



CLUB CROCODILE HOLDINGS LIMITED

ABN 68 010 715 901

ANNUAL REPORT

2003/2004

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COMPANY INFORMATION
CLUB CROCODILE HOLDINGS LIMITED (ACN 010 715 901)
AND SUBSIDIARIES

DIRECTORS

David Ronald Kingston
[Chairman]

Phillip Dickinson
[Managing Director]

Jayne Elizabeth Pester

COMPANY SECRETARY

Kevin Joseph Sheppard

REGISTERED OFFICE

Sheppard & Associates
Shop D 1181 Wynnum Road,
Cannon Hill Qld 4170
Phone: (07) 3390 4333
Fax: (07) 3390 7444

WEBSITE

www.clubcroc.com.au

AUDITORS

PKF Chartered Accountants
Level 6
120 Edward Street, Brisbane Qld 4000
Phone: (07) 3226 3555
Fax: (07) 3226 3500

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 27 Central Plaza One
345 Queen Street
Brisbane Qld 4000
Phone: (07) 3237 2100
Fax: (07) 3229 9860

STOCK EXCHANGE LISTING

The Australian Stock Exchange Ltd has granted quotation for all fully paid ordinary shares in the company.

WHITSUNDAY RESORT – MAINLAND

Club Crocodile Airlie Beach
Shute Harbour Road
WHITSUNDAY QLD 4802
Phone: (07) 4946 7155
Fax: (07) 4946 6007
Reservations: 1800 075 151

WHITSUNDAY RESORT – ISLAND

Long Island Resort
WHITSUNDAY QLD 4802
Phone: (07) 4946 9400
Fax: (07) 4946 9555
Reservations: 1800 075 125

CAIRNS HOTEL/MOTEL

Club Crocodile Hides
City Square
87 Lake Street
CAIRNS QLD 4870
Phone: (07) 4051 1266
Fax: (07) 4031 2276
Reservations: 1800 079 266

CAIRNS MOTEL

Club Crocodile Lake Street
183 Lake Street
CAIRNS QLD 4870
Phone: (07) 4051 4988
Fax: (07) 4051 6047

MANAGING DIRECTORS REVIEW

Welcome to the 2004 review of our business.

The Board sought to improve Company profitability through improved revenues and efficiencies of the hotel businesses in 2004. We also continued to divest non-core assets and pursued debt reduction.

We now report that profit for the year ending 30 June 2004 was \$1,102,771 compared with \$874,267 last year. A non-recurring profit of \$338,865 resulted from the sale of Toowong Villas whilst previously there was a non-recurring profit of \$392,253 resulting from the sale of the Kookaburra River Queens. Provision has been made in this year's result for the return of unexpended funds of \$150,027 in a claim from the Commonwealth Government which is being disputed by the Company. The Training and Employment business to which this claim relates ceased operations prior to year end. The Company was able to retire all bank loans as a result of having funds available from trading profits and from proceeds obtained on sale of assets.

The group has consolidated over the last two years into a tourist accommodation provider. It now has four hotel businesses. Long Island Resort is located among the Whitsunday Group of islands on a perpetual lease from the Crown, Club Crocodile Airlie Beach is on freehold title, whilst Hides Hotel and Club Crocodile Lake Street are leasehold properties in Cairns. There are 470 rooms in the group with each of the businesses carrying a three and a half star accommodation rating. These four remaining businesses have become more profitable since the consolidation. Our continuing goal remains the improved profit of these businesses through growing revenues and containing costs.

Issued capital remained at 56,130,278 shares through the year. Net tangible asset backing per share increased from 19.4 cents at commencement of the year to 22.5 cents at the end of the year. A rights issue of shares was made to shareholders after the end of the year resulting in the raising of \$4.3M net of costs and the issue of 22,452,111 new shares. The Balance Sheet of the Company is very strong now with no bank loans and \$5M held on short term bank deposit.

Despite a strong Balance Sheet, no dividend is recommended. The Board is intent on pursuing growth through acquisition and feels that retaining profits and raising additional shareholder funds places the Company in the best position to achieve growth. The Company, with its strong Balance Sheet, is now in a position to act confidently and decisively when a suitable opportunity for acquisition arises.

Shareholder accommodation discounts remain a benefit to shareholders. Should you wish to use this benefit, please phone the Club Crocodile property where you wish to stay, quote your shareholder status and you will receive accommodation priced at the discounted standby rate of the property without the normal standby rate restrictions.

Finally, we thank the management and staff of the Company for their hard work and commitment to providing an enjoyable holiday experience to our many guests. We congratulate them for their part in delivering the encouraging financial results of 2004.



PHIL DICKINSON
MANAGING DIRECTOR

**DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2004**

Your directors present the following report of the parent entity and its controlled entities for the year ended 30 June 2004.

1. OPERATING RESULTS

The profit of the Consolidated Entity for the year ended 30 June 2004 after providing for income tax amounted to \$1,102,771 (2002/2003 profit \$874,267).

2. DIVIDENDS

Directors have recommended that no dividend be paid for the current reporting period.

As recommended in last year's report, no dividend was paid out of profits of the previous reporting period.

3. PRINCIPAL ACTIVITIES

The principal activities of the parent entity are the operation of a resort at Airlie Beach, accommodation and motel operations in Cairns and the investment in group entities. The principal activities of the Consolidated Entity involve the operation of a mainland tourism resort, an island resort and motel accommodation.

There were no significant changes in the nature of the Consolidated Entity's principal activities during the reporting period other than the sale of Toowong Villas in February 2004 and Training and Employment in June 2004.

4. DIRECTORS' INFORMATION

The names and particulars of the directors of the company in office at any time during the year or since the end of the year of this report are:

Name of Director	Qualifications and Experience	Number of Directors' Meetings Eligible to Attend	Number of Directors' Meetings Attended
David R Kingston	Investment Banker B.Com., LL.B. Appointed 12 August 2002 Non Executive Chairman since 27 November 2002 Responsibilities include Finance, Acquisitions and Divestments.	4	4
Phillip Dickinson	B.Eng(Mining), A.S.I.A. Executive Director from September 1987 until July 2002 and Managing Director since August 2002 Special responsibilities: Operations.	4	4
Mustafa Shail	Accountant F.N.I.A. Director May 2001 to November 2003. Resigned 26 November 2003.	2	2
Jayne Pester	Appointed 26 November 2003 Special responsibilities: Whitsunday operations	3	3

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2004

4. DIRECTORS' INFORMATION (continued)

David Ronald Kingston and his associates, Granite Ridge Pty Ltd and Lizold Pty Ltd, have a relevant interest within the meaning of the Corporation Act 2001 in 34,522,378 shares in the company.

Phillip Dickinson is personally entitled to 1,910,243 shares in the company. He has entitlement to options to acquire a further 1 million shares in the company.

Jayne Pester is personally entitled to 5,600 shares in the company.

5. REVIEW OF OPERATIONS

The Group enjoyed reasonable trading conditions throughout the year. There were no major disruptive influences such as those experienced in 2002 and 2003, although there were some lingering affects from the events of those years. As a result we saw some improvement in both domestic and international travel. In particular, the affect of Virgin Blue commencing daily flights to Proserpine was a significant positive for the Whitsunday businesses.

The Company was successful in improving or containing efficiencies within its operations in 2004. Employee expenses expressed as a percentage of operating revenue were reduced from 35% to 33.5%, Marketing Costs reduced from 4.8% to 4.1% of revenue and Cost of Goods sold remained at 25% of operating revenue.

The Whitsunday Resorts had improved profits resulting from improved revenues and efficiencies. Adjusted revenues improved 5% over the previous year. Additional sales were achieved this year through improved targeting of the seniors market and improving the internet presence of the resorts to source internet sales. Alliances with major wholesalers and group suppliers remain the most important sources of business.

The Cairns businesses improved only marginally this year but would have been significantly better had it not been for a substantial increase in room supply in the second half of the year. Losses, albeit lesser than in the past, were again recorded in Cairns. The extra room supply seems now to have been absorbed into the market.

Club Crocodile Toowong Villas traded in line with budget and previous years until the business was sold for \$1,200,000 in February 2004. A profit on sale of \$338,865 was achieved. Proceeds of the sale were applied to debt reduction.

Club Crocodile Training and Employment traded below expectations and this small non-core business ceased operations in January 2004.

6. RESULTS OF OPERATIONS

The Consolidated Entity achieved profit from normal business trading activities before interest and depreciation of \$1,666,826 which is an improvement of 20% on the previous year. Profit from sale of assets during this year was \$300,389 (last year \$392,253). Interest charges were \$75,878 (last year \$186,486) and depreciation and amortisation expenses were \$628,539 (last year \$719,654)

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the group occurred during the financial year:

In February 2004 the parent company settled the sale of the Toowong Villas and the Training and Employment activities were curtailed after December 2003. Proceeds from the sale of Toowong Villas of \$1.2M were applied to reduction of group bank debt.

Changes in controlled entities: The sale of the consolidated entity's interest in Club Crocodile Training and Employment Pty Ltd, a non trading subsidiary, for a price of \$100, was effective on 30 June 2004.

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2004

8. AFTER BALANCE DATE EVENTS

The Commonwealth Government claim for the repayment of \$229,066 (excluding GST) of contract fees for the provision of contracted training services to school students, originally made in August 2003, had been reduced to \$150,027 by 30 June 2004. The company is continuing the process of defending the claim which covers the period from August 1999 to December 2002 and the amount claimed has been fully provided for in the accounts to 30 June 2004.

On 12 August 2004, the company completed a non renounceable rights issue of two new shares for every five held which raised an amount of \$4.28m net of costs and underwriting fees. These funds are presently retained on bank deposit.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

9. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Directors expect the Company to continue to obtain improved profits through increased revenues and improved efficiencies at each of the four operating businesses in 2005. The source of profit improvement is increasingly shifting to revenue generation. New marketing initiatives to be pursued this year include a greater effort to obtain sales from Sydney and New South Wales by the appointment of a dedicated sales representative in Sydney.

The tourism market is more buoyant this year than it has been for several years. The development of affordable domestic flights to Cairns and the Whitsundays by both Virgin and Jetstar provide an excellent platform from which to build business. The counter balance to the affordable airfare scenario is that there's been a decline in the drive market with more

people choosing to fly to holiday destinations. Higher fuel prices appear to have negatively affected the drive market more than the fly market. The net affect is estimated to be positive for Club Crocodile.

Capital expenditure of about \$600,000 will be incurred at Long Island in 2005 to provide replacement of both power infrastructure and water treatment facilities. This investment, whilst not enhancing the customer experience in any way, is necessary to maintain these vital services. Funding will be provided internally. Resort refurbishment and replacements to fitout will continue as usual.

10. DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

The remuneration structure for executive directors seeks to emphasise payment for results through providing various reward schemes, for example the incorporation of incentive payments based on the achievement of sales and profit targets. The objective of the reward schemes is to both reinforce the short and long-term goals of the company and to provide a common interest between management and shareholders. No performance based incentives were paid for the year ended 30 June 2004 apart from a \$30,000 performance bonus payable to managing director Phillip Dickinson as well as \$10,000 paid in relation to performance for the year ended 30 June 2003.

Remuneration of both executive and non executive directors comprise fees determined having regard to industry practice, the need to obtain appropriately qualified independent persons and consideration of costs for persons of similar levels of responsibility. Fees do not include any non monetary elements, other than options provided during the year.

There are no executive officers who have been remunerated other than Company secretary, Kevin J Sheppard, who has received accountancy fees as disclosed in Note 22(b) to the accounts.

DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2004

10. DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS (continued)

The emoluments of each director are as follows:

DIRECTORS

Parent Entity	Salary	Performance incentives	Director's Fees	Superannuation Contributions	Share options	Total
	\$	\$	\$	\$	\$	\$
Phillip Dickinson	70,000	40,000	-	39,900	57,300*	207,200
Mustafa Shail	-	-	4,367	-	-	4,367
Jayne Pester	51,836	-	-	4,665	-	56,501
David R Kingston	-	-	25,000	-	-	25,000

* Fair value of options granted as part of remuneration are estimates only. The estimates are based on the degree of probability of future performance hurdles being met, combined with the use of the Black Scholes option pricing model. This model takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option.

11. SHARE OPTIONS

During the financial year 1,000,000 options were granted to a director, Mr P Dickinson, at an exercise price of 15 cents. The options are exercisable on or before 30 September 2005 and were approved by shareholders on 27 November 2002.

No shares have been issued by virtue of the exercise of an option during the year or to the date of this report and unissued ordinary shares for which options are outstanding at the date of this report are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option
3 September 2003	30 September 2005	15 cents	1,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

As a result of the rights issue completed in August 2004 the exercise price for each option has been recalculated in accordance with clause 7 of the director share option deed such that the new exercise price is now 14.4 cents.

12. INDEMNIFICATION OF OFFICERS

During or since the end of the reporting period, the parent entity has paid premiums in respect of a contract insuring all the directors of Club Crocodile Holdings Limited against all claims, proceedings, liabilities and expenses incurred in their job as directors of the company except where the liability arises out of conduct involving a wilful breach of duty or where the liabilities have been imposed by law or for any legal action or litigation outside the jurisdiction of the contract. The total amount of the insurance contract premiums paid was \$23,845 (2003 - \$10,935).

**DIRECTORS' REPORT
YEAR ENDED 30 JUNE 2004**

13. AUDIT COMMITTEE

At the date of this report the consolidated entity had an audit committee consisting of non executive director David Kingston as well as external accountant Kevin Sheppard. The committee's responsibilities are to oversee the existence and maintenance of internal controls and accounting systems, oversee the financial reporting process, nominate external auditors and review the existing external audit arrangements.

Name of Member	Qualifications	Number of Committee Meetings Eligible to Attend	Number of Committee Meetings Attended
David R Kingston	Investment Banker B.Com., LL.B. Non Executive Chairman of Directors	2	2
Kevin J Sheppard	B. Bus (Acctcy), CPA Company Secretary	2	2

14. PERFORMANCE IN RELATION TO ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to significant environmental regulation under the law of the Commonwealth and State. There has been no matter either during or since the end of the reporting period which, in the opinion of the directors, would give rise to any material conflict with the provisions of the existing environmental regulations.

15. ROUNDING OF AMOUNTS

The company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in the financial statements have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Directors. Dated at Brisbane this 24th day of September 2004.



**PHILLIP DICKINSON
DIRECTOR**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	Notes	Consolidated Entity		Parent Entity	
		2004 \$000	2003 \$000	2004 \$000	2003 \$000
Revenues from ordinary activities	2	18,701	20,133	8,907	8,682
Bank fees & charges		(116)	(127)	(66)	(72)
Borrowing costs expense		(76)	(186)	(76)	(186)
Advertising & promotions		(716)	(880)	(305)	(314)
Amortisation		(25)	(42)	(25)	(42)
Carrying amount of net assets sold		(932)	(1,557)	(816)	-
Cost of sales		(4,313)	(4,486)	(1,276)	(1,559)
Depreciation		(603)	(677)	(204)	(220)
Directors costs		(236)	(99)	(59)	(74)
Employee related expenses		(5,827)	(6,336)	(2,346)	(2,446)
Freight & cartage		(192)	(146)	(2)	(8)
Insurance		(369)	(318)	(101)	(128)
Rental expense on operating leases		(1,463)	(1,677)	(1,063)	(1,656)
Repairs & replacements		(638)	(688)	(326)	(339)
Telephone, electricity, gas & rates		(847)	(907)	(413)	(469)
Other expenses from ordinary activities		(1,245)	(1,133)	(765)	(555)
		1,103	874	1,064	614
Profit/(loss) from ordinary activities before income tax		1,103	874	1,064	614
Income tax expense relating to ordinary activities	4	-	-	-	-
		1,103	874	1,064	614
Net profit/(loss) attributable to members of the Parent Entity	16 (b)	1,103	874	1,064	614
		1,103	874	1,064	614
Costs associated with issue of shares	16 (a)	-	(26)	-	(26)
		1,103	848	1,064	588
Total changes in equity other than those resulting from transactions with owners as owners	16 (c)	1,103	848	1,064	588
		1,103	848	1,064	588
Basic earnings per share (cents per share)	20	1.965	1.572		
Diluted earnings per share (cents per share)	20	1.956	1.572		
Dividends per share (cents per share)		-	-	-	-

The above Statement of Financial Performance is to be read in conjunction with the attached Notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004

	Notes	Consolidated Entity		Parent Entity	
		2004 \$000	2003 \$000	2004 \$000	2003 \$000
CURRENT ASSETS					
Cash assets	5	941	557	684	382
Receivables	6	765	780	3,515	3,583
Inventories	7	222	251	63	74
Investments accounted for using the equity method	8	-	151	-	-
Other	9	97	96	43	44
TOTAL CURRENT ASSETS		2,025	1,835	4,305	4,083
NON CURRENT ASSETS					
Property, plant & equipment	10	12,471	12,776	4,598	4,828
Other financial assets	11	-	-	-	-
Intangibles	12	-	587	-	587
TOTAL NON CURRENT ASSETS		12,471	13,363	4,598	5,415
TOTAL ASSETS		14,496	15,198	8,903	9,498
CURRENT LIABILITIES					
Payables	13	1,315	1,373	2,551	2,377
Interest bearing liabilities	14 (a)	419	673	124	473
Provisions	15 (a)	127	123	54	47
TOTAL CURRENT LIABILITIES		1,861	2,169	2,729	2,897
NON CURRENT LIABILITIES					
Interest bearing liabilities	14 (b)	-	1,495	-	1,495
Provisions	15 (b)	28	30	22	18
TOTAL NON CURRENT LIABILITIES		28	1,525	22	1,513
TOTAL LIABILITIES		1,889	3,694	2,751	4,410
NET ASSETS		12,607	11,504	6,152	5,088
EQUITY					
Contributed equity	16 (a)	13,348	13,348	13,348	13,348
Accumulated losses	16 (b)	(741)	(1,844)	(7,196)	(8,260)
TOTAL EQUITY	16 (c)	12,607	11,504	6,152	5,088

The above Statement of Financial Position is to be read in conjunction with the attached Notes.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	Consolidated Entity		Parent Entity	
		2004 \$000	2003 \$000	2004 \$000	2003 \$000
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers and others		19,478	19,946	9,179	9,593
Payments to suppliers, employees and others		(16,816)	(17,875)	(7,471)	(6,692)
Interest received		14	3	13	2
Borrowing costs including interest & costs of finance paid		(76)	(174)	(76)	(174)
GST paid		(1,031)	(1,030)	(425)	(429)
Net Cash provided by (used in) operating activities	2C	1,569	870	1,220	2,300
CASH FLOW FROM INVESTING ACTIVITIES					
Payments for property plant & equipment		(668)	(568)	(230)	(145)
Proceeds from sale of property plant & equipment		332	1,949	256	-
Proceeds from sale of Toowong business		900	-	900	-
Net cash provided by (used in) investing activities		564	1,381	926	(145)
CASH FLOW FROM FINANCING ACTIVITIES					
Repayment of borrowings		(1,695)	(2,380)	(1,695)	(2,380)
Proceeds from issue of shares		-	624	-	624
Capital raising costs		-	(26)	-	(26)
Net cash provided by (used in) financing activities		(1,695)	(1,782)	(1,695)	(1,782)
NET INCREASE/(DECREASE) IN CASH HELD		438	469	451	373
Cash at beginning of year		84	(385)	109	(264)
CASH AT END OF YEAR	1C	522	84	560	109

The above statements are to be read in conjunction with the attached notes.

**NOTES TO STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

1C Reconciliation of cash.

For the purposes of this statement of cash flows, cash includes -

- (i) cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts; and,
- (ii) investments in money market instruments with less than 14 days to maturity.

Cash at the end of the year is shown in the Statement of Financial Position as: -

	Consolidated Entity		Parent Entity	
	2004	2003	2004	2003
	\$000	\$000	\$000	\$000
Cash on hand and in banks	941	557	684	382
Bank overdraft	(419)	(473)	(124)	(273)
	<u>522</u>	<u>84</u>	<u>560</u>	<u>109</u>

2C Reconciliation of cash flow from operations with profit from ordinary activities after abnormal items and income tax:

Profit from ordinary activities				
After abnormal items and income tax	1,103	874	1,064	614
	<u>1,103</u>	<u>874</u>	<u>1,064</u>	<u>614</u>
(a) Non cash flows in profit from ordinary activities:				
Amortisation	25	42	25	42
Depreciation	603	677	204	220
(Gain)/loss on sale of fixed assets	39	(392)	(1)	-
Increase/(decrease) in provision – doubtful debts	105	(6)	(7)	1
Increase/(decrease) in interest payable	-	12	-	12
(Gain)/loss on sale of Toowong business	(339)	-	(339)	-
	<u>433</u>	<u>333</u>	<u>(118)</u>	<u>275</u>
(b) Changes in assets and liabilities:				
(Increase)/decrease in trade debtors	60	(67)	78	(23)
(Increase)/decrease in receivables – related entities	-	-	(3)	151
(Increase)/decrease in inventories	29	34	11	11
(Increase)/decrease in prepayments	(3)	(51)	2	(8)
(Increase)/decrease in short term security deposits	2	(3)	(1)	-
Increase/(decrease) in trade creditors	(275)	(29)	53	(181)
Increase/(decrease) in loans from related entities	-	-	(79)	1,652
Increase/(decrease) in GST payable	(39)	2	(29)	11
Increase/(decrease) in unearned income	186	22	160	5
Increase/(decrease) in other creditors	41	(19)	41	(14)
Increase/(decrease) in provisions	2	(96)	11	(63)
Increase/(decrease) in amount payable to directors	30	(130)	30	(130)
	<u>33</u>	<u>(337)</u>	<u>274</u>	<u>1,411</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,569</u>	<u>870</u>	<u>1,220</u>	<u>2,300</u>

Cash not available for use: An amount of \$25,000 (2003: \$25,000) is not available for use in day to day operations as it is supporting a bank guarantee for electricity supply.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies adopted by Club Crocodile Holdings Limited are stated in order to assist in general understanding of the financial statements.

The financial report is a general purpose financial report that has 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 report covers the Consolidated Entity of Club Crocodile Holdings Limited and controlled entities, and Club Crocodile Holdings Limited as an individual parent entity. Club Crocodile Holdings Limited is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(a) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Club Crocodile Holdings Limited and all of its controlled entities as disclosed in Note 23 to the financial statements.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered the consolidated entity or left the consolidated entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(b) Property, Plant and Equipment

Property, plant and equipment are carried at cost less, where applicable, any accumulated depreciation or amortisation.

The depreciable amount of all fixed assets including building, but excluding freehold land, are depreciated over the useful lives to the Consolidated Entity on a straight line method and commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The average depreciation rates used for each class of depreciable assets are: -

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Buildings	2.5%
General Plant & Equipment	10-20%
Computer Equipment	20-40%
Motor Vehicles	15%

The gain or loss on disposal of all fixed assets, including any revalued assets, is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is recognised as income or expense of the Consolidated Entity in the year of disposal and included in profit from ordinary activities before income tax of the Consolidated Entity in the year of disposal.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(c) Leases

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

(d) Income Tax

The Consolidated Entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities before income tax adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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

Club Crocodile Holdings Ltd and its wholly owned subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Club Crocodile Holdings Ltd is the head company and is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The group notified the Australian Taxation Office that it had formed a tax consolidated group from 1 July 2003. As the consolidated entity has no net tax payable due to carry forward losses, no tax sharing arrangements have been made between the head company and its subsidiaries as at the end of the financial year.

(e) Inventories

Goods for resale are valued at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average method.

(f) Intangible Assets - Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business exceeds the fair value attributed to its net assets at date of acquisition. Purchased goodwill is amortised on a straight line basis over the period of twenty years. The balances are reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable are written off.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Liabilities are determined after taking into consideration estimated future increases in wages and salaries and past experience regarding staff departures. Related on costs are included.

Contributions are made by the Consolidated Entity to employee superannuation funds (accumulation funds) and are charged as expenses when incurred.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(h) Other Financial Assets

Non Current

Investments are carried at cost. Investments in wholly owned subsidiary companies are shown at cost.

(i) Receivables

Trade debtors are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full amount is no longer probable. Trade debts are usually settled on thirty day terms.

(j) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity. Trade creditors are unsecured and are normally settled on thirty day terms.

(k) Interest Bearing Liabilities

Secured and unsecured interest bearing liabilities are carried at their principal amount plus any accrued interest.

(l) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Rental revenue is recognised in accordance with the terms of the respective rental agreements.

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

(m) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

(n) Goods and Services Tax (GST)

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

(o) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current reporting period.

(p) Rounding of Amounts

The parent entity has applied the relief available under ASIC Class Order 98/100 and accordingly, amounts in the financial report have been rounded off to the nearest \$1,000.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	Consolidated Entity		Parent Entity	
	2004	2003	2004	2003
	\$000	\$000	\$000	\$000
2. REVENUE				
Operating activities				
Sales of goods	17,216	17,409	7,042	7,779
Services revenue	239	672	-	-
Other revenue	-	2	-	1
Interest revenue from other persons	14	3	13	2
Administration fee revenues	-	98	696	900
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue from operating activities	17,469	18,184	7,751	8,682
	<hr/>	<hr/>	<hr/>	<hr/>
Non operating activities				
Proceeds from sale of non current assets	332	1,949	256	-
Proceeds from sale of Toowong business	900	-	900	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue from non operating activities	1,232	1,949	1,156	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenue from Ordinary activities	18,701	20,133	8,907	8,682
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue from exchange of goods included in sale of goods above	49	84	19	44
3. PROFIT FROM ORDINARY ACTIVITIES				
Profit (loss) from ordinary activities before Income tax includes:				
Net gain on disposal of non current assets				
- Property plant & equipment	(39)	392	1	-
- Toowong business	339	-	339	-
	<hr/>	<hr/>	<hr/>	<hr/>
	300	392	340	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net bad and doubtful debts	123	7	5	2

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	Consolidated Entity		Parent Entity	
	2004	2003	2004	2003
	\$000	\$000	\$000	\$000
4. INCOME TAX				
The amount provided in respect of income tax Differs from the amount of prima facie tax payable on profit from ordinary activities and is reconciled as follows:				
Prima facie tax payable on profit from ordinary Activities before income tax at 30%	331	262	319	184
Add tax effect of				
- non deductible depreciation & amortisation	7	13	7	13
- other non allowable items	12	2	8	-
	<hr/>	<hr/>	<hr/>	<hr/>
	350	277	334	197
Less tax effect of				
- additional other items allowable as deductions	(6)	(33)	(2)	(18)
- additional building construction cost write off	(47)	(47)	-	-
- non assessable income received	(92)	-	-	-
recoupment of prior year tax losses not previously brought to account	(205)	(197)	(332)	(179)
FITB not brought to account	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Income Tax expense attributable to profit from ordinary activities	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
FUTURE INCOME TAX BENEFIT	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Potential future income tax benefits to the Consolidated Entity of \$3,435,606 (2002/2003 \$3,632,975) attributable to tax losses carried forward have not been brought to account at 30 June 2004 because Directors do not believe it is appropriate to regard realisation of the future income tax benefit as virtually certain. These benefits will only be obtained if -				
(a) the company derives future assessable income of a nature and of an amount sufficient to enable benefit from the deduction for the loss to be realised.				
(b) the company continues to comply with the conditions for deductibility imposed by law; and				
(c) no changes in tax legislation adversely affect the company in realising the benefit from the deduction for the loss.				
5. CASH ASSETS				
Cash on hand	33	34	7	7
Cash at bank	908	523	677	375
	<hr/>	<hr/>	<hr/>	<hr/>
	941	557	684	382
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	Consolidated Entity		Parent Entity	
	2004 \$000	2003 \$000	2004 \$000	2003 \$000
6. RECEIVABLES (CURRENT)				
Trade debtors	788	816	263	341
Provision for doubtful debts	(23)	(36)	(10)	(17)
	<u>765</u>	<u>780</u>	<u>253</u>	<u>324</u>
Trade debtors DEST	118	-	118	-
Provision for doubtful debts	(118)	-	(118)	-
	<u>-</u>	<u>-</u>	<u>3,262</u>	<u>3,259</u>
Sundry debtors – wholly owned subsidiaries	-	-	3,262	3,259
	<u>765</u>	<u>780</u>	<u>3,515</u>	<u>3,583</u>
	<u><u>765</u></u>	<u><u>780</u></u>	<u><u>3,515</u></u>	<u><u>3,583</u></u>
Loans to wholly owned subsidiaries are due and payable on demand.				
7. INVENTORIES (CURRENT)				
Finished goods held for resale or use at cost	222	251	63	74
	<u>222</u>	<u>251</u>	<u>63</u>	<u>74</u>
8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Interests in Joint Venture Entities:				
Youth Access Program, a training and employment Joint Venture				
Percentage interest in output	50%	50%	-	-
Retained profits / (Accumulated losses) attributed to interest in joint venture entities:				
Beginning of year	<u>16</u>	<u>(8)</u>	<u>-</u>	<u>-</u>
End of year	<u>14</u>	<u>16</u>	<u>-</u>	<u>-</u>
Movements in the carrying amount of investments in joint venture entities:				
Beginning of year	151	-	-	-
Capital contribution during year	71	142	-	-
Share of results	(2)	24	-	-
Drawings	<u>(220)</u>	<u>(15)</u>	<u>-</u>	<u>-</u>
End of year	<u>-</u>	<u>151</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>151</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Total interest in Joint Ventures	<u>-</u>	<u>151</u>	<u>-</u>	<u>-</u>
Share of Joint Venture entities:				
Current assets	-	77	-	-
Non-current assets	-	5	-	-
Current liabilities	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>81</u>	<u>-</u>	<u>-</u>
Revenues	69	104	-	-
Expenses	(71)	(80)	-	-
Operating results before income tax	(2)	24	-	-
Income tax attributable to operating results	-	-	-	-

Joint Venture finalised during 2003/04 year. The consolidated entity has no interest in joint ventures at 30 June 2004.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	Consolidated Entity		Parent Entity	
	2004	2003	2004	2003
	\$000	\$000	\$000	\$000
9. OTHER ASSETS (CURRENT)				
Short term security deposits	9	11	6	5
Prepayments	88	85	37	39
	<hr/>	<hr/>	<hr/>	<hr/>
	97	96	43	44
	<hr/>	<hr/>	<hr/>	<hr/>
10. PROPERTY, PLANT AND EQUIPMENT				
Freehold land, at cost	1,051	1,190	1,051	1,190
Leasehold land and lease, at cost	2,612	2,612	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Land	3,663	3,802	1,051	1,190
	<hr/>	<hr/>	<hr/>	<hr/>
Buildings on freehold land, at cost	5,201	5,289	5,201	5,289
Buildings on leasehold land, at cost	9,456	9,456	-	-
Less accumulated depreciation	(7,520)	(7,260)	(2,050)	(1,928)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Buildings	7,137	7,485	3,151	3,361
	<hr/>	<hr/>	<hr/>	<hr/>
Total Land and Buildings	10,800	11,287	4,202	4,551
	<hr/>	<hr/>	<hr/>	<hr/>
Plant and equipment:				
At cost	9,511	9,170	2,573	2,454
Accumulated Depreciation	(7,840)	(7,681)	(2,177)	(2,177)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Plant & Equipment	1,671	1,489	396	277
	<hr/>	<hr/>	<hr/>	<hr/>
Total Property, Plant & Equipment	12,471	12,776	4,598	4,828
	<hr/>	<hr/>	<hr/>	<hr/>

NOTE: VALUATION

A valuation of Club Crocodile Airlie Beach property plant and equipment was obtained in September 2002 from Herron Todd White, registered valuers. This valuation stated the current market value on a going concern basis of resort property plant and equipment at \$6 million at that date. A valuation of Long Island Resort property plant and equipment by Herron Todd White, registered valuers, in September 2002 stated the value of land and improvements based on current market value to be \$9 million. These valuations were not made with a regular policy of revaluing property plant and equipment. The directors have not made any upward revaluation of property plant and equipment in these accounts.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

10. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Movement in Carrying Amounts

	Freehold Land	Leasehold Land	Buildings on Freehold Land	Buildings on Leasehold Land	Plant and Equipment	Total
Consolidated Entity:						
Opening Balance	1,190	2,612	3,361	4,124	1,489	12,776
Additions	-	-	-	-	668	668
Less Disposals	(139)	-	(78)	-	(153)	(370)
Less Depreciation Expense	-	-	(132)	(138)	(333)	(603)
Closing Balance	1,051	2,612	3,151	3,986	1,671	12,471
Parent Entity:						
Opening Balance	1,190	-	3,361	-	277	4,828
Additions	-	-	-	-	230	230
Less Disposals	(139)	-	(78)	-	(38)	(255)
Less Depreciation Expense	-	-	(132)	-	(73)	(205)
Closing Balance	1,051	-	3,151	-	396	4,598

Consolidated Entity		Parent Entity	
2004	2003	2004	2003
\$000	\$000	\$000	\$000

11. OTHER FINANCIAL ASSETS – UNLISTED

Shares in wholly owned controlled entities at cost of \$312 (2003 \$112) and shown as nil after rounding as less than \$500

-	-	-	-
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12. INTANGIBLES

Purchased goodwill Lake Street	609	609	-	-
Purchased goodwill Hides Hotel	578	578	578	578
Purchased goodwill Toowong Villas	-	845	-	845
Purchased goodwill Hospitality School	-	133	-	-
	<u>1,187</u>	<u>2,165</u>	<u>578</u>	<u>1,423</u>
Accumulated amortisation	(1,187)	(1,578)	(578)	(836)
	<u>-</u>	<u>587</u>	<u>-</u>	<u>587</u>

13. PAYABLES (CURRENT)

Trade creditors	809	1,044	526	475
Amounts payable to				
- wholly owned subsidiaries	-	-	1,687	1,766
- directors	30	-	30	-
- other	476	329	308	136
	<u>1,315</u>	<u>1,373</u>	<u>2,551</u>	<u>2,377</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

		Consolidated Entity		Parent Entity	
		2004	2003	2004	2003
		\$000	\$000	\$000	\$000
14.	INTEREST BEARING LIABILITIES				
(a)	CURRENT (Secured)				
	Bank overdrafts	419	473	124	273
	Bank loans	-	200	-	200
		419	673	124	473
(b)	NON CURRENT (Secured)				
	Bank loans	-	1,495	-	1,495
		-	1,495	-	1,495
		-	1,495	-	1,495
(1)	The carrying amounts of non-current assets pledged as security are:				
	- Freehold land	1,051	1,190	1,051	1,190
	- Leasehold land	2,612	2,612	-	-
	- Buildings on freehold land	3,151	3,361	3,151	3,361
	- Buildings on Leasehold land	3,986	4,124	-	-
	- Plant & equipment	1,671	1,489	396	277
(2)	The bank overdrafts of the Parent Entity and subsidiaries are fully secured by first mortgages over freehold and leasehold properties of controlled entities.				
(3)	Information about terms and conditions of borrowings are included at Note 21.				
15.	PROVISIONS				
(a)	CURRENT				
	Employee benefits	127	123	54	47
		127	123	54	47
		127	123	54	47
(b)	NON CURRENT				
	Employee benefits	28	30	22	18
		28	30	22	18
		28	30	22	18

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	Consolidated Entity		Parent Entity	
	2004 \$000	2003 \$000	2004 \$000	2003 \$000
15. PROVISIONS (continued)				
(c) Aggregate employee benefits liability				
Current	197	263	99	102
Non-current	28	30	22	18
	225	293	121	120
	No.	No.	No.	No.
(d) Number of employees at year end	132	162	43	79

16. CONTRIBUTED EQUITY, ACCUMULATED LOSSES AND TOTAL EQUITY

(a) Contributed Equity	Number of shares		\$000	\$000
Ordinary shares (fully paid)	56,130,278	51,130,278	13,348	12,750
At the beginning of the reporting period	56,130,278	51,673,478	13,348	12,750
Shares issued during the year	-	4,456,800	-	624
Transaction costs relating to share issues	-	-	-	(26)
	56,130,278	56,130,278	13,348	13,348

There were 1,000,000 share options over unissued shares granted on 3 September 2003 and conferred a right to acquire ordinary shares at 15 cents per share.

	Number of options	
On issue at beginning of financial year	-	2,000,000
Issued during the financial year	1,000,000	-
Expired during the financial year	-	(2,000,000)
On issue at end of financial year	1,000,000	-

Fully paid ordinary shares carry the right to one vote at a meeting of the company. Shareholders also have the right to receive dividends as declared and to participate in the proceeds from the sale of all surplus assets in proportion to the total shares issued in the event of the company winding up.

Option holders do not carry voting rights, do not participate in proceeds from sale of surplus assets in the event of the company winding up and are not entitled to dividends.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

		Consolidated Entity		Parent Entity	
		2004	2003	2004	2003
		\$000	\$000	\$000	\$000
16.	CONTRIBUTED EQUITY, ACCUMULATED LOSSES AND TOTAL EQUITY (continued)				
(b)	Accumulated Losses				
	Accumulated losses at the Beginning of the financial year	(1,844)	(2,718)	(8,260)	(8,874)
	Net profit/(loss) attributable to members of the Parent Entity	1,103	874	1,064	614
		<hr/>	<hr/>	<hr/>	<hr/>
	Total available for appropriation	(741)	(1,844)	(7,196)	(8,260)
	Dividends provided for or paid	-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
	Accumulated losses at the end of the financial year	(741)	(1,844)	(7,196)	(8,260)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
(c)	Total Equity				
	Total Equity at the beginning of the financial year	11,504	10,032	5,088	3,876
	Total changes in equity recognised in the statement of financial performance	1,103	848	1,064	588
	Transactions with owners as owners:				
	Share issues	-	624	-	624
		<hr/>	<hr/>	<hr/>	<hr/>
	Total Equity at the end of the financial year	12,607	11,504	6,152	5,088
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	Consolidated Entity		Parent Entity	
	2004	2003	2004	2003
	\$000	\$000	\$000	\$000
17. CAPITAL AND LEASING COMMITMENTS				
(a) Operating Lease Commitments				
Non cancellable operating leases contracted for but not capitalised in the financial statements.				
Payable:				
Not later than one year	1,098	1,689	697	1,307
Later than one year but not later than five years	773	1,950	639	1,440
Later than five years	-	-	-	-
	1,871	3,639	1,336	2,747

Two non cancellable property leases are in place with differing commencement dates and terms up to ten years and with rent payable monthly in advance. Contingent rental provisions within these lease agreements require the minimum lease payments to be increased by the lower of CPI or 3% per annum while the Hides Hotel lease included fixed annual rental increases until 1 January 2003 and thereafter CPI increases. Options exist to renew the leases at the end of the terms for additional terms of up to five years.

(b) Capital Expenditure Commitments:				
Capital expenditure contracted for at year end but not provided for				
Payable:				
Not later than one year	15	15	-	-
Later than one year but not later than five years	6	21	-	-
Later than five years	-	-	-	-
	21	36	-	-

In addition to the above, a wholly owned subsidiary holds a perpetual lease over crown land which commenced on 1 October 1961. The current annual commitment for this lease is \$55,120 (2003 - \$55,120).

18. AUDITORS' REMUNERATION

Remuneration of the auditor of the parent entity for:				
Auditing or reviewing the financial report	23	29	23	27
Other services	-	4	-	4
	23	33	23	31

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

19. REMUNERATION AND RETIREMENT BENEFITS

(a) Names and positions held of parent entity directors in office at any time during the financial year are:

Specified Directors:

David R Kingston	Chairman - Non-Executive	
Phillip Dickinson	Managing Director - Executive	
Jayne E Pester	Manager Long Island Resort - Executive	
Mustafa Shail	Director - Non Executive	Resigned 26 November 2003

Specified Executives:

Kevin J Sheppard	Company Secretary
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(b) Specified Directors and Specified Executives remuneration:

	Primary			Post Employment	Equity	Total
	Salary	Performance incentives	Director's Fees	Superannuation Contributions	Options	
	\$	\$	\$	\$		\$
2004:						
Specified Directors:						
David R Kingston	-	-	25,000	-	-	25,000
Phillip Dickinson	70,000	40,000	-	39,900	57,300	207,200
Jayne Pester	51,836	-	-	4,665	-	56,501
Mustafa Shail	-	-	4,367	-	-	4,367
	121,836	40,000	29,367	44,565	57,300	293,068
Specified Executives:						
Kevin J Sheppard	-	-	-	-	-	-
	-	-	-	-	-	-
2003:						
Specified Directors:						
David R Kingston	-	-	7,500	-	-	7,500
Phillip Dickinson	77,615	-	3,461	24,538	-	105,614
Mustafa Shail	-	-	7,500	-	-	7,500
Non continuing directors	13,462	-	9,111	13,002	-	35,575
	91,077	-	27,572	37,540	-	156,189

Fair value of options granted as part of remuneration are estimates only. The estimates are based on the degree of probability of future performance hurdles being met, combined with the use of the Black Scholes option pricing model. This model takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option.

The service and performance criteria set to determine remuneration are included per Note 19 (f).

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

19. REMUNERATION AND RETIREMENT BENEFITS (continued)

(c) Remuneration Options:

Options granted to parent entity directors as remuneration

	Granted	Grant date	Exercise price	First exercise date	Last exercise date
Specified Directors:					
Phillip Dickinson	1,000,000	3.9.2003	15 cents	3.9.2003	30.9.2005

No shares were issued on exercise of remuneration options during the financial year. As a result of the rights issue completed in August 2004 the exercise price for each option has been recalculated in accordance with clause 7 of the director share option deed such that the new exercise price is now 14.4 cents. All options are vesting as at grant date. Changes in terms of options are not reflected in remuneration for the year ended 30 June 2004.

Fair values of options granted as part of remuneration are estimates only. The estimates are based on the degree of probability of future performance hurdles being met, combined with the use of the Black Scholes option pricing model. This model takes account of factors such as the option exercise price, the current level and volatility of the underlying share price and the time to maturity of the option.

The service and performance criteria set to determine remuneration are included per Note 19 (f).

(d) Option Holdings:

Number of options held by parent entity directors

	Balance 1.7.2003	Granted as remuneration	Options exercised	Net change other	Balance 30.6.2004	Total exercisable 30.6.2004
Specified Directors:						
Phillip Dickinson	-	1,000,000	-	-	1,000,000	1,000,000

(e) Shareholdings:

Number of shares held by parent entity directors and their related entities

	Balance 1.7.2003	Received as remuneration	Options exercised	Net change other	Balance 30.6.2004
Specified Directors:					
David R Kingston	12,894,699	-	-	1,985,952	14,880,651
Phillip Dickinson	1,910,243	-	-	-	1,910,243
Mustafa Shail	10,987,242	-	-	(10,987,242)*	-
Jayne Pester	-	-	-	4,000*	4,000
	<u>25,792,184</u>	<u>-</u>	<u>-</u>	<u>(8,997,290)</u>	<u>16,794,894</u>
Specified Executives:					
Kevin J Sheppard	<u>2,181,000</u>	<u>-</u>	<u>-</u>	<u>(704,000)</u>	<u>1,477,000</u>
	<u>2,181,000</u>	<u>-</u>	<u>-</u>	<u>(704,000)</u>	<u>1,477,000</u>

Net change other refers to shares purchased or sold during the financial year.

* Movement recorded to recognise appointment / resignation as a director during the financial year.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

19. REMUNERATION AND RETIREMENT BENEFITS (continued)

(f) Remuneration Practices:

The company's policy for determining the nature and amount of emoluments of board members and senior executives of the company is as follows:

The remuneration structure for executive officers, including executive directors and non executive directors, is based on a number of factors, including length of service, particular experience of the individual concerned and overall performance of the company. The contracts for service between the company and specified directors and executives are on a continuing basis the terms of which are not expected to change in the immediate future. Upon retirement specified directors and executives are paid employee benefit entitlements accrued to date of retirement. Specified executive directors and specified executives are not paid any portion of their salary in the event of redundancy. Any options not exercised before or on the date of termination lapse.

The group seeks to emphasise payment for results through providing various cash bonus reward schemes, specifically, the incorporation of incentive payments based on the achievement of sales targets and key performance indicators and also incorporating discretionary amounts approved by the board. Bonuses included in accounts disclosure above are based on these targets. The objective of the reward schemes is to both reinforce the short and long-term goals of the company and to provide a common interest between management and shareholders. The bonuses were granted to parent entity directors on 30 August 2004. There has been no alteration to the terms of the bonuses paid since grant date.

	Consolidated Entity	
	2004	2003
	\$000	\$000
20. EARNINGS PER SHARE		
Net profit used in calculating basic earnings per share	1,103	874
Net profit used in calculating diluted earnings per share	1,103	874
Weighted average number of ordinary shares used in Calculating basic earnings per share	56,130,278	55,605,230
Dilutive potential ordinary shares	234,973	-
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted Earnings per share	56,365,251	55,605,230
Potential ordinary shares that are not dilutive and not used in the calculation of diluted earnings per share	-	-
Ordinary shares issued between reporting date and time of completion of the financial report	22,452,111	-
Basic earnings per share (cents per share)	1.965 cents	1.572 cents
Diluted earnings per share (cents per share)	1.956 cents	1.572 cents

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

21. FINANCING ARRANGEMENTS

Credit Standby Arrangements:

The group has a combined overdraft facility of \$400,000 (2003 - \$600,000), as well as an additional seasonal facility of \$200,000 (2003 - \$200,000) which can be used by either the parent or subsidiary companies provided there is no default on its existing bank loans.

Other Financing Arrangements:

- (a) Loans provided by the Consolidated Entity's bankers to the parent entity -
- Fixed rate fully drawn advance nil (2003 - \$1,695,000). The loan was fully drawn at 30 June 2003, repayable \$50,000 per quarter from June 2003. Interest was payable quarterly at a variable rate of 7.1% p.a. and renegotiable in April 2004. The advance was fully repaid in February 2004.
- (a) There are no additional loan arrangements for subsidiary companies.
- (b) The Consolidated Entity has a bank guarantee in favour GBRMPA for an amount of \$60,000 (2003 - \$60,000) in relation to Long Island Resort.

22. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties. Apart from normal trading activities between the parent entity and its subsidiary because of their proximity of operations in the Whitsunday, Brisbane and Cairns areas there are no business transactions between companies within the Consolidated Entity.

	Consolidated Entity		Parent Entity	
	2004	2003	2004	2003
	\$000	\$000	\$000	\$000
Other transactions with related parties:				
(a) Specified Director related entities:				
Equipment hire and purchase of equipment paid to a relative of director Phillip Dickinson	18	2	18	2
Wages paid to a relative of Peter Thynne, a director until 27.11.2002	-	12	-	5
Staff hire and administration service fees paid to Falconridge Pty Ltd, a related party of Peter Thynne, a director until 27.11.2002	-	14	-	14
Rental payments made to Rifon Pty Ltd a related party of director David R Kingston in respect of the lease of Hides Hotel in Cairns. The company entered a 10 year lease on the property on 30 May 1996 with Shearwater Pty Ltd. Rifon Pty Ltd purchased the freehold of this property from Shearwater Pty Ltd, prior to David R Kingston becoming a director of the company on 12.08.2002	689	605	689	605
(b) Specified Executive related entities:				
Accounting staff and facility hire paid to Chatdale Pty Ltd, a related party of Kevin J Sheppard, a director until 27.11.2002	69	89	69	89

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

22. RELATED PARTY TRANSACTIONS (continued)

(c) Wholly owned controlled group -

During the year the Parent Entity loaned amounts to wholly owned controlled entities and received repayments of advances from those entities. Interest is not payable on the loans and there is no fixed term of repayment.

Balances owed to the parent entity at year end were:

	2004	2003
	\$000	\$000
Mytarc Pty Ltd	3,140	2,903
KQ Investments Pty Ltd	114	114
Long Island Resorts Pty Ltd	(1,679)	(1,766)
Club Crocodile Training & Employment Pty Ltd	-	242
	<u>1,575</u>	<u>1,493</u>

23. CONTROLLED ENTITIES

Investment in controlled entities -

	Country of Incorporation	Percentage owned		Investment at cost	
		2004 %	2003 %	2004 \$	2003 \$
Parent Entity:					
Club Crocodile Holdings Ltd	Australia				
Controlled Entities of Club Crocodile Holdings Limited:					
Mytarc Pty Ltd	Australia	100	100	10	10
Long Island Resorts Pty Ltd	Australia	100	100	-	-
KQ Investments Pty Ltd	Australia	100	100	2	2
CCH Cairns Operations Pty Ltd	Australia	100	-	100	-
CCH Whitsundays Operations Pty Ltd	Australia	100	-	100	-
CCH Island Operations Pty Ltd	Australia	100	-	100	-
Club Crocodile Training and Employment Pty Ltd	Australia	-	100	-	100

Controlled entities acquired:

CCH Cairns Operations Pty Ltd
CCH Whitsunday Operations Pty Ltd
CCH Island Operations Pty Ltd

Acquisition date of each entity acquired: 16 June 2004
100% of voting shares acquired in all entities

Ordinary shares issued at \$1.00 per share:

CCH Cairns Operations Pty Ltd (100 shares)	\$100	
CCH Whitsunday Operations Pty Ltd (100 shares)		\$100
CCH Island Operations Pty Ltd (100 shares)	\$100	

Controlled entity disposed of:

Club Crocodile Training and Employment Pty Ltd
Aggregate gain on disposal nil.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

24. CONTINGENT LIABILITIES

The parent entity and three of its wholly owned subsidiaries, Mytarc Pty Ltd, Long Island Resorts Pty Ltd and KQ Investments Pty Ltd, have entered into a Deed of Indemnity under which the parent entity and its subsidiaries cross guarantee the finance debt of each other.

	Parent Entity	
	2004	2003
	\$000	\$000
Mytarc Pty Ltd	66	93
K Q Investments Pty Ltd	-	-
Long Island Resorts Pty Ltd	41	107
	107	200
	107	200

25. AFTER BALANCE DATE EVENTS

The Commonwealth Government claim for the repayment of \$229,066 (excluding GST) of contract fees for the provision of contracted training services to school students, originally made in August 2003, had been reduced to \$150,027 by 30 June 2004. The company is continuing the process of defending the claim which covers the period from August 1999 to December 2002 and the amount claimed has been fully provided for in the accounts to 30 June 2004.

On 12 August 2004, the company completed a non renounceable rights issue of two new shares for every five held which raised an amount of \$4.28m net of costs and underwriting fees. These funds are presently retained on bank deposit.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

26. COMPANY DETAILS

The registered office of the company is:

Shop D, 1181 Wynnum Road,
CANNON HILL QLD 4170

The principal place of business of the company is:

Club Crocodile Airlie Beach Resort
Shute Harbour Road,
WHITSUNDAY QLD 4802

The principal activity of the company is that of resort and motel operation.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

27. SEGMENT INFORMATION

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of accounts payable, employee entitlements, accrued expenses, provisions and entitlements. Segment assets and liabilities do not include deferred income taxes.

The consolidated entity has the following two business segments:

- 1 Tourism and Hospitality
- 2 Training and Employment

All business segments are geographically located in Queensland, Australia. Segment information is reported separately as per schedule 1 – Segment reporting.

28. FINANCIAL INSTRUMENTS

(a) *Credit Risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity had no significant concentrations of credit risk from any party or group.

(b) *Net Fair Values*

The net fair values of financial assets and liabilities approximates their carrying value.

(c) *Interest Rate Risk*

The Consolidated Entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as per schedule 2 – Financial instruments.

29. ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year. The consolidated entity and its advisers are assessing the significance of these changes and preparing for their implementation.

The key differences in accounting policies expected to arise from adoption of AIFRS are listed as follows:

Inventories

Inventories will continue to be measured at the lower of cost and net realisable value under the new AASB 102. All items of inventory are subject to an impairment test. In the event that the circumstances that lead to an impairment write-down no longer exist or are favourable a reversal of the write-down through the statement of financial performance is required to be effected.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

29. ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
(continued)

Property, Plant & Equipment

Any consideration on disposal, which is deferred is recognised as the net present value of that amount using an appropriate discount rate.

Property, plant and equipment is subject to an impairment test when there is an indication that impairment exists by reference to internal and external market factors. Any item of property, plant & equipment which is impaired must be written down to its recoverable amount. The amount of the impairment write down for assets carried at cost will be expensed through the statement of financial performance.

Option Based Payments

The entity currently engages in the practice of allocating to its directors share options as part of their remuneration packages. AASB 2 "Share Based Payments" requires that this remuneration as well as payments made to other counterparties in return for goods and services shall be measured at the more readily determinable fair value of the goods and services or the fair values of the equity instrument. This amount will be expensed in the statement of financial performance. Where the grant date and the vesting date in respect of options are different, the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments and the counterparties as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms and conditions.

30. CONTINGENT ASSETS

During the year the Department of Education, Science and Training withheld Job Pathway Programme monies from the consolidated entity, to seek recovery of alleged surplus payments from prior years of \$229,066 (excluding GST). The consolidated entity submitted additional claims during the year and part of this was accepted by the Department, resulting in a claim for a Reduced surplus of \$150,027 (excluding GST). Accordingly, the Department withheld the final approved amount for payment of \$118,623 for the 2003 contract period pending decision of additional claims by the consolidated entity. The consolidated entity is in the process of defending this claim (which is fully provided for at 30 June 2004) and which covers the period from August 1999 to December 2002.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004**

Schedule 1.
SEGMENT REPORTING

	Tourism & Hospitality \$000		Leasing & Rents \$000		Training \$000		Eliminations \$000		Economic Entity \$000	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
REVENUE										
External Sales	17,152	17,411	-	98	143	672	-	-	17,295	18,181
Sales to other segments	-	-	-	900	-	-	-	(900)	-	-
Total Segment Revenue	<u>17,152</u>	<u>17,411</u>	<u>-</u>	<u>998</u>	<u>143</u>	<u>672</u>	<u>-</u>	<u>(900)</u>	<u>17,295</u>	<u>18,181</u>
Unallocated Revenue									1,246	1,952
Total Revenue from ordinary activities									<u>18,541</u>	<u>20,133</u>
RESULT										
Segment Result	874	437	-	60	(10)	168	-	-	864	665
Unallocated expenses net of unallocated revenue									239	209
Profit from ordinary activities before income tax									1,103	874
Income tax expense									-	-
NET PROFIT									<u>1,103</u>	<u>874</u>
ASSETS										
Segment Assets	14,496	14,885	-	-	-	313	-	-	14,496	15,198
Unallocated Assets									-	-
Total Assets									<u>14,496</u>	<u>15,198</u>
LIABILITIES										
Segment Liabilities	1,889	3,391	-	-	-	303	-	-	1,889	3,694
Unallocated Liabilities									-	-
Total Liabilities									<u>1,889</u>	<u>3,694</u>
OTHER										
Acquisition of non current segment assets	664	558	-	-	4	10	-	-	668	568
Depreciation & Amortisation of segment assets	635	688	-	37	4	5	(11)	(11)	628	719
Other non cash segment expenses	<u>4</u>	<u>(100)</u>	<u>-</u>	<u>-</u>	<u>104</u>	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>108</u>	<u>(103)</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004**

Schedule 2.
FINANCIAL INSTRUMENTS

	Weighted Average Effective Interest Rate		Floating Interest Rate \$000		Within Year \$000		Fixed Interest Rate Maturing				Non-Interest Bearing \$000		Total \$000	
	2004	2003	2004	2003	2004	2003	1 to 5 Years \$000		Over 5 Years \$000		2004	2003	2004	2003
Financial Assets														
Cash	2.95	2.87	908	523	-	-	-	-	-	-	33	34	941	557
Receivables	-	-	-	-	-	-	-	-	-	-	765	780	765	780
Other	-	-	-	-	-	-	-	-	-	-	9	11	9	11
TOTAL FINANCIAL ASSETS			908	523	-	-	-	-	-	-	807	825	1,715	1,348
Financial Liabilities														
Trade & sundry creditors	-	-	-	-	-	-	-	-	-	-	564	686	564	686
Bank overdraft	10.15	8.60	419	473	-	-	-	-	-	-	-	-	419	473
Bank loans FDA	-	7.10	-	-	-	200	-	1,495	-	-	-	-	-	1,695
TOTAL FINANCIAL LIABILITIES			419	473	-	200	-	1,495	-	-	564	686	983	2,854
NET FINANCIAL ASSETS/(LIABILITIES)			489	50	-	(200)	-	(1,495)	-	-	243	139	732	(1,506)

DIRECTORS' DECLARATION

The directors of Club Crocodile Holdings Limited declare that:

1. the financial statements and accompanying notes are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001 and;
 - (b) give a true and fair view of the financial position as at 30th June 2004 and of the performance for the year ended on that date of the company and the Consolidated Entity;

2. in the directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



PHILLIP DICKINSON
DIRECTOR

Dated at Brisbane this 24th day of September 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLUB CROCODILE HOLDINGS LIMITED

SCOPE:

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Club Crocodile Holdings Ltd (the company) and the consolidated entity, for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CLUB CROCODILE HOLDINGS LIMITED**

AUDIT OPINION:

In our opinion, the financial report of Club Crocodile Holdings Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of Club Crocodile Holdings Ltd and the consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

PKF

PKF



**CRAIG G BELLAMY
PARTNER**

Dated at Brisbane this 27th day of September 2004

CLUB CROCODILE HOLDINGS LTD

CORPORATE GOVERNANCE STATEMENT

The Board of Club Crocodile believes in working to the highest standards of corporate governance as appropriate for the company. The Board believes it is important to recognise that there can be no hard and fast rule to good corporate governance and that it is important to consider the size of the company, the industry within which it operates, the corporate history and the company's inherent strengths.

The company has complied with several of the Principles of Good Corporate Governance and Best Practice Recommendations of the ASX Corporate Governance Council. The Board believes the areas of non conformance shown below will not unduly impact on the company's ability to meet appropriate standards of Corporate Governance.

Those areas of non conformance are explained as follows:

Recommendation 2.1 – Majority of independent directors.

As a small market capitalisation company, it is important that Club Crocodile has a Board of an appropriate size. The Board believes that three is the appropriate number of directors for the company at its current size and that the existing directors have the necessary skills and industry knowledge. To add additional directors at this stage would increase the Boards size beyond what is currently regarded as appropriate and would unnecessarily increase costs. As and when the company grows, the number of directors may be increased.

Recommendation 2.2 – Independent Chairperson.

The Board believes that the company's largest shareholder, Mr David Kingston, is the best candidate to be Chairman and in that role to guide the company's vision, strategy and to set performance expectations.

Recommendation 4.3 – Audit Committee composition

The committee presently comprises two members including the chairman of the Board. The Board considers there are considerable costs and practicality issues to be resolved in compliance with this recommendation.

SHAREHOLDERS' INFORMATION

LIST OF LARGEST 20 SHAREHOLDERS AT 24 SEPTEMBER 2004

Name	No. of Shares	Percentage of Contributed equity
1. Granite Ridge Pty Ltd	21,572,312	27.45
2. Lizold Pty Ltd	12,950,426	16.48
3. Mustafa & Nuriye Shail (Shail Super Fund A/c)	11,264,309	14.33
4. R T Technologies Pty Ltd	3,400,000	4.33
5. Movilli Pty Ltd	2,663,829	3.39
6. Elcos (Qld) Pty Ltd	2,125,000	2.70
7. Phillip Dickinson	1,910,243	2.43
8. William A Pursche	975,720	1.24
9. Micawber Pty Ltd	944,991	1.20
10. Kevin J Sheppard (Sheppard & Wells Super Fund A/c)	900,000	1.15
11. Rana Shail	820,000	1.04
12. Shail Investments Pty Ltd	800,000	1.02
13. DB Management Pty Ltd	707,579	0.90
14. Tappak Nominees Pty Ltd	700,000	0.89
15. Baraline Pty Ltd	669,200	0.85
16. Banool Angus Park	566,438	0.72
17. Kathryn A Groves & Nea Der Sarkissian	440,696	0.56
18. Envi Financial Systems Pty Ltd	420,000	0.53
19. Barchester Pty Ltd	400,000	0.51
20. Kevin Biggin	350,000	0.45
Total holdings of top 20 shareholders		64,580,743
Total shares on register		78,582,389
Percentage held by top 20 shareholders		82.17%

DISTRIBUTION OF SHAREHOLDER NUMBERS

Size of Holding	Number of Holders	Number Held Ordinary	Percentage Held
1-1000	150	85,492	0.11
1001-5000	252	715,278	0.91
5001-10000	111	893,917	1.14
10001-100000	324	8,344,023	10.62
100001 and over	41	68,543,679	87.22

Number of holders with less than marketable parcels (minimum parcel \$500) is 286.

Names of substantial shareholders listed in the Parent Entity's register at 24 September 2004 are:

Shareholder Name	Ordinary Holding
1. Granite Ridge Pty Ltd	21,572,312
2. Lizold Pty Ltd	12,950,426
3. Mustafa & Nuriye Shail (Shail Super Fund A/c)	11,264,309

There is no current on market buy back in respect of the company shares

AUSTRALIAN STOCK EXCHANGE REPORT

The results reported to the Australian Stock Exchange in the preliminary final report are the same as those reported in these accounts.