



ACN 096 925 610

08 October 2003

Mr Scott Evans
General Manager
Stock Exchange of Newcastle Limited.
PO BOX 283
Newcastle NSW 2300

Dear Scott

Appendix 3 – Preliminary Announcement

Attached please find a copy of the preliminary final report for APSL for the year ended 30 June 2003. Thank you for allowing us the extension of time to lodge this report so as to finalise a number of significant issues. You will note that the audit of this report is currently being finalised and should be completed in the very near future.

To summarise this report, the group made an operating loss after tax for the year of \$1.537million. This included:

- A charge for amortisation of intangible assets of approx \$552,632, and
- A negative contribution of \$337,523 loss by the groups recently acquired licenced securities dealer group, Libertas Securities for the six months since its acquisition.

During the year, significant milestones in developing the business were achieved as follows:

- Volumetric titles issued prior to construction commencing, for a 52 Unit development at Kuraby in Brisbane (a first in Australia),
- Settlement and profit distribution to landowner and purchaser prior to construction commencing for the Kuraby development above, and
- Continuation of the Bondi, Randwick and Ultimo developments with settlements expected to be completed in the 2003/2004 financial year.

The directors believe that with the settlement of the above projects and incoming funds from the licencing agreement as previously announced, the company should make reasonable profits for the 2003/04 financial year, with licencing income under that agreement underwriting a sustainable profit outcomes in future years.

A full copy of APSL's audited financial statements will be available in the very near future. Please contact me should you have any queries.

Yours faithfully

Geoffrey Jamieson
Managing Director

APPENDIX 3

Preliminary Announcement

Half yearly/preliminary final report

Name of *issuer*

Australian Property Systems Limited

ACN or ARBN

096 925 610

Half yearly
(tick)

Preliminary
final (tick)

X

Financial year ended ('Current
period')

30 June 2003

For announcement to the market

Extracts from this statement for announcement to the market (see note 1).

					\$A,000
Sales (or equivalent) operating revenue (item 1.1)	up	51%	to		2,303
Operating profit (loss) before abnormal items and tax (item 1.4)	down	\$1,847	to		(1,534)
Abnormal items before tax (item 1.5)			to		0
Operating profit (loss) after tax but before outside equity interests (item 1.8)	down	\$1,751	to		(1,537)
Extraordinary items after tax attributable to members (item 1.13)					0
Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	down	\$1,751	to		(1,537)
Exploration and evaluation expenditure incurred (item 5.2)					0
Exploration and evaluation expenditure written off (item 5.3)					0
Dividends	Franking rate applicable		n/a	n/a	n/a
Current period		0¢	N/A	N/A	N/A
Previous corresponding period		115.7¢	¢	¢	¢
Record date for determining entitlements to the dividend, (in the case of a trust distribution) (see item 15.2)	N/A				
Short details of any bonus or cash issue or other items(s) of importance not previously released to the market:					
N/A					

Consolidated profit and loss account*(The figures are not equity accounted)*

	Current period \$A'000	Previous corresponding period \$A'000
1.1 Sales (or equivalent operating) revenue	2,303	1,524
1.2 Other revenue	22	44
1.3 Total revenue	2,325	1,568
1.4 Operating profit (loss) before abnormal items and tax	(1,534)	313
1.5 Abnormal items before tax (detail in item 2.1)	0	0
1.6 Operating profit (loss) before tax (items 1.4 + 1.5)	(1,534)	313
1.7 Less tax	(3)	(99)
1.8 Operating profit (loss) after tax but before outside equity interests	(1,537)	214
1.9 Less outside equity interests	0	0
1.10 Operating profit (loss) after tax attributable to members	(1,537)	214
1.11 Extraordinary items after tax (detail in item 2.3)	0	0
1.12 Less outside equity interests	0	0
1.13 Extraordinary items after tax attributable to members	0	0
1.14 Total operating profit (loss) and extraordinary items after tax (items 1.8 1.11)	(1,537)	214
1.15 Operating profit (loss) and extraordinary items after tax attributable to outside equity interests (items 1.9 .112)	0	0
1.16 Operating profit (loss and extraordinary items after tax attributable to members (items 1.10 +1.13)	(1,537)	214
1.17 Retained profits (accumulated losses) at beginning of financial period	35	0
1.18 Aggregate of amounts transferred from reserves	0	0
1.19 Total available for appropriation (carried forward)	35	214
1.20 Total available for appropriation (brought forward)	(1,502)	214
Consolidated profit and loss account continued		
1.21 Dividends provided for or paid	0	(179)
1.22 Aggregate or amounts transferred to reserves	0	0

1.23	Retained profits (accumulated losses) at tend of financial period	(1,502)	35
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Abnormal and extraordinary items

		Consolidated - current period		
		Before tax \$A'000	Related tax \$A'000	After tax \$A'000
2.1	Abnormal items	0	0	0
2.2	Total abnormal items	0	0	0
2.3	Extraordinary items	0	0	0
2.4	Total extraordinary items	0	0	0

Comparison of half year profits

(Preliminary final statement only)

		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly statement)	(434)	0
3.2	Consolidated operating profit (loss) after tax attributable to members for the 2nd half year	(1,103)	214

Consolidated balance sheet*(See note 5)*

		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
	Current assets			
4.1	Cash	168	249	116
4.2	Receivables	679	149	292
4.3	Investments	0	0	0
4.4	Inventories	0	0	0
4.5	Other (provide details if material)	17	59	50
4.6	Total current assets	864	457	458
	Non-current assets		0	0
4.7	Receivables	11	0	0
4.8	Investments	0	0	0
4.9	Inventories	0	0	0
4.10	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	0	0	0
4.11	Development properties (mining entities)	0	0	0
4.12	Other property, plant and equipment (net)	157	165	235
4.13	Intangibles (net)	11,060	10,500	10237
4.14	Other (provide details if material)	0	16	10
4.15	Total non-current assets	11,228	10,681	10,482
4.16	Total assets	12,092	11,138	10,940
	Current liabilities			
4.17	Accounts payable	902	277	455
4.18	Borrowings	0	10	13
4.19	Provisions	184	18	73
4.20	Other (includes deferred income)	190	103	103
4.21	Total current liabilities	1,276	408	644
	Non-current liabilities			
4.22	Accounts payable	55	0	0
4.23	Borrowings	0	57	57
4.24	Provisions	0	0	0
4.25	Other (provide details if material)	26	1	1
4.26	Total non-current liabilities	81	58	58
4.27	Total liabilities	1,357	466	702
4.28	Net assets	10,735	10,672	10,238

Consolidated balance sheet continued

Equity				
4.29	Capital	1,813	213	213
4.30	Reserves	10,424	10,424	10,424
4.31	Retained profits (accumulated losses)	(1,502)	35	(399)
4.32	Equity attributable to members of the parent entity	0	0	0
4.33	Outside equity interests in controlled entities	0	0	0
4.34	Total equity	10,735	10,672	10,238
0	Preference capital and related premium included as part of 4.31	0	0	0

Exploration and evaluation expenditure capitalised

To be completed only by issuers with mining interests if amounts are material. Include all expenditure incurred regardless of whether written off directly against profit

		Current period \$A'000	Previous corresponding period \$A'000
5.1	Opening balance	0	0
5.2	Expenditure incurred during current period	0	0
5.3	Expenditure written off during current period	0	0
5.4	Acquisitions, disposals, revaluation increments, etc.	0	0
5.5	Expenditure transferred to Development Properties	0	0
5.6	Closing balance as shown in the consolidated balance sheet (item 4.9)	0	0

Development properties

(To be completed only by issuers with mining interests if amounts are material)

		Current period \$A'000	Previous corresponding period \$A'000
6.1	Opening balance	0	0
6.2	Expenditure incurred during current period	0	0
6.3	Expenditure transferred from exploration and evaluation	0	0
6.4	Expenditure written off during current period	0	0
6.5	Acquisitions, disposals, revaluation increments, etc.	0	0
6.6	Expenditure transferred to mine properties	0	0
6.7	Closing balance as shown in the consolidated balance sheet (item 4.10)	0	0

Consolidated statement of cash flows

(See note 6)

	Current period \$A'000	Previous corresponding period \$A'000	
Cash flows related to operating activities			
7.1	Receipts from customers	2,046	1,518
7.2	Payments to suppliers and employees	(2,479)	(1,132)
7.3	Dividends received	0	0
7.4	Interest and other items of similar nature received	9	4
7.5	Interest and other costs of finance paid	(12)	0
7.6	Income taxes paid	(102)	0
7.7	Other (provide details if material)	0	0
7.8	Net operating cash flows	(538)	390
Cash flows related to investing activities			
7.9	Payments for purchases of property, plant and equipment	(43)	(106)
7.10	Proceeds from sale of property, plant and equipment	0	0
7.11	Payment for purchases of equity investments	0	0
7.12	Proceeds from sale of equity investments	0	0
7.13	Loans to other entities	0	0
7.14	Loans repaid by other entities	0	0
7.15	Other (provide details if material)	0	0
7.16	Net investing cash flows	(43)	(106)
Cash flows related to financing activities			
7.17	Proceeds from issues of securities (shares, options, etc.)	500	147
7.18	Proceeds from borrowings	0	0
7.19	Repayment of borrowings	0	0
7.20	Dividends paid	0	(179)
7.21	Other (provide details if material)	0	(3)
7.22	Net financing cash flows	500	(35)
Net increase (decrease) in cash held			
7.23	Cash at beginning of period (see Reconciliations of cash)	249	0
7.24	Exchange rate adjustments to item 7.23	0	0
7.25	Cash at end of period (see Reconciliation of cash)	168	249

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

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Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period \$A'000	Previous corresponding period \$A'000
8.1	Cash on hand and at bank	129	196
8.2	Deposits at call	39	53
8.3	Bank overdraft	0	0
8.4	Other (provide details)	0	0
8.5	Total cash at end of period (item 7.25)	168	249

Ratios

Ratios		Current period	Previous corresponding period
Profit before abnormals and tax/sales			
9.1	Consolidated operating profit (loss) before abnormal items and tax (items 1.4) as a percentage of sales revenue (items 1.1)	(66.61)%	20.54%
Profit after tax/equity interests			
9.2	Consolidated operating profit (loss) after tax attributable to members (item 1.10) as a percentage of equity (similarly attributable) at the end of the period (item 4.34)	(14.32)%	02.01%

Earnings per security (EPS)

10.1	Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share		
	(a) Basic EPS	(6.72) cents	1.1 cents
	(b) Diluted EPS (if materially different from (a))	(6.72) cents	1.1 cents

NTA backing <i>(see note 7)</i>		Current period	Previous corresponding period
11.1	Net tangible asset backing per ordinary security	\$(0.013)	\$0.008

Details of specific receipts/outlays, revenues/expenses

		Current period A\$'000	Previous corresponding period A\$'000
12.1	Interest revenue included in determining items 1.4	9	4
12.2	Interest revenue included in item 12.1 but not yet received (if material)	0	0
12.3	Interest expense included in item 1.4 (include all forms of interest, lease finance charges, etc.)	11	1
12.4	Interest costs excluded from item 12.3 and capitalised in asset values (if material)	0	0
12.5	Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	0	21
12.6	Depreciation (excluding amortisation of intangibles)	42	10
12.7	Amortisation of intangibles	553	0

Control gained over entities having material effect

(See note 8)

13.1	Name of <i>issuer</i> (or <i>group</i>)	Libertas Securities Limited
13.2	Consolidated operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) since the date in the current period on which control was acquired (in \$,000)	\$(338)
13.3	Date from which such profit has been calculated	07 January 2003
13.4	Operating profit (loss) and extraordinary items after tax of the <i>issuer</i> (or <i>group</i>) for the whole of the previous corresponding period (in \$,000)	\$(61)

Loss of control of entities having material effect*(See note 8)*

14.1	Name of entity (or group)	N/A
14.2	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group) for the current period to the date of loss of control	\$
14.3	Date from which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated operating profit (loss) and extraordinary items after tax of the entity (or group) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated operating profit (loss) and extraordinary items from sale of interest leading to loss of control	\$

Reports for industry and geographical segments

Information on the industry and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: Financial Reporting by Segments. Because of the different structures employed by entities, a pro forma is not provided. Segment information should be completed separately and attached to this statement. However, the following is the personation adopted in the Appendices to AASB 1005 and indicates which amount should agree with items included elsewhere in this statement.

Segments

	Property development management (\$,000)	Wealth Creation (\$,000)	Total Consolidated (\$,000)
Segment Revenues			
Total Operating Revenue	2,190	135	2,325
Segment result (including abnormal items where relevant)	(1,199)	(338)	(1,537)
Segment Assets	11,858	234	12,092

Dividends

15.1	Date the dividend is payable	N/A
15.2	Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)	
18.3 Amount per security		

	Franking rate applicable	39%	36%	33%
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	<i>(Preliminary final statement only)</i>				¢	
15.4	Final dividend:	Current year	¢	N/A		N/A
15.5		Previous year	15.7¢	0¢	0¢	0¢
	<i>(Half yearly and preliminary final statements)</i>					
15.6	Interim dividend:	Current year	¢	N/A	N/A	N/A
15.7		Previous year	100¢	0¢	0¢	0¢

Total annual dividend (distribution) per security

(Preliminary final statement only)

		Current year	Previous year
15.8	Ordinary securities	0¢	115.7¢
15.9	Preference securities	0¢	0¢

Total dividend (distribution)

		Current period \$A'000	Previous corresponding period - \$A'000
15.10	Ordinary securities	\$0	\$179
15.11	Preference securities	\$0	\$0
15.12	Total	\$	\$179

The *dividend or distribution plans* shown below are in operation.

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The last date(s) for receipt of election notices to the *dividend or distribution plans*

Any other disclosures in relation to dividends (distributions)

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Equity accounted associated entities and other material interests

Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.

Investments in associated entities		Current period A\$'000	Previous corresponding period A\$'000
16.1	Statutory carrying value of investments in associated entities (SCV)	0	0
16.2	Share of associated entities' retained profits and reserves not included in SCV:	0	0
	Retained profits	0	0
	Reserves	0	0
16.3	Equity carrying value of investments	0	0

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

		Percentage of ownership interest (ordinary securities, units etc) held at end of period		Contributing to operating profits (loss) and extraordinary items after tax	
17.1	Equity accounted associated entities	Current period	Previous corresponding period	Current period	Previous corresponding period
	N/A			<i>Equity accounted</i>	
17.2	Other material interests			<i>Not equity accounted (ie part of item 1.14)</i>	
	N/A				

Issued and listed securities

Description includes rate of interest and any redemption or conversion rights together with prices and rates.

Category of securities		Number issued	Number listed	Par value (cents)	Paid-up value (cents)
18.1	Preference securities <i>(description)</i>	0	0	0	0
18.2	Issued during current period				
18.3	Ordinary securities	24,474,000	24,474,000	N/A	Fully paid
18.4	Issued during current period	3,200,000	3,200,000	N/A	Fully paid
18.5	Convertible debt securities <i>(description and conversion factor)</i>	0	0	0	0
18.6	issued during current period				
18.7	Options <i>(description and conversion factor)</i>	0	0	Exercise price	Expiry date
18.8	Issued during current period				
18.9	Exercised during current period				
18.10	Expired during current period				
18.11	Debentures <i>(totals only)</i>	0	0		
18.12	Unsecured Notes <i>(totals only)</i>	0	0		

Comments by directors

Comments on the following matters are required by the Exchange or, in relation to the half yearly statement, by AASB 1029: Half-Year Accounts and Consolidated Accounts. The comments do not take the place of the directors' report and statement (as required by the Corporations Law) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final statements, if there are no comments in a section, state NIL. If there is insufficient space in comment, attach notes to this statement.

Basis of accounts preparation

If this statement is a half yearly statement, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Half-Year Accounts and Consolidated Accounts. It should be read in conjunction with the last annual report and any announcements to the market made by the issuer during the period. [Delete if in applicable.]

Material factors affecting the revenues and expenses of the issuer for the current period

Delayed settlements on a number of key projects

Due to the process involved in gaining initial acceptance of APSL's new and unique approach to managing property developments, the settlement of a number of projects expected during the financial year was delayed. Accordingly system management fees associated with these settlements did not occur during the year ended 30 June 2003 as initially expected. It is expected that these fees will be received and revenue brought to account in the 2003/04 financial year.

Given the significant progress made in relation to the gaining of acceptance of APSL's patented new and unique method of managing property development, these delays are not anticipated in future.

Acquisition of Libertas Securities wealth management business

On 6 January 2003, the company acquired Libertas Securities Limited (Libertas), a licenced securities dealer. It was APSL's intention to develop this business so as to provide an effective distribution source for completed direct property product. Accordingly the results disclosed above include ongoing business and business development costs which resulted in Libertas reporting a loss of \$337,523 for the 6 months since acquisition. The business plan prepared to take Libertas forward, demonstrated a loss for the first two years of approximately \$900,000 prior to the business becoming profitable.

Amortisation of intangible assets

Included in this year's results is an amount of \$552,632 being amortisation of licences and goodwill. This amortisation will continue over 20 years in accordance with accounting policies.

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

Development management contract expected completion – Ultimo Project

During the period since 30 June 2003, APSL became entitled to a share of the settlement profits related to the sale of a development site by one of its clients. The sale agreement in relation to this site has now become unconditional. Under the terms of the development management agreement, APSL is entitled to an amount of approximately \$1.3million, being its contractual share of value added to the site. It is expected that this amount will be received early in 2004.

Affordable Housing Initiative

On 17 September 2003, APSL lodged a submission with the Tasmanian Government in relation to that state's call for expressions of interest to provide services for its affordable housing strategy. APSL's system is well positioned to meet the requirements of this strategy. Accordingly, Board and management are optimistic that APSL will be shortlisted to develop and then implement APSL's product as the preferred model.

Of national interest, APSL also believes that its system is well placed to be adopted nationally as a possible solution to the affordable housing issues.

Licencing agreement- Nu West Property Systems Pty Limited

On 23 September 2003, APSL entered into an agreement with Nu West Property Systems Pty Ltd (Nu West) to provide Nu West the first master licences for APSL's patented property development system. These master licences cover:

- Western Australia, South Australia and the Northern Territory, and
- South East Asia.

Worth \$45million over 10 years (plus 20% of gross revenues and 50% of master/sub-licences sold), a \$100,000 non-refundable deposit has been received to date with the contract becoming unconditional within 4 weeks from the date of the agreement when exact detailed terms are finalised and agreed.

The balance of the first years licence fee payment, being a further \$4.4 million is to be received according to an agreed schedule over a period of 22 weeks from the date of the agreement and is dependant on the contract becoming unconditional.

Short term loan financing

26 September 2003, APSL entered into a loan agreement with Ms Linda Gow (a person associated with Mr Wilkie – A Director) to borrow \$80,000 so as to meet its obligations under a technology licence agreement of lodging patents in certain countries so as to protect the intellectual property within those countries (refer "lodgement of patents" below). The term of the loan is for 12 months, the loan is secured by a third party without recourse to APSL and interest is payable monthly in arrears at 15% per annum.

Lodgement of patents

Since the end of the financial year, international patents have been lodged in relation to the property management system licensed from Australian Property Systems (No 1) Pty Ltd ("the System") in 22 international jurisdictions, including USA, European Economic Community and selected South East Asian countries.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

Class C 30% franking credits valued at \$102,976 are available.

Whilst the company anticipates making a net profit in the coming year, due to anticipated business development initiatives, it is unlikely at this stage that dividends will be paid during the next year.

Changes in accounting policies since the last annual report are disclosed as follows.
(Disclose changes in the half yearly statement in accordance with paragraph 15(c) of AASB 1029: Half-Year Accounts and Consolidated Accounts. Disclose changes in the preliminary final statement in accordance with AASB 101: Accounting Policies-Disclosure.)

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Annual meeting

(Preliminary final statement only)

The annual meeting will be held as follows:

Place	Naval Offices, 3 Edward Street Brisbane
Date	24 November 2003
Time	9am
Approximate date the annual report will be available	24 October 2003

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the *Corporations Law* or other standards acceptable to the Exchange (see note 13).

Identify other standards used

2. This statement, and the financial statements under the *Corporations Law* (if separate), use the same accounting policies.
3. This statement does/does not* (*delete one*) give a true and fair view of the matters disclosed (see note 2).
4. This statement is based on financial statements to which one of the following applies:

The financial statements have been audited.

The financial statements have been subject to review by a registered auditor (or overseas equivalent).

The financial statements are in the process of being audited or subject to review.

The financial statements have *not* yet been audited or reviewed.

5. If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available* (*delete one*). (*Half yearly statement only - the audit report must be attached to this statement if the statement is to satisfy the requirements of the Corporations Law.*)
6. The *issuer* has/does not have* (*delete one*) a formally constituted audit committee.

Sign here: Date: October 2003

Print name: Mr Geoffrey Jamieson (Director)

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show the amount of the change up or down.
2. **True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the *issuer* must attach a note providing additional information and explanations to give a true and fair view.
3. **Consolidated profit and loss account**
 - Item 1.1 The definition of "operating revenue" and an explanation of "sales revenue" (or its equivalent) and "other revenue" are set out in *AASB 1004: Disclosure of Operating Revenue*.
 - Item 1.2 "other revenue" includes abnormal items, but excludes extraordinary revenue items.
 - Item 1.4 "operating profit (loss) before abnormal items and tax" is calculated before dealing with outside equity interests and extraordinary items, but after deducting interest on borrowings, depreciation and amortisation.
 - Item 1.7 This item refers to the total tax attributable to the amount shown in item 1.6. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as operating expenses (eg. fringe benefits tax).
4. **Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.
5. **Consolidated balance sheet**

Format The format of the consolidated balance sheet should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029*. Banking institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the *issuer* must describe the basis of revaluation adopted. The description must meet the requirements of paragraphs 19-21 of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the *issuer* has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required. Trusts should also note paragraph 10 of *AASB 1029* and paragraph 11 of *AASB 1030*.
6. **Statement of cash flows** For definitions of "cash" and other terms used in this statement see *AASB 1026: Statement of Cash Flows*. *Issuers* should follow the form as closely as possible, but variations are permitted if the *directors* (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. Mining exploration *issuers* may use the form of cashflow statement in Appendix 5B.

7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e. all liabilities, preference shares, outside equity interests, etc). Mining *issuers* are *not* required to state a net tangible asset backing per ordinary *security*.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the consolidated financial statements. Details must include the contribution for each gain or loss that increased or decreased the *issuer's* consolidated operating profit (loss) and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Equity accounting** If an *issuer* adopts equity accounting, no comparative equity accounting figures are required in the first period following its adoption.
10. **Rounding of figures** This statement anticipates that the information required is given to the nearest \$1,000. However, an *issuer* may report exact figures, if the \$A'000 headings are amended. If an *issuer* qualifies under an *ASIC* Class Order dated 17 August 1994, it may report to the nearest million dollars, or to the nearest \$100,000, if the \$A'000 headings are amended.
11. **Comparative figures** Comparative figures are normally the unadjusted figures from the previous corresponding period. However, if the previously reported figures are adjusted to achieve greater comparability, a note explaining the adjustment must be included with this statement. If no adjustment is made despite a lack of comparability, a note explaining the position should be attached.
12. **Additional information** An *issuer* may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement. The requirement under the list rules for an *issuer* to complete this statement does not prevent the *issuer* issuing reports more frequently. Additional material lodged with the *ASIC* under the *Corporations Law* must also be given to the Exchange. For example, a *directors'* report and statement, if lodged with the *ASIC*, must be given to the Exchange.
13. **Accounting Standards** the Exchange will accept, for example, the use of International Accounting Standards for *foreign issuers*. If the standards used do not address a topic, the Australian standard on that topic (if one) must be complied with.
14. **Borrowing corporations** As at 1/7/96, this statement may be able to be used by an *issuer* required to comply with the *Corporations Law* as part of its half yearly financial statements if prepared in accordance with Australian Accounting Standards. However, borrowing corporations must comply with Schedule 5 of the *Corporations Regulations*. See regulation 3.6.02(4).