CHIEFTAIN SECURITIES LIMITED

ABN 14 054 800 378

FINANCIAL REPORT

30 JUNE 2003

CONTENTS

ANNUAL GENERAL MEETING

A separate Notice of Meeting and Proxy Form are enclosed with this report.

CORPORATE DIRECTORY

DIRECTORS:
Bryan Douglas Mickle AM - Chairman
Neil Douglas Hamilton - Managing Director
Walter Alexander James
Harvey Russell Collins
Domenic Vincent Martino
Ronald Quay Ong Guan

SECRETARY:
Bradley James Garside

REGISTERED OFFICE:
Unit 8, 55 Hampden Road
NEDLANDS WA 6009
(61 8) 9386 6100

ADMINISTRATIVE OFFICE
Unit 8, 55 Hampden Road
NEDLANDS WA 6009
(61 8) 9386 6100
Email: info@chieftain.net.au
Internet: www.chieftain.net.au

SHARE REGISTRY:
Computershare Registry Services Pty. Limited
Level 2, Reserve Bank Building
PERTH WA 6000
(61 8) 9323 2000

AUDITORS:
Grant Thornton
256 St. George's Terrace
PERTH WA 6000

SOLICITORS:
Clayton Utz
Level 27, QV1 Building
250 St. George's Terrace
PERTH WA 6000

THE YEAR IN REVIEW

Introduction

Chieftain Securities Limited has reported a profit after tax of $3,101,182 or 21.2 cents per share for the year ended 30 June 2003.

Since the Company's decision to cease all investment and advisory activities was approved by shareholders on 30 August 2002, the Company has made significant progress in realising its investments and returning the proceeds to shareholders.

Directors oversee the business and asset disposal plan. They meet regularly on an informal basis to monitor progress and to make decisions on specific asset sales. Only one formal Board Meeting was held during the year.

A summary of the key developments follows.

At the time the announcement to cease activities was made in May 2002 the Chieftain share price was $0.40. Since that time the Company has returned 29 cents per share to shareholders, by way of cash (14 cents per share) and Integrated Group Limited shares (15 cents per share) together with a special dividend of 20 cents per share paid on 31 July 2003. At 30 June 2003 the net tangible asset backing of the Company was $0.82 per share.

Key Developments

- In July 2002 the Company repaid $2.8 million of outstanding commercial bills. The balance of $1.2 million was repaid in February 2003.

- In October 2002 the Company sold its remaining holding in Coventry Group Limited for $1.55 million, realising a profit of $0.20 million in the current financial year.

- In November 2002 the Company sold its holding in iiNet Limited for $0.47 million, realising a profit of $0.1 million in the current financial year.

- In December 2002 the Company made an in-specie distribution of its holding in Integrated Group Limited to shareholders, realising a profit of $0.1 million. The share price of Integrated shares at the time of the distribution was $0.95 per share. At the time of writing Integrated shares are trading at $1.60 per share.

  At the same time the Company made a capital return of 14 cents per share cash to shareholders.

- In February 2003 the Company received $1.6 million representing the majority of the outstanding proceeds from the prior year sale of Lakefield Research Limited.

  In February 2003 the Company received a special dividend of $0.5 million from Wescorp Holdings Limited resulting from the sale by Wescorp of its fruit and vegetable business.

- On 30 April 2003 the sale of the Marlows business was completed. As we have previously advised we anticipate Chieftain will receive a final capital return of some $5.7 million around November 2003.

- On 1 July 2003 the Company sold 12 million shares in PCH Group Limited for $2.64 million. At 30 June 2003 our holding of 23.5 million shares in PCH was carried at 22 cents per share. An unrealised gain of $2.6 million has been recognised for the current financial year as a result of the revaluation to market value at the year-end.

- Finally, on 31 July 2003 the Company paid a fully franked special dividend of 20 cents per share or $2.92 million.

Remaining Investment and Assets

Chieftain's remaining assets include:

PCH Group Limited

Chieftain has retained 11.5 million shares in PCH and will reassess its holding in the Company after the release of that Company's full year results.

Wescorp Holdings Ltd

Wescorp sold its fruit and vegetable business during the year. The Group's principal activities are now the manufacturing, processing and marketing of Western Australian Sandalwood products. The outlook for the business remains positive.

Endeavour Healthcare Limited

Endeavour is an unlisted public company operating in the primary healthcare industry. Chieftain continues to carry its investment at a price approximately equal to the net asset value of Endeavour at 30 June 2003.

Outlook for the 2004 Financial Year

As previously noted the Company expects to receive a capital return of approximately $5.7 million from Marlows in November 2003. These proceeds will be returned to Chieftain shareholders shortly thereafter.

Chieftain will continue to seek to maximise the return from its remaining investments in 2004.

Bryan D. Mickle Chairman	Neil D. Hamilton Managing Director

Dated this 24th day of September 2003
Perth, Western Australia

DIRECTORS' REPORT

The Directors submit their report on the Company with respect to the financial year ended 30 June 2003.

1. Directors

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

Bryan Douglas MICKLE AM, LFVLE, LFREI, FAIM, FAID
(Chairman) (Age 73)

Appointed a Director in June 1992. Director of Savoy Estates Pty. Ltd., Rockingham Park Pty. Ltd. and subsidiaries, Geraldton Fishermans Co-Operative Ltd. and numerous private companies and trusts. Chairman of Challenge Bank from 1983 to 1994. Chairman of Chesterton International (W.A.) Pty. Ltd. from 1957 to 1999 and former Chairman of Paramount Australia Limited. Mr Mickle is an Australian Citizen and lives in Perth.

Number of meetings attended during the year: Nil.

Neil Douglas HAMILTON LLB
(Managing Director) (Age 51)

Appointed a Director in June 1992. Chairman of Integrated Workforce Limited, D'Orsogna Limited, Iress Market Technology Limited Ltd, Western Australian Land Authority (LandCorp) and AFL Players Association Advisory Board. Director of Insurance Australia Group Limited, Western Power Corporation and various private companies. Mr Hamilton is an Australian Citizen and lives in Perth.

Number of meetings attended during the year: 1.

Walter Alexander JAMES B Com. CPA FSIA
(Director) (Age 56)

Appointed a Director in June 1992. Director of Marlows Limited and various private companies. Former Chairman of Central Kalgoorlie Gold Mines N.L. Director of Cockburn Corporation Limited from 1994 to 1997 and a Director of Hartley Poynton Limited from 1985 to 1990. Mr James is an Australian Citizen and lives in Perth.

Number of meetings attended during the year: 1.

Harvey Russell COLLINS B Bus, DipFin FCPA, ASIA
(Director) (Age 54)

Appointed a Director in April 1997. Director of HBF Health Funds Inc., Government Employees Superannuation Board, Worldwide Online Printing and various private companies. Chief Financial Officer of Challenge Bank Limited from 1992 to 1996. Mr Collins is an Australian Citizen and lives in Perth.

Number of meetings attended during the year: 1.

Domenic Vincent MARTINO FCA
(Director) (Age 47)

Appointed a Director in June 1992. Chartered Accountant. Former Chief Executive Officer of Deloitte Touche Tohmatsu. Director of various public and private companies. Mr Martino is an Australian Citizen and resides in Sydney.

Number of meetings attended during the year: 1.

Ronald QUAY Ong Guan
(Director) (Age 55)

Appointed a Director in December 1993. Chief Executive of RA Group of Companies, Malaysia. Director of various other private limited companies in Malaysia. Mr Quay is a Malaysian citizen and resides in Kuala Lumpur.

Number of meetings attended during the year: 1.

All of the above Directors have been in office from the start of the financial year to the date of this report unless otherwise stated.

2. Corporate Structure

Chieftain Securities Limited is a company limited by shares that is incorporated and domiciled in Australia.

3. Nature of Operations and Principal Activities

The principal activity of the Company during the course of the financial year was the continued divestment of the Company's investment portfolio as approved by shareholders on 30 August 2002, and the return of proceeds to shareholders.

There were no significant changes in the nature of the Company's activities during the financial year.

4. Results

The profit of the Company for the financial year was $3,101,182 after income tax. In 2002 the Company recorded a profit of $215,708.

5. Review of Operations

The review of operations of the Company during the year is included in the Chairman's and Managing Director's Review commencing on page 2 of the Annual Report.

6. Dividends

The directors have not declared a final dividend for the year ended 30 June 2003.

Subsequent to the end of the year the Company declared and paid a special fully franked dividend of $2,921,659 (20 cents per share) out of profits for the year ended 30 June 2003. The financial effect of this transaction has not been brought to account in the 2003 financial report.

7. Significant Changes in State of Affairs

Significant developments in the Company's divestment program are detailed in the Chairman and Managing Director's Review commencing on page 2 of the Annual Report.

Other than as noted above, the state of affairs of the Company was not affected by any significant changes during the year.

8. Events Subsequent to Balance Date

Other than the declaration and payment of the special fully franked dividend of 20 cents per share as described above, no matters of circumstances have arisen since the end of the financial year and to the date of this report, which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in the financial years subsequent to the financial year ended 30 June 2003.

9. Likely Developments

Likely developments are considered further in the Chairman's and Managing Director's Review commencing on page 2 of the Annual Report.

10. Options

The Company has no outstanding options at the date of this report. The Company granted no options over unissued shares during or since the financial year. No shares have been issued by virtue of the exercise of an option during the year or to the date of this report.

11. Meetings of Directors

During the financial year, 1 meeting of directors was held. The number of meetings attended by each director is disclosed elsewhere in this report.

12. Directors and Auditors Indemnification

The Company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related entity:

- indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

13. Directors' and Executive Officers' Emoluments

The full Board assumes responsibility for determining and reviewing compensation arrangements for directors and the executive team. The Board assesses 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 maximising shareholder benefit by the retention of a high quality Board and executive team.

The Board links directors and officers emoluments to the Company's financial and operational performance. Emoluments may include, from time to time, the issue of options to directors and executives as approved by shareholders.

Details of the nature and amount of each element of the emolument of each director of the Company and each of the five (if applicable) executive officers of the Company receiving the highest emolument for the financial year are as follows:

Directors	Base Salary	Superannuation	Total
	$	$	$
N.D. Hamilton	5,000	-	5,000
W.A. James	5,000	-	5,000
H.R. Collins	5,000	-	5,000
B.D. Mickle	5,000	-	5,000
D.V. Martino	5,000	-	5,000
R. Quay	5,000	-	5,000

14. Audit Committee

The Company does not have a formally constituted Audit Committee. An Audit Committee is not considered necessary as the auditor reports to the Board of Directors annually on his findings prior to the Directors adopting the accounts and has full access to the Board during the year.

15. Employees

The Company employed one person, excluding directors, at 30 June 2003.

16. Proceedings on Behalf of the 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 part of those proceedings.

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

Signed in accordance with a resolution of Directors.

N.D. Hamilton **Director**	**W.A. James** **Director**

Dated this 24th day of September 2003
Perth, Western Australia

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2003

	Note	Company 2003 $	Company 2002 $
REVENUES FROM ORDINARY ACTIVITIES	2	5,040,590	10,704,556
Unrealised gain on revaluation of investments		2,584,043	-
Depreciation expense		(1,367)	(9,525)
Borrowing costs expense		(79,896)	(549,450)
Cost of investments sold		(3,690,158)	(7,214,155)
Provision for write-down of investments		(290,454)	(1,411,572)
Other expenses from ordinary activities		(288,049)	(949,555)
PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		3,274,709	570,299
INCOME TAX EXPENSE RELATING TO ORDINARY ACTIVITIES	4	(173,527)	(354,591)
NET PROFIT		3,101,182	215,708
Basic and diluted earnings per share (cents per share)	21	21.2	1.48
Franked dividends per share (cents per share)	5	-	5.50

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 30 June 2003

	Note	Company 2003 $	Company 2002 $
CURRENT ASSETS			
Cash assets	6	1,147,906	3,025,544
Receivables	7	8,200	1,851,924
Other financial assets	8	10,659,558	12,056,126
Other	9	-	32,752
TOTAL CURRENT ASSETS		11,815,664	16,966,346
NON-CURRENT ASSETS			
Receivables	7	155,294	155,294
Property, plant and equipment	10	1,568	8,917
Deferred tax assets	11	34,555	139,948
TOTAL NON-CURRENT ASSETS		191,417	304,159
TOTAL ASSETS		12,007,081	17,270,505
CURRENT LIABILITIES			
Payables	12	29,212	38,530
Interest bearing liabilities	13	-	4,000,000
Current tax liabilities	15	-	90,878
Provisions	14	-	140,692
TOTAL CURRENT LIABILITIES		29,212	4,270,100
NON-CURRENT LIABILITIES			
Provisions	14	5,440	-
Deferred tax liabilities	15	-	9,825
TOTAL NON-CURRENT LIABILITIES		5,440	9,825
TOTAL LIABILITIES		34,652	4,279,925
NET ASSETS		11,972,429	12,990,580
EQUITY			
Contributed equity	16	10,779,187	14,898,520
Retained profits/(Accumulated losses)	17	1,193,242	(1,907,940)
TOTAL EQUITY		11,972,429	12,990,580

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 30 June 2003

	Note	Company 2003 $	Company 2002 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		46,803	540,029
Payments to suppliers and employees		(281,562)	(801,598)
Dividends received		885,228	658,977
Interest received		50,186	54,961
Borrowing costs		(153,277)	(474,451)
Tax paid		(168,837)	(115,061)
Net cash flows provided by/(used in) operating activities	24(c)	378,541	(137,143)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-	(1,485)
Proceeds from sale or redemption of non-current investments		-	6,507,509
Proceeds from sale of current investments		3,784,391	248,671
Proceeds from sale of plant & equipment		4,591	-
Net cash flows provided by investing activities		3,788,982	6,754,695
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital return		(2,045,161)	-
Dividends paid		-	(803,456)
Repayment of borrowings		(4,000,000)	(4,000,000)
Net cash flows used in financing activities		(6,045,161)	(4,803,456)
Net increase in cash held		(1,877,638)	1,814,096
Cash at the beginning of the year		3,025,544	1,211,448
Cash at the end of the year	24(a)	1,147,906	3,025,544

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2003

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report is for the entity Chieftain Securities Limited as an individual entity. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

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

Revenue

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

Dividends are recognised as revenue when control of a right to receive consideration for the investment in assets is attained.

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

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

Current Investments

Shares in listed companies held as current assets are valued at those shares' market value at each balance date. The gains or losses, whether realised or unrealised, are included in profit from ordinary activities before income tax.

Shares in unlisted companies held as current assets are valued at the lower of the cost or net realisable value.

Plant and Equipment

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

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

Depreciation
The depreciable amount of all fixed assets are depreciated on either a straight line or diminishing value basis over their useful lives commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	**Depreciation Rate**
Furniture and Fittings	13% to 25%
Plant and Equipment	13% to 40%

Leases

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

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 leave and long service leave which will be settled after one year, have been measured at the amount expected to be paid when the liability is settled, plus related on costs.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities before income tax 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 an asset described as future income tax benefits 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 benefit. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rate of exchange applicable at the date of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

Exchange differences arising on hedged transactions undertaken to hedge foreign currency exposures, other than those for the purchase and sale of goods and services, are brought to account in the profit from ordinary activities when the exchange rates change.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

2. PROFIT FROM ORDINARY ACTIVITIES

	Company 2003 $	Company 2002 $
(a) Profit from ordinary activities before income tax has been determined after:		
Expenses and losses:		
Borrowing costs expensed		
- Interest paid to other persons	54,709	392,573
- Other borrowing costs paid to other persons	25,187	181,877
	79,896	574,450
Depreciation of furniture and fittings and plant and equipment	1,367	9,525
Rental expense on operating lease		
- minimum lease payments	15,766	31,802
Provision for write-down of investment to recoverable amount	290,454	-
Loss on sale of investment	38,942	-
Bad and doubtful debts	-	155,294
Net expense from movements in provision for:		
- employee benefits	(10,252)	(147)
Revenue and net gains:		
Dividends received from other corporations	885,228	1,239,704
Interest received or receivable from other persons	50,186	54,961
Net profit on sale of current investments	404,684	64,516
Unrealised gain on revaluation of current investments	2,584,043	-
(b) Revenue:		
Revenue from operating activities		
- services rendered	5,743	540,513
- interest received	50,186	54,961
- dividends received	885,228	1,239,704
- proceeds on sale of non-current investments	-	8,620,762
- proceeds on sale of current investments	4,094,842	248,616
- proceeds on sale of plant and equipment	4,591	-
	5,040,590	10,704,556

	Company	
	2003 $	2002 $

3. SIGNIFICANT ITEMS

Included in the profit from ordinary activities are the following revenues and expenses whose disclosure is relevant in explaining the financial performance of the Company:

	2003 $	2002 $
Items credited:		
Profit on sale of non-current investments	-	1,590,846
Applicable income tax expense	-	(163,160)
	-	1,427,686
Items charged:		
Provision for write-down of investments to recoverable amount	-	(1,411,572)
Applicable income tax credit	-	-
	-	(1,411,572)
Total significant items before income tax	-	179,274
Total significant items after income tax	-	16,114

4. INCOME TAX EXPENSE

The prima facie tax on the profit from ordinary activities before income tax is reconciled to income tax as follows:

	2003 $	2002 $
Prima facie tax on profit from ordinary activities before income tax at 30% (2002: 30%)	982,413	171,090
Tax effect of permanent differences:		
Tax on Foreign Source Income	77,635	216,107
Rebateable dividends	-	(152,932)
Non-assessable items	(884,935)	(204,443)
Non-deductible items	566	470,799
Tax losses not previously brought to account	(2,152)	(146,030)
Income tax expense attributable to profit from ordinary activities.	173,527	354,591

5. DIVIDENDS PAID AND PROPOSED

	2003 $	2002 $
Special dividend of Nil (2002 : 5.5 cents per share fully franked at 30%)	-	803,456

Franking Credit Balance

The amount of franking credits available for the subsequent year are:

	2003 $	2002 $
- franking account balance as at the end of the financial year at 30% (2002: 30%)	3,232,377	2,852,894
- franking credits that will arise from the payment of income tax payable as at the end of the financial year.	-	-
	3,232,377	2,852,894

As of 1 July 2002, the new imputation system requires a company's franking credits to be expressed on a tax-paid basis. The franking account surplus existing at 30 June 2002 has been reinstated to a tax paid amount by multiplying the Class C franking surplus by 30/70.

		Company	
		2003	**2002**
		$	**$**
6.	**CASH ASSETS**		
	Cash at bank	1,147,906	3,025,544
7.	**RECEIVABLES**		
	Current		
	Proceeds on sale of investment	-	1,802,664
	Trade debtors	8,200	49,260
	Other debtors	60,000	60,000
		68,200	1,911,924
	Less provision for non-recovery of amount receivable from other debtors	(60,000)	(60,000)
		8,200	1,851,924
	Trade debtors include the following amounts due from related parties:		
	- Directors and director related entities	8,200	-
	All receivables are unsecured and interest free.		
	Non-current		
	Proceeds on sale of investment	310,588	310,588
	Less provision for non-recovery	(155,294)	(155,294)
		155,294	155,294
	Foreign Currency Receivables		
	Current assets not effectively hedged		
	- Canadian dollars	-	273,252
	Non-current assets not effectively hedged to a date at least 12 months after balance date		
	- Canadian dollars	155,294	155,294
8.	**OTHER FINANCIAL ASSETS**		
	Current		
	Shares in corporations listed on a prescribed stock exchange at market value	5,168,086	6,274,200
	Shares in unlisted corporations:		
	- at cost	6,750,608	6,750,608
	- less provision for write-down to recoverable amount	(1,259,136)	(968,682)
		5,491,472	5,781,926
		10,659,558	12,056,126

	Company	
	2003	2002
	$	$
9. OTHER CURRENT ASSETS		
Prepayments	-	32,752

10. PLANT AND EQUIPMENT		
Furniture and fittings at cost	43,883	54,471
Less: Accumulated depreciation	(43,264)	(52,449)
	619	2,022
Plant and equipment at cost	22,657	44,451
Less: Accumulated depreciation	(21,708)	(37,556)
	949	6,895
	1,568	8,917

	Furniture and Fittings	Plant and Equipment	Total
	$	$	$
Movement in Carrying Amounts			
Carrying amount at beginning of year	2,022	6,895	8,917
Additions	-	-	-
Disposals	(1,184)	(4,798)	(5,982)
Depreciation expense	(219)	(1,148)	(1,367)
Carrying amount at end of year	619	949	1,568

	Company	
	2003	2002
	$	$
11. DEFERRED TAX ASSETS		
Future income tax benefit	34,555	139,948
(a) The future income tax benefit is made up of the following estimated tax benefits:		
- timing differences	34,555	139,948
(b) Future income tax benefits not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1 occur:		
- tax losses	229,748	-
- timing differences	397,170	470,060
	626,918	470,060

	Company	
	2003	2002
	$	$
12. PAYABLES		
Unsecured Liabilities		
Trade creditors and accruals	29,212	38,530
Trade creditors and accruals include the following amounts payable to related parties:		
- Directors or Director related entities	-	10,000
Trade creditors and accruals are interest free.		
13. INTEREST BEARING LIABILITIES		
Current		
- Commercial bills	-	4,000,000

The Company has a Bank Guarantee Facility of $20,000 that is secured as follows:

(a) First ranking registered mortgage debenture over assets and undertakings of the Company.

(b) First ranking share mortgage over all shares lodged with the bank from time to time by the Company.

	2003	2002
14. PROVISIONS		
Current		
Restructuring	-	125,000
Employee benefits	-	15,692
	-	140,692
Non Current		
Employee benefits	5,440	-
15. TAX LIABILITIES		
Current		
Income tax	-	90,878
Non-Current		
Provision for deferred income tax	-	9,825
Foreign Currency Liabilities		
Current income tax liability not effectively hedged		
- Canadian dollars	-	75,805
16. CONTRIBUTED EQUITY		
Balance at beginning of year 14,608,294 fully paid ordinary shares.	14,898,520	14,898,520
Capital return of 14 cents per share cash	(2,045,161)	-
In specie distribution of Integrated Group shares	(2,074,172)	-
	10,779,187	14,898,520

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

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

	Company	
	2003	2002
	$	$
17. RETAINED PROFITS/(ACCUMULATED LOSSES)		
Accumulated losses at the beginning of the financial year	(1,907,940)	(1,320,192)
Net profit attributable to members	3,101,182	215,708
Dividends provided for or paid (Note 5)	-	(803,456)
Retained Profits/(Accumulated losses) at the end of the financial year	1,193,242	(1,907,940)

18. REMUNERATION OF DIRECTORS AND EXECUTIVES

(a) Directors Remuneration

	2003	2002
Income paid or payable, or otherwise made available, in respect of the financial year, to all directors of the Company, directly or indirectly, from the Company or any related party:	30,000	366,601

The number of Directors of the Company whose income from the Company (including superannuation contributions) falls within the following bands:

	No.	No.
$0 - 9,999	6	-
$10,000 - 19,999	-	2
$20,000 - 29,999	-	1
$80,000 - 89,999	-	1
$90,000 - 99,000	-	1
$140,000 - 149,999	-	1

	2003	2002
	$	$
(b) Executive Remuneration		
Remuneration received or due and receivable by executive officers of the Company whose remuneration is $100,000 or more, from the Company or any related party, in connection with the management of the affairs of the Company whether as an executive officer or otherwise:	-	301,165

The number of executives of the Company whose remuneration (including superannuation contributions) falls within the following bands:

	No.	No.
$140,000 - 149,999	-	1
$150,000 – 159,999	-	1

19. RELATED PARTY DISCLOSURES

Directors

The names of persons who were Directors of the Company at any time during the financial year ended 30 June 2003 are as follows:
B.D. Mickle; N.D. Hamilton; W.A. James; D.V. Martino; R. Quay and H.R. Collins.

Director Related Entities

During the year the Company paid fees of $12,672 (2002: $26,350) to Deloitte Touche Tohmatsu, an entity in which Mr D.V. Martino was a Partner during the year, in relation to accounting services provided on normal commercial terms and conditions.

Shareholdings

During the year Directors and Director related entities acquired 44,200 ordinary shares through on market transactions. They did not dispose of any shares during the year. The Directors and Director related entities hold directly, indirectly or beneficially at the end of the financial year a relevant interest in ordinary shares in the Company as set out below:

	2003	**2002**
Mr B.D. Mickle	272,962	228,762
Mr N.D. Hamilton	1,888,400	1,888,400
Mr W.A. James	1,239,480	1,239,480
Mr D.V. Martino	147,000	147,000
Mr R. Quay	64,000	64,000
Mr H.R. Collins	26,400	26,400

	Company	
	2003	**2002**
	$	**$**
20. LEASING COMMITMENTS		
(a) Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable		
- not later than one year	2,475	18,636
- later than one year but not later than five years	-	13,500
	2,475	32,136

The operating lease is for the Company's offices at 8/55 Hampden Road, Nedlands, WA 6009.

21. EARNINGS PER SHARE		
Earnings used in the calculation of basic and dilutive EPS	3,101,182	215,708
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and dilutive EPS	14,608,294	14,608,294
Basic and dilutive EPS (cents per share)	21.2	1.48

22. FINANCIAL REPORTING BY SEGMENTS

The Company operates predominantly within Australia. The principal activity of the Company is the divestment of its investment portfolio. Refer also Note 27.

23. REMUNERATION OF AUDITORS		
Amounts received or due and receivable by the auditors of the Company for:		
- an audit or review of the financial report of the Company	10,800	12,170

	Company	
	2003	2002
	$	$

24. CASH FLOW INFORMATION

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, 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 statement of financial position as follows:

	2003 $	2002 $
Cash at bank	1,147,906	3,025,544

(b) Financing Facilities

A bank guarantee facility of $20,000 was in use by the Company as at 30 June 2003.

(c) Reconciliation of cash flows from operations to profit/(loss) from ordinary activities after income tax.

	2003 $	2002 $
Profit from ordinary activities after income tax	3,101,182	215,708
Non-cash flows in profit from ordinary activities		
Dividends reinvested/received in shares	-	(580,727)
Depreciation	1,367	9,525
Net profit on sale of investments	(365,742)	(1,500,068)
Unrealised gain on revaluation of investments	(2,584,043)	-
Provision for write down of investments to recoverable amount	290,454	1,411,571
Loss on sale of plant and equipment	1,391	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	41,060	(484)
Decrease in trade creditors	(9,318)	(89,710)
Decrease in prepayments	32,752	32,658
Decrease in provision for employee entitlements	(10,252)	(147)
(Decrease)/increase in provision for deferred tax	(9,825)	9,347
Decrease in future income tax benefit	105,393	114,063
Decrease in withholding tax receivable	-	25,243
Increase/(decrease) in provision for restructuring	(125,000)	125,000
Increase/(decrease) in provision for income tax	(90,878)	90,878
Cash flows from operations	378,541	(137,143)

25. MATERIAL INTEREST IN OTHER CORPORATIONS

Name	Principal Activity	Percentage Ownership 2003 %	Percentage Ownership 2002 %	Interest in Shares at Carrying Value 2003 $	Interest in Shares at Carrying Value 2002 $
Coventry Group Limited	Distribution of automotive and industrial products	-	1.1	-	1,347,307
Marlows Limited	Retail of automotive parts	31.1	31.1	4,576,389	4,469,644
PCH Group Limited	Scaffold hire and maintenance services	17.7	17.7	5,168,086	2,584,043

26. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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

	Floating Interest Rate		Fixed Interest Rate Maturing within 1 Year		Fixed Interest Rate Maturing within 1 to 5 Years	
	2003	2002	2003	2002	2003	2002
	$	$	$	$	$	$
Financial Assets						
Cash	1,147,906	3,025,544	-	-	-	-
Total Financial Assets	1,147,906	3,025,544		-		-
Financial Liabilities						
Commercial bills	-	4,000,000		-		-
Total Financial Liabilities	-	4,000,000		-		-

	Weighted Average Effective Interest Rate	
	2003	2002
	%	%
Financial Assets		
Cash	3.40	3.75
Financial Liabilities		
Commercial bills	5.20	6.30

(b) Net Fair Values

The Net Fair Value of recognised financial assets and financial liabilities approximates their carrying value.

No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments.

(c) Credit Risk

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

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

(d) Forward Exchange Contract

The Company has no outstanding forward exchange contracts.

27. DISCONTINUING OPERATIONS

The proposal by the Company to cease operations and sell off its investments was ratified by shareholders at a General Meeting on 30 August 2002. As the proposal covers all of the company's operations, the total assets and liabilities of the discontinuing operations are reflected in the Statement of Financial Position, the profit contributions are reflected in the Statement of Financial Performance and the cash flows in the Statement of Cash Flows.

28. SUBSEQUENT EVENTS

On 31 July 2003 the Company paid a special fully franked dividend of $2,921,659 or 20 cents per share out of profits for the year ended 30 June 2003.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

(1) the financial statements and notes, as set out on pages 8 to 21, are in accordance with the Corporation Act 2001:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the financial position as at 30 June 2003 and performance for the year ended on that date of the Company.

(2) in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

N.D. Hamilton Director	W.A. James Director

Dated this 24th day of September 2003

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF CHIEFTAIN SECURITIES LIMITED

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 Chieftain Securities Limited, for the year ended 30 June 2003.

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

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

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

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

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

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.

Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

We have read the other information in the annual report to determine whether it contained any material inconsistencies with the financial report.

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Consultants: RJ Basham VC Court PD Eastwood TG Wallace V Zappavigna

Independence

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

Audit opinion

In our opinion, the financial report of Chieftain Securities Limited is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2003, and of its performance for the year ended on that date; and

(j) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

Grant Thornton

GRANT THORNTON
CHARTERED ACCOUNTANTS

GREG LEGUIER
Partner

Perth, Western Australia

Dated this 24th day of September 2003

SHAREHOLDER INFORMATION
as at 28 August 2003

Substantial Shareholders
The names of shareholders and the number of shares in which they have an interest as disclosed in substantial shareholder notices given to the Company are:-

Name	Number of Ordinary Shares Fully Paid
Neil Douglas Hamilton	1,826,000
Walter Alexander James	1,239,480
Savoy Management Pty. Ltd.	1,197,000

Distribution of Shareholders

Category	Number of Holders Ordinary Fully Paid
1 - 1,000	26
1,001 - 5,000	137
5,001 - 10,000	120
10,001 - 100,000	163
100,001 - and over	23
	469
Shareholders holding less than a marketable parcel	12

Top Twenty Shareholders

Name	Number of Ordinary Shares Fully Paid	Percentage of Issued Capital %
W.A. James	1,206,480	8.26
Savoy Management Pty. Ltd.	1,197,000	8.19
Tower Trust Limited	1,146,866	7.85
N.D. Hamilton	666,600	4.56
Hopu Pty. Ltd.	417,200	2.86
Hopu Pty. Ltd. No. 3 a/c	412,500	2.82
Contemplator Pty Ltd	396,303	2.71
Hopu Pty. Ltd. HDEF a/c	342,100	2.34
T.M. & A. McLean	286,000	1.96
Invia Custodian Pty. Limited	250,000	1.71
Croll Nominees Pty Ltd	239,423	1.64
Devanshanti D/O Poopaladurai	220,000	1.51
B.D. Mickle	179,162	1.23
A.D. Bridgforth	165,000	1.13
Methuen Nominees Pty. Ltd.	165,000	1.13
T.A. Atkinson	160,000	1.10
GJP Investments Pty Ltd	151,266	1.04
G.C. Gorham	148,142	1.01
Levine Pty. Ltd.	125,703	0.86
Doshi Jayshree L.C.	115,500	0.79
Total holding of twenty largest holders	7,990,245	54.70

Voting Rights
On a show of hands, one vote for every registered holder and on a poll, one vote for each share held by registered holders. In respect of partly paid shares, on a poll the holder has a vote as to the proportion that the amount paid up bears as to the fully paid shares on issue except in the case of partly paid shares which were offered to shareholders on a pro-rata basis, which shares shall each carry one vote.

Stock Exchange Listing
Quotation has been granted for all the ordinary shares of the Company on all Member Exchange of the Australian Stock Exchange Limited.

CORPORATE GOVERNANCE STATEMENT

The Board of Chieftain Securities Limited is responsible for ensuring the existence of an effective corporate governance environment to safeguard the interests of the Company and its shareholders. This statement outlines the main corporate governance practices that were in place throughout the financial year.

BOARD OF DIRECTORS

Composition of the Board

The Board of Directors consists of three Independent Non-Executive Directors, including the Chairman, and three Executive Directors. The Board meets regularly throughout the year and is responsible for providing strategic direction, identifying significant business risks, approving major investment proposals and acquisitions, establishing goals for management and monitoring the achievement of these goals.

It is Board policy that at least 50% of Directors on the Board be Independent Non-Executive Directors and that only Non-Executive Directors be eligible for election to the office of Chairman.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the Company's expense given prior approval by the Chairman, such approval not to be unreasonably withheld.

Audit Committee

The Company does not have a formally constituted Audit Committee as the auditor has full access to the Board during the year and reports to the Board annually on his findings prior to the Directors adopting the accounts.

Remuneration

The full board is responsible for reviewing and approving the remuneration packages and policies applicable to the Directors and senior executives. Specifically the Non-Executive Directors are responsible for approving the remuneration packages of Executive Directors. This responsibility extends to share option schemes and incentive performance packages.

ETHICAL STANDARDS

All Directors and Executives are expected to act with the utmost integrity and objectivity in the performance of their duties, striving at all times to enhance the reputation and performance of the Company.

THE ROLE OF SHAREHOLDERS

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- The annual report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document). The Board ensures that the annual report includes relevant information about the operations of the Company during the year, changes in the state of affairs of the Company and details of future developments, in addition to the other disclosures required by the Corporations Law.

- Half-year financial statements prepared in accordance with the requirements of Accounting Standards and the Corporations Law and subject to an audit review are lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange. A summary of the half-year results is distributed to all shareholders.

- Proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of shareholders.

- Major announcements are posted on the Company's Web Site at www.chieftain.net.au.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are responsible for voting on the appointment of directors.