REGISTERED NUMBER: 00076418 (England and Wales)

Abbreviated Accounts

for the Year Ended 30 June 2008

for

Gold Estates Of Australia (1903) Limited

Gold Estates Of Australia (1903) Limited

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Gold Estates Of Australia (1903) Limited

**Company Information
for the Year Ended 30 June 2008**

DIRECTORS:	G C Nathan G J Wall G J Anderson A S Gregg N D Rae
SECRETARY:	S McGuire
REGISTERED OFFICE:	1 High Street Knaphill Woking Surrey GU21 2PG
REGISTERED NUMBER:	00076418 (England and Wales)
AUDITORS:	Barnbrook Sinclair Limited Chartered Accountants Registered Auditors 1 High Street Knaphill Woking Surrey GU21 2PG

Gold Estates Of Australia (1903) Limited

Report of the Directors
for the Year Ended 30 June 2008

The directors present their report with the accounts of the company for the year ended 30 June 2008.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of the holding of land for development and resale in Western Australia.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed accounts.

The company will continue to hold its land investments and develop these when the expected returns fall within the guidelines set by the board.

Further information about likely developments of the operations of the company, a description of the principle risks and uncertainties facing the company and the expected results for future years have not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the company.

DIVIDENDS
An interim dividend of 24.9c per share on the Ordinary 25p shares was paid on 5 October 2007. The total distribution of dividends for the year ended 30 June 2008 will be A$4,500,000.

After the balance sheet date, the directors proposed a final dividend of 24.9c per share on the Ordinary 25p shares be paid. The financial effect of this dividend (A$4,500,000) has not been brought to account in the financial statements for the year ended 30 June 2008 and will be recognised in subsequent financial reports.

FUTURE DEVELOPMENTS
As at the year end, the company had two property lots left for sale, both of which are expected to be sold in the next financial year. The company also held super lots, kept for future developments until further notice.

The parent company, Gold Estates Holdings Pty Ltd, which started its first land development during the previous financial year, commenced sales of this land during the current financial year. Any land purchased by the group is made in the name of the parent company.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2007 to the date of this report.

G C Nathan
G J Wall
G J Anderson

Other changes in directors holding office are as follows:

P J Bird - resigned 16 November 2007
A S Gregg - appointed 16 November 2007

N D Rae was appointed as a director after 30 June 2008 but prior to the date of this report.

M S Gregg ceased to be a director after 30 June 2008 but prior to the date of this report.

All of the company's directors at 30 June 2008 are also directors of the ultimate parent undertaking, Gold Estates Holdings Pty Ltd, incorporated in Western Australia.

INSURANCE PREMIUMS

During the financial year, the company paid premiums in respect of directors' and officers' liability and legal expenses' insurance contracts for current and former directors and officers for both itself and its parent company Gold Estates Holdings Pty Ltd. Such insurance contracts insure against certain liability (subject to specific exclusions) of persons who are or have been directors or executive officers of the company or parent company.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company has exposure to credit risk, liquidity risk and interest rate risk from their use of financial instruments.

The company's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, and the management of capital is set out below together with further quantitative disclosures included throughout this financial report. The Board of Directors has overall responsibility and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all understand their roles and obligations.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees on policies for managing each of these risks and they are summarised below.

The company's exposure to interest rate risk relates primarily to the company's cash and cash equivalents. The company is not exposed to cash flow volatility from interest rate changes on borrowings as no borrowings were outstanding at this time. The company monitors its exposure to interest rates, with consideration given to potential renewal of existing positions, the mix of fixed and variable interest rates and the period to which deposits may be fixed.

Credit risk arises from the financial assets of the company, which comprise cash and cash equivalents, trade and other receivables and other financial assets. The company's exposure to credit risk arises from potential default of the counter party and subsequent financial loss, with a maximum exposure equal to the carrying amount of these financial assets.

The company trades only with recognised, creditworthy third parties and has adopted a policy of dealing with creditworthy counterparts and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of its cash and funding requirements.

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board of Directors monitors the return on capital, which the company defines as net operating income divided by total shareholders' equity. The Board of directors also monitors the level of dividends to ordinary shareholders.

There were no changes to the company's approach to capital management during the year. The company is not subject to externally imposed capital requirements.

Gold Estates Of Australia (1903) Limited

Report of the Directors
for the Year Ended 30 June 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

....
S McGuire - Secretary

Date: 1. 4. 09

Report of the Independent Auditors to
Gold Estates Of Australia (1903) Limited
Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages seven to fifteen, together with the financial statements of Gold Estates Of Australia (1903) Limited for the year ended 30 June 2008 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion
We conducted our work in accordance with Bulletin 2006/3 "The Special Auditor's Report on Abbreviated Accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.

Other information
On ..15 April 2009.. we reported, as auditors to the shareholders of the company on the financial statements for the year ended 30 June 2008 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

"We have audited the financial statements of Gold Estates Of Australia (1903) Limited for the year ended 30 June 2008 on pages seven to fifteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page four.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Report of the Independent Auditors to
Gold Estates Of Australia (1903) Limited
Under Section 247B of the Companies Act 1985

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from omission of cash flow statement
As explained in note 20, the financial statements do not contain statements of cash flows as required by Financial Reporting Standard 1. Net cash flows for the year ended 30 June 2008 amounted to A$647,064 and, in our opinion, information about the company's cash flows is necessary for a proper understanding of the company's state of affairs and profit. Except for the failure to provide information about the company's cash flows, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the information given in the Report of the Directors is consistent with the financial statements. "

Barnbrook Sinclair Ltd

Barnbrook Sinclair Limited
Chartered Accountants
Registered Auditors
1 High Street
Knaphill
Woking
Surrey
GU21 2PG

Date: 15 / 4 / 9

Gold Estates Of Australia (1903) Limited

Abbreviated Profit and Loss Account
for the Year Ended 30 June 2008

	Notes	30/6/08 A$	30/6/07 A$
GROSS PROFIT		8,441,832	19,225,992
Administrative expenses		(2,065,151)	(4,392,337)
OPERATING PROFIT	3	6,376,681	14,833,655
Interest receivable and similar income		427,525	372,837
		6,804,206	15,206,492
Interest payable and similar charges	4	-	(784,018)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,804,206	14,422,474
Tax on profit on ordinary activities	5	(2,037,137)	(4,334,318)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		4,767,069	10,088,156

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these abbreviated accounts

Gold Estates Of Australia (1903) Limited

Abbreviated Balance Sheet
30 June 2008

	Notes	30/6/08 A$	30/6/07 A$
FIXED ASSETS			
Tangible assets	7	16,216	20,096
Inventories	8	799,191	3,703,235
		815,407	3,723,331
CURRENT ASSETS			
Inventories	9	2,991,081	2,715,005
Debtors	10	21,372,443	20,674,847
Cash at bank		8,144,896	7,497,832
		32,508,420	30,887,684
CREDITORS			
Amounts falling due within one year	11	(104,042)	(1,345,523)
NET CURRENT ASSETS		32,404,378	29,542,161
TOTAL ASSETS LESS CURRENT LIABILITIES		33,219,785	33,265,492
PROVISIONS FOR LIABILITIES	13	(970,881)	(1,283,657)
NET ASSETS		32,248,904	31,981,835
CAPITAL AND RESERVES			
Called up share capital	14	8,912,813	8,912,813
Revaluation reserve	15	3,699,384	3,699,384
Profit and loss account	15	19,636,707	19,369,638
SHAREHOLDERS' FUNDS	17	32,248,904	31,981,835

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board of Directors on ....19.9.08.............. and were signed on its behalf by:

GJ Anderson
....
G J Anderson - Director

The notes form part of these abbreviated accounts

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historic cost convention and have been prepared in Australian dollars since this its functional currency with Australia being the primary economic environment of its trade.

Revenue recognition
Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer. For land sales, this is deemed to be on settlement. Revenue from services rendered is recognised in the profit and loss account in proportion to the stage of completion of the transaction at the balance sheet date. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

Tangible fixed assets
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (refer separate policy note). Loss includes expenditures that are directly attributable to the acquisition of the asset.

With the exception of freehold land, depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives in the current and comparative periods for plant and equipment has been 4-6 years.

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

Inventories
Inventories include land held for development and resale and associated development costs.

Land held for development and resale is carried at the lower of cost and net realisable value. Costs include the cost of acquisition and development costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

Taxation
Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Additional Australian income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Receivables and payables
Trade and other receivables are stated at their amortised cost less impairment losses (refer separate policy note).

Trade and other payables are stated at their amortised cost, are non-interest bearing and are generally settled within 30 days.

continued...

1. **ACCOUNTING POLICIES - continued**

Impairment
The carrying amounts of the company's assets, other than inventories and deferred tax assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below).

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

The recoverable amount of the company's investments in held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Receivables are individually assessed for impairment.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. **STAFF COSTS**

The average number of directors during the period was five (2007: - five).

The company has no employees (2007: - none).

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	30/6/08 A$	30/6/07 A$
Depreciation - owned assets	18,705	16,192
Auditors' remuneration	-	9,352
Auditors' remuneration for non audit work	-	1,000
Directors' emoluments	54,133	54,300

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	30/6/08 A$	30/6/07 A$
Bank interest	-	784,018

continued...

5. TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the year was as follows:

	30/6/08 A$	30/6/07 A$
Current tax:		
Australian corporation tax	2,037,137	4,334,318
Tax on profit on ordinary activities	2,037,137	4,334,318

Australian corporation tax has been charged at 30% (2007 - 30%).

Factors affecting the tax charge
The tax assessed for the year is lower than the standard rate of corporation tax in Australia. The difference is explained below:

	30/6/08 A$	30/6/07 A$
Profit on ordinary activities before tax	6,804,206	14,422,474
Profit on ordinary activities multiplied by the standard rate of corporation tax in Australia of 30% (2007 - 30%)	2,041,262	4,326,742
Effects of:		
Deductible expenses	(4,125)	-
Under/(over)-provision in prior year	-	395
Deferred income tax	-	7,181
Current tax charge	2,037,137	4,334,318

The company has migrated to Australian tax residence and has no liability to UK corporation tax.

The company and its parent company have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is the parent company, Gold Estates Holdings Pty Ltd.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the company are assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below).

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

continued...

6. DIVIDENDS

	30/6/08 A$	30/6/07 A$
Ordinary shares of 25p each		
Interim	4,500,000	3,750,000

7. TANGIBLE FIXED ASSETS

	Plant and equipment A$
COST	
At 1 July 2007	77,893
Additions	14,825
At 30 June 2008	92,718
DEPRECIATION	
At 1 July 2007	57,797
Charge for year	18,705
At 30 June 2008	76,502
NET BOOK VALUE	
At 30 June 2008	16,216
At 30 June 2007	20,096

8. INVENTORIES

Inventories - non-current comprises development land identified as being a proposed long term investment property (see Note 9).

9. INVENTORIES

Inventories comprises land held for development and resale. Land identified as being a proposed long term investment property is transferred to a non-current asset category.

	30/6/08 A$	30/6/07 A$
Inventories - current	799,191	2,715,005
Inventories - non-current	2,991,081	3,703,235
	3,790,272	6,418,240

continued...

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/08	30/6/07
	A$	A$
Trade debtors	25,563	26,563
Amounts owed by parent undertaking	21,245,753	20,592,002
Bonds	32,823	51,699
Prepayments and accrued income	68,304	4,583
	21,372,443	20,674,847

The amounts owed by the parent company are unsecured and are repayable on demand and comprise a loan to the parent company of A$22,561,333 (2007:A$21,053,550) less the sum of A$1,315,580 (2007:A$461,548) due to the parent company relating to the group tax sharing agreement with the parent company.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/08	30/6/07
	A$	A$
Other creditors and accruals	104,042	1,345,523

12. SECURED DEBTS

The company has a bank bill facility secured in full by a floating charge over the company's assets to the extent of A$11,000,000 (2007:A$11,000,000). At 30 June 2008, none of the facility was being utilised.

13. PROVISIONS FOR LIABILITIES

	30/6/08	30/6/07
	A$	A$
Other provisions	970,881	1,283,657

	Other provisions
	A$
Balance at 1 July 2007	1,283,657
Provisions made during period	115,000
Provisions used during period	(427,776)
Balance at 30 June 2008	970,881

	Fencing	Landscaping
	A$	A$
Balance at 1 July 2007	494,657	789,000
Provisions made during the year	50,000	65,000
Provisions used during the year	(236,776)	(191,000)
Balance at 30 June 2008	307,881	663,000

The provision for landscaping and fencing relates to land sales made during the financial year ended 30 June 2007 and 2008 based on amounts disclosed in the sales contracts. The company expects to incur the liabilities over the next 12 months.

continued...

14. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	30/6/08 £	30/6/07 £
18,400,000	Ordinary	25p	4,600,000	4,600,000
1,000,000	Redeemable preference	£1	1,000,000	1,000,000
			5,600,000	5,600,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30/6/08 £	30/6/07 £
18,100,000	Ordinary	25p	4,525,000	4,525,000

Australian dollar equivalents on issue

	30/6/08 A$	30/6/07 A$
18,100,000 ordinary shares of 25p each	8,912,813	8,912,813

15. RESERVES

	Profit and loss account A$	Revaluation reserve A$	Totals A$
At 1 July 2007	19,369,638	3,699,384	23,069,022
Profit for the year	4,767,069		4,767,069
Dividends	(4,500,000)		(4,500,000)
At 30 June 2008	19,636,707	3,699,384	23,336,091

16. ULTIMATE PARENT COMPANY

The ultimate parent company is Gold Estates Holdings Pty Ltd, which owns all 100% of the issued share capital of the company and is registered in Western Australia (ABN 40 097 065 944).

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30/6/08 A$	30/6/07 A$
Profit for the financial year	4,767,069	10,088,156
Dividends	(4,500,000)	(3,750,000)
Net addition to shareholders' funds	267,069	6,338,156
Opening shareholders' funds	31,981,835	25,643,679
Closing shareholders' funds	32,248,904	31,981,835

continued...

18. LOCAL CURRENCY

Prior to migrating to Australia for UK tax purposes in 2001, the Company had made a local currency election with the Inland Revenue in the United Kingdom. In accordance with this election, the Company's accounts have been prepared in Australian dollars since this is the primary economic environment of its trade.

19. STATEMENT OF CASH FLOWS

The financial statements do not include a Statement of Cash Flows, as required by Financial Reporting Standard 1. The directors do not consider that the additional costs necessary to produce such a statement would be reflected by any additional benefit to be obtained by the shareholders.