5. INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF MENZIES COURT HOLDINGS LIMITED

Scope

We have audited the financial report of Menzies Court Holdings Limited (the Company) for the financial year ended 30 June 1999 as set out on pages 23 to 45. The Company's directors are responsible for the financial report which includes the financial statements of the Company and the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the end of, or during, the financial year. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Law so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cashflows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the financial report of the Company is in accordance with:

(a) the Corporations Law, including:

- (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 1999 and of their performance for the financial year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations; and

(b) other mandatory professional reporting requirements.

PRICEWATERHOUSECOOPERS
Chartered Accountants

John O'Connor
Partner
Perth, WA
15 September 1999.

6. DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 23 to 45:

(a) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements, and

(b) give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 1999 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

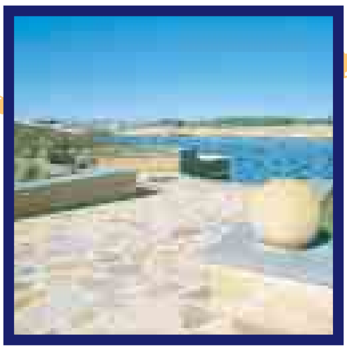
(a) the financial statements and notes are in accordance with the Corporations Law; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

R J Neumann
Executive Chairman and Managing Director

Perth, WA
15 September 1999.



PROFIT AND LOSS STATEMENTS

For the Year Ended 30 June 1999

	Note	Consolidated		Parent Entity	
		1999	1998	1999	1998
		$	$	$	$
Operating profit/(loss) before abnormal items and income tax	3(a)	7,601,076	(581,896)	(2,367,850)	(352,990)
Abnormal items before income tax	3(b)	-	(453,844)	-	(705,046)
Operating profit/(loss) before income tax		7,601,076	(1,035,740)	(2,367,850)	(1,058,036)
Income tax attributable to operating profit/(loss)	4(a)	(2,047,167)	-	30,258	-
Operating profit/(loss) after income tax		5,553,909	(1,035,740)	(2,337,592)	(1,058,036)
Outside equity interests in operating profit/(loss) after income tax		-	45,089	-	-
Operating profit/(loss) after income tax attributable to members of Menzies Court Holdings Limited		5,553,909	(1,080,829)	(2,337,592)	(1,058,036)
Accumulated (losses) at the beginning of the financial year		(6,926,644)	(5,845,815)	(7,264,804)	(6,206,768)
Accumulated (losses) at the end of the financial year		(1,372,735)	(6,926,644)	(9,602,396)	(7,264,804)
Earnings per share	34				

The above profit and loss statements should be read in conjunction with the accompanying notes.

BALANCE SHEETS

As at 30 June 1999

	Note	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
CURRENT ASSETS					
Cash	5	991,569	894,416	920,980	819,646
Receivables	6	2,669,251	1,041,657	8,179,572	99,611
Inventories	7	8,198,668	3,816,147	-	-
Other	8	431,101	-	-	-
TOTAL CURRENT ASSETS		12,290,589	5,752,220	9,100,552	919,257
NON-CURRENT ASSETS					
Receivables	9	1,085,348	219,505	7,171,333	4,399,483
Inventories	10	23,352,731	25,616,026	-	-
Investments	11	-	-	2,313,987	2,437,027
Property, plant and equipment	12	230,407	85,727	119,976	1,939
Other	14	1,392,459	100,000	1,141,814	100,000
TOTAL NON-CURRENT ASSETS		26,060,945	26,021,258	10,747,110	6,938,449
TOTAL ASSETS		38,351,534	31,773,478	19,847,662	7,857,706
CURRENT LIABILITIES					
Accounts payable	15	4,126,730	2,856,828	1,700,921	2,474,255
Borrowings	16	5,562,700	22,117,238	3,900,000	4,900,000
Provisions	17	8,397	43,454	8,397	43,454
TOTAL CURRENT LIABILITIES		9,697,827	25,017,520	5,609,318	7,417,709
NON-CURRENT LIABILITIES					
Borrowings	18	8,144,166	6,050,000	3,188,349	-
Provisions	19	1,313,639	-	11,555	-
TOTAL NON-CURRENT LIABILITIES		9,457,805	6,050,000	3,199,904	-
TOTAL LIABILITIES		19,155,632	31,067,520	8,809,222	7,417,709
NET ASSETS		19,195,902	705,958	11,038,440	439,997
EQUITY					
Parent entity interest					
Share Capital	20	20,575,827	7,639,792	20,575,827	7,639,792
Reserves	21	65,009	65,009	65,009	65,009
Accumulated (losses)		(1,372,735)	(6,926,644)	(9,602,396)	(7,264,804)
Shareholders' equity attributable to members of Menzies Court Holdings Limited		19,268,101	778,157	11,038,440	439,997
Outside equity interests in controlled entities	22	(72,199)	(72,199)	-	-
TOTAL EQUITY		19,195,902	705,958	11,038,440	439,997

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

STATEMENTS OF CASH FLOWS

For Year Ended 30 June 1999

	Note	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
Cash Flows from Operating Activities					
Receipts from customers		14,953,819	939,823	1,310	-
Payments to suppliers and employees		(8,159,784)	(1,260,352)	(2,227,408)	(163,905)
		6,794,035	(320,529)	(2,226,098)	(163,905)
Interest received		34,197	16,690	30,958	12,574
Interest and other costs of finance paid		(1,541,192)	(163,497)	(7,631)	(2,949)
Net Cash Inflow/(Outflow) from operating activities	32	**5,287,040**	**(467,336)**	**(2,202,771)**	**(154,280)**
Cash Flows from Investing Activities					
Payment for purchase of controlled entity acquired during 1998, net of cash acquired	29	(1,852,960)	(99,999)	(1,867,960)	(100,022)
Payments for property, plant and equipment		(121,645)	(2,355)	(135,350)	(1,973)
Payment for option over Eastport		(1,000,000)	(100,000)	(1,000,000)	(100,000)
Payment for security bonds		(180,843)	(1,341)	-	-
Proceeds on surrender of security bonds		17,222	16,852	-	-
Loans to related parties		-	-	(9,183,778)	(5,015,505)
Repayment of loans by related parties		-	-	14,020,413	299,980
Proceeds from sale of property, plant and equipment		-	22,981	-	-
Net Cash (Outflow) from investing activities		**(3,138,226)**	**(163,862)**	**1,833,325**	**(4,917,520)**
Cash Flows from Financing Activities					
Proceeds from issues of shares		9,284,259	1,273,299	9,284,259	1,273,299
Payment of prospectus costs		(1,050,161)	(266,906)	(1,050,161)	(266,906)
Proceeds from borrowings		13,637,724	5,197,884	12,880,166	4,900,000
Repayment of borrowings		(24,017,284)	(4,744,501)	(20,743,095)	-
Repayment of lease and hire purchase liabilities		(5,810)	-	-	-
Net cash Outflow/(Inflow) from financing activities		**(2,151,272)**	**1,459,776**	**371,169**	**5,906,393**
Net (Decrease)/Increase in Cash Held		(2,458)	828,578	1,723	834,593
Cash at beginning of the financial year		994,027	165,449	919,257	84,664
Cash at the End of the Financial Year	5	**991,569**	**994,027**	**920,980**	**919,257**
Non-cash financing and investing activities	33				

The above statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO & FORMING PART OF THE ACCOUNTS

For the Year Ended 30 June 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Law.

It is prepared in accordance with the historical cost convention and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated. Comparative information is reclassified where appropriate to enhance comparability.

(a) Principals of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Menzies Court Holdings Limited ("the Company" or "parent entity") as at 30 June 1999 and the results of all controlled entities for the year then ended. Menzies Court Holdings Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of controlled entities are shown separately in the consolidated profit and loss statement and balance sheet respectively.

Where control of an entity is obtained during a financial year, its results are included in the consolidated profit and loss statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

(b) Income Tax

The consolidated entity adopts the liability method of tax-effect accounting whereby the income tax expense shown in the profit and loss account is based on the operating profit before income tax adjusted for any permanent differences.

Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

(c) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is determined by reference to the fair value of the assets acquired, including goodwill where applicable.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value at the date of acquisition. The discount rate used is the rate at which a similar borrowing could be obtained under comparable terms and conditions.

Where the fair value of the identifiable net assets acquired, including any liability for restructuring costs, exceeds the cost of acquisition, the difference, representing a discount on acquisition, is accounted for by reducing proportionately the fair values of the non-monetary assets acquired until the discount is eliminated.

(d) Land Held for Development and Resale

Land held for development and resale is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and borrowing costs during development. When development is completed, borrowing and other holding charges are expensed as incurred. All land held for development and resale is regarded as inventory and is classified as such in the balance sheet. Land is classified as current only when sales are expected to occur within the next twelve months.

Borrowing costs included in the cost of any land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(e) Recognition of Revenue

Revenue arising from the sale of land held for resale is recognised in the profit and loss account on the signing of a valid and unconditional contract. Revenue arising from unconditional sales contracts executed prior to the completion of the relevant development is recognised using the percentage of completion method.

(f) Property, Plant and Equipment

Property, plant and equipment are included at cost less any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount the asset is revalued to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. To the extent that a revaluation decrement reverses a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to that reserve. Otherwise the decrement is recognised as an expense in the profit and loss account.

The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted to their present values using a market-determined, risk adjusted discount rate.

The depreciable amount of all fixed assets including buildings and capitalised leasehold assets, but excluding freehold land, are depreciated over their useful lives commencing from the time the asset is held ready for use, using the diminishing value method. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The expected useful lives are as follows:

Buildings	40 years
Plant and equipment	5 to 10 years

(g) Investments

Investments in controlled entities are valued in the parent entity's accounts at cost less amounts written off for permanent diminution in the value of investments.

(h) Cash

For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(i) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within standard trade terms.

(j) Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest, where applicable, is accrued over the period it becomes due and is recorded as part of other creditors.

Convertible notes are carried at their principal amounts, which represents the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of other creditors.

(k) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets - refer note 1(d).

The capitalisation rate is used to determine the amount of borrowing costs to be capitalised and is the weighted average interest rate applicable to the entity's outstanding borrowings during the year, in this case 8.75% p.a. (1998 : N/A).

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings
- amortisation of discounts or premiums relating to borrowings; and
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(l) Employee Entitlements

Liabilities for wages and salaries, annual leave and sick leave are recognised, and are measured as the amount unpaid at the reporting date at current pay rates in respect of the employees' services to that date.

(m) Year 2000 Software Modification Costs

Costs relating to the modification of computer software for year 2000 compatibility are charged as expenses as incurred.

(n) Earnings Per Share

(1) Basic Earnings Per Share

Basic earnings per share is determined by dividing the operating result after income tax and preference share dividends attributable to members of Menzies Court Holdings Limited by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(2) Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

(o) Intangible Assets - Goodwill

On acquisition of some, or all, of the assets of another entity or, in the case of an investment in a controlled entity, on acquisition of some, or all, of the equity of that controlled entity, the identifiable net assets acquired are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired, including any liability for restructuring costs, is brought to account as goodwill and amortised on a straight line basis over five years, being the period during which the benefits are expected to arise. Where the carrying amount of goodwill is assessed to be greater than its recoverable amount a provision is raised to reduce it to its recoverable amount.

The cost of acquisition is discounted to present value as described in note 1(c) where settlement of any part is deferred.

(p) Transaction Costs Arising on the Issue of Equity Instruments

Change in Accounting Policy

There has been a change in accounting policy in regards to the treatment of transaction costs arising on the issue of Equity Instruments. In previous years these transaction costs were recognised in the profit and loss statement. This year in accordance with Urgent Issues Group Abstract 23: Transaction Costs Arising on the Issue of Equity Instruments these transaction costs have been recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate.

This financial year $1,023,224 has been incurred in costs relating to the issue of Equity Instruments and has been recognised as a reduction in equity. In the 1998 financial year $293,844 was incurred in relation to the issue of Equity Instruments and was recognised in the profit and loss statement.

2. OPERATING REVENUE

	Consolidated		Parent Entity	
	1999 $	1998 $	1999 $	1998 $
Sales revenue	18,443,395	1,366,804	-	-
Other revenue				
Interest received/receivable	50,085	16,690	30,958	12,574
Proceeds from sale of property, plant and equipment	-	22,981	-	-
Intercompany loan recovered	-	-	40,264	-
Other	1,310	4,343	391,310	-
	18,494,790	1,410,818	462,532	12,574

3. OPERATING PROFIT

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
(a) Operating profit before abnormal items and income tax is arrived at after crediting and charging the following specific items:				
Credits				
Interest revenue	50,085	16,690	30,958	12,574
Intercompany loan recovered	-	-	40,264	-
Charges				
Borrowing costs:				
Interest and finance charges paid / payable	1,954,621	182,944	390,000	59,002
Less : amount capitalised	(1,585,945)	-	-	-
Borrowing costs expensed	368,676	182,944	390,000	59,002
Net loss on disposal of property, plant and equipment	8,609	42,977	27	2,178
Depreciation:				
Buildings	2,785	334	-	-
Plant and equipment	25,468	19,086	17,286	921
Total Depreciation	28,253	19,420	17,286	921
Amortisation:				
Plant and equipment under finance leases	103	3,480	-	-
Goodwill	-	40,000	-	-
Total Amortisation	103	43,480	-	-
Rental expense	32,498	-	31,157	968
Bad debts	-	2,574	-	-
Provision for doubtful debts	-	84,324	-	-
(b) Operating profit after income tax is also arrived at after crediting and charging the following abnormal items:				
Provision for non-recovery of loans to subsidiaries	-	-	-	411,202
Prospectus costs	-	293,844	-	293,844
Provision against carrying value of goodwill	-	160,000	-	-
Abnormal items before income tax	-	453,844	-	705,046
Applicable income tax credit	-	-	-	-
Abnormal items after income tax	**-**	**453,844**	**-**	**705,046**

4. INCOME TAX

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
(a) The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the operating loss. The differences are reconciled as follows:				
Operating profit/(loss) before income tax	7,601,076	(1,035,740)	(2,367,850)	(1,058,036)
Income tax calculated @ 36%	2,736,387	(372,866)	(852,426)	(380,893)
Tax effect of permanent differences:				
Other non-deductible items	50,568	132,076	36,074	131,283
Provision against carrying value of goodwill	-	72,000	-	-
Provision for diminution in value of intercompany loan	-	-	-	148,033
Income tax adjusted for permanent differences	2,786,955	(168,792)	(816,352)	(101,577)
Tax losses transferred to a controlled entity	-	-	891,821	-
Benefit of tax losses of prior years recouped	(739,788)	168,792	(105,727)	101,577
Attributable to operating profit / (loss)	2,047,167	-	(30,258)	-
Income tax attributable to operating profit comprises:				
Current taxation provision	-	-	-	-
Deferred income tax provision	1,313,639	-	11,555	-
Future income tax benefit	733,528	-	(41,813)	-
	2,047,167	-	(30,258)	-
(b) The directors estimate that the potential future income tax benefit at 30 June 1999 in respect of tax losses not brought to account is:	1,249,744	1,120,891	-	101,577

The losses in 1998 excluded potential tax losses of CP Development Pty Ltd and its controlled entities, which were unquantified at that time.

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
(c) Franking credits				
Franking credits available for the subsequent financial year	-	-	-	-

This benefit for tax losses will only be obtained if:

(i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised; or

(ii) the losses are transferred to an eligible entity in the consolidated entity; and

(iii) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and

(iv) no changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
5. CURRENT ASSETS - CASH				
Cash at bank and on hand	991,569	894,416	920,980	819,646
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cashflows as follows:				
Balances as above	991,569	894,416	920,980	819,646
Plus: Commercial bill (Note 6)	-	99,611	-	99,611
	991,569	994,027	920,980	919,257

6. CURRENT ASSETS - RECEIVABLES

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
Trade debtors	2,695,824	1,009,148	-	-
Less: Provision for doubtful debts	(84,324)	(84,324)	-	-
	2,611,500	924,824	-	-
Loans to controlled entities	-	-	8,143,643	-
Other debtors	57,751	17,222	35,929	-
Commercial bill	-	99,611	-	99,611
	2,669,251	1,041,657	8,179,572	99,611

The commercial bill bore a floating interest rate of 4.72% at 30 June 1998. Bills are generally subject to credit risk in the event of default of the acceptor. However, the risk was mitigated by ensuring that the bill had been accepted by banks.

Other debtor amounts usually arise from transactions outside the operating activities of the consolidated entity. Interest is not normally charged on these amounts. Collateral is not normally obtained.

7. CURRENT ASSETS - INVENTORIES

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
Land held for development and resale				
- at cost of acquisition	3,563,069	3,816,147	-	-
- capitalised development costs	2,473,586	-	-	-
- other costs	2,162,013	-	-	-
	8,198,668	3,816,147	-	-

8. CURRENT ASSETS - OTHER

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
Capitalised borrowing costs	148,218	-	-	-
Deposits held from customers in respect of land sales (see also Note 15)	282,883	-	-	-
	431,101	-	-	-

9. NON-CURRENT ASSETS - RECEIVABLES

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
Loans to controlled entities	-	-	9,594,070	6,862,484
Less: Provision for non-recovery	-	-	(2,422,737)	(2,463,001)
	-	-	7,171,333	4,399,483
Trade debtors	705,000	-	-	-
Other debtors	380,348	219,505	-	-
	1,085,348	219,505	7,171,333	4,399,483

Further information relating to the other debtors is set out in Note 6.

Further information regarding loans to controlled entities is set out in Note 28.

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
10. NON-CURRENT ASSETS - INVENTORIES				
Land held for development and resale				
- at cost of acquisition	21,615,563	25,616,026	-	-
- capitalised development costs	687,435	-	-	-
- other costs	1,049,733	-	-	-
	23,352,731	25,616,026	-	-
11. NON-CURRENT ASSETS - INVESTMENTS				
Shares in controlled entities				
- at cost (Note 29)	-	-	3,863,987	3,987,027
Less: Provision for non-recovery	-	-	(1,550,000)	(1,550,000)
	-	-	2,313,987	2,437,027
12. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT				
Buildings - at cost	111,726	51,726	-	-
Less: Accumulated depreciation	(3,119)	(334)	-	-
	108,607	51,392	-	-
Plant and equipment - at cost	156,653	66,991	137,791	2,660
Less: Accumulated depreciation	(34,853)	(32,656)	(17,815)	(721)
	121,800	34,335	119,976	1,939
Total property, plant and equipment	230,407	85,727	119,976	1,939
13. NON-CURRENT ASSETS - INTANGIBLES				
Goodwill	2,173,503	2,173,503	-	-
Provision against carrying value	(1,997,478)	(1,997,478)	-	-
Less: Accumulated amortisation	(176,025)	(176,025)	-	-
	-	-	-	-
14. NON-CURRENT ASSETS - OTHER				
Capitalised borrowing costs	117,338	-	-	-
Future income tax benefit	175,121	-	41,814	-
Eastport option fee (a)	1,100,000	100,000	1,100,000	100,000
	1,392,459	100,000	1,141,814	100,000

(a) At the same time as the company completed the Port Bouvard acquisition, the vendors granted the company an option to acquire an existing option over the Eastport precinct of the Port Bouvard Project for an initial option fee of $100,000. This option fee was paid in full at completion of the Port Bouvard acquisition on 18 May 1998. The company then entered into the Eastport call option agreement whereby the company has the option to acquire the original option held by the vendors of the Port Bouvard Project.

Under the Eastport call option agreement, a total consideration of $10,000,000 is payable comprising the original non-refundable option fee of $100,000 (which was paid on 18 May 1998) plus a further non-refundable option extension fee of $1,000,000 (which was paid on 18 May 1999) and a final payment of $8,900,000 on exercise of the option on or before 18 May 2001.

	Consolidated		Parent Entity	
	1999	1998	1999	1998
	$	$	$	$
15. CURRENT LIABILITIES - ACCOUNTS PAYABLE				
Trade creditors	1,064,166	327,653	1,059,966	140,461
Other creditors and accruals	3,062,564	2,529,175	640,955	2,333,794
	4,126,730	2,856,828	1,700,921	2,474,255
Other creditors and accruals includes amounts due to customers representing deposits held in respect of land sales (see also Note 8):-	282,883	-	-	-
16. CURRENT LIABILITIES - BORROWINGS				
Loans - secured (a)	1,662,500	12,371,023	-	-
Loans - unsecured (b)	200	4,840,405	-	-
Lease liabilities (Note 27)	-	5,810	-	-
Loans from Directors (Note 28)	-	1,000,000	-	1,000,000
Convertible notes (c)	3,900,000	3,900,000	3,900,000	3,900,000
	5,562,700	22,117,238	3,900,000	4,900,000

(a) Secured loans comprise:

(i) Wannanup Vendor Unitholders - $1,662,500 (30 June 1998: $800,000). A total of $6,650,000 was owed to the Vendor Unitholders of Wannanup Development Unit Trust at 30 June 1999 (30 June 1998: $6,850,000). This amount is secured by a mortgage over land held by Wannanup Development Unit Trust and is due and payable in four successive annual installments of $1,662,500.

(ii) (30 June 1998 only): $11,491,023 owed to BankWest secured by a fixed and floating charge over the assets and undertakings of Wannunup Development Nominees Pty Ltd and Wannanup Development Unit Trust as well as a mortgage over significant parts of the Port Bouvard Project land. During the year this debt was refinanced through St George Bank - refer Note 18.

(iii) (30 June 1998 only): $80,000 owed to Syndicate Finance Pty Ltd and secured by a mortgage over part of the Northport land. This debt was repaid during the financial year.

(b) Unsecured loans comprise:

(i) $200 (30 June 1998: $200) owed to Promtek (Australia) Pty Ltd and Phoenix Trust.

(ii) (30 June 1998 only): $4,675,000 owed to Kim-Siew Loo (Chang) and Promtek (Australia) Pty Ltd pursuant to the CP Development and Hamsted share sale agreement. This debt was settled during the financial year by the issue of 18,700,000 ordinary shares and 18,700,000 30 March 2001 options in the parent entity in July 1998.

(ii) (30 June 1998 only): $165,205 owed to the Warren Trust, settled during the financial year.

(c) The company has 30,000,000 convertible notes on issue at 30 June 1999. These convertible notes were issued at a price of 13 cents each and each note may be converted into one ordinary share and free attached option. The convertible notes have been issued in accordance with the terms and conditions of the convertible note deeds, the major terms being:

(i) the option to convert the notes to shares in the company expires on 1 November 1999;

(ii) the Noteholder on conversion is entitled to one share and one option (exercisable at 20 cents at any time prior to 30 March 2001) for each note held;

(iii) the repayment amount is 13 cents per note and the repayment date is 1 November 1999 or such extended period as agreed by the parties; and

(iv) interest is accrued at a rate of 10% per annum and is payable at the earliest of the conversion of the notes or 1 November 1999.

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
17. CURRENT LIABILITIES - PROVISIONS				
Provision for holiday pay	8,397	43,454	8,397	43,454
18. NON-CURRENT LIABILITIES - BORROWINGS				
Loans - secured (a)	8,144,166	6,050,000	3,156,666	-
Loans from controlled entities	-	-	31,683	-
	8,144,166	6,050,000	3,188,349	-

(a) Secured loans comprise:

(i) $4,987,500 (1998: $6,050,000) due to the Vendor Unitholders of Wannanup Development Unit Trust as detailed in Note 16(a)(i) above. No interest is payable on these loans.

(ii) $3,156,666 (1998: $0) loan facility from St George Bank. This facility is secured by registered first mortgages and debenture charges over the Port Bouvard land titles. The facility is repayable on 31 October 2001. Interest rates on the loan facility is variable and at year end was 7.75% p.a.

19. NON-CURRENT LIABILITIES - PROVISIONS				
Provisions for deferred income tax	1,313,639	-	11,555	-
20. SHARE CAPITAL	**Number**	**Number**	**$**	**$**
(a) Paid up capital				
Ordinary shares fully paid	116,053,240	50,931,944	20,575,827	7,639,792

(b) Movements in issued and paid up ordinary share capital of the company during the past year were as follows:

Date	Details	Number of Shares	$
01/07/98	Opening balance	50,931,944	7,639,792
09/07/98	Shares issued to satisfy debt pursuant to the CP Development and Hamsted Share Sale Agreement	18,700,000	4,675,000
04/11/98	Rights issue to fund working capital and debt repayment	46,421,296	9,284,259
	Less: Share issue expenses	-	(1,023,224)
30/06/99	Closing balance	116,053,240	20,575,827

21. RESERVES

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
Composition:				
Share option reserve	65,009	65,009	65,009	65,009

22. OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES

	Consolidated 1999 $	Consolidated 1998 $
Interest in:		
Share capital	60	60
Accumulated losses	(72,259)	(72,259)
	(72,199)	(72,199)

23. REMUNERATION OF DIRECTORS

	Directors of Entities in the Consolidated Entity 1999 $	Directors of Entities in the Consolidated Entity 1998 $	Directors of Parent Entity 1999 $	Directors of Parent Entity 1998 $
Income paid or payable, or otherwise made available, to directors by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities	540,674	198,276	540,674	33,333
The numbers of parent entity directors whose total income from the parent entity or related parties was within the specified bands are as follows:				
$0 - $9,999			1	5
$20,000 - $29,999			1	-
$30,000 - $39,999			-	1
$70,000 - $79,999			2	-
$370,000 - $379,999			1	-

24. REMUNERATION OF EXECUTIVES

	Executive Officers of the Consolidated Entity 1999 $	Executive Officers of the Consolidated Entity 1998 $	Executive Officers of Parent Entity 1999 $	Executive Officers of Parent Entity 1998 $
Remuneration received, or due and receivable, from entities in the consolidated entity and related parties by Australian based executive officers (including directors) whose remuneration was at least $100,000:				
Executive officers of the parent entity	522,940	-	522,940	-
The numbers of Australian based executive officers (including directors) whose remuneration from entities in the consolidated entity and related parties was within the specified bands are as follows:				
$150,000 - $159,999	1	-	1	-
$370,000 - $379,999	1	-	1	-

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
25. REMUNERATION OF AUDITORS				
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:				
Auditors of parent entity:				
Parent entity	38,165	18,000	38,165	18,000
Controlled entities	-	9,500	-	-
	38,165	27,500	38,165	18,000
Remuneration for other services by the parent entity auditors:				
Parent entity	10,200	3,000	10,200	3,000
Controlled entities	-	16,070	-	-
	10,200	19,070	10,200	3,000
26. CONTINGENT LIABILITIES				
Details and estimates of maximum amount of contingent liabilities are as follows:				
Guarantees				
Secured guarantees by the parent entity in respect of loans of controlled entities. Secured by registered mortgages over significant parts of the Port Bouvard Project land.	-	-	6,650,000	-
A controlled entity has an indemnity guarantee in favour of the Australian Securities and Investments Commission for the operation of a Dealers Licence.	20,000	20,000	-	-
A controlled entity has provided guarantees in respect of certain undertakings in respect of the Port Bouvard Project, in favour of:				
The City of Mandurah	459,726	-	-	-
The Water Corporation	115,000	287,500	-	-
	594,726	307,500	6,650,000	-

No material losses are anticipated in respect of any of the above contingent liabilities.

	Consolidated		Parent Entity	
	1999	1998	1999	1998
	$	$	$	$

27. COMMITMENTS FOR EXPENDITURE

Commitments in relation to finance leases
and hire purchase agreements are payable as follows:

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
Not later than one year	-	5,869	-	-
Later than one year but not later than 2 years	-	-	-	-
Minimum payments	-	5,869	-	-
Less: Future finance charges	-	(59)	-	-
Provided for in accounts	-	5,810	-	-
Representing lease liabilities:				
Current (Note 16)	-	5,810	-	-

28. RELATED PARTIES

Directors

The names of persons who were directors of Menzies Court Holdings Limited at any time during the financial year are as follows: RJ Neumann, MD Perrott, RW Crabb, IA Macliver and JH Sambell.

Remuneration and Retirement Benefits

Information on remuneration of directors is disclosed in Note 23.

Transactions of Directors and Director-Related Entities Concerning Shares or Share Options

Aggregate numbers of shares of Menzies Court Holdings Limited acquired by directors or their director-related entities from the company were 10,525,687 (1998: 636,000). Aggregate numbers of options of Menzies Court Holdings Limited acquired by directors or their director-related entities from the company were 10,525,687 (1998: Nil).

All transactions relating to shares and options of the company were on the same basis as similar transactions with other shareholders.

Aggregate numbers of shares and share options of Menzies Court Holdings Limited held directly, indirectly or beneficially by directors or their director-related entities at balance date were 25,432,008 and 10,475,692 respectively.

Loans from Directors and Director Related Entities

Riverman Holdings Pty Ltd, a company controlled by Mr Neumann, lent the Company $1,000,000 on 18 May 1998 and a further $1,000,000 on 7 July 1998. The $2,000,000 was repaid in full on 6 November 1998 together with interest totalling $57,782 (includes $9,041 which was unpaid at 30 June 1998). The loans were unsecured, payable on demand and accrued interest at a rate of 7.5% per annum.

On 28 October 1998 Arjay Pty Ltd, an entity associated with Mr Perrott, lent the Company $150,000. This amount was repaid in full on 6 November 1998 together with interest of $277. The loan was unsecured, payable on demand and accrued interest at a rate of 7.5% per annum.

Other Transactions with Directors and Director-Related Entities

(All transactions were made under normal commercial terms and conditions unless otherwise stated)

During the year Mr Perrott agreed to purchase one lot in stage 2 to the value of $190,000 being the Company's normal selling price for the agreed purchase price of $142,500. It was also agreed that the discount given would be in lieu of future director fees. As a result Mr Perrott has not been paid any director fees since 1 April 1999 and will not be paid any future director fees until the entire discount has been offset.

During the year Mr Macliver agreed to purchase one lot in stage 2 to the value of $210,000 being the Company's normal selling price for the agreed purchase price of $157,500. It was also agreed that the discount given would be in lieu of future director fees. As a result Mr Macliver has not been paid any director fees since 1 April 1999 and will not be paid any future director fees until the entire discount has been offset.

During the year Mr Neumann agreed to purchase one lot in stage 2 to the value of $240,000 being the Company's normal selling price for the agreed purchase price of $180,000. The discount was considered part of Mr Neumann's remuneration for the year.

The above lots were sold at the published selling prices. The discounts were worked out after receiving independent advice as an effective way of remunerating the directors without increasing the cost to the Company had they been remunerated in the normal way. In addition, the directors were entitled to and granted the 5% shareholders' discount on the purchase of these blocks.

During the period 20 October 1998 to 24 November 1998 Mr Neumann and Mr Perrott acted as personal guarantors of the Company to St George Bank in order to facilitate refinancing of the Company's debt and the removal of the Receiver who had been appointed to the Company's subsidiary Wannanup Development Nominees Pty Ltd. These guarantees had been demanded by St George Bank as additional security for the $19,000,000 loan facility that had been arranged. A fee of $50,000 each was paid to Mr Neumann and Mr Perrott for providing their personal guarantee.

During the year the Company purchased a Range Rover for company use from Mr Neumann at its market value of $75,000.

Office management services, which include office facilities, accounting and company secretarial services, were provided during the year from Perrott Management Services, an entity associated with Mr Perrott, to the value of $180,900 (1998: $10,400).

Consulting services pertaining to financial, legal and corporate affairs of the Company were provided by Mr Crabb to the value of $15,000 (1998: Nil).

Consulting services pertaining to corporate affairs of the Company were provided by Mr Macliver to the value of $15,000 (1998: Nil).

Aggregate amounts receivable and payable to directors and their director-related entities at balance date:

	Consolidated		Parent Entity	
	1999	1998	1999	1998
	$	$	$	$
Current receivables	456,000	-	-	-
Current liabilities	-	10,400	-	10,400

Wholly-owned Group

The wholly-owned group consists of Menzies Court Holdings Limited and its wholly-owned controlled entities. Ownership interests in these controlled entities are set out in Note 29.

Transactions between Menzies Court Holdings Limited and related parties in the wholly-owned group during the year ended 30 June 1999 consisted of loans advanced by Menzies Court Holdings Limited and loans repaid to Menzies Court Holdings Limited. These loans are interest free and have no fixed repayment terms.

Transaction totals for the year:

Loans advanced to controlled entities	-	-	25,199,849	5,015,505
Loan repayments from controlled entities	-	-	14,356,303	299,980
Reduction in provision for non-recoverability	-	-	40,264	-
Current receivables:				
Controlled entities (loans)	-	-	8,143,643	-
Non-current receivables:				
Controlled entities (loans)	-	-	9,594,070	6,862,484
Provision against non-recoverability	-	-	(2,422,737)	(2,463,001)
	-	-	7,171,333	4,399,483
Non-current liabilities:	-	-	31,683	-

At the end of the year the Parent Entity transferred $2,477,281 of tax losses at nil consideration to a controlled entity.

Controlling Entities

The ultimate parent entity in the wholly-owned group is Menzies Court Holdings Limited.

29. INVESTMENT IN CONTROLLED ENTITIES

	Country of Incorporation	Class of Shares	Equity Holding 1999 %	Equity Holding 1998 %	Cost of Parent Entity Investment 1999 $	Cost of Parent Entity Investment 1998 $
Menzies Court Ltd	Australia	Ordinary	100	100	1,687,005	1,687,005
Express Home Loans Australia Pty Ltd *	Australia	Ordinary	100	100	-	-
Menzies Court Mortgage Finance (NSW) Pty Ltd *	Australia	Ordinary	100	100	-	-
Thunderlara Films Pty Ltd *	Australia	Ordinary	60	60	-	-
CP Development Pty Ltd * (a)	Australia	Ordinary	100	100	2,161,960	2,300,000
Wannunup Development Nominees Pty Ltd *	Australia	Ordinary	100	100	-	-
Hamsted Pty Ltd *	Australia	Ordinary	100	100	2	2
Eastport Marina Pty Ltd * (b)	Australia	Ordinary	100	100	15,020	20
					3,863,987	3,987,027

* These controlled entities are not required to prepare audited accounts.

(a) The cost to the Parent Entity of its investment in CP Development Pty Ltd has reduced from $2,300,000 in 1998 to $2,161,900 in 1999 due to an overall favourable reduction in costs necessarily incurred to complete the acquisition. The revision in costs related to stamp duty and legal fees which were only estimates at 30 June 1998.

(b) The cost to the Parent Entity of its investment in Eastport Marina Pty Ltd has increased from $20 in 1998 to $15,020 in 1999 due to subsequent legal fees incurred to complete the transaction.

Acquisition of Controlled Entities

On 18 May 1998 the parent entity acquired 100% of the issued capital of CP Development Pty Ltd, Hamsted Pty Ltd and Eastport Marina Pty Ltd, being the entities owning the Port Bouvard Project. The total consideration payable was $2,300,022, including estimated stamp duty and other acquisition costs. The parent entity was also required to issue 18,700,000 shares and 18,700,000 30 March 2001 options in satisfaction of the majority of amounts due by CP Development Pty Ltd to the vendors and their related parties. The purchase of the Port Bouvard Project, including the issue of the above shares and options was approved by members of the company on 9 July 1998. The operating results of the acquired controlled entities have been included in the consolidated profit and loss account from the date of acquisition. At the date of acquisition, the acquired entities were involved in land development of Port Bouvard.

Details of the acquisition was as follows:	1998
Fair value of identifiable net assets of controlled entities acquired	$
Plant and equipment (net)	62,443
Trade debtors	590,838
Cash	23
Trade creditors	(353,725)
Borrowings	(27,127,384)
Land held for resale and development	56,976,290
Amount owing to parent entity (Menzies Court Holdings Limited)	(572,648)
	29,575,837
Discount on acquisition	(27,275,815)
Total cost of investment	2,300,022
Less: Amounts still due for payment	(2,200,000)
Cash consideration	100,022

	Consolidated 1998	Parent Entity 1998
Outflow of cash to acquire controlled entity, net of cash acquired		
Cash consideration	(100,022)	(100,002)
Less: Cash acquired	23	-
Outflow of cash	(99,999)	(100,002)

30. EVENTS OCCURRING AFTER BALANCE DATE

Since the end of the financial year 7,692,308 Shares and 7,692,308 30 March 2001 Options exercisable at 20 cents each have been issued as the result of the conversion of $1,000,000 Convertible Notes. There is still a further $2,900,000 outstanding in Convertible Notes.

No other matters or circumstances have arisen since the end of the financial year which significantly affected, or may significantly affect:

(a) the consolidated entity's operations in future financial years; or

(b) the results of those operations in future financial years; or

(c) the consolidated entity's state of affairs in future financial years.

31. SEGMENT INFORMATION

The company and consolidated entity's operations were predominantly in the land development industry in Australia during the financial year.

	Segment Revenues 1999 $	Segment Revenues 1998 $	Segment Assets 1999 $	Segment Assets 1998 $	Segment Profit/(Loss) 1999 $	Segment Profit/(Loss) 1998 $
Industry Segments						
Mortgage origination	62,104	478,102	90,442	134,159	45,022	(596,502)
Land development	18,432,686	932,716	38,261,092	31,639,319	7,556,054	54,606
	18,494,790	1,410,818	38,351,534	31,773,478	7,601,076	(541,896)
Less: Unallocated corporate expenses					-	-
Operating profit/(loss) before abnormal items					7,601,076	(581,896)
Abnormal items:						
Prospectus costs					-	(293,844)
Provision against carrying value of goodwill					-	(160,000)
Operating profit/(loss)					7,601,076	(1,035,740)

32. RECONCILIATION OF OPERATING PROFIT AFTER INCOME TAX TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Consolidated		Parent Entity	
	1999	1998	1999	1998
	$	$	$	$
Operating profit/(loss) after income tax	5,553,909	(1,035,740)	(2,337,592)	(1,058,036)
Depreciation and amortisation	28,356	22,900	17,286	921
Provision for non-recovery of loans to subsidiaries	-	-	-	411,202
Net loss on sale of property, plant and equipment	8,609	42,977	27	2,178
Provision against carrying value of goodwill	-	200,000	-	-
Prospectus costs	-	293,844	-	293,844
Intercompany loans recovered previously provided for	-	-	(40,264)	-
Change in operating assets and liabilities attributable to operating activities net of the effects of the purchase of controlled entities:				
Provision for doubtful debts	-	84,324	(5,929)	-
(Increase) in receivables	(2,429,429)	(444,327)	-	-
(Increase)/decrease in inventories	(1,982,824)	268,301	-	-
(Increase) in future income tax benefit	(175,121)	-	(41,814)	-
(Increase) in provision for deferred income tax	1,313,639	-	11,555	-
Increase in trade creditors	3,004,958	56,931	229,017	152,152
Increase/(decrease) in other provisions	(35,057)	43,454	(35,057)	43,454
Net cash inflow/(outflow) from operating activities	5,287,040	(467,336)	(2,202,771)	(154,280)

33. NON-CASH FINANCING AND INVESTING ACTIVITIES

Shares and options issued in parent entity to satisfy debt pursuant to the CP Development and Hamsted Share Sale Agreement	4,675,000	-	4,675,000	-
Repayment of BankWest loan by means of refinancing with St George Bank	10,019,594	-	10,019,594	-

34. EARNINGS PER SHARE

	Consolidated 1999 Cents	Consolidated 1998 Cents
Basic earnings/(loss) per share	5.44	(1.95)
Diluted earnings/(loss) per share	4.40	N/A
Weighted average number of ordinary shares outstanding during the year (adjusted for bonus elements in ordinary shares issued during the year) used in the calculation of basic earnings/(loss) per share.	102,021,240	38,125,049

Information concerning the Classification of Securities:

(a) Options

All Options on issue at 30 June 1999 are not considered to be potential ordinary shares as it is the directors' view that based on conditions at the reporting date it is unlikely that those options would have been exercised. These options have therefore not been included in the determination of diluted earnings per share. The options have also not been included in the determination of basic earnings per share. Details relating to the options are set out in note 2.15 of the Directors' Report.

(b) Convertible Notes

Convertible notes on issue are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The notes have not been included in the determination of basic earnings per share. Details relating to the notes are set out in note 16(c). Conversion of notes to ordinary shares that has occurred subsequent to year end are set out in note 30.

(c) Comparative Information

The basic and diluted earnings per share amounts disclosed for the year ended 30 June 1998 have been adjusted for the change in accounting policy for transaction costs arising on issue of Equity Instruments (see note 1(p)) and for bonus elements in ordinary shares issued during the year ended 30 June 1999.

(d) Change in Accounting Policy

Basic and diluted earnings per share disclosed above have been increased by the change in accounting policy for transaction costs arising on issue of Equity Instruments (see note 1(p)) as follows:

	Consolidated 1999 Cents	Consolidated 1998 Cents
Basic earnings per share	1.00	0.77
Diluted earnings per share	0.78	N/A

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $

35. CREDIT AND FINANCE FACILITIES

Unrestricted access was available at balance date to the following lines of credit:

	Consolidated 1999 $	Consolidated 1998 $	Parent Entity 1999 $	Parent Entity 1998 $
Bank guarantee and loan facilities	19,000,000	11,491,023	-	-
Used at balance date:				
Bank guarantee and loan facilities	10,381,392	11,491,023	-	-
Unused at balance date:				
Bank guarantee and loan facilities	8,618,608	-	-	-

The bank guarantee and loan facilities may be drawn at any time in the form of bank guarantees or loan funds. The current interest rates on the loan funds at year end was 7.75% pa (1998: 10.75% p.a.) and guarantee fees were charged at the rate of 3.00% p.a. (1998: 2.5% p.a.).

36. FINANCIAL INSTRUMENTS

(a) Credit Risk Exposures

The credit risk on financial assets of the consolidated entity which have been recognised on the balance sheet is generally the carrying amount, net of any provision for doubtful debts.

(b) Interest Rate Exposures

The consolidated entity's exposure to interest rate risk and the weighted average interest rate for each class of financial assets and financial liabilities is set out below:

1999	Note	Floating Interest Rate	Fixed Interest Rate maturing in less than 1yr	Fixed Interest Rate maturing in 1-5yrs	Non-interest Bearing	Total
Financial Assets	$	$	$	$	$	$
Cash and deposits	5	991,569	-	-	-	991,569
Receivables	6,9	20,000	-	-	3,734,601	3,754,601
Other	8	-	-	-	282,883	282,883
		1,011,569	-	-	4,017,484	5,029,053
Weighted average interest rate:		3.2%				

1999	Note	Floating Interest Rate	Fixed Interest Rate maturing in less than 1yr	Fixed Interest Rate maturing in 1-5yrs	Non-interest Bearing	Total
Financial Liabilities	$	$	$	$	$	$
Trade and other creditors	15	-	-	-	4,126,730	4,126,730
Convertible notes	16	-	3,900,000	-	-	3,900,000
Bank Loans	18	3,156,666	-	-	-	3,156,666
Other Loans	16,18	-	-	-	6,650,200	6,650,200
		3,156,666	3,900,000	-	10,776,930	17,833,596
Weighted average		7.75%	10%			
Net financial liabilities		(2,145,097)	(3,900,000)	-	(6,759,446)	(12,804,543)

1998	Note	Floating Interest Rate	Fixed Interest Rate maturing in less than 1yr	Fixed Interest Rate maturing in 1-5yrs	Non-interest Bearing	Total
Financial Assets	**$**	**$**	**$**	**$**	**$**	**$**
Cash and deposits	5	894,416	-	-	-	894,416
Receivables	6,9	136,833	-	-	1,124,329	1,261,162
		1,031,249	-	-	1,124,329	2,155,578
Weighted average interest rate:		4.7%				

1998	Note	Floating Interest Rate	Fixed Interest Rate maturing in less than 1yr	Fixed Interest Rate maturing in 1-5yrs	Non-interest Bearing	Total
Financial Liabilities	**$**	**$**	**$**	**$**	**$**	**$**
Trade and other creditors	15	-	-	-	2,856,828	2,856,828
Convertible notes	16	-	-	3,900,000	-	3,900,000
Bank Loans	16	11,491,023		-	-	11,491,023
Other Loans	16,18	-	1,080,000	-	11,690,405	12,770,405
Lease liabilities	16,18	-	5,810	-	-	5,810
		11,491,023	1,085,810	3,900,000	14,547,233	31,024,066
Weighted average		8.0%	7.5%	10%		
Net financial liabilities		(10,459,774)	(1,085,810)	(3,900,000)	(13,422,904)	(28,868,488)

(c) Net Fair Value of Financial Assets and Liabilities

The net fair value of financial assets and liabilities of the consolidated entity approximates their carrying value.

SHAREHOLDERS DETAILS

The shareholder information set out below was applicable as at 7 September 1999.

A. Distribution of Equity Securities

Analysis of numbers of shareholders by size of holding:

	Ordinary Shares
1 - 1,000	26
1,001 - 5,000	116
5,001 - 10,000	165
10,001 - 100,000	508
100,001 - and over	121
	936

There were 64 holders of less than a marketable parcel of ordinary shares.

B. Twenty Largest Shareholders

The names of the twenty largest holders of shares are listed below:

Name		Number of Shares Held	Percentage
1	Tower Trust Limited	11,845,881	9.57%
2	Riverman Holdings Pty Ltd	10,108,238	8.17%
3	Kim-Siew Loo	10,000,000	8.08%
4	Promtek (Australia) Pty Ltd	8,700,000	7.03%
5	Sierra Bay Pty Ltd	7,666,666	6.20%
6	Bridgeway Enterprises Pty Ltd	6,645,923	5.37%
7	Contours Pty Ltd	3,043,220	2.45%
8	Newport Securities Pty Ltd	2,500,000	2.02%
9	Nefco Nominees Pty Ltd	2,335,334	1.89%
10	London Broking Services Pty Ltd	1,923,077	1.55%
11	Westessa Holdings Pty Ltd	1,694,008	1.37%
12	Cotswold Investments Pty Ltd	1,518,593	1.23%
13	Royalla Pty Ltd	1,368,004	1.10%
14	Ross James Neumann	1,188,958	0.96%
15	Pressform Engineering Pty Ltd	1,175,000	0.95%
16	The Congregation of Presentation Sisters (WA) Inc	1,000,000	0.81%
17	Keith William Sheppard	1,000,000	0.81%
18	Arthur & Carol Anderson	750,000	0.61%
19	Eric Sproule Morrison	730,000	0.59%
20	Cornela Pty Ltd	700,000	0.57%
		75,892,902	61.33%

C. Twenty Largest 30 March 2001 Option Holders

The names of the twenty largest holders of options are listed below:

Name		Number of Options Held	Percentage
1	Kim-Siew Loo	10,000,000	13.73%
2	Promtek (Australia) Pty Ltd	8,700,000	11.95%
3	Riverman Holdings Pty Ltd	7,575,931	10.40%
4	Tower Trust Limited	6,078,077	8.35%
5	Eastern States Securities Ltd	3,846,154	5.28%
6	Sierra Bay Pty Ltd	3,066,666	4.21%
7	Newport Securities Pty Ltd	2,500,000	3.43%
8	London Broking Services Pty Ltd	1,923,077	2.64%
9	Nefco Nominees Pty Ltd	1,206,667	1.66%
10	The Congregation of Presentation Sisters (WA) Inc	1,000,000	1.37%
11	Cantori Pty Ltd	910,952	1.25%
12	Arthur & Carol Anderson	750,000	1.03%
13	Contours Pty Ltd	600,000	0.81%
14	Arrowvale Pty Ltd	551,600	0.76%
15	Eric Sproule Morrison	550,000	0.76%
16	Keith William Sheppard	550,000	0.76%
17	Ross James Neumann	500,000	0.69%
18	Menchetti Nominees Pty Ltd	500,000	0.69%
19	Wesley College Endowment Fund	500,000	0.69%
20	Hocking (Holdings) Pty Ltd	500,000	0.69%
		51,809,124	**71.15%**

D. Twenty Largest 31 December 1999 Option Holders

The names of the twenty largest holders of options are listed below:

Name		Number of Options Held	Percentage
1	FAI General Insurance Company	1,500,000	22.36%
2	Topsfield Pty Ltd	1,039,528	15.50%
3	Corcarr Nominees Pty Ltd	1,000,000	14.91%
4	Westessa Holdings Pty Ltd	400,000	5.96%
5	Princess Nominees Pty Ltd	280,000	4.17%
6	Janine Adams	250,000	3.73%
7	Pauline Roma Neumann	100,000	1.49%
8	West Coast Acceptances Pty Ltd	82,000	1.22%
9	Onyx Pty Ltd	80,000	1.19%
10	Craig Francis Lindberg	75,000	1.12%
11	Shao Ting Wang	50,000	0.75%
12	Arthurs Trading Co Pty Ltd	32,500	0.48%
13	Tower Trust Limited	30,000	0.45%
14	Nefco Nominees Pty Ltd	30,000	0.45%
15	Geoffrey Hardy Reynolds	30,000	0.45%
16	National Australia Trustees Ltd	30,000	0.45%
17	Melodie Joan Pearce	25,000	0.37%
18	National Australia Trustees Ltd	25,000	0.37%
19	Carol Jean Crabb	20,000	0.30%
20	Kahala Holdings Pty Ltd	20,000	0.30%
		5,099,028	76.02%

E. Substantial Shareholders

Substantial shareholders in the company are set out below:

Name	Number of Shares Held	Percentage
Kim-Siew Loo	18,700,000	15.11%
Riverman Holdings Pty Ltd & associated entities	18,058,119	14.59%
Tower Trust Limited	11,845,881	9.57%

F. Voting Rights

The shares carry the right to one vote for each share held.

G. Convertible Note Holders

Name	Number of Convertible Notes Held	Percentage
Troika Securities Limited	8,461,538	37.93%
Sierra Bay Pty Ltd	7,692,308	34.49%
Greystoke Holdings Pty Ltd	3,846,154	17.24%
Topsfield Pty Ltd	1,153,846	5.17%
The Sports Cafe Australia Pty Ltd	1,153,846	5.17%
	22,307,692	100.00%