

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors and I enclose herewith a copy of the Audited Financial Statements of NSX Limited and Controlled Entities ("NSX") for the year ended 30th June 2003.

The Company incurred a consolidated operating loss of \$606,493 (2002: \$1,059,119) for the financial year. Of this loss, \$53,003 (2002: 394,000) is represented by a write down of the carrying value of the goodwill in the accounts of the group. The primary reason for reduction in losses of the group is due to a focus on reducing operating expenses.

Achievements During the Year

Official List

Currently the Exchange has listed eight (10) securities with 14 Wine Class Preference Shares expiring during the year. The market capitalisation of the exchange rose from \$8.9 million to \$89.3 million. Due to increased listings and rising prices the NSX All Equities Index rose from 90 to 163.

Incitec Fertilizer preference share is most notable as it is the first listing supported by an institution; Westpac Institutional Bank.

Effective 1st July 2002 the NSX became an approved exchange under the Income Tax Act 1936 Schedule 12. The approval makes the NSX a more attractive market for miscellaneous investment

NSX has achieved key milestones during the year of new companies listed, new floats and providing an orderly, fair and transparent market.

Listed Securities	October 2003
Fully Paid Ordinary Shares	6
Partly Paid FPO shares	1
Preference Shares	2
Company Issued Options	1
Property Unit Trusts	1
Total Listed Securities	11

The NSX continues to make significant progress in attracting a variety of different types of companies to the market. The NSX completed its first property trust and sophisticated investor listing with the quotation of Quantum Property Trust (\$6.5 million) and Incitec Fertilizers Limited (\$55 million). The

schemes.

The key to success for the NSX in the coming year is to increase the number of securities listed with the NSX. Concentration will be on Property, Mining, Agriculture, and Service industries with significant opportunities existing among community based and mutual organisations.

DIRECTORS' REPORT

New Floats

The following securities are expected to complete their listing process and begin quotation later in 2003:

- SWP - SwepDri Limited FPO
- WAY - Waymouth Resources Limited FPO
- DRL - Diatreme Resources Limited FPO
- STC - Stratum Communications Limited
- CMD - Croatian Media Limited
- AWDPA - Access West Developments
- OHZ - Opal Horizon Limited

The NSX continues to receive serious enquiries from many companies looking to list. The increased number of listings and increase in current floats is against a back drop of a continuing tough IPO market, and is a key indicator to the future success of the NSX.

The total number of Nominated Advisers is fourteen. Primarily, the role of the Nominated Adviser is to provide Listed Companies with advice concerning their obligations under the NSX listing rules. However, Nominated Advisers are also very active in grooming and providing services to companies that are candidates for listing on the NSX.

Combined with the NSX broker network, Nominated Advisers raise the awareness of companies about the opportunities of listing on the NSX and help to extend NSX's marketing reach.

Trading & Settlement

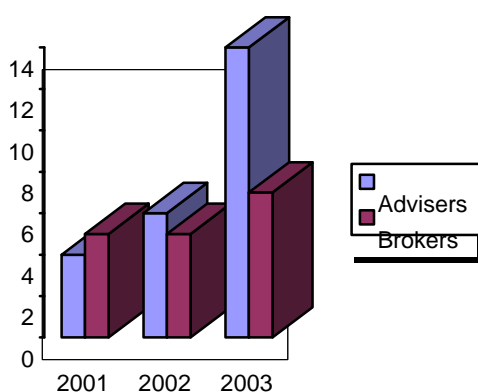
Trading volumes increased during the year. However volumes still remain low, due to the fact that NSX listed companies tend to be tightly held.

Improvements in Funding to cement NSX's position as Australia's second securities exchange.

Participants

During the year the NSX received and accepted applications from the following Nominated Advisers:

- Hunt Hunt Lawyers
- Salmon Giles Pty Ltd
- Taylor Collison Limited
- Venture Axess Limited
- Walker Herceg Lawyers
- Westpac Institutional Bank
- WHI Securities Limited
- Whittens Lawyers



Nevertheless, the NSX increasingly provides a market place for what otherwise would be illiquid securities and the NSX expects to grow the volume of trades by attracting more listings to the market.

Compliance

The NSX Compliance Committee is the primary body for monitoring compliance of Listed Entities and Participating Organisations.

The NSX continues to develop relationships with other exchanges and is developing a Memorandum of Understanding (MOU) with the Australian Stock Exchange concerning market information sharing including regulatory mechanisms for dual listed securities.

The NSX finalised an MOU with the Securities Exchanges Guarantee Corporation (SEGC) concerning the operation of the National Guarantee Fund and the NSX Fidelity Fund.

With the changes brought about by the Financial Services Reform Act, the NSX Compliance Committee has been working on amending the listing and business rules and operational

DIRECTORS' REPORT

procedures so that the NSX remains compliant with its Australian Markets Licence.

The Future

Funding

Your Board of Directors is keen to build on the current business development activities, especially given the number of listing enquiries currently to hand.

In this regard, the Directors have reviewed the ongoing business strategy and future cash flow requirements necessary to achieve ongoing success and to place the NSX in a profitable position.

The Board has issued a placement of shares of 1,000,000 shares at 35 cents to each of Barbary Coast Investments Pty Limited and Accounting PC Training Pty Limited. A director from each of these companies will also become a director of NSX Limited and controlled entities. The placement provides the NSX with additional funding of \$700,000. Mr Raymond Whitten and Mr Michael Cox will join the board of the NSX filling casual vacancies and will stand for election by members at the AGM.

Annual General Meeting

We look forward to seeing as many shareholders as possible at the Annual General Meeting on Friday 21 November 2003 at 11.00am at the Exchange's Office, Ground Floor, 384 Hunter Street, Newcastle 2300.

A meeting agenda and order of business announcement is included with this report. Please forward all proxy voting forms to NSX Limited, PO BOX 283, Newcastle, 2300.

We would be pleased if you could confirm your attendance at the Annual General Meeting 24 hours beforehand for catering arrangements by telephoning either Scott Evans or Jane Thorley on ☎ 02 4929 6377 or ✉ mail@newsx.com.au.

Signed On Behalf of the Board of NSX Limited and its controlled Entities:

Warwick Williams Evans,
CHAIRMAN & CEO
8th October 2003

DIRECTORS' REPORT

CORPORATE DIRECTORY

DIRECTORS: Warwick Evans (Chairman & CEO)
Steven S. Pritchard
Paul Seymour
F. Mark Menzies (Company Secretary)
John O'Connor

SECRETARY: F Mark Menzies

REGISTERED OFFICE ADDRESS: Ground Floor
384 Hunter Street,
Newcastle, NSW 2300.

COMMUNICATIONS: Telephone: (02) 4929 6377
Facsimile: (02) 4962 2701
Email: mail@newsx.com.au
Web Site: www.newsx.com.au

BANKERS: Westpac
45 Hunter Street
Newcastle
NSW 2300

AUDITORS: Lawler Partners
763 Hunter Street
Newcastle West NSW 2300
Telephone (02) 4962 2688
Facsimile (02) 4962 3245

SOLICITORS: Baker & McKenzie
AMP Centre
50 Bridge Street,
Sydney NSW 1223
Telephone (02) 9225 0100
Facsimile (02) 9223 7711

SHARE REGISTRY Newcastle Capital Markets
10 Murray Street
Hamilton NSW 2303
Telephone (02) 4920 2877

DIRECTORS' REPORT

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2003.

DIRECTORS

The names of the directors in office during or since the end of the year are:

Name of Director	Date of Appointment	Date of Resignation
Warwick Williams Evans	29 June 2001	
Francis Markham Menzies	10 January 1994	
Steven Shane Pritchard	6 February 1997	
Paul Ernest Seymour	25 March 1998	
John RC Gilbert	24 May 2002	9 September 2002
John Joseph O'Connor	3 February 2003	

Directors have been in office since the start of the financial year to the date of the report unless otherwise stated.

OPERATING RESULTS

The consolidated operating loss of the economic entity for the financial year after providing for income tax amounted to \$606,493 (2002 loss of \$1,059,119).

REVIEW OF OPERATIONS

The company continued to increase listings and develop potential listings throughout the year. The loan amounting to \$2,308,235 given by the company to its subsidiary Stock Exchange of Newcastle Limited was converted into equity during the year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than the conversion of debt to equity as above there has been no significant change in the state of affairs of the company and the economic entity during the financial year.

PRINCIPAL ACTIVITY

The principal activity of the economic entity during the financial year was the operation of a stock exchange.

No significant change in the nature of this activity occurred during the year.

AFTER BALANCE DATE EVENTS

In August 2003 the company has issued 2,000,000 fully paid ordinary shares at \$0.35 each to two new shareholders raising \$700,000. The two directors of these shareholders will be appointed as directors of the company and its controlled entities subject to ASIC approval.

DIRECTORS' REPORT

FUTURE DEVELOPMENTS

In the opinion of the directors, disclosure of information regarding likely developments in the operation of the economic entity and the expected results of these operations would prejudice the interests of the economic entity. Accordingly information has not been included in this report.

ENVIRONMENTAL ISSUES

The economic entity's operations are not subject to any significant environmental regulations under either Commonwealth or State Legislation. The directors are not aware of any significant material environmental issues arising from the operations of the economic entity during the year.

INFORMATION ON DIRECTORS

Warwick Williams Evans, (B.Com Ec), is the Chief Executive Officer and Chairman, of the company. Warwick was formerly Executive Director of Macquarie Bank Limited and Managing Director of the Stockbroking and Financial Services operations for a period of 9 years. He is also Chairman of the Securities & Derivates Industry Association of Australia, a Director of Murrays Australia Limited, and a Director of the Brandenburg Orchestra.

Francis Markham Menzies, is the Secretary and a member of the Fidelity Fund Committee of the company. Mark has been associated with J M Tonkin & Co (now called TSM Corporate Pty Ltd) since 1968 and was admitted as a partner of the firm in 1989. Mark is Principal of the stockbroking firm Tonkin Scorer Menzies a participating member of the Exchange.

Steven Shane Pritchard (B. Com, CPA, ASIA) holds a Bachelor of Commerce Degree from the University of Newcastle (B.Com), is a Certified Practising Accountant and is an Associate of the Securities Institute of Australia (ASIA). He is a member of the Compliance Committee of the company. Steven is the principal of the Newcastle firm of Certified Practising Accountants, Rees Pritchard Pty Limited, a Director of the stockbroking firm Pritchard & Partners Pty Limited and is past branch Chairman of CPA Australia. Steven is also Chairman of Cameron Stockbrokers Limited.

Paul Ernest Seymour has held a number of senior positions in the securities industry over the past 30 years including Director of Operations at County Natwest Securities Australia Limited and was formerly a member of the Australian Stock Exchange Limited's National Adjudicatory Tribunal and the National Settlements Advisory Committee.

John RC Gilbert, is an independent Director. John is a Proper Authority (Aus) with ASIC/ASX Level 1 & 2 Derivatives Accreditation; SFA General Rep (UK); Financial Planning Certificates (UK). John is a regular contributor to SHARES magazine. John resigned as a director effective 9 September 2002.

John Joseph O'Connor, (B. Com, CA) is a member Financial Planners Association. He is a member of the Compliance Committee of the company. John has been a partner of Forsythes since early 2000 and heads the Financial Planning Division. John is a Chartered Accountant and qualified Financial Planner, with 15 years experience in chartered accounting, tax and management consulting and many years of investment advisory experience.

DIRECTORS' REPORT

DIRECTORS' AND EXECUTIVE OFFICERS' EMOLUMENTS

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company, with a director, a firm of which the director is a member or an entity in which the director has a substantial financial interest. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the company's accounts, or the fixed salary of a full-time employee of the economic entity.

DIVIDENDS PAID OR RECOMMENDED

The directors do not recommend the payment of a dividend. No dividends have been paid during or since the end of the financial year.

OPTIONS

No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year. All previously issued options outstanding are exercisable at \$1.00 and expire on 30 June 2006.

On 25 August 2003, the company has offered to grant 200,000 options to Rees Pritchard Pty Limited in partial settlement of an invoice for services rendered to the economic entity, subject to the compliance with the Corporations Act 2001. The strike has been determined to be \$0.35 and exercise date 28 August 2008.

COURT PROCEEDINGS

No person has applied for leave of the Court to bring proceedings on behalf of the economic entity or intervene in any proceedings to which the economic entity is a party for the purpose of taking responsibility on behalf of the economic entity for all or any part of those proceedings.

MEETINGS OF DIRECTORS

During the period, 12 Directors Meetings and 8 Committee Meetings were held. Attendances were:

Name of Director	Directors Meeting		Committee Meeting	
	Number Eligible to Attend	Number Attended	Number Eligible to Attend	Number Attended
Warwick Williams Evans	12	10	-	-
Francis Markham Menzies	12	11	-	-
Steven Shane Pritchard	12	12	8	8
Paul Ernest Seymour	12	9	3	3
John RC Gilbert	2	2	-	-
John O'Connor	4	4	8	8

NSX LIMITED
ABN 33 089 447 058
AND CONTROLLED ENTITIES

**STATEMENT OF FINANCIAL PERFORMANCE
AS AT 30 JUNE 2003**

	Notes	Economic Entity		Parent Entity	
		2003	2002	2003	2002
		\$	\$	\$	\$
Revenue from ordinary activities	2	138,894	204,932	-	1,707
Depreciation and amortisation expenses	3	(75,349)	(418,184)	-	-
Borrowing costs expense	3	(1,329)	(451)	-	-
Doubtful debts expense	3	(4,620)	-	1,411,603	(1,411,603)
Diminution of investments expense	3	-	-	(1,464,606)	(390,234)
Consultancy fees		(79,184)	(182,379)	-	-
Compliance expenses		(50,619)	(78,144)	-	-
Legal expenses		(17,308)	(42,011)	-	-
Market trading expense		(126,005)	(107,781)	-	-
Employee benefits expense	3	(152,958)	(154,388)	-	-
Marketing and promotion expenses		(87,399)	(126,484)	-	-
Rental expenses	3	(30,550)	(29,467)	-	-
Other expenses from ordinary activities					
		<u>(120,066)</u>	<u>(171,583)</u>	<u>(10,253)</u>	<u>(2,894)</u>
Profit/(loss) from ordinary activities before income tax expense relating to ordinary activities		(606,493)	(1,105,940)	(63,256)	(1,803,024)
Income tax benefit/(expense) relating to ordinary activities	4	<u>-</u>	<u>46,821</u>	<u>-</u>	<u>-</u>
Net profit/(loss) from ordinary activities after income tax expense attributable to members of the parent entity		<u>(606,493)</u>	<u>(1,059,119)</u>	<u>(63,256)</u>	<u>(1,803,024)</u>
Total changes in equity of the entity other than those resulting from transactions with owners as owners		<u>(606,493)</u>	<u>(1,059,119)</u>	<u>(63,256)</u>	<u>(1,803,024)</u>

The accompanying notes form part of these financial statements

NSX LIMITED
ABN 33 089 447 058
AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Notes	Economic Entity		Parent Entity	
		2003 \$	2002 \$	2003 \$	2002 \$
CURRENT ASSETS					
Cash assets	6	271,133	336,558	-	-
Receivables	7	2,206	50,703	-	896,685
Other assets	8	7,312	8,158	-	-
Other financial assets	9	116,568	604,465	-	-
TOTAL CURRENT ASSETS		<u>397,219</u>	<u>999,884</u>	<u>-</u>	<u>896,685</u>
NON-CURRENT ASSETS					
Other financial assets	9	-	-	1,403,445	559,766
Property, plant and equipment	11	62,651	74,518	-	-
Intangible assets	12	506,763	559,766	-	-
TOTAL NON-CURRENT ASSETS		<u>569,414</u>	<u>634,284</u>	<u>1,403,445</u>	<u>559,766</u>
TOTAL ASSETS		<u>966,633</u>	<u>1,634,168</u>	<u>1,403,445</u>	<u>1,456,451</u>
CURRENT LIABILITIES					
Payables	13	107,470	175,006	13,750	3,500
Tax liabilities	14	-	(3,531)	-	-
Provisions	15	12,705	9,742	-	-
TOTAL CURRENT LIABILITIES		<u>120,175</u>	<u>181,217</u>	<u>13,750</u>	<u>3,500</u>
TOTAL LIABILITIES		<u>120,175</u>	<u>181,217</u>	<u>13,750</u>	<u>3,500</u>
NET ASSETS		<u>846,458</u>	<u>1,452,951</u>	<u>1,389,695</u>	<u>1,452,951</u>
EQUITY					
Contributed equity	16	3,338,332	3,338,332	3,338,332	3,338,332
Retained losses	17	(2,491,874)	(1,885,381)	(1,948,637)	(1,885,381)
TOTAL EQUITY		<u>846,458</u>	<u>1,452,951</u>	<u>1,389,695</u>	<u>1,452,951</u>

The accompanying notes form part of these financial statements

NSX LIMITED
ABN 33 089 447 058
AND CONTROLLED ENTITIES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Economic Entity		Parent Entity	
		2003 \$	2002 \$	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		166,259	187,726	-	-
Payments to suppliers and employees		(738,374)	(1,513,383)	(3)	(2,727)
Interest received		27,129	59,251	-	1,707
Borrowing costs paid		(1,329)	(451)	-	-
Income tax (paid) refunded		3,531	(115,972)	-	-
Net cash provided by (used in) operating activities	20(b)	<u>(542,784)</u>	<u>(1,382,829)</u>	<u>(3)</u>	<u>(1,020)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		250	-	-	-
Payment for property, plant and equipment		(10,788)	(2,603)	-	-
Payment for investments		-	-	(2,308,285)	-
Loans to related parties – payments made		-	-	-	(2,308,285)
Loans to related parties – proceeds from repayments		-	-	2,308,288	-
Net cash provided by (used in) investing activities		<u>(10,538)</u>	<u>(2,603)</u>	<u>3</u>	<u>(2,308,285)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from share issue		-	435,982	-	435,982
Payments in relation to share issue		-	(199,000)	-	(199,000)
Loans from related parties – repayments made		-	(40,000)	-	(46,958)
Net cash provided by (used in) financing activities		<u>-</u>	<u>196,982</u>	<u>-</u>	<u>190,024</u>
Net increase/(decrease) in cash held		(553,322)	(1,188,450)	-	(2,119,281)
Cash at beginning of year		941,023	2,129,473	-	2,119,281
Cash at end of year	20(a)	<u>387,701</u>	<u>941,023</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards and Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers NSX Limited as an individual parent entity and NSX Limited, Stock Exchange of Newcastle Limited, NSX Services Pty Limited and NSX Clearing Nominees Pty Limited as an economic entity. NSX Limited is a company limited by shares incorporated and domiciled in Australia.

The financial report has also been prepared on an accruals 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.

The following is a summary of the significant accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Going Concern

Notwithstanding continued operating losses, the financial report has been prepared on a going concern basis.

The company has a comprehensive business plan and has prepared financial forecasts on this basis. The company considers these estimates to be conservative and accordingly is of the opinion that the going concern basis of accounting is appropriate.

(b) Principles of Consolidation

A controlled entity is any entity controlled by NSX Limited. Control exists where NSX Limited has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with NSX Limited to achieve the objectives of NSX Limited. Details of the controlled entity are contained in Note 10.

All inter-company transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

(c) Income Tax

The economic entity adopts the liability method of tax effect accounting whereby the income tax expense is based on the profit for ordinary activities 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 a provision for deferred income tax or as a 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.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Income Tax (cont'd)

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

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, and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amounts of all fixed assets are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate
Plant and equipment	20 – 40%

(e) Leases

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

(f) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. Expected net cash flows are discounted to their present value to determine the investments' recoverable amount.

(g) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net tangible assets at the date of acquisition. Both purchased goodwill and goodwill on consolidation are amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable, are written off.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Employee Benefits

Provision is made for the economic entity'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 benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at 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.

Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred.

(i) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

(j) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Revenue from government grants is recognised at the time of receipt.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(k) Goods and Services Tax

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.

NSX LIMITED
ABN 33 089 447 058
AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Economic Entity		Parent Entity	
		2003 \$	2002 \$	2003 \$	2002 \$
NOTE 2: REVENUE					
Operating activities					
- fees		106,512	106,330	-	-
- interest – other parties		27,129	59,251	-	1,707
- NSX conference income		(100)	17,351	-	-
- other income		5,103	22,000	-	-
Total		<u>138,644</u>	<u>204,932</u>	<u>-</u>	<u>1,707</u>
Non operating activities					
- proceeds on disposal of property, plant and equipment		250	-	-	-
Total revenue		<u>138,894</u>	<u>204,932</u>	<u>-</u>	<u>1,707</u>
NOTE 3: LOSS FROM ORDINARY ACTIVITIES					
Loss from ordinary activities before income tax expense has been determined after:					
(a) Expenses:					
Depreciation of non-current assets					
- plant and equipment		22,346	27,950	-	-
Amortisation of non-current assets					
- goodwill		53,003	390,234	-	-
Total depreciation and amortisation		<u>75,349</u>	<u>418,184</u>	<u>-</u>	<u>-</u>
Borrowing costs					
- director related entity		-	451	-	-
- other persons		1,329	-	-	-
Total borrowing costs		<u>1,329</u>	<u>451</u>	<u>-</u>	<u>-</u>
Bad and doubtful debts					
- trade debtors		4,620	-	-	-
- Loan – Stock Exchange of Newcastle		-	-	(1,411,603)	1,411,603
Total bad and doubtful debts		<u>4,620</u>	<u>-</u>	<u>(1,411,603)</u>	<u>1,411,603</u>
Employee benefits					
- Superannuation		11,431	-	-	-
- Wage expense		141,527	154,388	-	-
		<u>152,958</u>	<u>154,388</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2003**

Notes	Economic Entity		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 3: LOSS FROM ORDINARY ACTIVITIES (cont'd)				
Rental expense on operating lease				
- minimum lease payments	30,550	29,467	-	-
Write down of shares to recoverable amounts	-	-	1,464,606	390,234
Remuneration of auditors:				
- auditors' review - prior auditors	10,049	6,879	-	1,847
- auditors' review – current auditors	11,000	-	4,750	-
- other services – prior auditors		2,293		616
- other services – current auditors	13,500	-	5,500	-
Total remuneration of auditors	34,549	9,172	10,250	2,463
 (b) Revenue and net gains:				
Net gain (loss) on disposal of plant and equipment	(59)	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Notes	Economic Entity		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 4: INCOME TAX EXPENSE				
The prima facie tax payable on loss from ordinary activities before income tax is reconciled to the income tax expense as follows:				
Prima facie tax payable (benefit) on operating loss before income tax at 30% (2002: 30%)	(181,948)	(317,736)	(18,977)	(570,907)
Add:				
Tax effect of:				
- amortisation of goodwill	-	117,070	-	-
- timing differences not recognised in the accounts	143,863	200,666	1	30,356
- write down to recoverable amount	439,382	-	439,382	117,070
- non deductible amounts	22,184	-	3,075	-
- other items	(423,481)	-	(423,481)	423,481
- over provision for income tax in prior years	-	(46,821)	-	-
Income tax expense (benefit) attributable to profit from ordinary activities	<u>-</u>	<u>(46,821)</u>	<u>-</u>	<u>-</u>
Tax losses not brought to account, the benefits will only be realised if the conditions for deductibility set out in Note 1(c) occur	<u>440,749</u>	<u>107,682</u>	<u>8,807</u>	<u>107,682</u>
NOTE 5: DIVIDENDS				
Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax	<u>94,678</u>	<u>-</u>	<u>94,678</u>	<u>-</u>
The 2003 balance of the franking account has been converted to a "tax paid" basis due to changes in income tax legislation.				
NOTE 6: CASH ASSETS				
Cash at bank	<u>271,133</u>	<u>336,558</u>	<u>-</u>	<u>-</u>

NSX LIMITED
ABN 33 089 447 058
AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Notes	Economic Entity		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 7: RECEIVABLES				
CURRENT				
Loans to related party				
- Stock Exchange of Newcastle	-	-	-	2,308,285
Provision for doubtful debts	-	-	-	(1,411,603)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>896,682</u>
Trade debtors	5,945	7,676	-	-
Other debtors	881	43,024	-	-
Loans to directors	-	3	-	3
Provision for doubtful debts	(4,620)	-	-	-
	<u>2,206</u>	<u>50,703</u>	<u>-</u>	<u>896,685</u>
NOTE 8: OTHER ASSETS				
CURRENT				
Prepayments	<u>7,312</u>	<u>8,158</u>	<u>-</u>	<u>-</u>
NOTE 9: OTHER FINANCIAL ASSETS				
CURRENT				
Commercial bills	109,568	597,465	-	-
Deposits at call	7,000	7,000	-	-
	<u>116,568</u>	<u>604,465</u>	<u>-</u>	<u>-</u>
NON-CURRENT				
Shares in controlled entities – at recoverable amount	<u>-</u>	<u>-</u>	<u>1,403,445</u>	<u>559,766</u>
NOTE 10: CONTROLLED ENTITIES				
Subsidiary: Stock Exchange of Newcastle Limited				
County of Incorporation: Australia				
Percentage owned: 100%				
Subsidiary: NSX Services Pty Limited				
Country of Incorporation: Australia				
Percentage owned: 100%				
Subsidiary: NSX Clearing Nominees Pty Limited				
Country of Incorporation: Australia				
Percentage owned: 100%				

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Economic Entity		Parent Entity	
		2003 \$	2002 \$	2003 \$	2002 \$
NOTE 11: PROPERTY, PLANT AND EQUIPMENT					
Plant and equipment – at cost		170,974	162,236	-	-
Less accumulated depreciation		(108,323)	(87,718)	-	-
Total plant and equipment		<u>62,651</u>	<u>74,518</u>	<u>-</u>	<u>-</u>
(a) Movements in carrying amounts					
Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the financial year:					
Plant and equipment					
Balance at the beginning of the year					
		74,518	99,865	-	-
Additions		10,788	2,603	-	-
Disposals		(309)	-	-	-
Depreciation expense		(22,346)	(27,950)	-	-
Carrying amount at the end of the year		<u>62,651</u>	<u>74,518</u>	<u>-</u>	<u>-</u>
NOTE 12: INTANGIBLES					
Goodwill – at cost		1,420,711	1,420,711	-	-
Less accumulated amortisation		(913,948)	(860,945)	-	-
		<u>506,763</u>	<u>559,766</u>	<u>-</u>	<u>-</u>
NOTE 13: PAYABLES					
CURRENT					
Trade creditors		52,005	124,428	10,250	-
Sundry creditors		55,465	50,578	3,500	3,500
		<u>107,470</u>	<u>175,006</u>	<u>13,750</u>	<u>3,500</u>
NOTE 14: TAX LIABILITIES					
CURRENT					
Income tax		-	(3,531)	-	-

NSX LIMITED
ABN 33 089 447 058
AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Notes	Economic Entity		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 15: PROVISIONS				
CURRENT				
Employee benefits	12,705	9,742	-	-
(a) Aggregate employee benefits	12,705	9,742	-	-
(b) Number of employees at year end	2	2	-	-
NOTE 16: CONTRIBUTED EQUITY				
13,240,003 (2002: 13,420,003) fully paid ordinary shares	3,323,332	3,323,332	3,323,332	3,323,332
1,500,000 (2002: 1,500,000) ordinary shares paid to 1 cent	15,000	15,000	15,000	15,000
	<u>3,338,332</u>	<u>3,338,332</u>	<u>3,338,332</u>	<u>3,338,332</u>
(a) Fully paid ordinary shares				
At the beginning of the reporting period	3,323,332	2,887,350	3,323,332	2,887,350
- 342,000 on 20 July 2001	-	342,000	-	342,000
- 98,000 on 1 October 2001	-	98,000	-	98,000
Transactions costs relating to share issues	-	(4,018)	-	(4,018)
At reporting date	<u>3,323,332</u>	<u>3,323,332</u>	<u>3,323,332</u>	<u>3,323,332</u>
	No	No	No	No
At the beginning of the reporting period	13,420,003	12,980,003	13,420,003	12,980,003
- 20 July 2001	-	280,000	-	280,000
- 10 August 2001	-	62,000	-	62,000
- 1 October 2001	-	98,000	-	98,000
At reporting date	<u>13,420,003</u>	<u>13,420,003</u>	<u>13,420,003</u>	<u>13,420,003</u>

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 16: CONTRIBUTED EQUITY (cont'd)

On 20 July 2001 the company issued 280,000 ordinary shares at \$1 each
 On 10 August 2001 the company issued 62,000 ordinary shares at \$1 each
 On 1 October 2001 the company issued 98,000 ordinary shares at \$1 each

The above issues were based on applications received from the offer information statement lodged with the Australian Securities and Investments Commission on 30 January 2001.

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	2003 \$	2002 \$	2003 \$	2002 \$
(b) Partly paid ordinary shares				
At the beginning of the reporting period	15,000	15,000	15,000	15,000
At reporting date	15,000	15,000	15,000	15,000
	No	No	No	No
At the beginning of the reporting period	1,500,000	1,500,000	1,500,000	1,500,000
At reporting date	1,500,000	1,500,000	1,500,000	1,500,000

The partly paid shares have one outstanding call of 99 cents each. The date of the final call is at the shareholder's discretion.

On the winding up of the company the balance of partly paid shares, if any, may be called up. The proceeds on winding up are paid proportional to the amounts paid on partly paid shares.

(c) Options

At balance date, share options existed which if exercised would result in the issue of 130,000 (2002 – 130,000) fully paid ordinary shares. The exercise price is \$1. The options expire on 30 June 2006 and are exercisable at anytime until the expiry date at the discretion of the option holder.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Notes	Economic Entity		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 17: RETAINED PROFITS				
Retained profits (losses) at the beginning of the financial year	(1,885,381)	(826,262)	(1,885,381)	(82,357)
Net profit (loss) attributable to the members	(606,493)	(1,059,119)	(63,256)	(1,803,024)
Retained profits (losses) at the end of the financial year	<u>(2,491,874)</u>	<u>(1,885,381)</u>	<u>(1,948,637)</u>	<u>(1,885,381)</u>

NOTE 18: 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	35,422	4,987	-	-
- later than 1 year but not later than 5 years	42,416	-	-	-
	<u>77,838</u>	<u>4,987</u>	<u>-</u>	<u>-</u>

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. An option exists to renew the lease at the end of the three-year term for an additional three years.

The Stock Exchange of Newcastle Limited has an agreement with ASX Operations Pty Limited to provide technology related services to enable the Stock Exchange of Newcastle Limited to operate a market for trading securities. The term of the contract is for three years with termination options available to the Stock Exchange of Newcastle Limited after one and two years.

NOTE 19: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to parties unless otherwise stated.

Controlled Entities

Loans advanced to Stock Exchange of Newcastle Limited. There is no fixed term for the repayment of the principal on these loans, nor is interest charged

	-	2,308,285	-	2,308,285
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NSX LIMITED
ABN 33 089 447 058
AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Notes	Economic Entity		Parent Entity	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 19: RELATED PARTY TRANSACTIONS (cont'd)				
Director-Related Entities				
During the financial year the following loans previously advanced to the Stock Exchange of Newcastle Limited by director-related entities were repaid. The loans were unsecured and non-interest bearing:				
Steve Shane Pritchard	-	4,000	-	-
Paul Ernest Seymour	-	4,000	-	-
Brendan Selby Scorer	-	4,000	-	-
Gregory Howard Walls	-	4,000	-	-
J. M. Tonkin & Co	-	8,000	-	-
Pritchard & Partners Pty Limited	-	4,000	-	-
H. H. Walls & Co	-	4,000	-	-
Conference income:				
- Pritchard & Partners Pty Limited	-	900	-	-
- Tonkin Scorer Menzies	-	900	-	-
Other income:				
- Pritchard & Partners Pty Ltd	-	1,000	-	-
Share registry fees:				
- Steven Pritchard & Paul Seymour	2,400	2,789	-	-
Rees Pritchard Pty Limited, an accounting firm associated with Steven Pritchard provided accounting services to the Stock Exchange of Newcastle Limited on normal commercial terms and conditions				
	53,612	13,285	-	-
WWE Investments Pty Limited, a company related to Warwick Willams Evans, a director of the holding company, provided business development advice to the economic entity on normal commercial terms and conditions				
	-	75,000	-	-

NSX LIMITED
 ABN 33 089 447 058
 AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Economic Entity		Parent Entity	
		2003	2002	2003	2002
		\$	\$	\$	\$
NOTE 19: RELATED PARTY TRANSACTIONS (cont'd)					
Consulting work paid to an associate of WWE Investments – IXION Pty Ltd		25,250	107,379	-	-
A.H. Hough Pty Limited, a company related to Francis Markham Menzies guaranteed a \$250,000 security deposit with the ASX. For this service the company was paid interest during the year		-	451	-	-
Forsythes Accountants, an accounting firm in which John Joseph O'Connor is a partner was paid an amount for the services provided by John Joseph O'Connor to the NSX Compliance Committee		9,370	-	-	-
Cameron Stockbroking Limited, a firm in which Paul Ernest Seymour is a director reimbursed Stock Exchange of Newcastle an amount for a share of trade exhibition expense incurred jointly with the Stock Exchange of Newcastle Limited		1,845	-	-	-
Trading fees received by directors- related companies:					
- Cameron Stockbroking Limited		420	-	-	-
- Pritchard & Partners Pty Limited		80	-	-	-
- Tonkin Scorer Menzies		50	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2003**

Notes	Economic Entity		Parent Entity	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 19: RELATED PARTY TRANSACTIONS (cont'd)				
Options were allocated to the following director-related parties during the year:				
- WWE Investments Pty Limited (a company related to Warwick Evans)	-	350,000	-	350,000
- Enzo Pirillo (an employee of Rees Pritchard – a director related entity)	-	25,000	-	25,000
- John Dimkos (an associate of Brendan Scorer – a director)	-	25,000	-	25,000

The direct, indirect and beneficial holdings of directors and their director-related entities in the share and share options of the parent company as at 30 June 2003 were:

Shares:

5,630,003 (2002 – 5,603,505) fully paid ordinary \$1 shares
 1,400,000 (2002 – 1,400,000) partly paid shares
 750,000 (2002 – 750,000) share options

NOTE 20: CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cashflows is reconciled to the related items in the statement of financial position as follows:

Cash	6	271,133	336,558	-	-
Commercial bill	9	109,568	597,465	-	-
Deposits at call	9	7,000	7,000	-	-
		387,701	941,023	-	-

NSX LIMITED
ABN 33 089 447 058
AND CONTROLLED ENTITIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Notes	Economic Entity		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 20: CASH FLOW INFORMATION (cont'd)				
(b) Reconciliation of cash flow from operations with profit/(loss) from ordinary activities after income tax:				
Profit/(loss) from ordinary activities after income tax	(606,493)	(1,059,119)	(63,256)	(1,803,024)
<i>Non-cash flows in profit from ordinary activities:</i>				
Amortisation	53,003	390,234	-	-
Depreciation	22,346	27,950	-	-
Write down to recoverable amount	-	-	1,464,606	390,234
Net (gain)/loss on disposal of plant and equipment	59	-	-	-
Provision for doubtful debts	4,620	-	(1,411,603)	1,411,603
<i>Changes to assets and liabilities:</i>				
(Increase)/decrease in receivables	43,877	13,268	-	-
(Increase)/decrease in other assets	846	(6,466)	-	-
Increase/(decrease) in payables	(67,536)	(637,571)	10,250	167
Increase/(decrease) in provisions	2,963	4,847	-	-
Increase/(decrease) in income tax payable	3,531	(115,972)	-	-
Cash flows from operations	<u>(542,784)</u>	<u>(1,382,829)</u>	<u>(3)</u>	<u>(1,020)</u>

NOTE 21: REMUNERATION AND RETIREMENT BENEFITS

Directors' Remuneration

Income paid or payable to all directors of each entity in the economic entity by the entities of which they are directors and any related parties

3,801	112,561	-	-
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Number of directors whose income was within the following bands:

\$0 - \$9,999	6	5	6	7
\$30,000 - \$39,999	-	1	-	-
\$70,000 - \$79,999	-	1	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

NOTE 22: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The financial assets and liabilities subject to interest rate risk are:

Bank Accounts

The economic entity's general bank account was subject to interest at the market variable rate being 1.00% (2002 - 3.60%) as at 30 June 2003.

The 11am term deposit was subject to an interest rate of 4.00% (2002 - 3.75%) as at 30 June 2003.

The commercial bill facility was subject to an interest rate of 5.04% (2002 - 4.84%) as at 30 June 2003.

All other financial assets and financial liabilities are not subject to interest rate risk as they are non-interest bearing.

(b) Credit Risk

The credit risk on financial assets of the economic entity which have been recognised on the statement of financial position and the notes to the financial statements, is the carrying amount of those assets net of any provision for doubtful debts.

The economic entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

(c) Net Fair Value of Financial Assets and Liabilities

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

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements

NOTE 23: SEGMENT REPORTING

The economic entity operates in the services industry wholly within Australia.

NOTE 24: CONTINGENT LIABILITY

A security deposit of \$250,000 has been provided by Stock Exchange of Newcastle Limited to the Australian Stock Exchange Limited. This security deposit is in the form of a bank guarantee.

The Stock Exchange of Newcastle Limited is currently in dispute with the Australian Tax Office (ATO) in relation to an amount of approximately \$14,000 of Goods and Services Tax (GST) payable. The company is considering to appeal against this matter. The outcome of this dispute cannot be determined at the time of signing of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

On 20 March 2003, the economic entity received an invoice amounting to \$221,036 (including GST) from Rees Pritchard Pty Limited for services rendered, which the economic entity disputed. On 25 August 2003, the economic entity entered into a deed of settlement with Rees Pritchard Pty Ltd to pay \$55,000 (including GST) in cash and the balance by issuing 200,000 options in the parent entity as full and final settlement of the invoice subject to the compliance with the Corporations Act 2001. The strike price of the options has been determined to be \$0.35 and the exercise date is set at 25 August 2008. In case the options could not be granted under the Corporations Act 2001, the balance of \$166,036 (including GST) will have to be paid in cash.

NOTE 25: STOCK EXCHANGE OF NEWCASTLE LIMITED FIDELITY FUND

As at 30 June 2003 the Stock Exchange of Newcastle Limited Fidelity Fund had a balance of \$193,415 (2002 - \$227,234). The Stock Exchange of Newcastle Limited is the trustee of the fund and the assets of the fund can only be used for the purposes prescribed in the Corporations Act 2001.

NOTE 26: RELIANCE ON AUSTRALIAN STOCK EXCHANGE LIMITED

TECHNOLOGY

The ability of the Stock Exchange of Newcastle Limited to conduct its operations is heavily reliant upon the capability and reliability of the trading and settlement systems, which are licensed to the company by the Australian Stock Exchange Limited.

A significant and sustained failure of those systems would have a materially detrimental effect on the economic entity's short-term results, which in turn could undermine the longer term confidence in the economic entity.

NOTE 27: SUBSEQUENT EVENTS

In August 2003 the company has issued 2,000,000 fully paid ordinary shares at \$0.35 each to two new shareholders raising \$700,000. The two directors of these shareholders will be appointed as directors of the company and its controlled entities subject to ASIC approval.

NOTE 28: COMPANY DETAILS

The registered office and principal place of business is:

380 - 384 Hunter Street
Newcastle NSW 2300

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF NSX LIMITED**

Scope

We have audited the financial report of the NSX Limited for the year ended 30 June 2003 as set out on pages 5 to 26. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at year's end. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

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

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

Qualification

The firm was not the auditor for the previous financial year, therefore the comparatives were not subject to audit by us. Because of the existence of this limitation on the scope of our audit, we are not in a position to, and do not, express an opinion on the comparative figures in these financial statements and in as much as they affect the current year's results and cash flows.

Qualified Audit Opinion

In our opinion, having regard to the above qualification, the financial report of NSX Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and economic entity's financial position as at 30 June 2003 and of its 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

LAWLER PARTNERS
Chartered Accountants
Dated this day of

2003

T H LAWLER
Partner