agreements to indemnify Directors, and the Company Secretary against certain liabilities which they may incur as a result of or by reason of (whether solely or in part) being or acting as an officer of the Company. The agreement requires the Company to indemnify officers of the Company to the maximum extent permitted by the *Corporations Act 2001*.

At the date of this report no amounts have been paid in relation to indemnity of any Director or officer of the Company and no contracts insuring officers of the Company have been entered into.

The Company provides no indemnity to any auditor.

ENVIRONMENTAL REGULATION

The Company's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

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DIRECTORS' REPORT

SHARE OPTIONS

On 29 December 2006, 13,000,000 options over ordinary shares in the capital of the Company were granted in conjunction with a share placement. No options have been granted since year end.

At the date of this report there were 16,391,700 unissued ordinary shares under option (16,667,000 at 30 June 2006). During the financial year 13,275,300 (2006: nil) shares were issued as a result of the exercise of options over unissued shares. No options have been exercised since year end to the date of this report.

All options over ordinary shares in the capital of the Company are exercisable at any time until 5.00pm on 17 June 2008 at an exercise price of \$1.00 each. Each option is convertible to one ordinary share. An option holder does not have the right to participate in any other share issue of the Company or of any other entity.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached.

NON-AUDIT SERVICES

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company are important.

Details of the amounts paid or payable to Johnston Rorke for non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been revised by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for non-audit services provided by the auditor:

	2007	2006
	\$	\$
Tax compliance services	1,500	-

Signed in accordance with a resolution of the Directors.



Troy Harry
Managing Director
14 August 2007

The Directors
Trojan Equity Limited
Suite 8, Level 9
320 Adelaide Street
BRISBANE QLD 4000

Auditor's Independence Declaration

As lead engagement partner for the audit of the financial report of Trojan Equity Limited for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been:

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

JOHNSTON RORKE
Chartered Accountants



KA HAIDUK
Partner

Brisbane, Queensland
14 August 2007

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CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Trojan Equity Limited is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The ASX document, '*Principles of Good Corporate Governance and Best Practice Recommendations*' ('Guidelines') applying to listed entities was published in March 2003 by the ASX Corporate Governance Council with the aim of enhancing the credibility and transparency of Australia's capital markets.

The Board has assessed the Company's current practice against the Guidelines and outlines its assessment below:

Principle 1 - Lay solid foundations for management and oversight

The Board has adopted the Corporate Governance Charter, which defines the role of the Board and management. Trojan Equity complies with the Guidelines in this regard.

In light of the business of Trojan Equity being managed by the Manager (with which it has entered into a formal Management Agreement), Trojan Equity has elected not to issue formal letters of appointment to the Managing Director and non-executive Directors. To this extent, it does not comply with the Guidelines.

Principle 2 - Structure the Board to add value

The Corporate Governance Charter requires the Board to comprise a minimum of 3 Directors, at least half of which must be non-executive. It also requires the Chairman to be independent. The Directors believe that the current composition of the Board will add value by ensuring there is a broad range of experience, expertise, skills, qualifications and contacts relevant to the business of the Company.

Trojan Equity does not comply with the Guidelines to the extent that the Guidelines recommend that a majority of the Board should be independent. This decision has been made because the Directors consider that the interests of Shareholders will be best represented by the current Board composition, where only the Chairman is independent.

Trojan Equity also does not comply with the Guidelines to the extent that it has not established a nominations committee. If a nominations committee were to be established, it would comprise the 3 Directors. Accordingly, the Board will perform the function of the nominations committee.

These issues will be reassessed by the Board on a regular basis.

Principle 3 - Promote ethical and responsible decision making

The Board has adopted a detailed code of ethics and values and a detailed code of conduct for transactions in securities as part of the Corporate Governance Charter. The purpose of these codes is to guide Directors in the performance of their duties and to define the circumstances in which both they and management, and their respective associates, are permitted to deal in securities.

The Board will ensure that restrictions on dealings in securities are strictly enforced. Both codes have been designed with a view to ensuring the highest ethical and professional standards, as well as compliance with legal obligations, and therefore compliance with the Guidelines.

Principle 4 - Safeguard integrity in financial reporting

An audit and risk management committee has been established by the Board and is governed by its own charter. This charter requires the Managing Director to state in writing to the Board that the Company's financial reports present a true and fair view in all material respects of the

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CORPORATE GOVERNANCE STATEMENT

Company's financial condition and that the operational results are in accordance with the relevant accounting standards.

In light of the size and composition of the Board, Trojan Equity is not able to comply with the Guidelines to the extent that they recommend the audit and risk management committee comprise a majority of independent directors, an independent chairperson who is not chairperson of the Board and at least 3 members. Trojan Equity's audit and risk management committee comprises Andrew Kemp and Roger Clarke.

The Board believes that the appointed audit and risk management committee will adequately fulfil its intended role. Nevertheless, it will reassess its ability to do this on a regular basis.

Principle 5 - Make timely and balanced disclosure

The Board believes Trojan Equity's proposed practice on disclosure is consistent with the Guidelines. Policies and procedures for compliance with the disclosure requirement in the Listing Rules are included in the Corporate Governance Charter.

Principle 6 - Respect the rights of shareholders

The Board recognises the importance of this principle and will strive to communicate with Shareholders both regularly and clearly by electronic means and using more traditional communication methods. Shareholders are encouraged to attend and participate at general meetings. The Company's auditors will attend the annual general meetings and will be available to answer Shareholders' questions. The Directors believe that the Company's policies comply with the Guidelines in relation to the rights of Shareholders.

Principle 7 - Recognise and manage risks

The Board and the audit and risk management committee will constantly seek to identify, monitor and mitigate risk. Internal controls will be monitored on a continuous basis and, wherever possible improved. The issue of risk management is formalised in the Corporate Governance Charter (which the Directors believe complies with the Guidelines in relation to risk management) and the charter for the audit and risk management committee and will continue to be kept under regular review by the Board.

The charter of the audit and risk management committee requires the Managing Director to state in writing to the Board that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

The Board believes that Trojan Equity complies with the Guidelines in this regard.

Principle 8 - Encourage enhanced performance

The Corporate Governance Charter requires individual performance review and evaluation to be conducted formally on an annual basis. As a nominations committee has not been appointed, this review is conducted by the Board. The Board acknowledges that performance can always be enhanced and will continue to seek and consider ways of further enhancing performance both individually and collectively.

Principle 9 - Remunerate fairly and responsibly

Trojan Equity's proposed practices in this area will be reviewed regularly to ensure compliance with the Guidelines. Details of remuneration of Directors during the year are disclosed in the Directors' Report.

Principle 10 - Recognise the legitimate interests of stakeholders

The Board recognises the importance of this principle and will continue to develop and implement procedures to ensure compliance with legal and other obligations to legitimate stakeholders. The Directors believe that the Company and its policies and practices comply with the Guidelines in this area.

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INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Revenues and gains from continuing operations	3	13,034,343	7,412,308
Expenses from continuing operations	4	(2,863,960)	(1,705,804)
Finance costs			
Profit before income tax		10,170,383	5,706,504
Income tax expense	5	(2,513,415)	(1,642,539)
Profit for the year		7,656,968	4,063,965
Basic earnings per share (cents)	11	22.9	26.1
Diluted earnings per share (cents)	11	21.8	26.1

The accompanying notes form part of these financial statements

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BALANCE SHEET

AS AT 30 JUNE 2007

	Note	2007 \$	2006 \$
Current Assets			
Cash and cash equivalents	10	13,727,604	4,628,997
Trade and other receivables	6	1,313,392	380,111
Other financial assets held for trading	7	48,119,714	18,777,537
Total Current Assets		63,160,710	23,786,645
Total Assets		63,160,710	23,786,645
Current Liabilities			
Trade and other payables	8	3,357,290	1,387,141
Current tax liabilities		424,231	598,752
Total Current Liabilities		3,781,521	1,985,893
Non-Current Liabilities			
Deferred tax liabilities	5	2,574,197	989,351
Total Non-Current Liabilities		2,574,197	989,351
Total Liabilities		6,355,718	2,975,244
Net Assets		56,804,992	20,811,401
Equity			
Contributed equity	9	48,027,296	16,679,752
Retained profits		8,777,696	4,131,649
Total Equity		56,804,992	20,811,401

The accompanying notes form part of these financial statements

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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2007

	Note	Contributed Equity \$	Retained Profits \$	Total Equity \$
Balance at 1 July 2005		15,296,972	67,684	15,364,656
Net income recognised directly in equity		-	-	-
Profit for the year		-	4,063,965	4,063,965
Total recognised income and expense for the year		-	4,063,965	4,063,965
<i>Transactions with equity holders in their capacity as equity holders:</i>				
Share placement		1,382,780	-	1,382,780
Dividends paid or provided for		-	-	-
Balance at 30 June 2006		16,679,752	4,131,649	20,811,401
Net income recognised directly in equity		-	-	-
Profit for the year		-	7,656,968	7,656,968
Total recognised income and expense for the year		-	7,656,968	7,656,968
<i>Transactions with equity holders in their capacity as equity holders:</i>				
Shares issued during the period	9	31,352,060	-	31,352,060
Less transaction costs arising on share issues (net of tax)		(4,516)	-	(4,516)
Dividends paid during the year	18	-	(3,010,921)	(3,010,921)
Balance at 30 June 2007		48,027,296	8,777,696	56,804,992

The accompanying notes form part of these financial statements

TROJAN EQUITY LIMITED

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Cash flows from operating activities			
Receipts from other financial assets held for trading		88,439,126	41,993,734
Payments for other financial assets held for trading		(106,718,309)	(53,119,281)
Interest received		711,264	481,364
Dividends received		1,518,333	195,891
Receipts from other parties		71,911	104,578
Payments to suppliers and employees		(2,157,251)	(528,724)
Income taxes paid		(1,101,154)	-
Net cash outflows from operating activities	10	(19,236,080)	(10,872,438)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		30,045,300	1,382,780
Payment of share issue costs		(6,452)	-
Payment of dividends		(1,704,161)	-
Net cash inflows from financing activities		28,334,687	1,382,780
Net increase / (decrease) in cash and cash equivalents		9,098,607	(9,489,658)
Cash and cash equivalents at the beginning of the financial year		4,628,997	14,118,655
Cash and cash equivalents at the end of the financial year	10	13,727,604	4,628,997

The accompanying notes form part of these financial statements

TROJAN EQUITY LIMITED

ABN 88 113 436 141

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

1. Corporate Information

Trojan Equity Limited (the Company) is a company limited by shares incorporated and domiciled in Australia. The Company's shares are publicly traded on the Australian Stock Exchange.

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

Suite 8, Level 9
320 Adelaide Street
BRISBANE QLD 4000

2. Statement of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

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

Compliance with IFRSs

Australian Accounting Standards include Australian Equivalents to International Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Trojan Equity Limited comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property, where applicable.

New standards/interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The Company's assessment of the impact of these new standards and interpretations is set out below.

AASB Amendment	Affected Standard (s)	Application date of standard	Application date for Company
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, AASB 1038	1 January 2007	1 July 2007
2007-1	AASB 2	1 March 2007	1 July 2007

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

2. Statement of Significant Accounting Policies (cont)

New standards/interpretations (cont)

2007-2	AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 and AASB 139	1 January 2008	1 July 2008
2007-3	AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 and AASB 1038	1 January 2009	1 July 2009
2007-4	AASB 1, AASB 2, AASB 3, AASB 4, AASB 5, AASB 6, AASB 7, AASB 102, AASB 107, AASB 108, AASB 110, AASB 112, AASB 114, AASB 116, AASB 117, AASB 118, AASB 119, AASB 120, AASB 121, AASB 127, AASB 128, AASB 129, AASB 130, AASB 131, AASB 132, AASB 133, AASB 134, AASB 136, AASB 137, AASB 138, AASB 139, AASB 141, AASB 1023 and AASB 1038	1 July 2007	1 July 2007
2007-5	AASB 102	1 July 2007	1 July 2007
2007-6	AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 and AASB 138	1 January 2009	1 July 2009
2007-7	AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 and AASB 128	1 July 2007	1 July 2007

It has been assessed that the implementation of the above AASB amendments is not expected to affect the Company's accounting policies and therefore will have no significant impact.

New standard/Affected Standard (s)	Application date of standard	Application date for Company
AASB 7 <i>Financial Instrument Disclosures</i>	1 January 2007	1 July 2007
AASB 8 <i>Operating Segments</i>	1 January 2009	1 July 2009
AASB 101 <i>Presentation of Financial Statements</i>	1 January 2007	1 July 2007
AASB 1049 <i>Financial Reporting of General Government Sectors by Governments</i>	1 July 2008	1 July 2008

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

2. Statement of Significant Accounting Policies (cont)

New standards/interpretations (cont)

Interpretation 10 <i>Interim Financial Reporting and Impairment</i>	1 November 2006	1 July 2007
Interpretation 11 <i>AASB 2 Group and Treasury Share Transactions</i>	1 March 2007	1 July 2007
Interpretation 12 <i>Service Concession Arrangements</i>	1 January 2008	1 July 2008

It has been assessed that the implementation of the above new AASB standards and interpretations is not expected to affect the Company's accounting policies and therefore will have no significant impact.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Receivables

Receivables include outstanding settlements and accrued interest and dividend revenue.

Receivables are recognised and carried at original contract / invoice amount less any allowance for impairment.

Outstanding settlements relate to contracts for the sale of securities entered into but not yet settled and include settlements required within 3 business days of the contract date in accordance with business rules of the Australian Stock Exchange Limited, ie the company adopts trade date accounting.

Other receivables are normally due within 30 days of recognition.

Other financial assets held for trading

Other financial instruments held for trading are acquired principally for the purpose of selling in the short term and are classified as financial assets at fair value through profit or loss. They are initially recognised at fair value in the balance sheet and measured at fair value at each subsequent reporting period with any gains or losses arising from changes in fair value brought to account in the income statement.

Fair value estimation

The fair value of financial instruments traded in active markets is based on the quoted market price excluding transaction costs at the balance date. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of instruments that are not traded in an active market is determined using valuation techniques. The Company may use a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

The nominal value less estimated credit adjustments of receivables and payables are assumed to approximate their fair values.

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

2. *Statement of Significant Accounting Policies (cont)*

Payables

Liabilities for trade creditors, outstanding settlements and other amounts are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Outstanding settlements relate to contracts for the purchase of securities entered into but not yet settled and include settlements required within 3 business days of the contract date in accordance with business rules of the Australian Stock Exchange Limited, ie the company adopts trade date accounting.

Issued capital

Ordinary shares are classified as equity.

Transaction costs (net of tax) arising on the issue of ordinary shares are recognised in equity as a reduction of the share proceeds received.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Major items of revenue are recognised as follows:

Gains or losses from other financial assets held for trading

Net gains or losses realised from the sale of other financial assets held for trading are included in the income statement at trade date.

Unrealised gains or losses on other financial assets held for trading are recognised in the income statement in the period in which they occur (refer Other Financial Assets Held for Trading above).

Interest income

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividend income

Dividends and distributions are recognised when the security-holder's right to receive the payment is established.

Taxes

Income tax

Income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the statutory income tax rate for each jurisdiction adjusted by changes in the deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

2. *Statement of Significant Accounting Policies (cont)*

Taxes (cont)

Income tax (cont)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Goods and services tax (GST)

The Company's revenue from the sale of marketable securities and receipt of dividends and interest are "financial supplies" for GST purposes and are not subject to GST. The Company's expenses are classified as being incurred in relation to the making of a financial supply and accordingly input tax credits on expenditure cannot be claimed. The Company is entitled to claim reduced input tax credits of 75% of the GST paid on qualifying expenditures set out in Regulation 70-5 of the GST Regulations.

Expenses and assets are recognised net of the amount of GST recoverable from the taxation authority. That part of the GST incurred on a purchase of goods and services, which is not recoverable from the taxation authority is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables 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.

Earnings per share (EPS)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by

TROJAN EQUITY LIMITED

ABN 88 113 436 141

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

2. *Statement of Significant Accounting Policies (cont)*

Earning per share (EPS)

Basic earnings per share

the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Segment information

The Company operates in one business segment that being share trading in one geographic segment, Australia.

Comparatives

Where required by Accounting Standards comparative figures are adjusted to conform to changes in presentation for the current financial year. Details of any such changes are included in the financial report.

Significant accounting judgements, estimates and assumptions

(i) Significant accounting judgements

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Held for trading

The Company follows the AASB 139 requirements in classifying financial assets. This classification requires significant judgment as to whether the other financial assets (mainly shares) are held for trading or whether they should be classified as available-for-sale. In both cases the other financial assets are recognised in the balance sheet at fair value, however, a key difference is the treatment of unrealised gains or losses. Where classified as held for trading, unrealised gains and losses are recognised in the income statement. Where available for sale they are recognised directly within reserves in equity (unless impaired). Accordingly, the classification affects the net profit (although it does not affect total equity). Other financial assets have been classified as held for trading on the basis of the company's objective of generating profits from short-term trading.

(ii) Significant accounting estimates and assumptions

Other financial assets held for trading are generally measured at fair value based on recently observed market prices. There is a significant risk that their carrying amount may change materially within the next annual reporting period, however, the changes generally do not arise from management assumptions or other estimates on uncertainty at reporting date, but rather from movement in market values.

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
3. Revenues and Gains from Continuing Operations		
Net gains on other financial assets held for trading*	10,802,997	6,540,335
Interest from other parties	776,236	420,128
Dividends from other parties	1,419,449	311,016
Sub-underwriting and share placement fees	35,661	140,829
Total revenues and gains from continuing operations	<u>13,034,343</u>	<u>7,412,308</u>
 * Net gains on other financial assets held for trading comprise:		
Gains		
- Realised	10,145,466	4,121,906
- Unrealised	7,809,716	3,474,987
Losses		
- Realised	(1,973,234)	(678,950)
- Unrealised	(5,178,951)	(377,608)
	<u>10,802,997</u>	<u>6,540,335</u>

The company's investments are classified as held for trading. Accordingly gains and losses comprise both gains and losses on sale as well as changes to fair value at reporting date.

4. Expenses from Continuing Operations

Brokerage costs	320,991	210,033
Management and performance fees (refer note 13)	2,241,824	1,298,547
Audit fees	25,000	29,500
Other expenses	276,145	167,724
Total expenses from continuing operations	<u>2,863,960</u>	<u>1,705,804</u>

Apart from directors, there are no employees of the Company.

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
5. Income Tax		
(a) Income tax expense		
Current tax	926,633	598,752
Deferred tax	1,586,782	1,043,787
Tax expense reported in income statement	<u>2,513,415</u>	<u>1,642,539</u>
(b) Deferred tax assets		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
- Outstanding settlement creditors	390,187	30,013
- Other accrued expenses	5,900	5,052
	<u>396,087</u>	<u>35,065</u>
Transaction costs initially recognised directly in equity	34,926	50,066
Balance	431,013	85,131
Set-off of deferred tax liabilities	<u>(431,013)</u>	<u>(85,131)</u>
Net deferred tax assets	<u>-</u>	<u>-</u>
(c) Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
- Other financial assets held for trading	2,658,559	1,035,014
- Outstanding settlement receivables	317,187	34,367
- Other receivables	29,464	5,101
	<u>3,005,210</u>	<u>1,074,482</u>
Set-off of deferred tax assets	<u>(431,013)</u>	<u>(85,131)</u>
Net deferred tax liabilities	<u>2,574,197</u>	<u>989,351</u>
(d) Movements in net deferred tax assets/liabilities		
Opening balance	(989,351)	54,436
Credited to equity	1,936	-
Charged to income statement	<u>(1,586,782)</u>	<u>(1,043,787)</u>
Closing balance	<u>(2,574,197)</u>	<u>(989,351)</u>

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
5. Income Tax (cont)		
(e) <i>Explanation of the relationship between income tax expense and accounting profit:</i>		
A numerical reconciliation between income tax expense and the product of accounting profit before income tax multiplied by the statutory income tax rate is as follows:		
Accounting profit before income tax	10,170,383	5,706,504
Tax at the statutory income tax rate of 30% (2006: 30%)	3,051,115	1,711,951
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
- Tax offset for franked dividends	(420,962)	(69,412)
- Non-taxable distributions	(116,738)	-
Income tax expense recorded in the income statement	<u>2,513,415</u>	<u>1,642,539</u>
6. Trade and Other Receivables		
Outstanding settlements	1,057,290	114,558
Other receivables	256,102	265,553
Total receivables	<u>1,313,392</u>	<u>380,111</u>
7. Other Financial Assets Held for Trading		
At beginning of year	18,777,537	1,358,377
Additions	108,310,005	52,855,199
Disposals	(81,598,593)	(38,533,418)
Unrealised gains and losses	2,630,765	3,097,379
At end of year	<u>48,119,714</u>	<u>18,777,537</u>

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

7. Other Financial Assets Held for Trading (cont)

The following investments represent greater than 10% of the net assets of the company.

	\$
	Fair Value
2007	
ARC Energy Limited	10,425,745
Tattersall's Limited	6,552,000
2006	
Tower Australia Limited	5,076,000
Wellcom Group Limited	2,610,000
Lemarne Corporation Limited	2,199,600

During the year 854 (2006: 741) transactions in securities were conducted with total brokerage costs of \$320,991 (2006: \$210,033) being incurred.

8. Trade and Other Payables	2007	2006
	\$	\$
Trade creditors and accruals	2,056,668	1,287,097
Outstanding settlements	1,300,622	100,044
Total payables	<u>3,357,290</u>	<u>1,387,141</u>

9. Contributed Equity

(a) Share Capital

44,129,887 (2006: 16,667,001) ordinary shares fully paid	48,027,29	16,679,752
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Share movements during the year were:

	No. of Shares	\$
Balance at 1 July 2005	15,505,001	15,296,972
Issued on 13 June 2006 at \$1.19 per share for cash pursuant to a placement	<u>1,162,000</u>	<u>1,382,780</u>
Balance at 30 June 2006	16,667,001	16,679,752

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

9. Contributed Equity (cont)

(a) Share Capital (cont)

Issued on 20 September 2006 at \$1.00 per share for cash on exercise of options	11,686,000	11,686,000
Issued at \$1.057 per share on 4 October 2006 pursuant to Dividend Reinvestment Plan	734,902	777,099
Issued on 25 October 2006 at \$1.00 per share for cash on exercise of options	4,000	4,000
Issued on 29 December 2006 at \$1.29 per share for cash pursuant to a placement	13,000,000	16,770,000
Issued on 28 February 2007 at \$1.00 per share for cash on exercise of options	306,400	306,400
Issued on 16 March 2007 at \$1.00 per share for cash on exercise of options	1,259,700	1,259,700
Issued at \$1.170 per share on 23 March 2007 pursuant to Dividend Reinvestment Plan	452,684	529,661
Issued on 25 May 2007 at \$1.00 per share for cash on exercise of options	19,200	19,200
	<u>27,462,886</u>	<u>31,352,060</u>
Less transaction costs arising on share issues (net of tax)	-	(4,516)
	<u>44,129,887</u>	<u>48,027,296</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares has the right to receive notices of, to attend and to vote at general meetings of the Company. On a show of hands every shareholder present at a meeting in person or by proxy, attorney or representative is entitled to one vote and upon a poll each share is entitled to one vote.

Effective 1 July 1998, the Corporations legislation 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 capital.

(b) Share Options

	2007 No. of Options	2006 No. of Options
Options listed on Australian Stock Exchange	16,391,700	16,667,000
<i>Movements in the number of options during the year were:</i>		
Balance at 1 July 2005		15,505,000
Options issued by placement		1,162,000
Balance at 30 June 2006		16,667,000
2007		
Issued on 29 December 2006 pursuant to a placement		13,000,000
Exercised during the year		(13,275,300)
Balance at 30 June 2007		16,391,700

All options are exercisable at any time until 5.00pm on 17 June 2008 at an exercise price of \$1.00 each. An option holder does not have the right to participate in new issues of securities offered to share holders prior to the exercise of the options.

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
10. Cash and Cash Equivalents		
(a) Reconciliation of cash and cash equivalents		
Cash and cash equivalents comprise:		
Cash at financial institutions	13,727,604	4,628,997
(b) Reconciliation of profit after income tax to net cash outflow from operating activities		
Profit for the year	7,656,968	4,063,965
Decrease in net deferred tax assets	-	54,436
(Increase) in other financial assets held for trading	(29,342,177)	(17,419,160)
(Increase) in receivables	(933,281)	(152,246)
Increase in payables	1,970,149	992,464
(Decrease)/increase in current tax liabilities	(174,521)	598,752
Increase in net deferred tax liabilities*	1,586,782	989,351
Net cash outflows from operating activities	(19,236,080)	(10,872,438)
* net of credit to equity		
	2007 cents	2006 cents
11. Earnings per Share		
Basic earnings per share (cents)	22.9	26.1
Diluted earnings per share (cents)	21.8	26.1
Net profit after tax used in the calculation of basic and diluted earnings per share	\$ 7,656,968	\$ 4,063,965
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	33,382,713	15,562,305
Weighted average number of dilutive potential ordinary shares	1,814,877	-
Weighted average number of ordinary shares and potential ordinary shares outstanding during the year used in the calculation of diluted earnings per share	35,197,590	15,562,305

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

11. Earnings per Share (cont)

Options are considered potential ordinary shares. The average market price of ordinary shares during the year ended 30 June 2007 exceeded the exercise price of the options the average price during the year ended 30 June 2006 did not exceed the exercise price. Accordingly, the options were not considered dilutive for the 2006 reporting period and were not included in the determination of diluted earnings per share for that period. The options were however considered dilutive for the 2007 reporting period and were included in determination of diluted earnings per share for that period to the extent they are dilutive. Details relating to options are set out at note 9(b).

12. Financial Instrument Disclosure

The Company's activities expose it to financial risks including market risk, credit risk, liquidity risk and interest rate risk. The Company's overall risk management programme focuses on minimising potential adverse effects on the financial performance of the Company.

(a) Market risk

The Company is exposed to equity securities price risk arising from investments held by the Company and classified as held for trading. The Company is not exposed to commodity price risk or to foreign exchange risk other than to the extent that they may impact on equity securities pricing.

Market risk is managed through the core strategy of the Company being to invest in undervalued asset situations with limited downside risk where there is a catalyst for the discount to valuation to be reduced or removed and the investment process undertaken.

During the reporting period the Company had no exposure to financial derivatives or hedge transactions. Hedge transactions may be considered as part of the Company's overall investment process in the future.

(b) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of a change in market interest rates, is minimal and accordingly no risk management transactions are entered into.

The effective weighted average interest rate for classes of financial assets and liabilities, is set out below:

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

12. Financial Instrument Disclosure (cont)

(b) Interest rate risk (cont)

	Weighted Average Interest Rate	Floating Interest Rate \$	Fixed Interest Maturing in 1 Year or Less \$	Non interest bearing \$	Total \$
2007					
Financial assets					
Cash and cash equivalents	5.9%	13,727,604	-	-	13,727,604
Trade and other receivables	-	-	-	1,313,392	1,313,392
Other financial assets held for trading	-	-	-	48,119,714	48,119,714
Total financial assets		13,727,604	-	49,433,106	63,160,710
Financial liabilities					
Trade and other payables	-	-	-	3,357,290	3,357,290
2006					
Financial assets					
Cash and cash equivalents	5.6%	4,628,997	-	-	4,628,997
Trade and other receivables	-	-	-	380,111	380,111
Other financial assets held for trading	-	-	-	18,777,537	18,777,537
Total financial assets		4,628,997	-	19,157,648	23,786,645
Financial liabilities					
Trade and other payables	-	-	-	1,387,141	1,387,141

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk on financial assets which have been recognised on the balance sheet is the carrying amount. The Company is not materially exposed to any significant individual credit risk arising from receivables. Cash at financial institutions was held at year end with the ANZ Banking Group Limited and Macquarie Investment Management Limited.

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

12. Financial Instrument Disclosure (cont)

(d) Liquidity risk

The Company manages its liquidity risk in accordance with the investment process set out above. The Company may borrow funds from time to time when the Manager believes the risk/reward profile of identified investment opportunities can justify borrowing to make such investments. The Company had no exposure to external debt during the reporting period.

The Company has a secured bank credit facility of \$50M for acquiring equity investments, secured against its equity portfolio. The facility may be drawn at any time and is subject to annual review. At year end the facility was undrawn.

(e) Net fair values

The carrying amounts of financial instruments on the balance sheet approximate their net fair values.

13. Key Management Personnel and Related Party Disclosures

(a) Directors

The following persons were directors of the Company during the year.

A.P.S. Kemp – Chairman

R.B. Clarke – Non-Executive Director

T.J. Harry – Managing Director

T.J. Harry is the officer primarily responsible for making investment decisions and is the founder and Managing Director of the Manager, Trojan Investment Management Pty Ltd. The Company had no employees at 30 June 2007 (2006: none) and as such there are no other key management personnel.

(b) Remuneration of Key Management Personnel

	2007 \$	2006 \$
Short-term employee benefits *	2,262,824	1,338,747
Post-employment benefits	<u>31,000</u>	<u>11,728</u>
	<u>2,293,824</u>	<u>1,350,475</u>

The company has taken advantage of the relief provided by regulation 2M.6.04 of the *Corporations Regulations 2001* and has transferred the detailed remuneration disclosures to the Directors' Report. The relevant information can be found at Sections A-C of the Remuneration Report.

* Includes management and performance fees paid/payable to Trojan Investment Management Pty Ltd.

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

13. Key Management Personnel and Related Party Disclosures (cont)

(c) Other Transactions with Key Management Personnel

R.B. Clarke is Chairman of the Advisory Board of ABN Amro Morgans Limited, this company was the sponsoring broker to the share offer pursuant to the prospectus dated 5 April 2005 and provides ongoing brokerage services to the Company. In addition the Company has entered into various sub-underwriting arrangements with ABN AMRO Morgans for which the Company received sub-underwriting fees.

T.J. Harry is the sole director of Trojan Investment Management Pty Ltd, which manages the Investment Portfolio of the Company. Fees including both management and performance are paid to the manager for managing the Company's investment portfolio (refer note 17). In addition the Company also pays the manager for office accommodation and administration.

Aggregate amounts of each of the above types of transactions:

	2007	2006
	\$	\$
Amounts recognised as revenue		
Sub-underwriting fees	17,150	49,750
Amounts recognised as expenses*		
Management fees**	451,920	174,425
Performance fee**	1,789,904	1,124,122
	2,241,824	1,298,547
Office accommodation and administration costs	18,000	18,000
Brokerage costs	43,686	50,311

* Expenses disclosed are exclusive of GST. A proportion of GST is not recoverable from the taxation authority. Accordingly, the actual recorded amount is the amount disclosed plus 2.5%.

** These amounts are included in short-term employee benefits above.

Aggregate amounts recoverable and payable at balance date relating to the above types of transactions:

Amounts recognised as current assets

Receivables	-	36,250
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Amounts recognised as current liabilities

Payables	1,844,089	1,257,295
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All transactions are on commercial terms and conditions. Settlement of receivables and payables is to be in cash and no security is provided.

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

13. Key Management Personnel and Related Party Disclosures (cont)

(d) Option holdings

The number of options over ordinary shares in the Company held during the year by each Key Management Personnel including their personally related entities is set out below. No options were issued as remuneration during the year. All options are vested and exercisable.

2007

Name	Balance at the beginning of the year	Acquired during the year	Exercised during the year	Balance at end of the year
A.P.S. Kemp	30,000	-	(30,000)	-
T.J. Harry	1,016,000	2,000	(1,018,000)	-
R.B. Clarke	75,000	-	(75,000)	-

2006

Name	Balance at the beginning of the year	Acquired during the year	Exercised during the year	Balance at end of the year
A.P.S. Kemp	30,000	-	-	30,000
T.J. Harry	1,016,000	-	-	1,016,000
R.B. Clarke	75,000	-	-	75,000

The options are listed on Australian Stock Exchange and were issued pursuant to the prospectus dated 5 April 2005 on subscription under the prospectus on the same terms and conditions as for other shareholders. Refer note 9(b) for terms and conditions relating to the options.

TROJAN EQUITY LIMITED

ABN 88 113 436 141

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

13. Key Management Personnel and Related Party Disclosures (cont)

(e) Share holdings

The number of shares in the Company held during the year by each Key Management Personnel including their personally related entities is set out below. No shares were issued as remuneration during the financial year.

2007

Name	Balance at the beginning of the year	Acquired during the year through exercise of options	Acquired during the year through Dividend Reinvestment Plan	Other changes during year	Balance at end of the year
A.P.S. Kemp	30,000	30,000	-	-	60,000
T.J. Harry	1,016,001	1,018,000	170,696	2,000	2,206,697
R.B. Clarke	100,000	75,000	-	-	175,000

2006

Name	Balance at the beginning of the period	Acquired during the year through exercise of options	Acquired during the year through Dividend Reinvestment Plan	Other changes during year	Balance at end of the year
A.P.S. Kemp	30,000	-	-	-	30,000
T.J. Harry	1,016,001	-	-	-	1,016,001
R.B. Clarke	100,000	-	-	-	100,000

14. Auditor's Remuneration

	2007 \$	2006 \$
Remuneration of Johnston Rorke the auditor of the Company:		
Audit and review of the financial report	25,000	29,500
Tax compliance services	1,500	-
	<u>26,500</u>	<u>29,500</u>

TROJAN EQUITY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

15. Events Subsequent to Balance Date

Subsequent to year-end, the Directors declared a fully franked dividend of 4 cents per share (refer note 18).

There has not arisen in the interval between the end of the reporting year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the entity, the results of those operations or the state of affairs of the Company in future financial years.

16. Contingent Liabilities

There were no contingent liabilities at the end of the reporting period.

17. Commitments

The Company has entered into a Management Agreement with Trojan Investment Management Pty Ltd for a term of 25 years commencing on 27 May 2005, the date of allotment of shares and options pursuant to the Prospectus dated 5 April 2005.

The ASX has granted a waiver to Listing Rule 15.16 to the extent necessary to permit Trojan Investment Management Pty Ltd to be appointed as Manager for the 25-year term.

The Management Agreement requires the Manager to manage the Company's investments and provide sufficient information to enable the Company to observe and perform its covenants under the Agreement. The Management Agreement establishes the powers of the Manager to perform its duties under the Agreement.

Under the Management Agreement, the Manager is paid a management fee of 1% of Net Assets per annum calculated and paid at the end of each month.

The Manager is entitled to be paid a performance fee when pre-tax profit of the Company (before provision of the performance fee) exceeds a return of 8% on the Net Assets of the Company during any Performance Calculation Year. The performance fee will be 20% of that portion of pre-tax profit (before provision for performance fee) that exceeds the 8% hurdle.

The Manager is also entitled to recover costs incurred on behalf of the Company.

The Management Agreement includes provisions whereby the Company may terminate the Agreement and remove the Manager in the event of specified circumstances arising. These include the liquidation of, appointment of receivers to, and suspension of the AFSL licence of the Manager or breaches of the Agreement, which cannot be rectified.

The Agreement provides the process by which breaches of the Agreement may be remedied and the compensation payable in the event of termination. This compensation represents the management fee and performance fee payable in respect of the Performance calculation year in which the Agreement is terminated.

The Manager may terminate the Agreement at any time after the fifth anniversary of the date the Company is listed on ASX.

TROJAN EQUITY LIMITED

ABN 88 113 436 141

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

18. Franking Credits and Dividends

(a) Franking Credits

	2007 \$	2006 \$
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>2,225,052</u>	<u>697,043</u>

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- (a) Franking credits that will arise from the payment of the amount of the provision for income tax,
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact on the franking credit account of the dividend recommended by the Directors since year end but not recognised as a liability at year end would be a reduction in the franking account of \$756,512 (2006: \$428,580) (refer (c) below).

(b) Dividends declared and paid during the year:

	2007 \$	2006 \$
Interim fully franked dividend based on tax paid @ 30% for the financial year ended 30 June 2007: 3 cents per share (2006: nil)	1,309,741	-
Final fully franked dividend based on tax paid @ 30% for the financial year ended 30 June 2006: 6 cents per share	1,701,180	-
	<u>3,010,921</u>	<u>-</u>

Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the period were as follows:

Paid in cash	1,704,161	-
Satisfied by issue of shares	1,306,760	-
	<u>3,010,921</u>	<u>-</u>

(c) Dividends not recognised at year end:

	2007 \$	2006 \$
Since year end the directors have recommended the payment of a final dividend of 4 cents per fully paid ordinary share (2006 – 6 cents) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 27 September 2007 out of retained profits at 30 June 2007, but not recognised as a liability at year end, is	<u>1,765,195</u>	<u>1,000,020</u>

DIRECTORS' DECLARATION

In the opinion of the Directors:

- (a) the attached financial statements and notes including the remuneration disclosures that are contained in sections A to C of the remuneration report in the Directors' Report are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2007 and of its performance as represented by the results of its operations and its cash flows for the financial year ended on that date;
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory financial reporting requirements in Australia; and
- (b) the remuneration disclosures that are contained in sections A to C of the remuneration report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and the Corporations Regulations 2001;
- (c) there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

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 financial year ended 30 June 2007.

Signed in accordance with a resolution of the Directors.



Troy Harry
Managing Director
Brisbane

14 August 2007

INDEPENDENT AUDITORS' REPORT

TO MEMBERS OF TROJAN EQUITY LIMITED

REPORT ON THE FINANCIAL REPORT AND AASB124 REMUNERATION DISCLOSURES CONTAINED IN THE DIRECTORS' REPORT

We have audited the accompanying financial report of Trojan Equity Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

We have also audited the remuneration disclosures contained in the Director's Report. As permitted by the *Corporations Regulations 2001*, the company has disclosed information about the remuneration of directors and executives ("remuneration disclosures"), required by Australian Accounting Standard AASB 124 *Related Party Disclosures*, under the heading Remuneration report within the Directors' report and not in the financial report.

Directors' Responsibility for the Financial Report and the AASB 124 Remuneration Disclosures Contained in the Director's Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

The directors of the company are also responsible for the remuneration disclosures contained in the Directors' report.

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. Our responsibility is also to express an opinion on the remuneration disclosures contained in the Directors' report based on our audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report and the remuneration disclosures contained in the

directors' 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report and the remuneration disclosures contained in the Directors' 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 complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Trojan Equity Limited on 14 August 2007, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion on the Financial Report

In our opinion:

- (a) the financial report of Trojan Equity Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Auditor's Opinion on AASB 124 Remuneration Disclosures Contained in the Directors' Report

In our opinion, the remuneration disclosures that are identified as audited within the Remuneration report contained within the Directors' report comply with Australian Accounting Standard AASB 124 *Related Party Disclosures*.

JOHNSTON RORKE
Chartered Accountants

K Haiduk

KA HAIDUK
Partner

Brisbane, Queensland
14 August 2007

TROJAN EQUITY LIMITED

ABN 88 113 436 141

SHAREHOLDER INFORMATION

As at 31 July 2007

Twenty Largest Shareholders

	Balance	%
ROCKET SCIENCE PTY LTD <TROJAN CAPITAL FUND>	2,198,027	4.98
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	1,978,975	4.48
MANUKEY PTY LTD <THE CULLEN AVENUE ACCOUNT>	1,700,000	3.85
YORK HOUSE PTY LTD <NO 2 A/C>	1,484,273	3.36
LIBBIT HOLDINGS PTY LTD <BITOMSKY SUPER FUND A/C>	1,353,116	3.07
LEAGOU FUNDS MANAGEMENT PTY LTD	1,330,000	3.01
BOUTIQUE ASSET MANAGEMENT PTY LTD	749,333	1.70
BAWDEN CUSTODIANS PTY LTD <TERTON CORP P/L S/F A/C>	742,930	1.68
JH NOMINEES AUSTRALIA PTY LTD <HARRY FAMILY SUPER FUND A/C>	621,838	1.41
POLVRAN INVESTMENTS PTY LTD <STACK FAMILY SUPER FUND A/C>	600,000	1.36
M J B SUPERANNUATION PTY LTD <M J B STAFF SUPER FUND A/C>	520,243	1.18
SHELL COVE CAPITAL MANAGEMENT PTY LTD <BLACK MARLIN A/C>	440,550	1.00
MCMF PTY LTD	412,444	0.93
MR GERALD CAIN & MS JANETTE FRANCES CAIN <J F CAIN SUPER FUND A/C>	400,000	0.91
MR GRAHAM DENNIS HUBBERT & MS BETH HARRINGTON <ADVANX SUPER FUND A/C>	400,000	0.91
INVIA CUSTODIAN PTY LIMITED <DAMPIER SUPER FUND A/C>	400,000	0.91
ROSYCLOWN PTY LIMITED <MONTGOMERY FAMILY NO2 A/C>	390,799	0.89
LARAVON PTY LTD <LOTUS SUPER FUND A/C>	379,344	0.86
TORUMBA PTY LTD <PATROBEN UNIT A/C>	350,000	0.79
ALLAWAH EIGHT PTY LIMITED <HILARY STACK ACCOUNT>	330,000	0.75
	<u>16,781,872</u>	<u>38.03</u>

Twenty Largest Optionholders

	Balance	%
CLODENE PTY LTD	1,035,500	6.32
MANUKEY PTY LTD <THE CULLEN AVENUE ACCOUNT>	1,000,000	6.10
YORK HOUSE PTY LTD <NO 2 A/C>	500,000	3.05
RM MORTGAGES PTY LTD	500,000	3.05
LIFT CAPITAL NOMINEES NO 1 PTY LIMITED	254,600	1.55
TROPHY COMPONENTS PTY LTD	200,000	1.22
MR ROBERT GEORGE BAILEY & MRS PATRICIA MARY BAILEY <BAILEY FAMILY SUPER A/C>	200,000	1.22
BECAMAL PTY LTD <GORDON SMITH FAMILY A/C>	200,000	1.22
TAMWON PTY LIMITED <TAMWON SUPER FUND A/C>	200,000	1.22
MR DARYL ALBERT DIXON & MRS KATHERINE DIXON <DIXON FAMILY SUPER A/C>	151,000	0.92
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	150,000	0.92
WERRETT SUPERANNUATION PTY LTD <WERRETT SUPER FUND A/C>	150,000	0.92
TORUMBA PTY LTD <PATROBEN UNIT A/C>	150,000	0.92
MR MATHEW GREGG & MRS JOANNE GREGG <GREGG S/F A/C>	107,500	0.66
MR DOUGLAS EDWIN WILLIAMS	100,000	0.61
MR KEVIN JAMES CURRAN & MRS AMANDA JANE CURRAN <CURRAN SUPER FUND A/C>	100,000	0.61
MR ANDREW GEORGE MALUISH & MRS ANNETTE ELIZABETH MALUISH <A & A MALUISH SUPER FUND A/C>	100,000	0.61
DADDO INVESTMENTS PTY LTD THE KITTY MORAN A/C	100,000	0.61
BENDEMER INVESTMENTS PTY LTD <ASARO INV DISCRETIONARY A/C>	100,000	0.61
CASCA PTY LTD	90,000	0.55
	<u>5,388,600</u>	<u>32.87</u>

TROJAN EQUITY LIMITED

ABN 88 113 436 141

SHAREHOLDER INFORMATION

As at 31 July 2007

Distribution of Share and Option Holders

Security Classes	Holdings Ranges	Holders	Total Units	%
Fully Paid Ordinary	1-1,000	14	7,670	0.02
	1,001-5,000	169	564,634	1.28
	5,001-10,000	252	1,966,854	4.46
	10,001-100,000	613	16,596,615	37.61
	100,001-99,999,999,999	65	24,994,114	56.64
Totals		1,113	44,129,887	100.00
Options \$1.00 exp. 17/06/08	1-1,000	0	0	0.00
	1,001-5,000	94	298,500	1.82
	5,001-10,000	171	1,317,400	8.04
	10,001-100,000	421	9,977,200	60.87
	100,001-99,999,999,999	14	4,798,600	29.27
Totals		700	16,391,700	100.00

Substantial Shareholders

Details of substantial shareholders are set out below:

Holder	No of shares
ROCKET SCIENCE PTY LTD <TROJAN CAPITAL FUND A/C>	2,206,697

Voting Rights

Ordinary Shares

Every holder of ordinary shares has the right to receive notices of, to attend and to vote at general meetings of the Company. On a show of hands every shareholder present at a meeting in person or by proxy, attorney or representative is entitled to one vote and upon a poll each share is entitled to one vote.

Options

No voting rights.

