

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**

**A.B.N. 27 099 033 306**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30<sup>th</sup> JUNE 2003**

**The registered and principal place of business is  
Suite 1, 309 Mains Road, Sunnybank, Queensland 4109 Australia.**



**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**

**A.B.N. 27 099 033 306**

**CONTENTS**

Directors' Report

Statement of Financial Performance

Statement of Financial Position

Statement of Cash Flows

Notes to the Financial Statements

Directors' Declaration

Independent Audit Report

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**DIRECTORS' REPORT**

The directors of Paridian Property Development Fund Limited submit herewith the financial report for the financial year ended 30<sup>th</sup> June 2003. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

**DIRECTORS**

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

Nigel Adrian Du Pre Chamier OAM  
John Frederick McAuliffe  
Peter George Dowling  
David John Hamill  
Thomas Alan Nulty

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

**OPERATING RESULTS**

The profit from ordinary activities of the company for the financial year after providing for income tax and before appropriations amounted to \$896,394 (30<sup>th</sup> June 2002: \$242,541).

**REVIEW OF OPERATIONS**

The company was registered in Queensland under the Corporations Act 2001 effective 12<sup>th</sup> December 2001.

The company was established and domiciled in Australia. The company did not employ any full time employees as at 30<sup>th</sup> June 2003. The company employed a part-time executive officer on 28<sup>th</sup> April 2003.

The company issued its first prospectus to raise capital to assist with the lending of funds to property development companies. The capital raising was successfully completed on 14<sup>th</sup> June 2002.

The company issued a second prospectus to raise capital to assist with the lending of funds to property development companies. The minimum subscription for this capital raising was successfully achieved on 28<sup>th</sup> November 2002. The capital raising was still in progress as at 30<sup>th</sup> June 2003.

**PRINCIPAL ACTIVITIES**

The principal activity of the company during the financial year was the provision of loan funds to property development companies.

No significant change in the nature of these activities occurred during the year.

**DIVIDENDS DECLARED OR RECOMMENDED**

A fully franked dividend of \$489,300 is recommended for payment for the year ended 30<sup>th</sup> June 2003.

This represents a recommended payment of final dividend of 4.46% (4.46 cents per Share) franked to 100% at 30% corporate income tax rate to the holders of fully paid ordinary shares on 30<sup>th</sup> June 2003.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**DIRECTORS' REPORT**

**OPTIONS**

There were no options (30<sup>th</sup> June 2002: Nil) granted over unissued shares or interests during or since the end of the financial year by the company to directors as part of directors' remuneration.

**INDEMNIFYING OFFICER OR AUDITOR**

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums for:

a) Name of the officers

Nigel Adrian Du Pre Chamier OAM  
John Frederick McAuliffe  
Peter George Dowling  
David John Hamill  
Thomas Alan Nulty

b) Nature of the liability

The insurance policy paid during the financial year was for Directors' and Officers' Liability.

c) Limit of Indemnity

The limit of indemnity is \$1,000,000 for any one claim and \$1,000,000 in aggregate.

d) Insurance Premium

The insurance premium paid for the Directors' and Officers' Liability insurance is \$41,594.

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the company since its incorporation on 12<sup>th</sup> December 2001.

**AFTER BALANCE DATE EVENTS**

No matters or circumstances have arisen since the end of the financial period which significantly affect or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**DIRECTORS' REPORT**

**FUTURE DEVELOPMENTS**

The company will continue its activities of raising capital and providing loan funds to property development companies.

**ENVIRONMENTAL ISSUES**

There were no environmental regulatory issues under the laws of the Commonwealth and State affecting the company's activities during the period.

**PROCEEDINGS ON BEHALF OF COMPANY**

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

**INFORMATION ON DIRECTORS**

**Nigel Adrian Du Pre Chamier**

- Chairman (Non-Executive)

Qualifications

- Fellow, Australian Property Institute
- Fellow, Australian Institute of Company Directors

Experience

- Professional company director
- Former Managing Director of Jones Lang La Salle
- Elected President 1985-1986, Queensland Division of Property Council of Australia
- Awarded 1994, Medal in the Order of Australia for services to real estate and the property industry

Interest in Shares

- 150,000 shares in Paridian Property Development Fund Limited

Special Responsibilities

- Mr Chamier is the Chairman of the Property Committee

**John Frederick McAuliffe**

- Director (Non-Executive)

Qualifications

- Life Fellow, Australian Property Institute
- Fellow, Australian Institute of Building (Chartered Builder)

Experience

- Principal, John McAuliffe Consulting Services commercial and property consultants
- Past Federal and State President, Australian Property Institute
- Awarded 1989, Kenneth Campbell Memorial Award for professional excellence and outstanding services to the Australian Property Institute

Interest in Shares

- 30,000 shares in Paridian Property Development Fund Limited

Special Responsibilities

- Mr McAuliffe is a member of the Property Committee

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**DIRECTORS' REPORT**

- |                             |   |
|-----------------------------|---|
| <b>Peter George Dowling</b> | <ul style="list-style-type: none"><li>• Director (Non-Executive)</li></ul>  |
| Qualifications              | <ul style="list-style-type: none"><li>• Fellow, Institute of Chartered Accountants of Australia</li><li>• Fellow, CPA Australia</li><li>• Fellow, Taxation Institute of Australia</li><li>• Fellow, Australian Institute of Company Directors</li></ul>   |
| Experience                  | <ul style="list-style-type: none"><li>• Professional company director</li><li>• Former Partner, Ernst &amp; Young</li></ul>   |
| Special Responsibilities    | <ul style="list-style-type: none"><li>• Mr Dowling is a member of the Audit and Risk Management Committee</li></ul>   |
| <br>                        |   |
| <b>David John Hamill</b>    | <ul style="list-style-type: none"><li>• Director (Non-Executive)</li></ul>  |
| Qualifications              | <ul style="list-style-type: none"><li>• Master of Arts (Politics and Economics) – Oxford University</li><li>• Bachelor of Arts (Government) (Honours) – University of Queensland</li><li>• Fellow, Australian Institute of Company Directors</li><li>• Fellow, Chartered Institute of Transport</li></ul> |
| Experience                  | <ul style="list-style-type: none"><li>• Professional company director</li><li>• Treasurer of Queensland 1998-2001</li><li>• Minister of Education 1995-1996</li><li>• Minister for Transport 1989-1995</li></ul>  |
| Interest in Shares          | <ul style="list-style-type: none"><li>• 20,000 shares in Paridian Property Development Fund Limited</li></ul>   |
| Special Responsibilities    | <ul style="list-style-type: none"><li>• Mr Hamill is a member of the Audit and Risk Management Committee</li></ul>  |
| <br>                        |   |
| <b>Thomas Alan Nulty</b>    | <ul style="list-style-type: none"><li>• Director (Non-Executive)</li></ul>  |
| Qualifications              | <ul style="list-style-type: none"><li>• LLB, Notary Public</li></ul>  |
| Experience                  | <ul style="list-style-type: none"><li>• Senior Partner, Phillips Fox Lawyers</li><li>• Member, Property Planning and Environment Group in Brisbane</li><li>• Member, National Electricity and Energy Group</li><li>• Legal and commercial experience in the property field spans over 30 years</li></ul>  |
| Interest in Shares          | <ul style="list-style-type: none"><li>• 40,000 shares in Paridian Property Development Fund Limited</li></ul>   |
| Special Responsibilities    | <ul style="list-style-type: none"><li>• Mr Nulty is a member of the Audit and Risk Management Committee</li></ul>   |

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**DIRECTORS' REPORT**

**MEETINGS OF DIRECTORS**

Number of meetings held during the financial year ended 30<sup>th</sup> June 2003 was 12.

All of the following directors attended the 12 directors' meetings held during the financial year.

Nigel Adrian Du Pre Chamier OAM  
John Frederick McAuliffe  
Peter George Dowling  
David John Hamill  
Thomas Alan Nulty

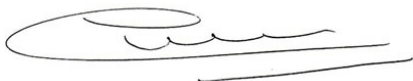
**MEETINGS OF AUDIT AND RISK MANAGEMENT COMMITTEE**

Number of Audit and Risk Management Committee meetings held during the financial year ended 30<sup>th</sup> June 2003 was 4.

All of the following directors attended the 4 Audit and Risk Management Committee meetings held during the financial year.

Peter George Dowling  
David John Hamill  
Thomas Alan Nulty

Signed in accordance with a resolution of the Board of Directors:



---

NIGEL ADRIAN DU PRE CHAMIER  
Chairman  
Dated this 26<sup>th</sup> day of September, 2003



---

PETER GEORGE DOWLING  
Director  
Dated this 26<sup>th</sup> day of September, 2003

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**

**STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

	Note	2003 \$	2002 \$
<b>CLASSIFICATION OF EXPENSES BY NATURE</b>			
Revenues from ordinary activities	2	\$1,716,276	\$470,227
Employee benefits expense		\$9,750	-
Depreciation and amortisation expenses	3	\$3,981	-
Borrowing costs expense		\$326	\$57
Other expenses from ordinary activities	3	\$545,287	\$187,281
		\$1,156,932	\$282,889
Less Income Tax Expense relating to Ordinary Activities	4	\$260,538	\$40,348
		\$896,394	\$242,541
<b>Net Profit from Ordinary Activities after Income Tax attributable to members of the company</b>			
Net increase (decrease) in asset revaluation reserve			
		\$896,394	\$242,541
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>\$896,394</b>	<b>\$242,541</b>

The Statement of Financial Performance should be read in conjunction with the notes to the financial statements.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30<sup>TH</sup> JUNE 2003**

	<b>Note</b>	<b>2003</b> \$	<b>2002</b> \$
<b>CURRENT ASSETS</b>			
Cash assets	7	\$200,288	\$409,456
Receivables	8	\$56,654	\$5,420
Other assets	9	\$35,653	\$33,099
<b>TOTAL CURRENT ASSETS</b>		<b>\$292,595</b>	<b>\$447,975</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	8	\$11,336,997	\$5,316,520
Plant and equipment	10	\$5,972	\$22,765
Other assets	11	\$274	\$56
<b>TOTAL NON-CURRENT ASSETS</b>		<b>\$11,343,243</b>	<b>\$5,339,341</b>
<b>TOTAL ASSETS</b>		<b>\$11,635,838</b>	<b>\$5,787,316</b>
<b>CURRENT LIABILITIES</b>			
Payables	12	\$133,186	\$92,647
Provisions	13	\$490,544	-
Current tax liabilities	14	\$239,345	\$40,403
<b>TOTAL CURRENT LIABILITIES</b>		<b>\$863,075</b>	<b>\$133,050</b>
<b>TOTAL LIABILITIES</b>		<b>\$863,075</b>	<b>\$133,050</b>
<b>NET ASSETS</b>		<b>\$10,772,763</b>	<b>\$5,654,266</b>
<b>EQUITY</b>			
Contributed equity	15	\$10,123,128	\$5,411,724
Retained profits	5	\$649,635	\$242,541
<b>TOTAL EQUITY</b>		<b>\$10,772,763</b>	<b>\$5,654,265</b>

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

<b>Note</b>	<b>2003</b>	<b>2002</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows From Operating Activities</b>		
Interest received	\$17,705	\$5,414
Expense reimbursements	\$28,267	-
Payments to suppliers and employees	(\$610,361)	(\$219,065)
	(\$564,389)	(\$213,651)
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares	\$5,415,483	\$6,150,000
Capital raising expenditure	(\$680,550)	(\$704,122)
Advance/Repayment of Secured Loan	Ann Developments Pty Ltd (\$130,292)	(\$4,822,771)
	David Low Pty Ltd (\$2,249,420)	-
	Mudjimba Pty Ltd (\$2,000,000)	-
	\$355,221	\$623,107
<b>Net cash provided by / (used in) operating activities</b>	<b>\$355,221</b>	<b>\$623,107</b>
<b>Net increase / (decrease) in cash held</b>	<b>\$209,168</b>	<b>\$409,456</b>
Cash at the beginning of the year	\$409,456	-
<b>Cash at the end of the year</b>	<b>\$200,288</b>	<b>\$409,456</b>

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

Note	2003 \$	2002 \$
<b>Notes to the Statement of Cash Flows</b>		
<b>Reconciliation of Net Cash provided by Operating Activities to profit from Ordinary Activities after Income Tax</b>		
Profit / (Loss) from Ordinary Activities after Income Tax	\$896,394	\$242,541
<b>Non-cash flows in Profit (Loss) from Ordinary Activities:</b>		
Increase / (Decrease) in Provision for Income Tax	\$198,941	\$40,403
Placement Fees     Ann Developments Pty Ltd	(\$28,634)	(\$289,366)
David Low Pty Ltd	(\$143,580)	-
Interest Revenue     Ann Developments Pty Ltd	(\$658,313)	(\$175,447)
David Low Pty Ltd	(\$769,253)	-
Mudjimba Pty Ltd	(\$40,986)	-
Other Loan Fees     Hewitt Developments Pty Ltd	(\$25,000)	-
Depreciation	\$3,981	-
<b>Changes in Assets and Liabilities:</b>		
Decrease / (Increase) in Accounts Receivable	(\$32,442)	-
Decrease / (Increase) in Other Assets	(\$2,554)	(\$33,099)
Decrease / (Increase) in Future Income Tax Benefit	(\$219)	(\$55)
Decrease / (Increase) in Deferred Costs	\$12,813	(\$15,170)
Decrease / (Increase) in GST	(\$17,320)	(\$34,356)
Increase / (Decrease) in Payables	\$40,539	\$50,898
Increase / (Decrease) in Provisions	\$1,244	-
<b>Cash Flows from Operating Activities</b>	<b>(\$564,389)</b>	<b>(\$213,651)</b>

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

---

**1 Statement of Significant Accounting Policies**

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

The financial report is for the entity Paridian Property Development Fund Limited as an individual entity. Paridian Property Development Fund Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report has been prepared on an accrual basis and is based on historical costs. It 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 material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

**Income Tax**

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from 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.

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.

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 company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

**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 of those assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31<sup>ST</sup> DECEMBER 2002**

---

**Depreciation**

The depreciable amount of all fixed assets are depreciated on a diminishing value 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 asset are:

<b>Class of Fixed Asst</b>	<b>Depreciation Rate</b>
Website Development	40.0%

**Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amount expected to be paid. 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 company to an employee superannuation fund and are charged as expenses when incurred.

**Cash**

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

**Revenue**

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

**Goods and Services Tax (GST)**

Revenues, expenses and assets are recognized 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 recognized 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.

**Comparatives**

The company did not operate a full year for the year ended 30<sup>th</sup> June 2003. The company began operations on 12<sup>th</sup> December 2001.

Where necessary, comparatives have been adjusted to conform to changes in the disclosure requirements.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
A.B.N. 27 099 033 306

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

	<b>2003</b>	<b>2002</b>
	\$	\$
<b>2 Revenue</b>		
<b>Operating activities</b>		
Interest received	\$1,486,256	\$180,861
Rendering of services	\$172,214	\$289,366
Other revenue	\$57,806	
<b>Total Operating Revenue</b>	<b>\$1,716,276</b>	<b>\$470,227</b>
<b>Interest from:</b>		
Ann Developments Pty Ltd	\$658,313	\$175,447
David Low Pty Ltd	\$769,252	-
Mudjimba Pty Ltd	\$40,986	-
Other Corporations	\$17,705	\$5,414
<b>Total Interest</b>	<b>\$1,486,256</b>	<b>\$180,861</b>
<b>3 Profits from Ordinary Activities</b>		
Profit from Ordinary Activities before Income Tax expense has been determined after:		
<b>Depreciation of non-current assets</b>		
Depreciation	\$3,981	-
<b>Total Depreciation</b>	<b>\$3,981</b>	<b>-</b>
<b>Other expenses</b>		
Directors' Fees - Paid	\$196,958	\$95,988
Directors' Fees - Accrued	\$27,095	-
Company Administration	\$97,414	-
Committee Expenses	\$40,040	\$12,250
Audit Fees	\$24,443	\$10,250
Fund Management	\$43,654	\$14,350
Marketing & Public Relations	\$30,381	-
Insurance	\$35,022	\$3,009
Other	\$50,280	\$51,435
<b>Total Other Expenses</b>	<b>\$545,287</b>	<b>\$187,282</b>

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
A.B.N. 27 099 033 306

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

	<b>2003</b>	<b>2002</b>
	\$	\$
<hr/>		
<b>4 Income Tax Expense</b>		
The prima facie tax payable on profit from Ordinary Activities before Income Tax is reconciled to the Income Tax Expense as follows:		
Prima facie tax payable on profit from Ordinary Activities before Income Tax at 30%	\$347,080	\$84,867
Tax effect of non-deductible/(assessable) items: Deductible Capital Raising Expenses	(\$86,542)	(\$44,519)
<b>Income Tax Expense</b>	<b>\$260,538</b>	<b>\$40,348</b>
<hr/>		
<b>5 Retained Profits</b>		
Retained Profits (Accumulated Losses) at the beginning of the financial year	\$242,541	-
Net Profit attributable to members of the company	\$896,394	\$242,541
Dividends provided for or paid	(\$489,300)	-
<b>Retained profits (Accumulated Losses) at the end of the financial period</b>	<b>\$649,635</b>	<b>\$242,541</b>
<hr/>		
<b>6 Dividends</b>		
Fully Franked	\$489,300	-
<b>Total Dividends</b>	<b>\$489,300</b>	<b>-</b>
<hr/>		
<b>7 Cash Assets</b>		
Cash at Bank	\$200,288	\$409,456
<b>Total Cash Assets</b>	<b>\$200,288</b>	<b>\$409,456</b>
<hr/>		

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
A.B.N. 27 099 033 306

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

	2003 \$	2002 \$
<b>8 Receivables</b>		
<b>CURRENT</b>		
Accounts Receivable	\$32,442	-
GST Receivable	\$24,212	\$5,420
<b>Total Current Receivables</b>	<b>\$56,654</b>	<b>\$5,420</b>
<b>NON-CURRENT</b>		
Secured Loan – Ann Developments Pty Ltd	\$6,133,758	\$5,316,520
Secured Loan – David Low Pty Ltd	\$3,162,252	
Secured Loan – David Low Pty Ltd	\$2,040,987	
<b>Total Non-Current Receivables</b>	<b>\$11,336,997</b>	<b>\$5,316,520</b>
<b>Total Receivables</b>	<b>\$11,393,651</b>	<b>\$5,321,940</b>
<b>9 Other Assets</b>		
<b>CURRENT</b>		
Prepayments	\$35,653	\$33,099
<b>Total Current Assets</b>	<b>\$35,653</b>	<b>\$33,099</b>
<b>10 Plant and Equipment</b>		
Website Development	\$9,953	-
Accumulated Amortisation	(\$3,981)	-
<b>Website Development</b>	<b>\$5,972</b>	-
<b>Total Plant and Equipment</b>	<b>\$5,972</b>	-
<b>Movements in Carrying Amounts:</b>		
Movement in the carrying amounts for plant and equipment between the beginning and the end of the current financial year.		
Balance at the beginning of the year	\$9,953	-
Depreciation/Amortisation Expense	(\$3,981)	-
<b>Carrying amount at the end of the year</b>	<b>\$5,972</b>	-

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
A.B.N. 27 099 033 306

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

	<b>2003</b>	<b>2002</b>
	\$	\$
<b>11 Deferred Tax Assets</b>		
Future Income Tax Benefit	\$274	\$56
	\$274	\$56
<b>12 Payables</b>		
<b>CURRENT</b>		
Accrued Directors' Fees	\$28,408	-
Accruals	\$104,778	\$92,647
<b>Total Current Payables</b>	<b>\$133,186</b>	<b>\$92,647</b>
<b>13 Provisions</b>		
<b>CURRENT</b>		
Provision for Dividend	\$489,300	-
Provision for Holiday Pay	\$1,094	-
Provision for Sick Leave	\$150	-
<b>Total Current Provisions</b>	<b>\$490,544</b>	<b>-</b>
Aggregate employee benefit liability	\$1,244	-
Number of employees at year end	1	0
<b>14 Tax Liabilities</b>		
<b>CURRENT</b>		
Provision for Income Tax	\$239,345	\$40,403
<b>Total Current Tax Liabilities</b>	<b>\$239,345</b>	<b>\$40,403</b>

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
A.B.N. 27 099 033 306

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

	<b>2003</b>	<b>2002</b>
	\$	\$
<b>15 Contributed Equity</b>		
<b>Paid Up Capital:</b>		
Fully Paid Ordinary Shares	\$11,565,482	\$6,150,000
Capital Expenditure	(\$1,442,354)	(\$738,276)
<b>Contributed Equity</b>	<b>\$10,123,128</b>	<b>\$5,411,724</b>
 <b>Fully Paid Ordinary Share Capital</b>		
Opening Balance	\$5,411,724	-
Issue of Shares	\$5,415,482	\$6,150,000
Capital Raising Costs	(\$704,078)	(\$738,276)
<b>Closing Balance</b>	<b>\$10,123,128</b>	<b>\$5,411,724</b>
 <b>Number of Ordinary Shares Issued</b>		
Opening Balance	6,150,000	-
Issue of Shares	*4,819,786	6,150,000
<b>Closing Balance</b>	<b>10,969,786</b>	<b>6,150,000</b>

\* Shares issued consists of:

- 2,545,455 issued on 9<sup>th</sup> December 2002 for \$1.10 per share
- 2,274,331 issued on 30<sup>th</sup> June 2003 for \$1.15 per share

**16 Related Party Transactions**

**Directors' of the Company and their Director-Related Entities:**

Mr Thomas Alan Nulty is a senior partner of Phillips Fox Lawyers. The company has made or will make payments of \$76,223 to Phillips Fox Lawyers for legal consultancy work for the financial year.

All services obtained from Phillips Fox Lawyers are under normal commercial terms and conditions.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
A.B.N. 27 099 033 306

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

	<b>2003</b>	<b>2002</b>
	\$	\$
<b>17 Remuneration and Retirement Benefits</b>		
<b>Directors' Remuneration:</b>		
Income paid or payable to all directors of the company by the company and any related parties	\$246,009	\$105,497
Number of directors whose income from the company and any related parties was within the following bands:		
\$10,000 - \$19,999	-	4
\$20,000 - \$29,999	-	1
\$40,000 - \$49,999	4	-
\$60,000 - \$69,999	1	-

The names of directors who have held office during the financial period are:

Nigel Adrian Du Pre Chamier  
John Frederick McAuliffe  
Peter George Dowling  
David John Hamill  
Thomas Alan Nulty

Retirement and Superannuation Payments:

Amounts of prescribed benefits given during the year by the company or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office:	\$24,852	\$2,741
--	----------	---------

Full particulars are not provided as the directors believe this would be unreasonable.

**18 Segment Reporting**

The company predominantly operates wholly in one geographical segment, being Queensland.

The company was specifically incorporated as the investment vehicle to provide loan funds to a series of property development companies to develop projects predominantly sourced and introduced by Brands Construction Pty Ltd.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
A.B.N. 27 099 033 306

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

**19 Financial Instruments**

All financial instruments used by the economic entity are disclosed in the Statement of Financial Position.

**Interest Rate Risk**

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rate on those financial assets and financial liabilities is as follows:

	Weighted Average/ Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Within 1 Year		Fixed Interest Rate Within 1-5 Years		Non-interest Bearing		Total	
	%		\$		\$		\$		\$		\$	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
<b>Financial Assets:</b>												
Cash Assets	3.70	3.70	200,288	409,456	-	-	-	-	-	-	200,288	409,456
Ann Development Loan	12.55	12.15	-	-	-	-	6,133,758	5,316,520	-	-	6,133,758	5,316,520
David Low Development Loan	12.55	-	-	-	-	-	3,162,252	-	-	-	3,162,252	-
Mudjimba Pty Ltd Loan	20.00	-	-	-	-	-	2,040,987	-	-	-	2,040,987	-
Other Receivables	-	-	-	-	-	-	-	-	56,654	5,420	56,654	5,420
<b>Total Financial Assets</b>			<b>200,288</b>	<b>409,456</b>	<b>-</b>	<b>-</b>	<b>11,336,997</b>	<b>5,316,520</b>	<b>56,654</b>	<b>5,420</b>	<b>11,593,939</b>	<b>5,731,396</b>
<b>Financial Liabilities:</b>												
Payables	-	-	-	-	-	-	-	-	133,186	92,647	133,186	92,647
<b>Total Financial Liabilities</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,186</b>	<b>92,647</b>	<b>133,186</b>	<b>92,647</b>

**Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognized financial assets is the carrying amount, net of any provision for doubtful debts of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company other than the loans to Ann Developments Pty Ltd, David Low Pty Ltd and Mudjimba Pty Ltd.

**Net Fair Values**

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 financial statements.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2003**

---

**20 Commitments**

The company did not enter into any contractual commitments during the year that have not been recognized in the financial statements.

**21 Contingencies**

Estimates of the maximum amounts of contingent liabilities that may become payable are as follows:

Phillips Fox Lawyers – estimated maximum possible legal costs of \$65,000.

The company has no known contingent assets or contingent liabilities other than that disclosed above.

**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

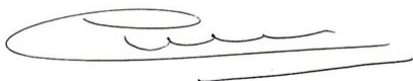
1. The financial statements and notes

- (a) comply with Accounting Standards and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the company's financial position as at 31<sup>st</sup> December 2002 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

2. In the directors' opinion


- (a) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) the financial statements and notes are in accordance with the Corporations Act 2001.

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



---

NIGEL ADRIAN DU PRE CHAMIER  
Chairman  
Dated this 26<sup>th</sup> day of September, 2003



---

PETER GEORGE DOWLING  
Director  
Dated this 26<sup>th</sup> day of September, 2003

**INDEPENDENT AUDIT REPORT**  
**TO THE MEMBERS OF**  
**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**Scope**

*The financial report and directors' responsibility*

The financial report comprises the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows, notes to the financial statements, and the Directors' Declaration of the Paridian Property Development Fund Limited for the year ended 30<sup>th</sup> June 2003.

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

*Audit approach*

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

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

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

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

**INDEPENDENT AUDIT REPORT**  
**TO THE MEMBERS OF**  
**PARIDIAN PROPERTY DEVELOPMENT FUND LIMITED**  
**A.B.N. 27 099 033 306**

**(CONTINUED)**

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

**Independence**

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

**Audit opinion**

In our opinion, the financial report of the Paridian Property Development Fund Limited is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the company's financial position as at 30<sup>th</sup> 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 financial reporting requirements in Australia.

**BDO Kendalls**  
**Chartered Accountants**

.....  
**P A Gallagher**  
Partner

Brisbane

Dated this 26<sup>th</sup> day of September, 2003

