

TOLHURST NOALL GROUP LTD

ABN 50 007 870 760

ANNUAL REPORT

30 JUNE 2003

TOLHURST NOALL GROUP LTD

CORPORATE INFORMATION

Board of Directors

Chairman

John Harry

Managing Director and Chief Executive Officer

John Wilson

Ian Johnson

Russell McKimm

Craig Graham-Smith

Peter Chapman

John Nagle

Don Taig

Andrew McDouall

Secretary

Craig Graham-Smith

Auditors

Moore Stephens HF

Level 14, 607 Bourke Street

Melbourne Victoria 3000

Lawyers

Minter Ellison

525 Collins Street

Melbourne Victoria 3000

Bankers

ANZ Bank

National Australia Bank

St George Bank

Registered Office

Level 29, 35 Collins Street

Melbourne Victoria 3000

Tel: 61 3 9242 4000

Fax: 61 3 9242 4040

www.tolhurst.com.au

Share Register

Computershare Registry Services Pty Ltd

Level 11, 115 Grenfell Street

Adelaide South Australia 5000

Stock Exchange Listing

Tolhurst Noall Group Ltd shares are listed on the Australian Stock Exchange Limited

(Code: TNL)

Our Annual Report

Our Annual Report comprehensively records the activities and achievements of the Company for the financial year ended 30 June 2003. In doing so, it complies with the Financial Audit and Administration Act 1977 and with management's operational policy of transparency and full disclosure in reporting.

TOLHURST NOALL GROUP LTD

ANNUAL REPORT – 30 JUNE 2003

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Tolhurst Noall Group Ltd ("the Company") will be held at Level 29, 35 Collins Street, Melbourne Vic, 3000 on the 21st day of November 2003 at 11am AEST.

See separate Notice for Agenda of Meeting

TOLHURST NOALL GROUP LTD

THE CHAIRMAN'S REVIEW OF THE YEAR ENDED 30 JUNE 2003

This is the first full year result reported by Tolhurst Noall Group Limited following the merger during the previous financial year of Noall Group Ltd and Tolhurst Securities Limited.

I am pleased to say that our new Managing Director, John Wilson, has settled well into his role and that the impact of his hard work and industry knowledge is evident in the improving performance of the company. John has also made a substantial contribution to the company's strategic planning capability.

The reported pre-tax loss for the year ended 30 June 2003 was \$503,806, which compares to a pre-tax loss of \$7.843 million for the previous corresponding period. The Directors consider the result was creditable given the difficult operating environment experienced during the greater part of the year. On an after tax basis, the Group recorded a profit of \$147,819 which compares to a loss of \$7.740 million for the previous corresponding period. Earnings per share were 0.22 cents compared to a loss of (14.23) cents. No dividend will be paid in respect of the year.

The result reflects the restructuring of the stockbroking business which was largely completed in the first half of the year. The restructuring process was responsible for around \$250,000 of the loss for the year. It is pleasing to note that, despite the downsizing of the private client business, overall broking and commission revenue for the year was 11.3% higher than the previous year. Taking into account reduced transaction costs and improved efficiencies, the stockbroking result was a marked improvement on the previous year's loss. Options made a positive contribution to the Group's results for the second consecutive year.

Tolhurst Noall Corporate again made a good contribution to the Group in 2003, albeit at a lower level than last year. This was achieved despite revenue from underwriting activity being 21.8% lower than the previous year which reflects the substantial reduction in IPO's and equity capital market activity generally. The company remains confident that the Corporate Department will make an increasingly strong contribution to the success of Tolhurst.

The funds management business reduced its loss from \$780,000 to \$227,000 in the year. However, the performance of our 50% owned associate company, Tolhurst Funds Management Pty Ltd continues to be disappointing and very much worse than expected at the time the investment was made. The result, an equity accounted loss of \$247,692, reflects a number of factors including weak investment markets leading to reduced portfolio values and costs and delays attributable to the introduction of new administration systems.

The Directors wish to acknowledge the dedication and commitment of staff, many of whom have assumed additional responsibilities following the restructuring.

Since the end of the financial year, the core broking and corporate finance businesses have experienced increased stockmarket turnovers and improved operating results above budget. The company has also announced its intention to undertake a pro-rata renounceable rights issue on a 1 for 4 basis at an issue price of \$0.04 per share to raise approximately \$700,000.

The primary purpose of the capital raising is to fund the working capital requirements of the company necessitated by increasing transaction volumes, to enhance the prudential and regulatory capital of the company and to improve the debt/equity ratio of the company.

John Harry – Chairman

TOLHURST NOALL GROUP LTD

CORPORATE GOVERNANCE

The Board

The Company is governed, on behalf of the shareholders, by its Board of Directors. Four out of nine of the Board are independent and the policy of the Board is ultimately to have a majority of independent directors. There is regular interaction between the Board and senior management through the structured accountability and reporting and approval process introduced into the Group. Directors have access to independent professional advice to assist with the execution of any of their duties.

The Board's role and interaction with management

The Board is responsible for

- ❖ establishing goals and strategic direction for the company
- ❖ approval of policies and budgets
 - all items for Board approval are approved initially by management and the subsidiary company Boards
 - an agenda for the review of all policies, budgets and performance has been established on an annual timetable
 - the Board receives monthly status reports and briefings on divisions and branches
- ❖ assessment of the CEO's performance
- ❖ Monitoring risk management, compliance management, statement of financial position risk assumption and maintenance of ethical standards.

Measuring Board performance

Review of the Board's performance is included on the Board's annual "action items" agenda.

Board composition

The Constitution requires no fewer than three and allows no more than ten Directors. Each year, one third of the Directors will retire with those being longest in office being the first to retire. A retiring Director is eligible for re-election. Unless otherwise determined by the Board, two Directors constitute a quorum.

We draw your attention to each Board member's profile on pages 6 to 8 of the Financial Report.

Meetings

The frequency and attendance at Board meetings is detailed on page 11 of the Financial Report. The Board has established an Audit and Risk Management Committee, a Corporate Committee and a Remuneration Committee.

The Audit and Risk Management Committee's charter is to assist the Board with matters relating to financial reporting, internal control, audit and corporate risk. This Committee will, in particular, identify, scope and implement approved policy covering financial risk, compliance, information technology risks (including security), human resources risks and disaster recovery. This Committee will also oversee occupational Health and Safety policy and management. The Audit and Risk Management Committee composition and meeting details are shown on page 11 of the Financial Report.

The Remuneration Committee is charged with responsibility for all matters relating to remuneration policy and "best practice" in employment conditions. The Remuneration Committee composition and meeting details are also shown on page 11 of the Financial Report.

The Corporate Committee is responsible for overseeing the activities of the corporate department and in particular for approving significant new mandates and underwritings and other transactions impacting on the company's balance sheet and reputation. The Corporate Committee composition and meeting details are also shown on page 11 of the Financial Report.

Directors' benefits

The Board, which in turn must abide by the shareholders' decision as to the aggregate Directors' emoluments in any one year, determines the level of remuneration for each Non Executive Director. Board remuneration details appear on page 10 of the Financial Report. In addition, Non Executive Directors may be reimbursed for expenses incurred in the performance of their duties and for any professional services deemed by the Board to be outside the normal range of duties.

TOLHURST NOALL GROUP LTD

CORPORATE GOVERNANCE

Code of Ethics

Notwithstanding the legal standards applying to Company activities, all those associated with the Company are expected to behave at all times in a professional and ethical manner in their dealings with shareholders, clients, the public and with their colleagues.

The fundamental principles of the Company's Code of Professional Conduct are set out in the company's Human Resources policy statement, which has been adopted by the Board and which includes:

- ❖ diligence and propriety
- ❖ no conflict of interest
- ❖ confidentiality
- ❖ compliance
- ❖ loyalty
- ❖ integrity.

CORPORATE STRUCTURE

Tolhurst Noall Group Ltd is a company limited by shares that is incorporated and domiciled in Australia. Tolhurst Noall Group Ltd has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. These are detailed in Note 7 of the financial report.

TOLHURST NOALL GROUP LTD

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 and details of the Directors of in office during or since the end of the year are:

John Harry Chairman, Appointed September 2001

John is a senior partner at Allens Arthur Robinson, and has extensive experience in all aspects of project structuring and financing, mergers and acquisitions, stock exchange compliance and capital markets transactions. He has advised on numerous public floats and trade sales of private and state assets ranging from gold to new technology. Presently he is group chairman and also serves on the Audit and Risk Management Committee and Corporate Committees of the group.

From 1995 to 1998, John was responsible for the development of the Allens Arthur Robinson office in Singapore. During this period, he advised a core group of blue chip clients and financial intermediaries on investment, regulatory and financing issues. He subsequently became the Executive Partner, Asia, for the Allens Arthur Robinson Group, from which he resigned in 2000.

John is chairman of Sedimentary Holdings Limited and is a member of the Board of the Singapore Australia Business Alliance Forum. He is also a member of the Executive Committee of Allens Arthur Robinson.

John Wilson Managing Director, Appointed March 2003

John commenced with Tolhurst Noall Group Ltd in March 2003 as Managing Director. In addition to this role, he is actively involved with the corporate department of the Group as the firm continues to develop its successful capital markets and advisory practice.

John joined Potter Partners in January 1981 and in that firm held a number of senior positions as a partner and later director, including member of the executive committee and of the Australian board of directors, operating head of corporate finance and director in charge of risk management. In 1985 John became a member of the Stock Exchange of Melbourne Ltd.

With over 35 years experience in investment banking, accounting and risk management, John brings a depth of experience to the Group as it broadens its client services.

Ian Johnson Executive Director, Appointed September 2001

Ian commenced with Davies & Dalziel in January 1960. He became a research analyst in 1961 and specialised in resource stocks from 1965. In 1969 Ian was elected a member of the Stock Exchange of Melbourne Ltd and became a partner of Davies & Dalziel. Ian continued to provide resource company research but also became involved in overseas and institutional sales.

Following the merger of Davies & Dalziel and RO Williams Tolhurst & Co. in 1982, the name of the firm was changed to D&D-Tolhurst and Ian became Senior Partner of the merged entity.

In 1986, CIBC Australia Ltd, the local subsidiary of Canadian Imperial Bank of Commerce purchased a 50% interest in the firm and Ian was appointed Chairman and Managing Director.

In 1989, the management of D&D-Tolhurst, led by Ian, bought the company back from CIBC Australia Ltd. He serves on the group's Remuneration and Corporate Committees. In March 2003 Ian stepped down as Managing Director but remains with the group as an advisor to a select group of private clients.

TOLHURST NOALL GROUP LTD

Russell McKimm Executive Director, Appointed September 2001

Russell commenced with D&D-Tolhurst in January 1995 and is currently the Deputy Managing Director and also serves on the group's Audit and Risk Management Committee.

With over 20 years experience in the financial and investment industry, Russell specialises in sharebroking and financial planning advice for private clients.

Russell is a member of the Australian Stock Exchange, a foundation member of the International Association for Financial Planning, a fellow of the Securities Institute of Australia and a Certified Financial Planner. In 1995 Russell was the President of the Financial Planning Association of Australia.

Russell has appeared for many years on 2GB as a talkback finance expert.

Craig Graham-Smith Executive Director, Appointed September 2001

Craig Graham-Smith commenced with D&D-Tolhurst in March 1999 as Chief Financial Officer/Company Secretary, was appointed Finance Director of the Tolhurst Group in August 2000 and in June 2002 was appointed Company Secretary. Craig serves on the Remuneration and Corporate Committees of the group.

Craig holds a Bachelor of Business (Accounting) and is a Certified Practising Accountant. Craig has over 20 years experience in finance roles including Brambles and Pioneer Concrete and has successfully negotiated management buyouts, major acquisitions and EBAs.

Peter Chapman Executive Director, Appointed November 1999

Peter's career in the stockbroking and financial services industry spans 30 years during which time he has held positions as Chief Executive, Senior Partner and Director.

Peter joined William Noall Limited in 1990 as an Executive Director and a major shareholder. He is also an Affiliate of The Australian Stock Exchange Limited and a previous Director of The Australian Stock Exchange (Melb) Limited, an Associate of The Securities Institute of Australia and a Fellow of The Australian Institute of Company Directors.

His career experience has provided Peter with expertise in Equities, Government and Semi-Government Bonds, Fixed Interest Securities, Corporate Debentures, Unsecured Notes and Preference Shares, plus experience in both the London and New York markets.

Don Taig Non Executive Director, Appointed January 1999

Don holds a Bachelor of Commerce and is a Fellow Member of the Society of Practising Accountants in Australia. He is also a Fellow of the Australian Institute of Company Directors. Don serves on the groups' Audit and Risk Management Committee as Chairman and is a member of the Remuneration Committee.

Don is currently CEO of DJT Consulting. He has worked in the food industry for in excess of 17 years in various managerial positions with Bunge Industrial, Goodman Fielder and most recently with Chiquita Brands South Pacific.

Don's earlier career was established in various positions within mining company CRA. He is currently Chairman of Prudential Investment Company of Australia Limited, and a director of Clover Corporation Limited, Nu-Mega Ingredients Pty.Ltd. and Austminex N.L.

John Nagle Non Executive Director, Appointed January 1999

John has a degree in Veterinary Medicine and is an MA from Trinity College Dublin, and an MBA from University College Galway.

After a period in private veterinary practice, John spent 14 years as Director of Farm and Veterinary Services of Dairygold Cooperative, a leading Irish agribusiness and food processing company.

TOLHURST NOALL GROUP LTD

John joined FEXCO in 1986 as Managing Director FEXCO tax Free Shopping. In 1993 he became Managing Director of the FEXCO Group.

In addition to directorships in the FEXCO Group companies, John is also a director of The Prize Bond Company Limited. John serves as a non-executive director of Global Refund AB, the world's largest VAT processor in which FEXCO has a substantial shareholding and Prudential Investment Company of Australia Ltd.

Andrew McDouall Non Executive Director, Appointed November 2002

Andrew McDouall has a Bachelor of Commerce and Administration (BCA) from Victoria University in Wellington, and is a New Zealand Exchange (NZX) Stockbroker.

Andrew has spent 20 years in the finance industry in New Zealand, including ten years at the Reserve Bank of New Zealand, predominantly in the Economics and Financial Markets Departments. In addition to this Andrew spent three years working at HRL Morrison & Co / Infratil Management Limited, a New Zealand based Infrastructure specialist investment bank, and six years at Forsyth Barr. During his time at Forsyth Barr, Andrew led a management buy-out of around half that company, and was instrumental in turning Forsyth Barr into New Zealand's largest retail sharebroking firm. When Andrew resigned from Forsyth Barr in November 2001, he was on the board of the parent, and had executive responsibilities as the Director of Investment Banking for the group.

In January 2002 Andrew founded McDouall Stuart Group a trans-tasman investment bank and stockbroking group, and is Managing Director of that company and its subsidiaries, including NZX Stockbroking firm McDouall Stuart Securities Limited.

Andrew is also a Director of NZX listed stock and station company, Allied Farmers Limited, and is a Director of Allied Farmers Finance Limited, Farmers Wools Limited, Balgreggan Financial Investments Limited, Tartan Securities and a number of private companies.

The following director resigned during the year:

Ross Hall – 22 May 2003

DIRECTORS' INTERESTS

As at the date of this report the interest of Directors in the shares and options of the company and related bodies corporate are:

	Interest in Ordinary Fully Paid Shares	Interest In Options over Ordinary Shares
Ian Johnson	16,446,364	-
Russell McKimm	1,239,173	-
Peter Chapman	1,029,039	-
Craig Graham-Smith	750,000	-
Donald Taig	237,526	-
John Harry	169,230	-
John Nagle	3,533,004	-
Andrew McDouall	2,242,456	-
John Wilson	-	-
Ross Hall	-	-

There have been no share issues during or since the year-end as a result of the exercise of ordinary share options.

PRINCIPAL ACTIVITIES

The principal activities during the financial year of entities within the consolidated entity were:

- ❖ Private client investment advisory services, stockbroking and associated financial services
- ❖ Corporate advisory services
- ❖ Property investment
- ❖ Property management

TOLHURST NOALL GROUP LTD

<u>EARNINGS PER SHARE</u>	<u>CONSOLIDATED</u>	
	<u>2003</u>	<u>2002</u>
Basic earnings per share (cents per share)	0.22	(14.23)
Diluted earnings per share	0.22	(14.20)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	67,895,792	54,403,941
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	67,895,792	54,500,879

FINANCIAL RESULTS

The consolidated profit of the consolidated entity for the financial year after income tax was \$147,819 (2002: loss \$7,740,690).

DIVIDENDS

No dividends have been paid or declared since the start of the financial year.

The Directors do not recommend the payment of a dividend in respect of the year ended 30 June 2003.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes to the state of affairs of the Company that occurred during the financial year not otherwise disclosed in this report or the Company's financial statements.

SIGNIFICANT MATTERS OCCURRING AFTER BALANCE DATE

On 5 August 2003 the Board of Tolhurst Noall Group Limited announced its decision to make a renounceable rights issue, offering to its shareholders of ordinary shares on a 1 for 4 basis at an issue price of \$0.04 per share to raise a total of approximately \$700,000.

REVIEW OF OPERATIONS

A review of the operations for the year is set out in the Chairman's and Chief Executive Officer's Report.

DIRECTORS' AND OTHER OFFICERS' EMOLUMENTS

Details of the nature and amount of emoluments for each Director of the company and one executive officer of a subsidiary company and the consolidated entity are as follows:

Directors	Annual Emoluments	During The Year Long Term Emoluments	
	Fees (\$) Salary	Options – TNGL	Superannuation (\$)
P. Chapman	-	-	-
D. Taig	24,000	-	-
J. Nagle	24,000	-	-
J Harry	91,743	-	8,257
I Johnson	137,615	-	12,385
R McKimm	137,615	-	12,385
C Graham-Smith	138,972	-	11,028
J Wilson (appointed 24/03/03)	200,000	-	-
A McDouall (appointed 15/11/02)	-	-	-
R Hall (resigned 22/05/03)	-	-	-

The Directors' remuneration is determined by meetings of Directors who assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

TOLHURST NOALL GROUP LTD

FUTURE AND LIKELY DEVELOPMENTS

The directors have excluded from this report any further information on the likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years, other than as mentioned in the Chairman's report as the directors have reasonable grounds to believe that it would be likely to result in unreasonable prejudice to the company.

ENVIRONMENTAL ISSUES

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to 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.

The company was not a party to any such proceedings during the year.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 4,203,100 unissued ordinary shares under options as follows:

- ❖ 300,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.30.
The options expire on 10 December 2004.
- ❖ 150,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.75.
The options expire on 21 August 2005.
- ❖ 132,100 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.47.
The options expire on 14 August 2005.
- ❖ 237,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.33.
The options expire on 25 July 2006.
- ❖ 50,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.20.
The options expire on 28 February 2005.
- ❖ 600,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.25.
The options expire on 30 June 2005.
- ❖ 2,734,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.25.
The options expire on 30 June 2006.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate or in the interest issue of any other registered scheme.

TOLHURST NOALL GROUP LTD

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number attended by each Director were as follows:

	<u>Directors Meeting</u> (11)		<u>Audit and Risk</u> <u>Management</u> <u>Committee (6)</u>		<u>Remuneration</u> <u>Committee (1)</u>		<u>Corporate Committee</u> (23)	
	Meetings Attended	Entitled to Attend	Meetings Attended	Entitled to Attend	Meetings Attended	Entitled to Attend	Meetings Attended	Entitled to Attend
No. of Meetings held								
Peter Chapman	11	11	-	-	-	-	-	-
Donald Taig	9	11	5	6	1	1	-	-
John Nagle	7	11	-	-	-	-	-	-
John Harry	10	11	6	6	-	-	23	23
Ian Johnson	11	11	-	-	1	1	23	23
Russell McKimm	10	11	5	6	-	-	-	-
Craig Graham-Smith	11	11	6	6	1	1	23	23
John Wilson	4	4	3	3	-	-	9	9
Andrew McDouall	6	7	-	-	-	-	-	-
Ross Hall	8	10	-	-	-	-	-	-

There also exists a Related Party Transactions Sub Committee comprising of Mr Harry and Mr Taig who meet to approve the participation of Directors in corporate transactions. Directors are permitted to participate in corporate transactions only if this is deemed by the Committee to be in the interests of the clients and the firm.

TOLHURST NOALL GROUP LTD

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

In relation to the stockbroking activities of the company, during or since the financial year, the company has paid premiums in respect of indemnifying the Directors and Officers of the company against costs incurred in defending:

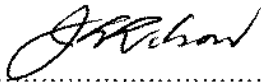
- (a) any writ, summons, application or other originating legal or arbitral proceedings, cross claim or counterclaim issued against or served upon any Director or Officer alleging any Wrongful Act; or
- (b) any written or verbal demand alleging any Wrongful Act communicated to any Director or Officer under any circumstances and by whatever means.

The total amount paid for this insurance was \$99,000.

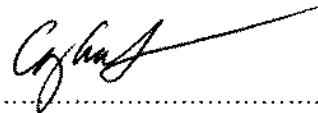
In relation to the other activities of the Company, the Company has not, during or since the financial year, in respect of any person who is or has been an officer of the Company or a related body corporate paid any premiums in regards to indemnification and insurance of directors and officers.

No indemnity or insurance is in place in respect of the auditors.

Signed in accordance with a Resolution of the Directors.



.....
JOHN W. WILSON
DIRECTOR



.....
CRAIG A. GRAHAM-SMITH
DIRECTOR

Dated at Melbourne this 24th day of September 2003.

TOLHURST NOALL GROUP LTD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003

	NOTE	CONSOLIDATED		COMPANY	
		2003	2002	2003	2002
		\$	\$	\$	\$
Revenue from ordinary activities	2	25,989,459	25,433,319	1,135,312	219,475
Dealers rebates		(10,939,763)	(11,770,468)	-	-
Administration costs		(5,349,708)	(6,682,991)	(366,200)	(357,180)
Depreciation and amortisation expense	3	(1,068,960)	(3,362,151)	-	(435,000)
Borrowing costs	3	(543,082)	(477,826)	(3,154)	(85,196)
Employee benefits expense		(5,591,266)	(7,539,579)	(136,663)	-
Occupancy costs		(1,580,682)	(1,578,138)	-	-
Communication costs		(1,259,276)	(1,523,471)	-	-
Share of net loss of associate accounted for using the equity method	9	(247,692)	(379,411)	-	-
Provision for diminution of investments in controlled entities		-	-	(735,606)	(6,545,057)
Net unrealised gain from investments		87,165	37,264	-	-
Loss from ordinary activities before income tax expense		(503,806)	(7,843,452)	(106,311)	(7,202,958)
Income tax benefit relating to ordinary activities	4	651,625	102,762	3,300	-
Profit/(Loss) from ordinary activities after income tax expense		147,819	(7,740,690)	(103,011)	(7,202,958)
Total changes in equity other than those resulting from transactions with owners as owners		147,819	(7,740,690)	(103,011)	(7,202,958)
Earnings per share	21				
Basic earnings per share (cents per share)		0.22	(14.23)		
Diluted earnings per share (cents per share)		0.22	(14.20)		

Note: Franked dividends per share have not been disclosed, as the consolidated entity did not distribute any dividends during the financial year.

TOLHURST NOALL GROUP LTD

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2003

	NOTE	CONSOLIDATED		COMPANY	
		2003	2002	2003	2002
		\$	\$	\$	\$
CURRENT ASSETS					
Cash assets	22(i)	5,965,920	5,787,718	571	-
Receivables	5	24,303,986	29,306,166	4,668,573	4,121,125
Other	6	155,509	174,336	-	1,518
Investment properties	8	82,500	-	-	-
Financial assets	7	290,263	1,025,206	1,247	293,021
TOTAL CURRENT ASSETS		30,798,178	36,293,426	4,670,391	4,415,664
NON-CURRENT ASSETS					
Receivables	5	-	-	1,285,252	1,285,252
Investments accounted for using the equity method	9	1,122,897	1,370,591	-	-
Investment properties	8	82,500	165,000	-	-
Financial assets	7	3,356,297	3,336,295	42,896	2,178,502
Property, plant and equipment	10	1,190,526	1,866,771	-	-
Deferred tax assets	4	653,759	-	3,300	-
Other	6	147,766	154,965	-	-
TOTAL NON-CURRENT ASSETS		6,553,745	6,893,620	1,331,448	3,463,754
TOTAL ASSETS		37,351,923	43,187,046	6,001,839	7,879,418
CURRENT LIABILITIES					
Payables	11	27,165,571	32,740,368	373,446	1,384,108
Interest bearing liabilities	12	1,320,796	2,956,347	180,000	326,986
Current tax liabilities	4	42,637	35,565	-	-
Provisions	13	483,472	816,672	-	-
TOTAL CURRENT LIABILITIES		29,012,476	36,548,952	553,446	1,711,094
NON-CURRENT LIABILITIES					
Payables	11	-	-	-	1,040,000
Interest bearing liabilities	12	3,772,577	3,142,284	1,140,580	1,320,000
Deferred tax liabilities	4	2,234	-	-	-
Provisions	13	539,087	220,580	-	-
TOTAL NON-CURRENT LIABILITIES		4,313,898	3,362,864	1,140,580	2,360,000
TOTAL LIABILITIES		33,326,374	39,911,816	1,694,026	4,071,094
NET ASSETS		4,025,549	3,275,230	4,307,813	3,808,324
SHAREHOLDERS' EQUITY					
Contributed equity	14	19,072,490	18,469,990	19,072,490	18,469,990
Accumulated losses	15	(15,046,941)	(15,194,760)	(14,764,677)	(14,661,666)
TOTAL SHAREHOLDERS' EQUITY		4,025,549	3,275,230	4,307,813	3,808,324

TOLHURST NOALL GROUP LTD

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

	NOTE	CONSOLIDATED		COMPANY	
		2003	2002	2003	2002
		\$	\$	\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts from customers		26,191,595	18,009,920	-	-
Payments to suppliers and employees		(26,046,211)	(24,605,706)	(309,769)	(326,807)
Dividends received		114,328	211,360	839,027	2,100
Borrowing costs		(597,092)	(477,826)	(3,154)	(85,196)
Interest received		287,779	275,391	163	60,679
Income tax credit received		7,183	102,762	-	-
Net cash provided by/(used in) operating activities	22(ii)	(42,418)	(6,484,099)	526,267	(349,224)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Proceeds from sale of investments		809,343	941,639	296,122	1,338,425
Acquisition of property, plant & equipment		(384,621)	(107,748)	-	-
Purchases of shares		(110,300)	(1,067,999)	-	-
Proceeds from sale of property plant & equipment		75,378	896,064	-	-
Proceeds from the acquisition of controlled entity		-	4,194,025	-	-
Net cash provided by/(used in) investing activities		389,800	4,855,981	296,122	1,338,425
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Payment of Finance lease obligations		(23,138)	-	-	-
Proceeds from borrowings					
- directors		750,000	480,134	-	-
- other		590,057	1,966,917	260,000	-
Repayment of borrowings					
- directors		(52,449)	(429,862)	-	(453,000)
- other		(323,737)	(566,917)	(1,677,332)	(631,491)
Proceeds of share issues		602,500	-	602,500	-
Net cash provided by/(used in) financing activities		1,543,233	1,450,272	(814,832)	(1,084,491)
Net increase/(decrease) in cash held		1,890,615	(177,846)	7,557	(95,290)
Cash at the beginning of the financial year		3,174,509	3,352,355	(6,986)	88,304
Cash at the end of the financial year	22(i)	5,065,124	3,174,509	571	(6,986)

TOLHURST NOALL GROUP LTD

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

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of these financial statements are:

(a) Basis of Preparation

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

The financial report covers the consolidated entity of Tolhurst Noall Group Ltd and controlled entities of Tolhurst Noall Group Ltd as an individual parent entity.

Tolhurst Noall Group Ltd is a listed public company, incorporated and domiciled in Australia.

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

(b) Principles of Consolidation

A controlled entity is any entity controlled by Tolhurst Noall Group Ltd. Control exists where Tolhurst Noall Group Ltd 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 Tolhurst Noall Group Ltd to achieve the objectives of Tolhurst Noall Group Ltd. A list of controlled entities is contained in Note 7 to the financial statements.

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

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

(c) Goodwill

Goodwill, representing the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on the acquisition of businesses, is amortised on a straight-line basis over the period of time which the benefits are expected to arise, which is taken to be 10 years.

The unamortised balance of goodwill is reviewed at least at each reporting date. Where the balance exceeds the value of expected future benefits, the difference is charged to net profit/(loss).

(d) Cash and Cash Equivalents

Cash on hand and in banks and short-term deposits are stated at the lower of cost and net realisable value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

The Cash Trusts account is used for the retention of client funds and is subject to the regulations under the ASX Business Rules.

TOLHURST NOALL GROUP LTD

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

(e) Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

(f) Provision for Doubtful Debts

The collectibility of debts is assessed at year-end and a provision is made for any specific doubtful accounts. In addition a general provision is maintained.

(g) Taxes

Income Taxes

The consolidated entity 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 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 asset.

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.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

TOLHURST NOALL GROUP LTD

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

(h) Financial Assets

Current

Marketable equity securities are valued at market value. Other securities are carried at the lower of cost or recoverable amount. Dividends are brought to account as they are received. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Non-Current

Controlled Entities

Investments in controlled entities are carried in the company's financial statements at the lower of cost and recoverable amount. Dividends and distributions are brought to account to net profit/(loss) when they are proposed by the controlled entities except when dividends are paid from pre-acquisition retained earnings. These dividends are netted against the carrying value of the investment.

Other Securities

Marketable equity securities are valued at the lower of cost and net market value. Other securities are carried at the lower of cost or recoverable amount. Dividends are brought to account as they are received.

(i) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting.

(j) Investment Properties

Investment units and land are valued at valuation.

(k) Property, Plant and Equipment

Plant and equipment are measured on the cost basis. All fixed assets are depreciated so as to write off the depreciable amount of each item over its estimated useful life.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in the results of the consolidated entity in the year of disposal.

Depreciation is provided on a diminishing value basis or straight-line method on all property, plant and equipment.

Major depreciation periods are:	2003	2002
❖ Leasehold Improvements	6.5 – 10 years	6.5 – 10 years
❖ Plant and Equipment	2.5 – 7 years	2.5 – 7 years
❖ Motor Vehicles	4 – 5 years	4 – 5 years

(l) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

TOLHURST NOALL GROUP LTD

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

(m) Payables

Liabilities for trade creditors and other amounts are carried at cost which is fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

Deferred cash settlements are recognised as the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

(n) Interest Bearing Liabilities

All loans are measured at the principal amount. Interest is charged as an expense as it accrues.
Finance lease liability is determined in accordance with the requirements of AASB 1008, Leases.

(o) Employee Benefits

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

The value of the Employee Share Scheme as described in Note 19 is not being charged as an employee entitlement expense.

(p) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in the periods in which they are incurred.

Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the consolidated entity are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and charged directly to net profit/(loss).

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

(q) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company.
Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

TOLHURST NOALL GROUP LTD

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

(r) Earnings Per Share

Basic earnings per share is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Financial Instruments

Refer to note 26 for accounting policies, terms and conditions associated with other financial instruments.

(t) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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

Revenue from share trading is recognised at the time of completion of the contract.

Dividend revenue is recognised when the right to receive a dividend has been established.

Interest revenue is recognised when the right to receive the interest has been established.

(u) Reclassification of Prior Year Comparatives

Where applicable, prior year figures have been reclassified to enhance comparability with current year figures.

TOLHURST NOALL GROUP LTD

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

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 2 REVENUE FROM ORDINARY ACTIVITIES				
Revenue from operating activities				
Broking and commission	21,339,717	19,164,499	-	-
Underwriting	1,477,499	1,889,893	-	-
Management services	135,380	147,484	-	-
Share trading	1,578,433	1,659,471	-	-
Total revenues from operating activities	24,531,029	22,861,347	-	-
Revenues from non-operating activities				
Dividends				
Other Corporations	114,328	211,359	-	2,100
Controlled entities	-	-	839,027	-
Interest				
Other persons	224,893	280,128	163	19,456
Controlled Entities	-	-	-	41,223
Proceeds from sale of investments	809,343	941,639	296,122	156,696
Proceeds from sale of property, plant and equipment	75,378	896,064	-	-
Rental revenue	234,488	242,782	-	-
Total revenues from outside the operating activities	1,458,430	2,571,972	1,135,312	219,475
Total revenues from ordinary activities	25,989,459	25,433,319	1,135,312	219,475
NOTE 3 EXPENSES AND LOSSES				
Depreciation of non-current assets				
Plant and equipment	933,934	852,321	-	-
Total depreciation of non-current assets	933,934	852,321	-	-
Amortisation of non-current assets				
Leasehold improvements	-	50,258	-	-
Lease prepaid term charges	-	10,419	-	-
Expenditure carried forward	85,026	366,089	-	435,000
Goodwill on Consolidation	50,000	2,083,064	-	-
Total amortisation of non-current assets	135,206	2,509,830	-	435,000
Total depreciation and amortisation expenses	1,068,960	3,362,151	-	435,000
Borrowing costs expensed				
Interest expense				
Directors	288,861	142,082	-	-
Other related parties	-	2,905	-	-
Other persons	254,221	332,839	3,154	85,196
Total borrowing costs expensed	543,082	477,826	3,514	85,196

TOLHURST NOALL GROUP LTD

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

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 3 EXPENSES AND LOSSES (cont)				
Bad and doubtful debts – trade debtors	69,339	115,498	-	-
Operating lease rental	1,643,701	1,525,007	-	-
Net loss/(gain) on disposal of assets				
- property, plant & equipment	51,554	-	-	-
- investments	8,771	-	(4,348)	-
NOTE 4 INCOME TAX				
Net loss from ordinary activities	(503,806)	(7,843,452)	(106,311)	(7,202,958)
Prima facie tax benefit at 30%	(151,141)	(2,353,036)	(31,893)	(2,160,887)
Tax effect of permanent differences:				
- Other items	152,675	226,765	3,622	-
- Amortisation	15,000	570,508	-	-
Rebateable dividends	(17,971)	-	(181,311)	-
Losses transferred to other group entities	-	-	21,606	-
Tax losses not brought to account	260,104	1,131,320	199,076	2,160,887
Under/(over) provision of income tax in prior years	(100)	321,681	-	-
Timing differences and tax losses brought to account	(910,192)	-	(14,400)	-
	<u>(651,625)</u>	<u>(102,762)</u>	<u>(3,300)</u>	<u>-</u>
Deferred tax assets and liabilities				
Current tax payable	42,637	35,565	-	-
Provision for deferred income tax – non current	2,234	-	-	-
Future income tax benefit – non current				
Timing differences	653,759	-	3,300	-
Income Tax Losses				
Future income tax benefits not brought to account as assets				
Tax losses – revenue	1,527,050	1,630,742	1,242,743	1,043,667
Tax losses – capital	900,450	900,450	835,402	835,402
Timing differences	-	546,396	-	14,400
	<u>2,427,500</u>	<u>3,077,588</u>	<u>2,078,145</u>	<u>1,893,469</u>

Taxation benefits will only be obtained if the company:

- has future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;
- continues to comply with the conditions for deductibility imposed by income tax law; and
- is not adversely affected by changes in income tax legislation in relation to the benefit from the deductions.

TOLHURST NOALL GROUP LTD

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

		CONSOLIDATED		COMPANY	
		2003	2002	2003	2002
		\$	\$	\$	\$
NOTE 5 RECEIVABLES					
Current					
Client and dealer balances		23,597,849	28,480,908	-	-
Provision for doubtful debts		(276,000)	(226,000)	-	-
		<u>23,321,849</u>	<u>28,254,908</u>	<u>-</u>	<u>-</u>
Sundry debtors	5(a)	315,847	339,294	-	-
Unsecured loans	5(a)	(6,320)	144,024	-	-
Amounts other than trade debts receivable from related parties:					
Wholly-owned group					
- controlled entities	20(c)	-	-	4,668,573	4,121,125
Directors and director related entities					
- directors	20(c)	120,000	(29,763)	-	-
- director-related	20(c)	147,609	106,923	-	-
Other related parties					
- associated companies	20(c)	405,001	490,780	-	-
		<u>24,303,986</u>	<u>29,306,166</u>	<u>4,668,573</u>	<u>4,121,125</u>
Non-current					
Amounts receivable from related parties:					
Wholly-owned group					
- controlled entities	20(c)	-	-	1,285,252	1,285,252
		<u>-</u>	<u>-</u>	<u>1,285,252</u>	<u>1,285,252</u>

(a) Terms and conditions

Terms and conditions relating to the above financial instruments

- (i) Client and dealer balances are on 3 business day terms and are interest bearing at the ANZ reference rate plus 2% on all balances overdue (ie T+3).
- (ii) Sundry debtors are non-interest bearing and amounts are generally paid within 30 days.
- (iii) Unsecured loans are payable within 12 months and are generally interest bearing at the ANZ reference rate plus 2%.
- (iv) Details of the terms and conditions of related party receivables are set out in note 20.

NOTE 6 OTHER ASSETS

Current

Prepayments and other debtors	155,509	174,336	-	1,518
	<u>155,509</u>	<u>174,336</u>	<u>-</u>	<u>1,518</u>

Non-current

Expenditure carried forward:

ASX membership fee	125,000	125,000	-	-
Capitalised costs	187,192	109,365	-	-
Software license fees	59,339	59,339	-	-
	<u>371,531</u>	<u>293,704</u>	<u>-</u>	<u>-</u>
Accumulated amortisation	(223,765)	(138,739)	-	-
	<u>147,766</u>	<u>154,965</u>	<u>-</u>	<u>-</u>

TOLHURST NOALL GROUP LTD

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

		CONSOLIDATED		COMPANY	
		2003	2002	2003	2002
		\$	\$	\$	\$
NOTE 7 FINANCIAL ASSETS					
Current					
Shares listed on a prescribed stock exchange at market value		94,763	1,025,206	1,247	293,021
Shares listed on a prescribed stock exchange at cost	7(f)	195,500	-	-	-
		290,263	1,025,206	1,247	293,021
Non-current - at cost					
Shares in controlled entities	7(c)	-	-	7,280,766	8,680,766
Provision for diminution		-	-	(7,280,663)	(6,545,057)
		-	-	103	2,135,709
Shares in listed public company	7(b)	42,793	42,793	42,793	42,793
Investment Units – Grosvenor	7(a)	2,419,727	2,419,727	-	-
Provision – Writedown	7(a)	(326,227)	(326,227)	-	-
Shares in other corporations	7(e)	1,220,004	1,200,002	-	-
		3,356,297	3,336,295	42,896	2,178,502

(a) The fair value of the units has been determined by reference to an independent valuation previously obtained from Michael Henderson, AAPI Certified Practising Valuer of Herron Todd White, the report dated 27 June 2001. The valuations are performed on an open market basis, being the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable seller in an arms length transaction at the valuation date.

(b) Quoted market value of shares listed on a prescribed stock exchange

	63,139	43,408	
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(c) Investments in controlled entities are unquoted and comprise:

(c) Investments in controlled entities are unquoted and comprise:

	Class of Share	2003 % Holding	2003 \$	2002 % Holding	2002 \$
William Noall Holdings Limited	Ordinary	100	1,650,000	100	1,650,000
Provision for diminution			<u>(1,650,000)</u>		<u>(1,650,000)</u>
			-		-
Weyton Pty Limited	Ordinary	100	100	100	100
Alliance Properties Strata (Qld) Pty Limited	Ordinary	100	2	100	2
Alliance Properties (Cairns) Pty Limited	Ordinary	100	1	100	1
Tolhurst Securities Ltd	Ordinary	100	5,630,663	100	7,030,663
Provision for diminution			<u>(5,630,663)</u>		<u>(4,895,057)</u>
			103		2,135,709

All subsidiaries are incorporated in Australia

(d) Deeds of cross-guarantee between Tolhurst Securities Ltd, William Noall Holdings Ltd, Tolhurst Noall Group Ltd, Tolhurst Holdings Pty Ltd and Company Zebra Ltd were enacted during the financial year and relief was obtained from preparing a financial report for Tolhurst Securities Ltd, William Noall Holdings Ltd and Company Zebra Ltd under ASIC Class Order 98/1418. Under the deeds, Tolhurst Noall Group Ltd guarantees to support the liabilities and obligations of Tolhurst Securities Ltd, William Noall Holdings Ltd and Company Zebra Ltd.

Tolhurst Noall Group Ltd and William Noall Holdings Ltd belong to Closed Group 1 and Tolhurst Noall Group Ltd, Tolhurst Securities Ltd, Tolhurst Holdings Pty Ltd and Company Zebra Ltd belong to Closed Group 2. "Closed Group" being the holding entity and wholly owned entities which are parties to the deed of cross-guarantee. The "parties to the deed of cross guarantee" are the same as Closed Group 1 and Closed Group 2 mentioned above.

TOLHURST NOALL GROUP LTD

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

NOTE 7 FINANCIAL ASSETS (cont)

	Closed Group 1	Closed Group 2
Financial information in relation to:		
(i) Statement of financial performance		
Profit/(loss) from ordinary activities before income tax	(178,883)	2,001,140
Income tax benefit relating to ordinary activities	<u>3,300</u>	<u>3,300</u>
Profit/(Loss) from ordinary activities after income tax benefit	<u>(175,583)</u>	<u>2,004,440</u>
Total changes in equity other than those resulting from transactions with owners as owners	<u>(175,583)</u>	<u>2,004,440</u>
(ii) Retained Profits		
Accumulated losses at the beginning of the financial year	(11,912,940)	(17,205,368)
Profit/(Loss) from ordinary activities after income tax benefit	<u>(175,583)</u>	<u>2,004,440</u>
Accumulated losses at the end of the financial year	<u>(12,088,523)</u>	<u>(15,200,928)</u>
(iii) Statement of Financial Position		
CURRENT ASSETS		
Cash assets	571	8,817
Receivables	-	4,650
Financial assets	<u>44,040</u>	<u>44,040</u>
TOTAL CURRENT ASSETS	<u>44,611</u>	<u>57,507</u>
NON-CURRENT ASSETS		
Receivables	4,668,573	6,844,033
Financial assets	5,990,165	1,805,706
Deferred tax asset	<u>3,300</u>	<u>3,300</u>
TOTAL NON-CURRENT ASSETS	<u>10,662,038</u>	<u>8,653,039</u>
TOTAL ASSETS	<u>10,706,649</u>	<u>8,710,546</u>
CURRENT LIABILITIES		
Payables	373,346	465,595
Interest bearing liabilities	<u>180,000</u>	<u>420,000</u>
TOTAL CURRENT LIABILITIES	<u>553,346</u>	<u>885,595</u>
NON-CURRENT LIABILITIES		
Payables	1,278,756	2,753,096
Interest bearing liabilities	<u>1,890,580</u>	<u>1,200,293</u>
TOTAL NON-CURRENT LIABILITIES	<u>3,169,336</u>	<u>3,953,389</u>
TOTAL LIABILITIES	<u>3,722,682</u>	<u>4,838,984</u>
NET ASSETS	<u>6,983,967</u>	<u>3,871,562</u>
EQUITY		
Contributed equity	19,072,490	19,072,490
Accumulated losses	<u>(12,088,523)</u>	<u>(15,200,928)</u>
	<u>6,983,967</u>	<u>3,871,562</u>

TOLHURST NOALL GROUP LTD

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

NOTE 7 FINANCIAL ASSETS (cont)

(e) Other investments

The shares in other corporations includes:

- The consolidated entity holds 20% (2002:20%) ownership interest in Carroll Pike & Piercy Pty Ltd. The carrying amount of this investment at 30 June 2003 is \$1,200,000 (2002: \$1,200,000).
- The consolidated entity holds 20% (2002:20%) ownership interest in THG Investments Pty Ltd. The carrying amount of this investment at 30 June 2003 is \$2 (2002: \$2).
- The consolidated entity holds 20% (2002:20%) ownership interest in Tolhurst, Wells and Lee Pty Ltd. The carrying amount of this investment at 30 June 2003 is \$20,000 (2002: \$nil).
- The consolidated entity holds 50% (2002:100%) ownership interest in Elstree Tolhurst Investment Management Pty Ltd who provide a fixed interest funds management service. The carrying amount of this investment at 30 June 2003 is \$2 (2002: \$nil)

(f) Included in listed shares are two parcels of Medical Monitors Ltd, an ASX listed stock, which were the subject of a sub-underwriting shortfall. These shares have been valued at cost. Mr Johnson has guaranteed a shortfall of \$75,000 and Mr Wigzell, a director of the broker subsidiary Tolhurst Noall Ltd, has guaranteed \$120,500.

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 8 INVESTMENT PROPERTIES				
Current				
Land at fair value	82,500	-	-	-
Non Current				
Land at fair value	82,500	165,000	-	-

The fair value of the land has been determined by reference to an independent valuation previously obtained from Michael Henderson, AAPI Certified Practising Valuer of Herron Todd White, the report dated 27 June 2001. The valuations are performed on an open market basis, being the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable seller in an arms length transaction at the valuation date. With respect to security refer to note 12(a).

NOTE 9 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in associates	1,122,897	1,370,589	-	-
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(a) Interest in associates

Name	Balance date	Ownership interest	
		2003	2002
Tolhurst Funds Management Pty Ltd	30 June	50%	50%

(i) Principal activity

Tolhurst Funds Management Pty Ltd provides investment services to domestic and international clients.

TOLHURST NOALL GROUP LTD

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

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 9 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (cont)				
(ii) Share of associate's profits/(losses)				
Share of associate's:				
- Net loss from ordinary activities before income tax expense	(247,692)	(354,411)	-	-
- Income tax expense	-	-	-	-
Share of associate's net losses from ordinary activities after income tax	(247,692)	(354,411)	-	-
Adjusted for:				
- amortisation of goodwill on acquisition	-	(25,000)	-	-
Share of associate's net losses	(247,692)	(379,411)	-	-

The associated entity is currently reporting accumulated losses, and consequently no dividends are payable to the shareholders of Tolhurst Noall Group Ltd.

(iii) Carrying amount of investment in associate

Balance at beginning of the financial year	1,370,591	-	-	-
- investment at cost in associate entity	-	1,750,002	-	-
- share of associate's net losses for the financial year	(247,692)	(379,411)	-	-
- dividends received from associate	-	-	-	-
Carrying amount of investment in associate at the end of the financial year	1,122,897	1,370,591	-	-

(iv) Share of associate's assets and liabilities

Current assets	201,959	316,408	-	-
Non current assets	583,132	627,637	-	-
Current liabilities	(537,043)	(448,306)	-	-
Non current liabilities	-	-	-	-
Net assets	248,048	495,739	-	-

(v) Accumulated losses of the consolidated entity attributable to associate

Balance at the beginning of the financial year	(379,411)	-	-	-
Share of associate's net losses	(247,692)	(379,411)	-	-
Dividends received from associate	-	-	-	-
Balance at the end of the financial year	(627,103)	(379,411)	-	-

A subsidiary of Tolhurst Noall Group Ltd proposes to enter into a loan agreement under which it will advance working capital to a maximum of \$300,000 to Tolhurst Funds Management Pty Ltd.

TOLHURST NOALL GROUP LTD

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

		CONSOLIDATED		COMPANY	
		2003	2002	2003	2002
		\$	\$	\$	\$
NOTE 10 PROPERTY, PLANT & EQUIPMENT					
Plant and equipment – cost		5,342,746	5,347,246	-	-
Accumulated depreciation		(4,152,220)	(3,480,475)	-	-
		1,190,526	1,866,771	-	-
Reconciliations of the carrying amounts of property, plant and equipment					
<i>Plant and Equipment:</i>					
Carrying amount at beginning		1,866,771	322,788		
Additions		384,620	749,831		
Additions through acquisition of entities/operations		-	1,835,663		
Depreciation expense		(933,934)	(852,321)		
Disposals		(126,931)	(189,190)		
		1,190,526	1,866,771		
<i>Assets pledged as security</i>					
Refer to Note 12a					
NOTE 11 PAYABLES					
Current					
Client and dealer balances payable	11(a)	23,682,638	29,672,269	-	-
Funds held in trust		260,000	-	260,000	-
Other creditors and accruals	11(a)	3,052,082	2,845,161	98,346	198,544
Amounts payable to related parties:					
Wholly-owned group					
- controlled entities	20(c)	-	-	100	1,170,564
Directors and director related entities					
- director related	20(c)	100,000	100,000	15,000	15,000
Other related parties					
- associated companies	20(c)	70,851	122,938	-	-
		27,165,571	32,740,368	373,446	1,384,108
Non Current					
Amounts payable to related parties:					
Wholly-owned group					
- controlled entities	20(c)	-	-	-	1,040,000
		-	-	-	1,040,000

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

- (i) Client and dealer balances payable are non-interest bearing and on 3 business day terms.
- (ii) Other creditors and accruals are non-interest bearing and are normally settled within 30 days.
- (iii) Details of terms and conditions of related party payables are set out in note 20.

TOLHURST NOALL GROUP LTD

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

		CONSOLIDATED		COMPANY	
		2003	2002	2003	2002
		\$	\$	\$	\$
NOTE 12 INTEREST BEARING LIABILITIES					
Current					
Bank overdraft	12(a)	900,796	2,613,209	-	6,986
Lease liability	12(a)	-	23,138	-	-
Loans – secured	12(a)	420,000	320,000	180,000	320,000
		1,320,796	2,956,347	180,000	326,986
Non-current					
Subordinated loans	12(a)	1,822,284	1,822,284	-	-
Loans – secured	12(a)	1,200,293	1,640,000	1,140,580	1,320,000
Directors and director related entities					
- directors	12(a)	450,000	-	-	-
- director related	12(a)	300,000	-	-	-
		3,722,577	3,142,284	1,140,580	1,320,000

(a) Terms and conditions

Terms and conditions relating to the above financial instruments

- (i) The bank overdraft is secured by a registered mortgage debenture over the assets and undertakings of the company, excluding Grosvenor. Interest is charged at the bank's benchmark rate.
- (ii) The secured loans are secured by a first registered mortgage over the "Grosvenor", Corner of McLeod and Grove St, Cairns. Interest is currently 6.06% and the facilities are currently rolled on a monthly basis. Also, Tolhurst Noall Ltd has guaranteed a fully drawn advance facility, drawn down by a related entity, with the ANZ Banking Group (2003 \$299,713; 2002 \$nil).
- (iii) Lease liabilities are secured via a charge of the assets to which they relate. The average interest rate implicit in the liability is 8% and the average repayment term is 4 years.
- (iv) Subordinated loans and director loans are interest bearing at an average rate of 12%. There is no agreed repayment term. Refer note 20(c).

NOTE 13 PROVISIONS

Current					
Employee entitlements	19	483,472	816,672	-	-
		483,472	816,672	-	-
Non-current					
Other – claims and penalties	13(a)	513,993	195,000	-	-
Employee entitlements	19	25,094	25,580	-	-
		539,087	220,580	-	-

(a) The non-current claims and penalties provision exists to cover known and unknown, client claims, fines, penalties or other settlements. The amount has been determined using known events multiplied by a probability factor plus an estimate for unknown events.

TOLHURST NOALL GROUP LTD

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

		CONSOLIDATED		COMPANY	
		2003	2002	2003	2002
		\$	\$	\$	\$
NOTE 14 CONTRIBUTED EQUITY					
Issued and paid up capital					
69,368,696 ordinary shares	14(a)	19,072,490	18,469,990	19,072,490	18,469,990
Fully Paid (2002: 66,958,696)					
(a) Movements in shares on issue					
Beginning of the financial year		18,469,990	11,439,327	18,469,990	11,439,327
Acquisition of Tolhurst Securities Ltd @ 14 cents		-	7,030,663	-	7,030,663
Allotted to Balgreggan @ 25 cents	14(b)	540,000	-	540,000	-
Allotment of staff shares @ 25 cents	19	62,500	-	62,500	-
End of the financial year		19,072,490	18,469,990	19,072,490	18,469,990
		No.	No.	No.	No.
Beginning of financial year		66,958,696	16,739,674	66,958,696	16,739,674
Acquisition of Tolhurst Securities Ltd		-	50,219,022	-	50,219,022
Allotted to Balgreggan		2,160,000	-	2,160,000	-
Allotment of staff shares		250,000	-	250,000	-
		69,368,696	66,958,696	69,368,696	66,958,696

Terms and condition of contributed equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(b) Placement to Balgreggan Financial Investments Limited

Shareholders of Tolhurst Noall Group Limited (**Tolhurst**) approved the issue of 4 million ordinary shares in Tolhurst to Balgreggan Financial Investments Limited (**Balgreggan**) together with the grant of 16 million options on the terms set out in the general meeting documentation forwarded to shareholders.

Since that approval, Tolhurst has received a total of \$800,000 from Balgreggan. Of that sum, shares have been issued in accordance with the shareholder resolution in respect of \$540,000. No shares have as yet been issued in respect of the further sum of \$260,000 received by Tolhurst. No options have as yet been issued pursuant to the resolution.

Tolhurst has announced a general meeting to approve the allotment of 1,040,000 fully paid ordinary shares to Balgreggan (\$260,000), together with a placement to Balgreggan of 4,200,000 fully paid ordinary shares at \$0.04 per share (\$168,000).

TOLHURST NOALL GROUP LTD

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

CONSOLIDATED		COMPANY	
2003	2002	2003	2002
\$	\$	\$	\$

NOTE 14 CONTRIBUTED EQUITY (cont)

(c) Share options

Options over ordinary shares:

During the financial year, 3,334,000 options were issued over ordinary shares. The options have an exercise price of \$0.25.

Unissued shares

As at the date of this report, there were 4,203,100 unissued ordinary shares under options as follows:

- ❖ 300,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.30. The options expire on 10 December 2004.
- ❖ 150,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.75. The options expire on 21 August 2005.
- ❖ 132,100 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.47. The options expire on 14 August 2005.
- ❖ 237,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.33. The options expire on 25 July 2006.
- ❖ 50,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.20. The options expire on 28 February 2005.
- ❖ 600,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.25. The options expire on 30 June 2005.
- ❖ 2,734,000 options to take up one ordinary share in Tolhurst Noall Group Ltd at an issue price of \$0.25. The options expire on 30 June 2006.

NOTE 15 ACCUMULATED LOSSES

Balance at the beginning of year	(15,194,760)	(7,468,270)	(14,661,666)	(7,458,708)
Net profit/(loss) attributable to members of the group	147,819	(7,740,690)	(103,011)	(7,202,958)
Transfer of asset revaluation reserve	-	14,200	-	-
Balance at end of year	<u>(15,046,941)</u>	<u>(15,194,760)</u>	<u>(14,764,677)</u>	<u>(14,661,666)</u>

NOTE 16 AUDITORS' REMUNERATION

Amounts received or due and receivable by the Auditors of the Company for:

- an audit of the financial reports of the entity and any other entity in the consolidated entity	72,000	114,500	11,000	114,500
- other services	69,733	38,566	300	3,000
	<u>160,693</u>	<u>153,066</u>	<u>11,300</u>	<u>117,500</u>

TOLHURST NOALL GROUP LTD

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

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 17 CAPITAL AND LEASING COMMITMENTS				
Non-cancellable operating leases contracted for but not capitalised in the financial statements				
- Not later than 1 year	1,774,732	1,769,096	-	-
- Later than 1 year but not later than 5 years	5,437,946	4,298,109	-	-
- Later than 5 Years	431,379	723,200	-	-
	<u>7,644,057</u>	<u>6,790,405</u>	<u>-</u>	<u>-</u>

These payments represent amounts owing on operating lease agreements for premises occupied by the controlled entity. The lease terms vary from 0 to 6 years.

NOTE 18(a) REMUNERATION OF DIRECTORS

Income paid or payable, or otherwise made available in respect of the financial year to all directors of each entity in the economic entity, directly or indirectly, by the entities of which they are directors or any related party.

	<u>1,588,800</u>	<u>2,051,702</u>	<u>-</u>	<u>-</u>
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Income paid or payable, or otherwise made available in respect of the financial year to all directors of the parent entity, directly or indirectly by the parent entity or any related parties.

	<u>769,844</u>	<u>1,189,391</u>
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The number of directors of the parent entity whose income (including superannuation contributions) falls within the following bands:

	<i>Number of Directors</i>	<i>Number of Directors</i>
\$0 - \$9,999	2	2
\$10,000 - \$19,999	-	2
\$20,000 - \$29,999	3	3
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	-	1
\$110,000 - \$119,999	1	-
\$120,000 - \$129,999	-	1
\$150,000 - \$159,999	1	-
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	-	1
\$200,000 - \$209,999	1	-
\$210,000 - \$219,999	-	2
\$240,000 - \$249,999	-	-
\$260,000 - \$269,999	-	1
	<u>10</u>	<u>13</u>

TOLHURST NOALL GROUP LTD

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

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2002
	\$	\$	\$	\$
NOTE 18(b) REMUNERATION OF EXECUTIVES				
Remuneration received or due and receivable by executive officers of the economic entity whose remuneration is \$100,000 or more, from entities in the economic entity or any related parties, in connection with the management of the affairs of the entities in the economic entity whether as an executive officer or otherwise	689,336	833,207	-	-
The number of executives of the economic entity whose income (including superannuation contributions) falls within the following bands:				
\$120,000 - \$129,999	-	1		
\$130,000 - \$139,999	-	1		
\$150,000 - \$159,999	2	-		
\$160,000 - \$169,999	-	1		
\$170,000 - \$179,999	1	-		
\$180,000 - \$189,999	-	1		
\$200,000 - \$209,999	1	-		
\$210,000 - \$219,999	-	1		
	<u>4</u>	<u>5</u>		
NOTE 19 EMPLOYEE BENEFITS				
The aggregate of employee benefits liability is comprised of:				
Accrued wages, salaries and on costs	120,775	465,309	-	-
Provisions – current	483,472	816,672	-	-
Provisions – non-current	25,094	25,580	-	-
	<u>629,341</u>	<u>1,307,561</u>	<u>-</u>	<u>-</u>
Number of employees and advisors at year end	172	228	-	-

Employee/Advisor share option arrangement:

An employee/advisor share option scheme has been established where employees/advisors of the consolidated entity are issued with options over the ordinary shares of Tolhurst Noall Group Ltd. The options, issued for nil consideration, are issued in accordance with performance guidelines established by the Directors of Tolhurst Noall Group Ltd. The options cannot be transferred and will not be quoted on the ASX.

Details of share options outstanding as at 30 June 2003:

- 2,734,000 (2002: nil) options with an exercise price of 25 cents
- 132,100 (2002: 189,300) options with an exercise price of 47 cents (2002: 47cents)
- 237,000 (2002: 237,000) options with an exercise price of 33 cents (2002: 33 cents)
- 50,000 (2002: 50000) options with an exercise price of 20 cents

Expiry dates are 30 June 2006, 14 August 2005, 25 July 2006 and 28 February 2005 respectively.

During the year no options were exercised under the Employee Option Scheme, (2002: nil).

During the year 57,200 Options lapsed as a result of employment ceasing for a particular employee.

The value of the employee option scheme is not being charged as an employee entitlement expense.

TOLHURST NOALL GROUP LTD

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

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2002
	\$	\$	\$	\$

NOTE 19 EMPLOYEE ENTITLEMENTS (cont)

Employee share arrangement:

A Staff Share Plan has been established whereby eligible employees of the consolidated entity are issued with up to \$1,000 of ordinary shares of Tolhurst Noall Group Ltd at the discretion of the Board. The shares, issued for nil consideration, may not be disposed of by the employee until the earlier of:

- (i) the end of the period of 3 years commencing at the time of acquisition of the Shares by the employee;
- (ii) the time when the employee is no longer employed by the company; and
- (iii) the end of such other period or such other circumstances as determined by the Board.

At 30 June 2003 there are (250,000) shares on issue under the Staff Share Plan (2002: nil).

NOTE 20 RELATED PARTY INFORMATION

a) The names of each person holding the position of director of Tolhurst Noall Group Ltd during the financial year were:

Peter Chapman	Russell McKimm
Donald Taig	Craig Graham-Smith
John Nagle	John Wilson (appointed 24/3/03)
John Harry	Andrew McDouall (appointed 15/11/02)
Ian Johnson	Ross Hall (resigned 22/5/03)

b) Interests in securities held by Directors of the parent entity as at 30 June 2003:

	ORDINARY SHARES			
	2003	PURCHASE	SELL	2002
D. Taig	237,526	-	-	237,526
J. Nagle	3,533,004	-	-	3,533,004
P. Chapman	1,029,039	-	-	1,029,039
J Harry	169,230	-	-	169,230
I Johnson	16,446,364	60,000	-	16,386,364
R McKimm	1,239,173	-	-	1,239,173
C Graham-Smith	750,000	-	-	750,000
J Wilson (Appointed 24 March 2003)	-	-	-	-
A McDouall (Appointed 15 November 2002)	2,242,456	2,160,000	-	82,456
R Hall (Resigned 22 May 2003)	-	-	-	-

b) Interests in securities held by Directors of the parent entity as at 30 June 2003:

	ORDINARY SHARE OPTIONS			
	2003	PURCHASE	EXERCISED	2002
D. Taig	-	-	-	-
J. Nagle	-	-	-	-
P. Chapman	-	-	-	-
J Harry *	-	-	-	-
I Johnson	-	-	-	-
R McKimm	-	-	-	-
C Graham-Smith	-	-	-	-
J Wilson (Appointed 24 March 2003) *	-	-	-	-
A McDouall (Appointed 15 November 2002)	-	-	-	-
R Hall (Resigned 22 May 2003)	-	-	-	-

* As part of Mr Wilson's and Mr Harry's terms of engagement they are entitled to issues of options which are yet to be approved by the Board of Tolhurst Noall Group Ltd. When these matters have been determined, a resolution will be put to shareholders.

TOLHURST NOALL GROUP LTD

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

CONSOLIDATED		COMPANY	
2003	2002	2003	2002
\$	\$	\$	\$

NOTE 20 RELATED PARTY INFORMATION (cont)

Interests in Tolhurst Noall Group Ltd:

Included in directors shareholdings are beneficial interest held via related companies as disclosed.

Tizon Pty Ltd, a company controlled by Mr Taig, holds 237,526 Shares (2002:237,526 shares).

MT Consumer Services Limited, a company controlled by Mr Nagle holds 3,120,846 Shares (2002: 3,120,846 shares).

Fexco, a company controlled by Mr Nagle holds 412,158 shares (2002: 412,158 shares).

Loquela, a company controlled by Mr Johnson holds 160,000 shares (2002: 100,000 shares).

Balgreggan Financial Investments Limited, a company controlled by Mr McDouall holds 2,160,000 shares (2002: nil)

Tartan Securities Limited, a company controlled by Mr McDouall holds 82,456 shares (2002: 82,456 shares)

During the year, Tolhurst Noall Limited acted as broker for transactions conducted on behalf of directors and director controlled entities. These transactions involved the purchase and sale of shares and were conducted under normal trading terms and conditions.

During the year, Mr Johnson provided sub-underwriting. The Related Party Transactions Sub-Committee approved all such transactions.

No other benefits have been received or are receivable by directors, other than those already disclosed in the notes to the financial statements.

Tolhurst Noall Group Ltd is the ultimate parent entity.

Liquidity guarantee by Directors

Mr Johnson and Mr Edwards, a director of the broker Tolhurst Noall Ltd (TNL), have signed various letters of undertaking on behalf of themselves and private companies in which they have a controlling interest, whereby they have lodged a portfolio of ASX listed securities with the broker. These letters expire on 31 December 2003 and 30 June 2004. The undertakings provide up to 100% of the value of each of these portfolios giving TNL unencumbered access to the entire share portfolio for the purpose of securing various staff and inter-company loans treated as current assets by the broker in the calculation of ASX capital liquidity requirement, Rule 1A. The value of these guarantees at 30 June 2003 was \$3,909,954 (2002: 3,780,442). No fees have been paid or accrued on these guarantees.

TOLHURST NOALL GROUP LTD

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

		CONSOLIDATED		COMPANY	
		2003	2002	2003	2002
		\$	\$	\$	\$
NOTE 20 RELATED PARTY INFORMATION (cont)					
c) Transactions with controlled entities/directors/employees					
<i>Wholly owned group</i>					
Loan to Alliance Strata (Qld) Pty Ltd	1)	-	-	255,130	661,567
Loan to APL (Cairns) Pty Ltd	1)	-	-	2,395,034	2,308,706
Loan to William Noall Holdings Limited	1)	-	-	1,285,252	1,285,252
Loan to Tolhurst Noall Limited	1)	-	-	2,018,409	1,150,852
Loan from Weyton Pty Limited	1)	-	-	(100)	(1,170,564)
Loan from Tolhurst Securities Ltd	1)	-	-	-	(1,040,000)
Interest received from William Noall Holdings Limited		-	-	-	41,223
<i>Associated companies</i>					
Loan to Carroll, Pike and Piercy Pty Ltd	1)	300,000	472,423	-	-
Loan to Tolhurst Funds Management P/L	1)	85,001	18,357	-	-
Loan to Elstree Tolhurst Investment Management Pty Ltd	1)	20,000	-	-	-
Loan from Carroll, Pike and Piercy Pty Ltd	1)	(6,231)	-	-	-
Loan from THG Investments Pty Ltd	1)	(64,620)	(122,938)	-	-
<i>Loans from directors & director related entities</i>					
Dorcan Pty Ltd **	1)	(15,000)	(15,000)	(15,000)	(15,000)
TM Edwards	4)	(200,000)	-	-	-
RA McKimm	4)	(100,000)	-	-	-
BJ & JK Dunn ****	4)	(30,000)	-	-	-
MA Wigzell ****	4)	(70,000)	-	-	-
GL Leigh ****	4)	(50,000)	-	-	-
Loquela Pty Ltd *	4)	(200,000)	-	-	-
Dorcan Pty Ltd **	4)	(50,000)	-	-	-
Tamanich Securities Pty Ltd *	4)	(36,000)	-	-	-
Katarina Corp Pty Ltd ****	4)	(14,000)	-	-	-
Success in Planning Pty Ltd *	1)	(40,000)	(40,000)	-	-
Minapet Finance Pty Ltd *	1)	(45,000)	(45,000)	-	-
<i>Loan to directors & director related entities</i>					
C Graham- Smith	3)	90,000	-	-	-
M Wigzell ****	3)	30,000	-	-	-
Pensive Investments Pty Ltd ***	1)	110,828	72,818	-	-
Success in Planning Pty Ltd *	1)	36,781	34,105	-	-
<i>Subordinated debt</i>					
I M Johnson & entities controlled by I M Johnson	2)	(699,000)	(699,000)	-	-
T M Edwards	2)	(533,284)	(533,284)	-	-
C Graham-Smith	2)	(340,000)	(340,000)	-	-
R Mc Kimm	2)	(250,000)	(250,000)	-	-

* entities controlled by I M Johnson

** entity controlled by P F Chapman

*** entity controlled by I M Johnson & T M Edwards

**** entities and persons associated with directors of Tolhurst Noall Ltd

TOLHURST NOALL GROUP LTD

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

NOTE 20 RELATED PARTY INFORMATION (cont)

- 1) There is no interest charge or fixed repayment term on the loan.
- 2) Interest is charged at 12% and there is no fixed repayment term on the loans.
- 3) During the year the Group advanced funds of \$30,000 to Mr Wigzell (a director of the subsidiary Tolhurst Noall Ltd) and \$90,000 to Mr Graham-Smith. The loan to Mr Wigzell is repayable over 10 months and the loan to Mr Graham-Smith is at call. Interest is charged on both loans 12%.
- 4) Interest is charged at 12% and there is no fixed repayment term on the loans. The loans have an attaching right of convertibility of the outstanding balance of the loan, at any time, into shares of Tolhurst Noall Group Ltd at a price of \$0.25 per share, exercisable in whole only, until 30 June 2004.

NOTE 21 EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	CONSOLIDATED	
	2003	2002
	\$	\$
Earnings used in calculating basic and diluted earnings per share	<u>147,819</u>	<u>(7,740,690)</u>
Weighted average number of shares used to calculate basic earnings per share	67,895,792	54,403,941
Effect of diluted securities:		
Share options	<u>-</u>	<u>96,938</u>
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	<u>67,895,792</u>	<u>54,500,879</u>

There are no potential ordinary shares outstanding at 30 June 2003 that are dilutive as the exercise prices on the 4,453,100 options are greater than the market price of the shares. There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2002
	\$	\$	\$	\$

NOTE 22 STATEMENT OF CASH FLOWS

i) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash at bank	1,649,086	1,395,085	571	-
Trust Account	<u>4,316,834</u>	<u>4,392,633</u>	<u>-</u>	<u>-</u>
	5,965,920	5,787,718	571	-
Bank overdraft	<u>(900,796)</u>	<u>(2,613,209)</u>	<u>-</u>	<u>(6,986)</u>
	<u>5,065,124</u>	<u>3,174,509</u>	<u>571</u>	<u>(6,986)</u>

Included in cash at bank is a term deposit of \$1,328,423, which are funds deposited with the ANZ bank as security for bank guarantees to support various lease agreements.

TOLHURST NOALL GROUP LTD

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

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2003
	\$	\$	\$	\$
NOTE 22 STATEMENT OF CASH FLOWS (cont.)				
(ii) Reconciliation of operating profit/(loss) after income tax to net cash provided by operating activities				
Profit/(loss) from ordinary activities after income tax	147,819	(7,740,690)	(103,011)	(7,202,958)
Depreciation	933,934	852,321	-	-
Amortisation of goodwill	50,000	2,083,064	-	-
Other amortisation costs	85,026	426,766	-	435,000
Decrement/(increment) in value of investments	(87,165)	37,262	-	(156,696)
Net (profit) / loss on disposal of financial assets	8,771	(37,264)	(4,348)	-
Net (profit) / loss on disposal of property, plant and equipment	51,554	-	-	-
Provision for diminution of investment in controlled entities	-	-	735,606	6,545,057
Loss on equity accounting	247,692	379,411	-	-
Changes in assets & liabilities net of effects from acquisition/disposal of controlled entities				
Debtors	2,891,496	(8,352,959)	-	-
Prepayments and sundry debtors	(85,982)	905,347	1,518	142,887
Payables	(3,626,426)	5,721,688	(100,198)	(112,514)
Provisions	(659,137)	(759,045)	(3,300)	-
Net cash provided by operating activities	(42,418)	(6,484,099)	526,267	(349,224)
(iii) Financing facilities available				
At balance date, the following financing facilities had been negotiated and were available:				
Total facilities				
- bank overdraft	-	750,000	-	-
- bank loans	1,620,713	1,640,000	1,321,000	1,640,000
- foreign currency dealing limit	20,000	20,000	-	-
- asset finance revolving	150,000	-	-	-
- indemnity guarantee	1,489,500	-	-	-
Facilities used at balance date				
- bank overdraft	900,796	2,613,209	-	-
- unrepresented cheques	(900,796)	(2,117,898)	-	-
- bank overdraft utilised	-	495,311	-	-
- bank loans	1,619,993	1,640,000	1,321,000	1,640,000
- foreign currency dealing limit	-	-	-	-
- indemnity guarantee	1,385,818	-	-	-
Facilities unused at balance date				
- bank overdraft	-	254,689	-	-
- bank loans	720	-	-	-
- foreign currency dealing limit	20,000	20,000	-	-
- asset finance revolving	150,000	-	-	-
- indemnity guarantee	103,682	-	-	-

TOLHURST NOALL GROUP LTD

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

	CONSOLIDATED		COMPANY	
	2003	2002	2003	2003
	\$	\$	\$	\$
NOTE 22 STATEMENT OF CASH FLOWS (cont)				
(iv) Acquisition of controlled entities				
On 30 September 2001, Tolhurst Noall Group Ltd acquired 100% of the share capital of Tolhurst Securities Ltd, an unlisted Company, specialising in broking services. Consideration for the acquisition was the issue of shares for \$7,030,663.				
Net assets of Tolhurst Securities Ltd at 30 September 2001:				
Cash	-	4,194,025		
Receivables	-	14,718,099		
Property, plant & equipment	-	1,835,663		
Investments	-	3,313,923		
Other	-	1,018,662		
	-	25,080,372		
Accounts payable	-	(17,151,627)		
Provisions	-	(1,276,441)		
Borrowings	-	(1,112,872)		
Fair value of net tangible assets acquired	-	5,539,432		
Goodwill arising on acquisition	-	1,491,231		
	-	7,030,663		
Cash consideration paid				
Cash included in net assets acquired	-	4,194,025		
Cash proceeds from controlled entity as reflected in the consolidated financial report	-	4,194,025		

NOTE 23 CONTINGENT LIABILITIES

Peter Pan

D & D Tolhurst Limited (the Company) and one of its directors, Mr Ian Johnson, are the seventh and sixth cross-respondents respectively in proceeding V963 of 2000 issued out of the Victorian Registry of the Federal Court. The proceeding relates generally to a proposed stage production of 'Peter Pan'. The applicants represent the class of investors in the production who make various claims against seven respondents [not including the Company or Mr Johnson, but including one Mr Peter Williams and the firm of accountants of which he was a principal, Williams Hatchman & Kean (the Firm)]. Mr Williams and the Firm have issued cross proceedings against the Company, Mr Johnson and the other respondents seeking damages and contribution to, or indemnity against, any amount for which Mr Williams or the Firm are liable.

The proceeding is largely in abeyance pending the outcome of another Federal Court action (in which neither the Company nor Mr Johnson is a party) relating to the production of 'Crazy for You'. That case has gone to trial and judgment is awaited. It is not possible to say at this point whether the Company will incur any liability in the 'Peter Pan' proceeding or, if it will, for what amount.

ASX Matters

Tolhurst Noall Ltd has been notified by the ASX that it will need to respond in respect of two matters in relation to alleged breaches of ASX Business Rules.

TOLHURST NOALL GROUP LTD

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

NOTE 24 SEGMENT INFORMATION

Segment products and locations

The consolidated entities operating companies are organised and managed separately according to the nature of products and services that they provide, with each segment offering different products and serving different markets.

The primary segment, stockbroking, provides extensive knowledge of overseas and Australian equity markets to a mix of institutional and private clients.

Funds management provides investment services to domestic and international clients.

The group invests in property with the intention of generating capital profits and rental returns.

Geographically the Group operates within Australia.

Segment accounting policies

The group does not undertake any inter segment sales and transfers. Segment accounting policies are the same as the consolidated entity's policies described in Note 1. During the financial year, there were no changes in segment accounting policies that had a material effect on segment information.

Business Segments

	Stockbroking		Funds Management		Property Investment		Other		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue										
Revenue outside the economic entity	24,104	25,156	1,394	244	195	178	296	235	25,989	25,813
Share of net profit/(loss) of equity accounted investment	-	-	(248)	(380)	-	-	-	-	(248)	(380)
Total segment revenue	24,104	25,156	1,147	(136)	195	178	296	235	25,742	25,433
Result										
Segment result	641	(4,959)	(227)	(780)	27	21	(945)	(660)	(504)	(6,378)
Unallocated expenses									-	(1,465)
Consolidated entity profit / (loss) from ordinary activities before income tax									(504)	(7,843)
Income tax benefit									652	102
Net profit / (loss) from ordinary activities									148	(7,741)
Assets										
Segment assets	32,988	37,750	1,269	1,441	2,397	2,359	45	1,537	36,698	43,087
Unallocated assets									654	100
Total assets									37,352	43,187
Liabilities										
Segment liabilities	31,232	35,261	398	85	1,321	-	373	4,566	33,324	39,912
Unallocated liabilities									2	-
Total liabilities									33,326	39,912

TOLHURST NOALL GROUP LTD

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

NOTE 24 SEGMENT INFORMATION (cont)

Business Segments	Stockbroking		Funds Management		Property Investment		Other		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other segment information										
Equity accounted investments included in segment assets	-	-	1,123	496	-	-	-	-	1,123	496
Depreciation & amortisation	1,019	1,267	50	12	-	-	-	2,083	1,069	3,362
Acquisition of Property plant and equipment	385	1,836	-	-	-	-	-	-	385	1,836
Non cash expenses other than depreciation and amortisation	-	135	-	-	-	-	-	-	-	135

NOTE 25 SUBSEQUENT EVENTS

2003

On 5 August 2003 the Board of Tolhurst Noall Group Limited announced its decision to make a renounceable rights issue, offering to its shareholders ordinary shares on a 1 for 4 basis at an issue price of \$0.04 per share to raise a total of approximately \$700,000.

There have been no other events, other than noted elsewhere occurring after balance date that materially affect the financial statements as at 30 June, 2003.

TOLHURST NOALL GROUP LTD

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

NOTE 26 FINANCIAL INSTRUMENTS

26 (a) Interest rate risk

The consolidated entity's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non-interest bearing	Total carrying amount as per the statement of financial position	Weighted average effective interest rate
	2003 \$	2003 \$	2003 \$	2003 \$	2003 %

(i) Financial assets

Cash	-	1,328,423	4,637,497	5,965,920	Nil
Trade debtors	-	-	23,321,849	23,321,849	N/A
Sundry debtors	-	-	352,508	352,508	N/A
Listed Shares	-	-	333,056	333,056	N/A
Investment in Grosvenor	-	-	2,093,500	2,093,500	N/A
Unlisted shares	-	-	2,342,901	2,342,901	N/A
Total financial assets	-	1,328,423	33,081,311	34,409,734	

(ii) Financial liabilities

Bank overdraft	-	-	900,796	900,796	N/A
Current Payables	-	-	23,942,638	23,942,638	N/A
Other creditors and accruals	-	-	3,010,082	3,010,082	N/A
Subordinated loans	1,822,284	-	-	1,822,284	12.0
Loans – Related parties	750,000	-	170,851	920,851	12.0
Loans – Secured	-	1,620,293	-	1,620,293	6.06
Total financial liabilities	2,572,284	1,620,293	28,024,367	32,216,944	

Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non-interest bearing	Total carrying amount as per the statement of financial position	Weighted average effective interest rate
	2002 \$	2002 \$	2002 \$	2002 \$	2002 %

(i) Financial assets

Cash	-	-	5,787,718	5,787,718	N/A
Trade debtors	-	-	28,254,907	28,254,907	N/A
Sundry debtors	-	-	482,644	482,644	N/A
Listed Shares	-	-	1,110,792	1,110,792	N/A
Investment in Grosvenor	-	-	2,093,500	2,093,500	N/A
Unlisted shares	-	-	10,419,000	10,419,000	N/A
Total financial assets	-	-	48,148,561	48,148,561	

TOLHURST NOALL GROUP LTD

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

NOTE 26 FINANCIAL INSTRUMENTS (cont)

Financial Instruments	Floating interest rate	Fixed interest rate maturing in: 1 year or less	Non-interest bearing	Total carrying amount as per the statement of financial position	Weighted average effective interest rate
	2002 \$	2002 \$	2002 \$	2002 \$	2002 %

(ii) Financial liabilities

Bank overdraft	495,311	-	2,117,898	2,613,209	8.60
Current Payables	-	-	29,672,269	29,672,269	N/A
Other creditors and accruals	-	-	2,845,161	2,845,161	N/A
Lease liability	-	23,138	-	23,138	8.05
Subordinated loans	1,822,284	-	-	1,822,284	11.00
Loans – Related parties	-	-	222,938	222,938	N/A
Loans – Secured	-	1,640,000	-	1,640,000	5.22
Total financial liabilities	2,317,595	1,663,138	34,858,266	38,838,999	

26(b) Net Fair Value

The carrying values of financial assets and liabilities approximate fair values.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Cash and cash equivalents: The carrying amount approximates fair value because of their short-term to maturity.

Trade receivables, trade creditors: The carrying amount approximates fair value.

Short-term borrowings: The carrying amount approximates fair value because of their short-term to maturity.

Long-term borrowings: Long-term borrowings are stated at carrying values except for employee entitlements which are estimated using discounted cash flow analysis based on current incremental borrowing rates.

Long-term financial assets: A reasonable estimate of the fair value is determined by reference to the underlying net asset base of the controlled entity.

26(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognise financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

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.

TOLHURST NOALL GROUP LTD

DIRECTORS DECLARATION

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003

In accordance with a resolution of the Directors of Tolhurst Noall Group Ltd, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company and of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board


.....
JOHN W. WILSON
DIRECTOR


.....
CRAIG A. GRAHAM-SMITH
DIRECTOR

Dated at Melbourne this 24th day of September 2003.

**INDEPENDENT AUDIT REPORT
TO MEMBERS OF
TOLHURST NOALL GROUP LTD**

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Tolhurst Noall Group Ltd (the company) and its controlled entities (the consolidated entity), for the year ended 30 June 2003. The consolidated entity comprises both the company and the entities it controlled during that year.

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

Audit approach

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

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

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

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

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

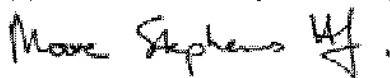
Independence

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

Audit Opinion

In our opinion, the financial report of Tolhurst Noall Group Ltd is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



MOORE STEPHENS HF
Chartered Accountants



S D PITT
Partner

Melbourne, 25th September, 2003

- 45 -

Moore Stephens HF ABN 39 533 589 331

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TOLHURST NOALL GROUP LTD

Additional Stock Exchange Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows. This information is completed as at 25 September 2003.

(a) Substantial Shareholders

The following shareholders have lodged a Notice of Substantial Shareholding in the company.

Name of Holder of relevant interest	Number of Shares	%
Ian Meredith Johnson	16,446,364	23.71
Trevor Michael Edwards	12,225,654	17.62
Roger Basil Coombes	10,090,942	14.55

(b) Distribution of Shareholdings – Fully Paid Ordinary Shares

Size of holding	Number of shareholders	Number of shares
1 - 1,000	126	107,868
1,001 - 5,000	121	423,330
5,001 - 10,000	7	61,500
10,001 - 100,000	78	3,528,254
100,001 - and over	<u>40</u>	<u>65,247,744</u>
	372	69,368,696

(c) Top 20 Security Holders Ordinary Fully Paid Shares as at 25 September 2003

Name	Number of ordinary shares held	%
Ian Meredith Johnson & Loquela Pty Ltd	16,446,364	23.71
Trevor Michael Edwards	12,225,654	17.62
Roger Basil Coombes	10,090,942	14.55
Snail Tracks Pty Ltd	4,574,695	6.59
MT Consumer Services Ltd	3,120,846	4.50
James Grimaldi Perry	3,033,564	4.37
Balgrogan Financial Investments Pty Ltd	2,160,000	3.11
Twelfth Vilmar Pty Ltd	1,756,596	2.53
Charmof Nominees Pty Ltd	1,745,888	2.52
Jat Meng Tsang	1,591,726	2.29
D&D Nominees Pty Ltd	800,186	1.15
Ann Marilyn Wood	765,282	1.10
Peter Chapman	740,382	1.07
Peter Marfleet	666,407	0.96
WM Noall Nominees Pty Ltd	524,622	0.76
Barbara Ellen Fleischer	452,641	0.65
Peter Robert Ramsden	452,641	0.65
Serenar Nominees Pty Ltd	422,246	0.61
Fexco	412,158	0.59
Top Pocket Pty Ltd	400,000	0.58
TOTAL	<u>62,382,840</u>	<u>89.93</u>