Appendix 4E

Preliminary final report

IWL Limited

ABN 53 078 119 212

Current period ended: 30 June 2007
Previous corresponding period: 30 June 2006

This preliminary final report on results (including the results for the previous corresponding period) is provided to the Australian Securities Exchange (ASX) under Listing Rule 4.3A.

The listed issuer (IWL Limited) has a formally constituted Audit Committee, Remuneration Committee and Board of Directors.

Results for announcement to the market

Financial results				$A'000
Total Revenues[(1)]	up	22%	to	112,754
Profit before income tax expense, depreciation and amortisation[(1)]	up	18%	to	25,879
Profit after income tax attributable to members of the Company	up	102%	to	41,321

Dividends (distributions)	Amount per security	Franked amount per security
Current period		
- Final dividend	12.00 ¢	12.00 ¢
- Interim dividend	12.00 ¢	12.00 ¢
Previous corresponding period ('pcp')		
- Final dividend	12.00 ¢	12.00 ¢
- Interim dividend	10.00 ¢	10.00 ¢
Record date for determining entitlements to the dividend	6 September 2007	
Date the dividend (distribution) is payable	28 September 2007	

Details:

- Operating revenues [(1)] of $110.218 million, up $20.736 million or 23% on the pcp
- Operating EBITDA [(1)] of $26.922 million, up $5.361 million or 25% on the pcp
- Profit after tax of $41.321 million, up $20.908 million or 102% on the pcp

[(1)] Continuing Operations, refer note 2

Commentary

Preliminary final results for the year ended 30 June 2007

The directors of IWL Limited ('IWL' or the 'Company') announce the following preliminary final results for the twelve-month period ended 30 June 2007.

Financial Highlights

In comparison to the pcp, the financial results for the year ended 30 June 2007 demonstrate:

- Operating revenues(1) of $110.218 million, up $20.736 million or 23% as compared to the pcp, benefiting from the full year contribution of JDV Limited ('JDV'), (acquired in August 2005) in addition to buoyant equity market conditions.
- Operating EBITDA(1) of $26.922 million, up $5.361 million or 25% emanating from strong revenue growth, scale and synergistic benefits throughout the Group.
- Operating EBITDA(1) margin of 33%, up 7% on the pcp.
- A profit after tax of $41.321 million, up $20.908 million or 102% on the pcp, benefiting from the sale of the Advisory Software business.
- A $6.553 million reduction in operating cash flows as compared to pcp however 2HFY'07 produced operating cash flows of $19.804 million, up 15% or $2.569 million on 2HFY'06.
- Normalised basic EPS of 38.73 cents per share (pre-amortisation of Plato II, acquisition costs and performance rights expense, gain on sale of strategic investment in E*Trade Australia and gain on sale of Advisory Software division), up 8% from the pcp of 35.92 cents per share (pre-amortisation of Plato II, JDV dividends, acquisition costs and performance rights expense in the pcp). Fully diluted (for the exercise of all outstanding performance rights), normalised EPS increased to 37.71 cents per share, up 7% from the pcp of 35.33 cents per share.

Operational Highlights

- Wholesale Wealth Solutions contract notes processed during the period of 3.021 million (including AUSIEX, JDV, and the ACS), up 26% on the pcp. Average daily number of broking contract notes (equities, options and CFDs) processed during FY'07 amounted to 11,990 up 24% on the pcp, aided by a 30% increase in 4QFY'07 to 14,564 per day.
- Total number of active online trading accounts serviced up 16% on pcp amounting to approximately 572,000.
- Strong growth in Assets Under Administration (AUA) comprising:
  - $6.7 billion in Echelon Portfolio Solutions, up 56% on pcp;
  - $41.2 million in Retail Custody;
  - $280.2 million in Cash Under Administration (CUA); and
  - $23.2 billion in total Broker Sponsored Assets.
- IWL's average share of the online broking market, inclusive of 3rd party clients was 22% at June 2007.
- Entry into the custody market during October '06, being appointed custodian to the Entrust Investment Fund.
- Launch of a Third Party Clearing business during April '07, via Australian Clearing Exchange Pty Ltd ('ACE').
- Contract extensions included:
  - A three year extension with BT Wrap for the provision of its equities trading and portfolio management;
  - A five year extension with Entrust Private Wealth for the provision of its equities trading and portfolio management;
  - A three year extension with Hartleys for the provision of IWL's proprietary broker trading desktop, outsourced equities trading, settlement and portfolio reporting solution;
  - A two year extension with Austock Securities for outsourced broking services;
  - A two year extension with Opes Prime for outsourced broking services; and
  - A one year extension with Tricom Equities for outsourced broking services.

Divestments

- On 24 April 2007, IWL divested VisiPlan Pty Ltd (its Advisory Software business) to Xplan Technology Pty Ltd (Xplan), a subsidiary of Iress Market Technology Limited (ASX: IRE). The consideration received by IWL was in the form of 5.95 million new IRE shares. IRE's share price at the close of trade on 24 April 2007 was $8.29, valuing the consideration for the sale at $49.325 million. The closing share price of IRE at 30 June '07 was $9.24, valuing the shares at $54.978 million, which has resulted in an unrealised profit before tax of $5.653 million ($3.956 million after tax).

Capital Management

- A fully franked, final dividend of 12.00¢ per share was declared on 10 August 2007 and is payable to shareholders on 28 September 2007. The record date for determining the entitlement for the dividend is 6 September 2007.
- A fully franked, interim dividend of 12.00¢ per share was paid to shareholders on 30 March 2007.
- 3,351,480 shares were bought back and cancelled during the period under the on-market buy back program at a cost of $15.300 million and an average price of $4.57 per share.
- 667,998 new performance rights were issued during the period under the IWL Performance Rights Plan.
- Vesting performance rights resulted in the issue of 290,560 new IWL shares during the period.

(1) Continuing Operations, refer note 2

Consolidated Income Statement for the year ended 30 June 2007

	Note	Consolidated June 2007 $A'000	Consolidated June 2006 $A'000
Continuing Operations			
Revenues from the rendering of services	4	110,218	89,482
Other revenues	4	2,536	2,903
Total revenues		112,754	92,385
Variable expenses			
- Client commissions		28,898	19,164
- Information and data expenses		11,631	9,330
- Technology services expenses		2,946	2,660
Total variable expenses		43,475	31,154
Gross profit before fixed expenses from continuing operations		69,279	61,231
Fixed expenses			
- Director, employee and contractor expenses		29,112	27,326
- Interest and borrowing expenses	5	2,728	1,864
- Communication expenses		2,451	2,398
- Premises and utilities expense		2,296	2,011
- Accounting, legal and consultant’s expenses		1,351	965
- Broking trading expenses		1,178	416
- Software and infrastructure maintenance expense		1,075	1,299
- Printing and stationery expense		546	467
- Insurance expenses		541	589
- Travel and accommodation expense		536	443
- Finance facility expenses		240	417
- Other operating expenses		1,346	1,016
Total fixed expenses		43,400	39,211
Profit before income tax expense, depreciation and amortisation from continuing businesses		25,879	22,020
Depreciation and amortisation expenses	5	5,400	4,312
Profit before income tax expense from continuing operations		20,479	17,708
Income tax expense		3,332	2,057
Profit after income tax from continuing operations		17,147	15,651
Discontinued Operation			
Profit after income tax of discontinued operation and gain on divestment of discontinued operation	3	24,174	4,762
Profit after income tax attributable to members of the Company		41,321	20,413
Earnings per share:			
Basic earnings per share (cents)	6	72.9	34.2
Diluted earnings per share (cents)	6	71.0	33.6
Continuing Operations:			
Basic earnings per share (cents)	6	30.3	26.2
Diluted earnings per share (cents)	6	29.5	25.8

The consolidated income statement is to be read in conjunction with the notes to the financial statements.

Consolidated Balance Sheet
as at 30 June 2007

	Note	Consolidated June 2007 $A'000	Consolidated June 2006 $A'000
Current assets			
Cash assets		18,754	20,025
Receivables	7	224,639	155,291
Other financial assets	8	54,978	-
Other assets		674	887
Total current assets		299,045	176,203
Non-current assets			
Plant and equipment		3,712	2,998
Intangible assets	9	60,071	88,523
Deferred tax assets		5,752	4,891
Total non-current assets		69,535	96,412
Total assets		368,580	272,615
Current liabilities			
Payables	10	222,331	155,074
Bank loans payable	11	6,000	5,000
Provisions	12	5,603	3,964
Other liabilities		332	909
Current tax liabilities		1,650	2,100
Total current liabilities		235,916	167,047
Non-current liabilities			
Bank loans payable	11	28,000	22,000
Deferred tax liabilities		7,898	3,695
Provisions	12	596	632
Total non-current liabilities		36,494	26,327
Total liabilities		272,410	193,374
Net assets		96,170	79,241
Equity			
Contributed equity	13	51,760	67,060
Equity plan reserve		1,154	594
Unrealised gain reserve		3,956	-
Retained profits	14	39,300	11,587
Total equity		96,170	79,241

The consolidated balance sheet is to be read in conjunction with the notes to the financial statements.

Consolidated Cash Flow Statement
for the year ended 30 June 2007

	Consolidated	
	June 2007 $A'000	June 2006 $A'000
Cash flows from operating activities		
Cash receipts in the course of operations	134,137	119,733
Cash payments in the course of operations	(105,773)	(89,170)
Dividends received	-	698
Income taxes paid	(3,742)	(193)
Interest received	1,164	1,271
Net cash provided by operating activities	25,786	32,339
Cash flows from investing activities		
Payments for investments in controlled entities	-	(44,205)
Cash acquired/(disposed) as part of acquisition/(divestment)	(555)	21,234
Purchase of listed equities	(17,647)	-
Proceeds from listed equities	18,671	-
Payments for plant and equipment	(2,656)	(1,626)
Proceeds from disposal of plant and equipment	-	3
Net cash (used in) investing activities	(2,187)	(24,594)
Cash flows from financing activities		
Proceeds from borrowings	28,000	55,500
Repayment of borrowings	(21,000)	(31,500)
Payments for the buy-back of shares	(15,743)	(7,621)
Dividends paid	(13,608)	(11,281)
Finance facility interest paid	(2,519)	(1,326)
Proceeds from issue of shares	-	145
Net cash provided by/(used in) financing activities	(24,870)	3,917
Net increase/(decrease) in cash held	(1,271)	11,662
Cash at beginning of period	20,025	8,363
Cash at end of period	18,754	20,025

The consolidated cash flow statement is to be read in conjunction with the notes to the financial statements

Statement of Changes in Equity for the year ended 30 June 2007

	Consolidated June 2007				
	Issued Capital $A'000	Retained Earnings $A'000	Equity Plan Reserve $A'000	Unrealised Gain Reserve $A'000	Total $A'000
At 1 July 2006	67,060	11,587	594	-	79,241
Profit for the year	-	41,321	-	-	41,321
Dividends declared and paid	-	(13,608)	-	-	(13,608)
Shares bought back as part of an on market buy-back program	(15,300)	-	-	-	(15,300)
Share-based payments	-	-	560	-	560
Unrealised gain	-	-	-	3,956	3,956
At 30 June 2007	51,760	39,300	1,154	3,956	96,170

	Consolidated June 2006				
	Issued Capital $A'000	Retained Earnings $A'000	Equity Plan Reserve $A'000	Unrealised Gain Reserve $A'000	Total $A'000
At 1 July 2005	67,268	2,455	-	-	69,723
Profit for the year	-	20,413	-	-	20,413
Dividends declared and paid	-	(11,281)	-	-	(11,281)
Share consideration on the acquisition of JDV	7,721	-	-	-	7,721
Shares bought back as part of an on market buy-back program	(8,074)	-	-	-	(8,074)
Options exercised	145	-	-	-	145
Share-based payments	-	-	594	-	594
At 30 June 2006	67,060	11,587	594	-	79,241

Notes to the and forming part of the financial statements for the year ended 30 June 2007

1. Summary of significant accounting policies

The Preliminary final report report does not include all notes of the type normally included within the annual financial report and therefore, cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The Preliminary final report should be read in conjunction with the annual financial report of IWL Limited as at 30 June 2007, prepared based on ('AIFRS'). It is also recommended that the Preliminary final report be considered together with any public announcements made by IWL Limited during the year ended 30 June 2007 in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of preparation

The Appendix 4E – Preliminary financial report, specifically the disclosures therein have been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements have been prepared on the basis of historical costs and are presented in Australian dollars.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

(b) Significant accounting policies

The financial statements included in the Preliminary final report have been prepared using the same accounting policies as used in the half-year ended 31 December 2006, except where there is a change in accounting policy resulting from the adoption of applicable amending or new accounting standards.

(c) Statement of compliance

The Preliminary final report has been prepared in accordance with the Australian Securities Exchange Listing Rules and the financial disclosures included within it have been determined in accordance with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS').

(d) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising IWL Limited ('the Company') and all the entities, which IWL Limited controlled from time to time during the period and at balance date.

The financial statements of subsidiaries are prepared for the same reporting period of the parent company, using consistent accounting policies.

When an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated in full.

(e) Discontinued operations

A discontinued operation is a component of the Group's business that represents an individually material part of the business or geographical area of operations that has been disposed of or is held for sale. The results of discontinued operations are excluded from the face of the income statement and applicable notes. Comparative information is restated as if the operation had been discontinued from the start of the comparative period.

1. Summary of significant accounting policies continued

(f) Intangible assets

Acquired both separately and from a business combination
Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed as either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the income statement in the line item, 'Depreciation and amortisation expenses'.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists and in the case of indefinite lived intangibles annually, either individually or at the cash-generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Research and development costs
Research costs are expensed as incurred.

Development costs incurred on an individual project are carried forward when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

A summary of the policies applied to the Group's intangible assets is as follows:

	Financial planning, broking and portfolio systems	ASX broker licence fee	Contractual customer relationships
Useful lives	Finite	Indefinite	Finite
Method use	10 years – straight line (1)	Not depreciated or revalued	Over the life of each contract
Internally generated / acquired	Internally generated and acquired	Acquired	Acquired
Impairment test / recoverable amount testing	Amortisation method reviewed at each financial year end; reviewed annually for indicator of impairment	Annually and where an indicator of impairment exists	Amortisation method reviewed at each financial year end; reviewed annually for indicator of impairment

(1) All Financial planning, advisory, broking and portfolio systems are amortised over 10 years straight line except for the broking system Plato II. At 1 July 2006 the useful life of Plato II was reassessed and amortisation was accelerated to reflect anticipated discontinued use, resulting from the integration of broking systems. The effect on the period to 30 June 2007 was to increase amortisation by $675,000, compared to the reassessment not being completed.

The Australian Securities Exchange ('ASX') broker licence fee, acquired in the JDV acquisition is required to be held in order to be a registered broker of the ASX. The licence was classified as having an 'indefinite' life given it is a continuous requirement in order to be able to settle trades and there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

1. Summary of significant accounting policies continued

(g) Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is not amortised. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies.

Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

(h) Share-based payment transactions

The group provides benefits to employees (including the executive director) of the group in the form of equity-settled share-based payment transactions involving the grant of options and performance rights.

The cost of these share-based payments is measured by reference to the fair value at the date at which they were granted. The fair value is determined by an external valuer. The cost of the share-based payment transactions is recognised, together with a corresponding increase in equity, over the vesting period, ending on the date at which the relevant employee becomes fully entitled to the award ('vesting date').

The cumulative expense recognised for share-based payments at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired; and (ii) the number of options and performance rights that, in the opinion of the directors of the group, will ultimately vest. The opinion is formed based on the best available information at balance date. No expense is recognised for options and performance rights that do not ultimately vest.

The effect, of outstanding options and performance rights is reflected as additional share dilution in the computation of diluted earnings per share except where forfeiture is only due to total shareholder return (TSR) not achieving the threshold for vesting.

(i) Investments

The Group's investments in equity securities are classified as available for sale financial assets. Subsequent to initial recognition, they are measured at fair value with gains or losses being recognised as a separate component of equity until the asset 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.

(j) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of goodwill and intangibles with indefinite useful lives: see notes (f) and (g)

(ii) Share-based payment transactions: see note (h)

(iii) Contingent liabilities: see note 16

Notes to the and forming part of the financial statements for the year ended 30 June 2007

2. Segment information

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

Business Segments

The primary segment for allocations is business segments and the consolidated entity comprises the following business segments, based on the consolidated entity's management reporting system:

Continuing Operations:

- Wholesale Wealth Solutions, comprising:
    - Wholesale Broking; and
    - Portfolio Solutions
- Retail Wealth Solutions, comprising:
    - Retail Broking; and
    - Investment Research
- Central Services

Discontinued Operations:

- Advisory Software (Divested 24 April 2007)

Geographical Segments

The consolidated entity operates predominantly in one geographical location. The consolidated entity's customers are located predominantly in Australia.

Notes to the and forming part of the financial statements for the year ended 30 June 2007

2. Segment information continued

	Wholesale Wealth Solutions				Retail Wealth Solutions											
	Wholesale Broking		Portfolio Solutions		Retail Broking		Investment Research		Central Services		Continuing Operations		Advisory Software (Discontinued)		Group Consolidated	
	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000
Revenue																
Revenue from the rendering of services	77,247	61,054	15,887	11,187	19,511	19,608	1,951	2,508	-	6	114,596	94,363	15,378	16,612	129,974	110,975
Other revenues	753	2,232	-	-	85	232	-	2	1,698	437	2,536	2,903	22,310	49	24,846	2,952
Total segment revenue	78,000	63,286	15,887	11,187	19,596	19,840	1,951	2,510	1,698	443	117,132	97,266	37,688	16,661	154,820	113,927
Consolidation adjustment											(4,378)	(4,881)	(112)	(162)	(4,490)	(5,043)
Total revenue											112,754	92,385	37,576	16,499	150,330	108,884
Segment result																
Profit/(loss) before depreciation, amortisation and income tax	20,339	17,463	2,725	1,852	9,376	8,028	(781)	(367)	(3,134)	(3,353)	28,525	23,623	27,299	6,353	55,824	29,976
Depreciation of plant and equipment	(1,416)	(1,709)	(163)	(23)	(210)	(208)	(73)	(65)	(118)	152	(1,980)	(1,853)	(328)	(215)	(2,308)	(2,068)
Amortisation of intellectual property	(3,154)	(2,101)	(266)	(223)	-	(134)	-	-	-	-	(3,420)	(2,458)	(901)	(1,016)	(4,321)	(3,474)
Profit/(loss) before income tax	15,769	13,653	2,296	1,606	9,166	7,686	(854)	(432)	(3,252)	(3,201)	23,125	19,312	26,070	5,122	49,195	24,434
Interest Expense											(2,646)	(1,604)	-	-	(2,646)	(1,604)
Income tax (expense) / benefit											(3,332)	(2,057)	(1,896)	(360)	(5,228)	(2,417)
Profit after income tax											17,147	15,651	24,174	4,762	41,321	20,413

Notes to the and forming part of the financial statements for the year ended 30 June 2007

2. Segment information continued

	Wholesale Wealth Solutions				Retail Wealth Solutions											
	Wholesale Broking		Portfolio Solutions		Retail Broking		Investment Research		Central Services		Continuing Operations		Advisory Software (Discontinued)		Group Consolidated	
	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000	Jun 2007 $A'000	Jun 2006 $A'000
Assets																
Segment assets	275,814	196,012	16,958	18,269	55,965	56,137	188	404	182,687	115,764	531,612	386,586	-	26,507	531,612	413,093
Consolidation adjustment											(168,784)	(145,369)	-	-	(168,784)	(145,369)
Unallocated corporate assets											5,752	4,891	-	-	5,752	4,891
Consolidated total assets											368,580	246,108	-	26,507	368,580	272,615
Liabilities																
Segment liabilities	243,437	168,708	3,516	8,710	40,715	54,798	767	870	109,211	64,500	397,646	297,586	-	8,362	397,646	305,948
Consolidation adjustment											(168,784)	(145,369)	-	-	(168,784)	(145,369)
Unallocated corporate liabilities											43,548	32,795	-	-	43,548	32,795
Consolidated total liabilities											272,410	185,012	-	8,362	272,410	193,374
Consolidated net assets	32,377	27,304	13,442	9,559	15,250	1,339	(579)	(466)	73,476	51,264	133,966	89,000	-	18,145	133,966	107,145
Unallocated corporate assets											5,752	4,891	-	-	5,752	4,891
Unallocated corporate liabilities											(43,548)	(32,795)	-	-	(43,548)	(32,795)
Consolidated net assets											96,170	61,096	-	18,145	96,170	79,241

Notes to the and forming part of the financial statements for the year ended 30 June 2007

3. Discontinued operation

On 24th April 2007 IWL disposed of VisiPlan Pty Ltd and its Advisory Software business to Xplan Technology Pty Ltd, a subsidiary of Iress Market Technology Limited (ASX: IRE). The segment was not a discontinued operation or classified as held for sale at 30 June 2006. The comparative income statement has been re-presented to show the discontinued operation separately from continuing operations. The Board of Directors decided to sell this division due to the strategic decision to focus on the Group's other major operating units, namely wholesale and online retail stockbroking and portfolio administration services. The consideration received was in the form of 5.95 million new IRE shares, IRE's share price at the close of trade on 24th April 2007 was $8.29, valuing the consideration for the sale at $49.325 million. This divestment has been disclosed as a discontinued operation.

	June 2007 $'000	June 2006 $'000
Discontinued Operation		
Revenues from the rendering of services	15,378	16,612
Other revenues	5	49
Total revenues	15,383	16,661
Total expenses	11,618	11,539
Profit before income tax from discontinued operation	3,765	5,122
Income tax expense	609	360
Profit after income tax from discontinued operation	3,156	4,762
Details of divestment of discontinued operation		
Consideration received:		
Shares received	49,325	-
Net assets disposed of	24,818	-
Other costs of sale	2,202	-
Gain on sale of discontinued operation before tax	22,305	-
Income tax expense	1,287	-
Gain on sale of discontinued operation before tax	21,018	
Profit after income tax of discontinued operation and gain on divestment of discontinued operation	24,174	4,762

	June 2007 $'000	June 2006 $'000
Cash flows from discontinued operation		
Cash flows from operating activities	5,090	6,332
Cash flows from investing activities	(555)	(2,214)
Cash flows from financing activities	(4,799)	(4,090)
Total cash flows from discontinued operation	(264)	28

Notes to the and forming part of the financial statements for the year ended 30 June 2007

	Consolidated	
	June 2007 $A'000	June 2006 $A'000
4. Revenues from continuing operations		
Revenues		
Revenues from the rendering of services	110,218	89,482
Other revenues		
Sale of intellectual property	365	1,069
Profit on sale of strategic investments	1,024	-
Profit on sale of fixed assets	1	-
Dividends – related parties	-	698
Interest – other parties	1,146	1,136
	2,536	2,903
Total revenues	112,754	92,385
5. Expenses from continuing operations		
(a) Depreciation and amortisation		
Depreciation of plant and equipment	1,980	1,853
Amortisation of contractual customer relationships	1,322	1,102
Amortisation of internet site development	257	100
Amortisation of broking systems and portfolio management systems	1,841	1,257
Total depreciation and amortisation expense	5,400	4,312
(b) Interest and borrowing expenses		
Interest expense on borrowings	2,646	1,604
Borrowing Costs	82	260
Total interest and borrowing expenses	2,728	1,864
6. Earnings per share		
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Earnings from continuing operations	17,147	15,651
Earnings from discontinued operations	24,174	4,762
Total earnings	41,321	20,413
	Number of shares	Number of shares
Weighted average number of ordinary shares and performance rights used in calculating basic earnings per share	56,648,682	59,737,176
Effect of dilutive securities:		
Weighted average number of share options and performance rights	1,533,357	996,204
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	58,182,039	60,733,380

Notes to the and forming part of the financial statements for the year ended 30 June 2007

6. Earnings per share continued	Consolidated June 2007 $A'000	Consolidated June 2006 $A'000
Continuing operations:		
Basic earnings per share (cents)	30.3	26.2
Diluted earnings per share (cents)	29.5	25.8
Discontinued operations:		
Basic earnings per share (cents)	42.6	8.0
Diluted earnings per share (cents)	41.5	7.8
Total earnings per share:		
Basic earnings per share (cents)	72.9	34.2
Diluted earnings per share (cents)	71.0	33.6

7. Receivables

Receivables from clients – broking settlement obligations	214,002	146,075
Provision for doubtful debts - broking settlement obligations	(161)	(180)
Trade debtors	4,618	5,594
Provision for doubtful debts – trade debtors	(256)	(369)
Sundry debtors	6,436	4,171
	224,639	155,291

8. Other Financial Assets

Available for sale financial assets:		
Shares in listed companies at fair value	54,978	-
	54,978	-

The fair value of listed available for sale investments has been determined directly by reference to published price quotations on the Australian Securities Exchange.

9. Intangible assets

Financial planning and advisory systems	-	10,616
Less: accumulated amortisation	-	(3,486)
	-	7,130
Broking and portfolio management systems	10,800	10,985
Less: accumulated amortisation	(5,693)	(3,779)
	5,107	7,206
Contractual customer relationships	6,613	6,709
Less: accumulated amortisation	(2,424)	(1,166)
	4,189	5,543
ASX broker licence fee	250	250
Goodwill	50,525	68,394
	60,071	88,523

Notes to and forming part of the financial statements for the year ended 30 June 2007

	Consolidated	
	June 2007 $A'000	June 2006 $A'000
10. Payables		
Payables to clients – broking settlement obligations	214,002	146,075
Trade creditors and accruals	8,329	8,999
	222,331	155,074
11. Bank loans payable		
Bank loans payable – current	6,000	5,000
Bank loans payable – non-current	28,000	22,000
	34,000	27,000
12. Provisions		
Current		
Employee benefits	1,519	1,948
Provision for legal fees	2,113	1,817
Provision for surplus lease space and restructure	1,922	50
Other provisions	49	149
	5,603	3,964
Non-current		
Employee benefits	548	426
Other provisions	48	206
	596	632
13. Contributed equity		
Share capital		
55,441,440 (2006: 58,502,360) ordinary shares, fully paid	51,760	67,060
Movements during the period		
Balance at beginning of period	67,060	67,268
- Nil (2006: 1,993,949) as consideration on the acquisition of JDV shares	-	7,721
- 3,351,480 (2006: 1,877,061) bought back as part of an on market buy-back program	(15,300)	(8,074)
- Nil (2006: 134,482) from the exercise of options under the Executive and Employee Share Option Plan	-	145
- 290,560 (2006: 30,000) issued under the performance rights plan	-	-
Balance at end of period	51,760	67,060

Notes to and forming part of the financial statements for the year ended 30 June 2007

13. Contributed equity continued

	Consolidated June 2007	Consolidated June 2006
Share options	Number of options	Number of options
Movements in options:		
Balance at beginning of financial year	-	134,482
Exercised during the period	-	(134,482)
Balance at the end of the financial year	-	-

	Consolidated June 2007	Consolidated June 2006
Performance rights	Number of performance rights	Number of performance rights
Movements in performance rights:		
Balance at beginning of financial year	1,308,018	150,000
Granted during the period	667,998	1,188,018
Exercised during the period	(290,560)	(30,000)
Cancellations	(329,054)	-
Balance at end of period	1,356,402	1,308,018

14. Retained profits

	Consolidated June 2007 $A'000	Consolidated June 2006 $A'000
Retained profits at beginning of period	11,587	2,455
Net profit attributable to members of the Company	41,321	20,413
Dividends declared and paid during the year	(13,608)	(11,281)
Retained profits at end of period	39,300	11,587

Restatement of opening retained earnings

For all periods up to and including the year ended 30 June 2005, the IWL Group prepared its financial statements in accordance with Australian generally accepted accounting practise ('AGAAP'). The annual financial statements for the year ended 30 June 2006 were the first financial statements where the Group was required to prepare in accordance with Australian equivalents to International Financial Reporting Standards ('AIFRS'). The transition to AIFRS involved restating comparative figures for the year ended 30 June 2005, which resulted in an understatement to retained earnings, goodwill and equity plan reserve and an overstatement to deferred tax liabilities.

The financial effect of the transitional adjustment was to increase retained earnings by $2.996 million, increase goodwill by $3.039 million, increase equity plan reserve by $0.170 million and decrease deferred tax liabilities by $0.097 million.

The adjustment has been fully reflected in the financial report for the year ended 30 June 2007.

Notes to and forming part of the financial statements for the year ended 30 June 2007

15. Dividends

	Cents per share	Total Amount $A'000	Franked / unfranked	Date of payment
2007				
Interim 2007 ordinary	12.00	6,793	100% franked	30 March 2007
Final 2006 ordinary	12.00	6,815	100% franked	29 September 2006
Total Amount		13,608		
2006				
Interim 2006 ordinary	10.00	6,036	100% franked	31 March 2006
Final 2005 ordinary	9.00	5,245	100% franked	30 September 2005
Total Amount		11,281		

Subsequent events
Since the end of the financial year, the directors declared the following dividends:

Final 2007 ordinary	12.00	6,653	100% franked	28 September 2007

The financial effect of the final dividend has not been brought to account in the financial statements for the year ended 30 June 2007 and will be recognised in the subsequent financial period.

16. Contingent liabilities and assets

The fair value of a contingent liability reflects market expectations about any uncertainty surrounding the possibility that an outflow of resources embodying economic benefits will be required to settle the possible or present obligation. At 30 June 2007, the consolidated group had contingent liabilities on consolidation recognised in the accounts of $1.110 million, resulting from the acquisition of JDV Limited.

A provision for the expected costs associated with the potential litigation in respect of former clients and employees of JDV's discontinued wealth management advisory business was recognised by JDV in the 2004 financial year. The provision is regularly reviewed by the directors and is based on the best current estimate of the direct expenditures to be incurred, which are both directly and necessarily caused by the defence of these claims and not in association with the on going activities of the consolidated entity.

17. Events subsequent to balance date

Scheme of Arrangement

On 1 August 2007, IWL Limited and the Commonwealth bank of Australia ('CBA') entered into a Scheme Implementation Deed ('Scheme Deed') whereby it is proposed that CBA will acquire all of the issued capital in IWL for approximately $373 million or $6.57 per share, less the $0.12 fully franked, final dividend paid by IWL for the period ended 30 June 2007.

The acquisition is to be implemented by way of a Scheme of Arrangement under which IWL shareholders will receive the consideration wholly in cash or through CBA shares to an equivalent value ('Scheme').

Should the Scheme be successful, CBA will end up being the 100% owner of IWL and CBA will seek the delisting of IWL from the ASX.

17. Events subsequent to balance date continued

Legacy JDV Litigation

Subsequent to balance date, JDV Limited (a wholly owned subsidiary of IWL Limited) received three new claims from former clients, who claim they suffered loss in relation to trading activities which occurred prior to the acquisition of JDV by IWL. JDV will vigorously defend these claims and consequently the directors believe these claims will not result in a material impact to the consolidated entity. JDV has lodged notifications with its insurers in accordance with JDV's normal procedure.

There have been no other subsequent events that would have a material impact on the financial report for the year ended 30 June 2007.

18. Audit status of the statutory accounts

The report is based on accounts, which are in the process of being audited.

The entity has a formally constituted audit committee.

Sign here: .... Date: 29 August 2007
Company Secretary
Luke Littlefield