

Appendix 4B

Half yearly report

Introduced 30/6/2002.

Name of entity

CROMWELL CORPORATION LIMITED

ABN or equivalent company
reference

44 001 056 980

Half yearly
(tick)



Preliminary
final (tick)



Half year ended ('current period')

31 DECEMBER 2002

For announcement to the market

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

\$A'000

Revenues from ordinary activities (item 1.1)	up/down	% to	3,884
Profit (loss) from ordinary activities after tax attributable to members (item 1.22)	up/down	% to	(321)
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))	gain (loss) of		-
Net profit (loss) for the period attributable to members (item 1.11)	up/down	% to	(321)
Dividends (distributions)	Amount per security	Franked amount per security	
Final dividend (Preliminary final report only - item 15.4)			
Interim dividend (Half yearly report only - item 15.6)	- ¢		- ¢
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)	- ¢		- ¢
*Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)	N/A		

+ See chapter 19 for defined terms.

Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

The directional and percentage change in revenue from ordinary activities has not been disclosed, as it is distorted by proceeds from the sale of investments, which are purchased and sold at the same value as part of the managed investment activities of the group. The revenue from the sale of these investments formed a significant portion of the total revenues from ordinary activities in the December 2001 half-year. An analysis of revenues net of these investment proceeds is as follows:

	Half-year	
	2002	2001
	\$A'000	\$A'000
Revenues from ordinary activities		
Services	2,893	2,157
Proceeds from sale of investments	-	3,288
Other	991	326
Total revenues from ordinary activities	<u>3,884</u>	<u>5,771</u>
Cost of investments sold	-	(3,288)
	<u>3,884</u>	<u>2,483</u>

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial performance

	Current period - \$A'000	Previous corresponding period - \$A'000
1.1 Revenues from ordinary activities (<i>see items 1.23 - 1.25</i>)	3,884	5,771
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(2,869)	(5,332)
1.3 Borrowing costs	(1,336)	(225)
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	-	-
1.5 Profit (loss) from ordinary activities before tax	(321)	214
1.6 Income tax on ordinary activities (<i>see note 4</i>)	-	(49)
1.7 Profit (loss) from ordinary activities after tax	(321)	165
1.8 Profit (loss) from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit (loss)	(321)	165
1.10 Net profit (loss) attributable to outside + equity interests	-	-
1.11 Net profit (loss) for the period attributable to members	(321)	165
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17 Total changes in equity not resulting from transactions with owners as owners	(321)	165

	Current period	Previous corresponding period
Earnings per security (EPS)		
1.18 Basic EPS	(0.21)	0.11
1.19 Diluted EPS	(0.21)	0.11

+ See chapter 19 for defined terms.

Notes to the condensed consolidated statement of financial performance
Profit (loss) from ordinary activities attributable to members

	Current period - \$A'000	Previous corresponding period - \$A'000
1.20 Profit (loss) from ordinary activities after tax (<i>item 1.7</i>)	(321)	165
1.21 Less (plus) outside ⁺ equity interests	-	-
1.22 Profit (loss) from ordinary activities after tax, attributable to members	(321)	165

Revenue and expenses from ordinary activities

(see note 15)

	Current period - \$A'000	Previous corresponding period - \$A'000
1.23 Revenue from sales or services	2,893	2,157
1.24 Interest revenue	70	122
1.25 Proceeds from sale of investments	-	3,288
Distributions	691	133
Other	230	71
	3,884	5,771
1.26 Details of relevant expenses:		
- Borrowing costs	1,336	225
- Amortisation & depreciation	79	39
- Cost of investments sold	-	3,288
- Commissions	1,061	736
- Computer consulting	59	32
- Employee and director salaries and related costs	855	520
- Portfolio management fees	-	113
- Property scheme costs	171	34
- Premises rental	99	46
- Travel and entertainment	56	74
- Telecommunications	40	23
- Other	449	427
	4,205	5,557
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	60	26
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	18	-

+ See chapter 19 for defined terms.

Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	(37,826)	(39,637)
1.31 Net profit (loss) attributable to members (item 1.11)	(321)	165
1.32 Net transfers from (to) reserves (details if material)	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	-	-
1.35 Retained profits (accumulated losses) at end of financial period	(38,147)	(39,472)

Intangible and extraordinary items

Consolidated - current period				
	Before tax \$A'000 (a)	Related tax \$A'000 (b)	Related outside +equity interests \$A'000 (c)	Amount (after tax) attributable to members \$A'000 (d)
2.1 Amortisation of goodwill	-	-	-	-
2.2 Amortisation of other intangibles	19	-	-	19
2.3 Total amortisation of intangibles	19	-	-	19
2.4 Extraordinary items (details)	-	-	-	-
2.5 Total extraordinary items	-	-	-	-

Comparison of half year profits (Preliminary final report only)

	Current year - \$A'000	Previous year - \$A'000
3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.22 in the half yearly report)	N/A	N/A
3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	N/A	N/A

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	347	337	436
4.2	Receivables	5,218	6,763	1,862
4.3	Other financial assets	837	21,915	-
4.4	Inventories	-	-	-
4.5	Tax assets	-	-	-
4.6	Other (provide details if material)	37	153	7
4.7	Total current assets	6,439	29,168	2,305
Non-current assets				
4.8	Receivables	525	512	493
4.9	Investments (equity accounted)	-	-	-
4.10	Other financial assets	1,537	1,537	1,537
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	705	268	231
4.15	Intangibles (net)	170	171	183
4.16	Tax assets	-	-	-
4.17	Other (provide details if material)	-	-	-
4.18	Total non-current assets	2,937	2,488	2,444
4.19	Total assets	9,376	31,656	4,749
Current liabilities				
4.20	Payables	1,209	2,023	273
4.21	Interest bearing liabilities	1,892	18,216	31
4.22	Tax liabilities	221	236	130
4.23	Provisions exc. tax liabilities	58	38	18
4.24	Other (provide details if material)	41	5,183	-
4.25	Total current liabilities	3,421	25,696	452
Non-current liabilities				
4.26	Payables	-	-	-
4.27	Interest bearing liabilities	339	167	150
4.28	Tax liabilities	-	-	-
4.29	Provisions exc. tax liabilities	-	-	-
4.30	Other (provide details if material)	144	-	-
4.31	Total non-current liabilities	483	167	150

+ See chapter 19 for defined terms.

Condensed consolidated statement of financial position continued

4.32	Total liabilities	3,904	25,863	602
4.33	Net assets	5,472	5,793	4,147
	Equity			
4.34	Capital/contributed equity	43,619	43,619	43,619
4.35	Reserves	-	-	-
4.36	Retained profits (accumulated losses)	(38,147)	(37,826)	(39,472)
4.37	Equity attributable to members of the parent entity	5,472	5,793	4,147
4.38	Outside +equity interests in controlled entities	-	-	-
4.39	Total equity	5,472	5,793	4,147
4.40	Preference capital included as part of 4.37	-	-	-

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A'000	Previous corresponding period - \$A'000
5.1 Opening balance	N/A	N/A
5.2 Expenditure incurred during current period		
5.3 Expenditure written off during current period		
5.4 Acquisitions, disposals, revaluation increments, etc.		
5.5 Expenditure transferred to Development Properties		
5.6 Closing balance as shown in the consolidated balance sheet (item 4.12)	N/A	N/A

+ See chapter 19 for defined terms.

Development properties

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

	Current period \$A'000	Previous corresponding period - \$A'000
6.1 Opening balance	N/A	N/A
6.2 Expenditure incurred during current period		
6.3 Expenditure transferred from exploration and evaluation		
6.4 Expenditure written off during current period		
6.5 Acquisitions, disposals, revaluation increments, etc.		
6.6 Expenditure transferred to mine properties		
6.7 Closing balance as shown in the consolidated balance sheet (item 4.13)	N/A	N/A

Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
7.1 Cash receipts in the course of operations	5,136	2,316
7.2 Cash payments in the course of operations	(3,630)	(3,022)
7.3 Dividends received from associates	-	-
7.4 Other dividends received	-	-
7.5 Interest received	70	329
7.6 Interest and other costs of finance paid	-	-
7.7 Income taxes paid	-	-
7.8 Other (provide details if material)		
- Distributions received	835	133
- Borrowing costs paid	(1,415)	(306)
7.9 Net operating cash flows	996	(551)
Cash flows related to investing activities		
7.10 Payments for property, plant and equipment	(255)	(39)
7.11 Proceeds from sale of property, plant and equipment	-	-
7.12 Payment for purchases of equity investments	-	-
7.13 Proceeds from sale of equity investments	-	-
7.14 Loans to other entities	(150)	(432)
7.15 Loans repaid by other entities	-	2,884

+ See chapter 19 for defined terms.

7.16	Other (provide details if material)		
	- Payments in respect of unpaid interests	(3,415)	-
	- Payments for other financial assets	-	(395)
	- Payments of behalf of schemes	(2,015)	(679)
	- Repayments by schemes	-	679
	- Proceeds from redemption of investment	21,875	-
	- Proceeds from sale of investments	-	3,288
	- Payments for other assets	(18)	-
	- Funds held by custodian	(797)	-
	- Proceeds from custodian	-	1,000
7.17	Net investing cash flows	15,225	6,306
	Cash flows related to financing activities		
7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	-	-
7.19	Proceeds from borrowings	4,544	341
7.20	Repayment of borrowings	(20,940)	(6,098)
7.21	Dividends paid	-	-
7.22	Other (provide details if material)		
	- Proceeds from lease incentive	202	-
	- Repayment of lease incentive	(17)	-
7.23	Net financing cash flows	(16,211)	(5,757)
7.24	Net increase (decrease) in cash held	10	(1)
7.25	Cash at beginning of period (see Reconciliation of cash)	337	437
7.26	Exchange rate adjustments to item 7.25.	-	-
7.27	Cash at end of period (see Reconciliation of cash)	347	436

Non-cash financing and investing activities

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

	Half-year	
	2002	2001
Non-Cash Financing and Investing Activities	\$A'000	\$A'000
Acquisition of property, plant and equipment by means of finance leases	245	135
Service revenue from property schemes received otherwise than in cash, being received in the form of interests in schemes	-	200

+ See chapter 19 for defined terms.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
8.1 Cash on hand and at bank	347	436
8.2 Deposits at call	-	-
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	347	436

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	(8.26%)	3.71%
9.2 Profit after tax / +equity interests Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	(5.86%)	3.98%

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

See 1.18 and 1.19

NTA backing (see note 7)	Current period	Previous corresponding period
11.1 Net tangible asset backing per +ordinary security	3.38c	2.53c

+ See chapter 19 for defined terms.

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

N/A

Control gained over entities having material effect

13.1 Name of entity (or group of entities)

N/A

13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was⁺acquired

\$

13.3 Date from which such profit has been calculated

13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

\$

⁺ See chapter 19 for defined terms.

Loss of control of entities having material effect

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

Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	N/A
15.2	+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	N/A
15.3	If it is a final dividend, has it been declared? (Preliminary final report only)	N/A

Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	(Preliminary final report only) Final dividend: Current year	-¢	-¢	-¢
15.5	Previous year	-¢	-¢	-¢
15.6	(Half yearly and preliminary final reports) Interim dividend: Current year	-¢	-¢	-¢
15.7	Previous year	-¢	-¢	-¢

+ See chapter 19 for defined terms.

Total dividend (distribution) per security (interim *plus* final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	N/A ⁺	N/A ⁺
15.9 Preference +securities	N/A ⁺	N/A ⁺

Half yearly report - interim dividend (distribution) on all securities *or* Preliminary final report - final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
15.10 +Ordinary securities (<i>each class separately</i>)	-	-
15.11 Preference +securities (<i>each class separately</i>)	-	-
15.12 Other equity instruments (<i>each class separately</i>)	-	-
15.13 Total	-	-

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

N/A

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

N/A

Any other disclosures in relation to dividends (distributions). (*For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting*)

N/A

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'000	Previous corresponding period - \$A'000
16.1 Profit (loss) from ordinary activities before tax	-	-
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	-	-
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	-	-
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	-	-

⁺ See chapter 19 for defined terms.

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. (If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current period	Previous corresponding period	Current period \$A'000	Previous corresponding period - \$A'000
17.1 Equity accounted associates and joint venture entities				
17.2 Total	-	-	-	-
17.3 Other material interests				
Cromwell Mary Street Planned Investment (acquired 08/06/01)	8.49%	8.49%	77**	133**
Cromwell Goulburn Street Planned Investment *	0.11%	-	614**	-
17.4 Total				

* Cromwell Goulburn Street Planned Investment

	31 Dec 2002 \$A'000	30 Jun 2002 \$A'000
Cromwell Goulburn Street Planned Investment		
- Paid up interests	40	18,500
- Unpaid interests	-	3,415

During the half-year the unpaid interests were paid up and all but 40,000 interests were redeemed, with the proceeds used to repay the associated debt.

** These amounts comprise gross distributions from the relevant managed Investment Schemes.

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference +securities (description)	-	-	-	-
18.2 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks, redemptions	-	-	-	-
18.3 +Ordinary securities	156,642,896	156,642,896		
18.4 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through returns of capital, buybacks	-	-	-	-
18.5 +Convertible debt securities (description and conversion factor)	-	-	-	-
18.6 Changes during current period				
(a) Increases through issues	-	-	-	-
(b) Decreases through securities matured, converted	-	-	-	-
18.7 Options (description and conversion factor)			Exercise price	Expiry date (if any)
	-	-	-	-
18.8 Issued during current period	-	-	-	-
18.9 Exercised during current period	-	-	-	-
18.10 Expired during current period	-	-	-	-
18.11 Debentures (description)				
18.12 Changes during current period				
(a) Increases through issues	4,544,000	-		
(b) Decreases through securities matured, converted	17,860,320	-		

+ See chapter 19 for defined terms.

18.13 Unsecured notes (description)			
18.14 Changes during current period			
(a) Increases through issues	-		-
(b) Decreases through securities matured, converted	-		-

Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: *Segment Reporting* and for half year reports, AASB 1029: *Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's ⁺accounts should be reported separately and attached to this report.)

The consolidated entity operates in Australia only in the following divisions by service type:

- Managed Investment Schemes (MIS) Division - the consolidated entity is involved in the promotion and management of property and mortgage related managed investment schemes.
- Property Development Management (PDM) Division - the consolidated entity is involved in the management of certain property developments, primarily with one third party developer.

	MIS Division		PDM Division		Consolidated Entity	
	Half-year		Half-year		Half-year	
	2002	2001	2002	2001	2002	2001
	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000	\$A'000
External segment revenue	3,123	2,228	-	-	3,123	2,228
Sale of interests in MIS					-	3,288
Other unallocated revenue					761	255
Revenue from ordinary activities					3,884	5,771
Segment result	565	447	(157)	(121)	408	326
Unallocated revenue less unallocated expenses *					(729)	(112)
Profit/(loss) from ordinary activities before income tax					(321)	214
Income tax expense					-	(49)
Net profit/(loss)					(321)	165

- * Net unallocated revenue and expenses are higher in the 2002 half-year due to distributions received from the Cromwell Goulburn Street Planned Investment (included in unallocated revenue) and related borrowing costs (included in unallocated expenses).

⁺ See chapter 19 for defined terms.

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: *Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

- 19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*
- 19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

The economic entity has reported an after-tax loss of \$321,413 for the half-year to December 2002, compared with a profit of \$164,955 for the previous corresponding period. While the financial result for the period was disappointing, the value of properties currently under contract or acquired for syndication in the second half-year will ensure a profit for the full year.

Property Syndication Activities

During the period, the economic entity finalised the capital-raising for the balance of the interests held in the Goulburn Street Planned Investment. Interests valued at \$21.9M were redeemed at cost during the period, and the funds utilised to repay the associated debenture funding.

No new properties were syndicated during the period, however properties valued in excess of \$50M are currently under contract to be acquired prior to 30 June 2003.

The Cromwell Diversified Property Trust ("CDPT") was formed, and registered with ASIC in December 2002. The CDPT is an open-ended, unlisted trust, and is expected to acquire the bulk of new property assets acquired over the next few years. The efforts of the group in the coming year will be focussed on growing the value of assets in the CDPT, and improvement of margins on the acquisition of new properties.

Revenue from the group's Managed Investment Scheme activities continued to grow during the period, in line with the increase in value of funds under management. Costs associated with the management of these assets also increased, however the net contribution from this aspect of the business continues to grow in real dollar terms.

Property Financing/Development Structuring Activities

Revenue from the management of mortgage assets continued to grow during the period, however no development management fees were earned during the half-year. The group continues to review Development Management opportunities, and is currently involved in a proposed project in the Brisbane CBD, which will provide future revenue for the group if it proceeds. The Norman Park Manors and CCC Marcoola loans have been collected since balance date. A further \$350,000 was advanced to CCC Marcoola in March 2003. The receivable owing by CCC Marcoola of \$1.5M is due to be collected before the end of March 2003. This surplus cash is likely to be reinvested in other revenue-earning opportunities within the next 6 months.

+ See chapter 19 for defined terms.

- 19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Cromwell Diversified Property Trust

In December 2002 the consolidated entity established the Cromwell Diversified Property Trust ("CDPT") which is a registered scheme managed by the consolidated entity. The CDPT issued an excluded offer document to raise up to \$18 million in convertible underwriting units ("CUU"). The term of issue of any CUU is 12 months, however, CUU's may be redeemed at any time within 12 months of the issue date at the discretion of the consolidated entity. Proceeds from the capital raisings were used to assist in funding the purchase of the property known as NQX Distribution Centre (situated at Eagle Farm, Brisbane) and will be used in funding the property known as Henry Waymouth Centre (100 Waymouth Street, Adelaide). Since 31 December 2002, CDPT has acquired the NQX property at a total cost of approximately \$19.4 million (including acquisition costs) which was funded by approximately \$6.1 million in equity (CUU) and the balance by bank debt.

The Adelaide property is due to settle on 28 March 2003 at a total cost of approximately \$34.5 million, including acquisition costs. The CDPT has received bank loan approval for approximately \$20.2 million, the balance of the property purchase to be funded by equity. On 28 February the consolidated entity registered a prospectus for the issue of approximately 25 million ordinary units of \$1 each in the CDPT. The convertible underwriting unitholders are entitled to convert all or part of their CUU into ordinary units in the CDPT.

The consolidated entity will derive revenue in the second half-year from these transactions.

Other

Since 31 December 2002:

- Loans and deposits have been repaid. The deposits repaid include return of a tender deposit of \$1,573,000.
- The remaining Goulburn Street Planned Investment interests and Goulburn Street debentures have been redeemed.
- The consolidated entity has paid a deposit of \$970,000 relating to the proposed purchase of a property (for \$9.7 million) by the Cromwell Diversified Property Trust. The consolidated entity expects to be repaid the deposit amount by the Trust.
- The Norman Park Manors and CCC Marcoola loans have subsequently been repaid. The consolidated entity has subsequently advanced CCC Marcoola Pty Ltd \$350,000 secured by way of a fixed and floating charge over the assets of CCC Marcoola and various other assets held by related entities of CCC Marcoola.

The financial effects of the above were not recognised as at 31 December 2002.

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

Franking credits available for subsequent financial years amount to NIL. This amount represents the balance of the franking account as at the end of the current financial period adjusted for:

- (i) franking credits that will arise from the payment of the current tax liability;
- (ii) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- (iii) franking credits that may be prevented from being distributed in subsequent financial years.

+ See chapter 19 for defined terms.

- 19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with AASB 1029: *Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with AASB 1001: *Accounting Policies-Disclosure*).

N/A

- 19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/A

- 19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last * annual report.

The directors believe there are no material contingent liabilities other than disclosed in the 2002 annual report.

Additional disclosure for trusts

- 20.1 Number of units held by the management company or responsible entity or their related parties.

N/A

- 20.2 A statement of the fees and commissions payable to the management company or responsible entity.

N/A

Identify:

- initial service charges
- management fees
- other fees

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place

N/A

Date

N/A

Time

N/A

Approximate date the *annual report will be available

N/A

+ See chapter 19 for defined terms.

Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

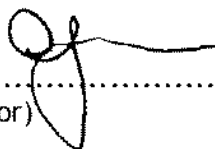
Identify other standards used

NIL

- 2 This report, and the *accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed (see note 2).
- 4 This report is based on *accounts to which one of the following applies.
(Tick one)
- | | | | |
|--------------------------|---|-------------------------------------|---|
| ☐ | The *accounts have been audited. | ☒ | The *accounts have been subject to review. |
| ☐ | The *accounts are in the process of being audited or subject to review. | ☐ | The *accounts have <i>not</i> yet been audited or reviewed. |
- 5 The audit review report is contained within the attached Half-year report (Appendix A).
- 6 The entity does not have* a formally constituted audit committee.

Sign here:

(Director)



Date: 13 / 03 / 2003.....

Print name: DARYL JOHN WILSON.....

+ See chapter 19 for defined terms.

Notes

1. **For announcement to the market** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.

2. **True and fair view** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

3. **Condensed consolidated statement of financial performance**

Item 1.1	The definition of "revenue" and an explanation of "ordinary activities" are set out in <i>AASB 1004: Revenue</i> , and <i>AASB 1018: Statement of Financial Performance</i> .
Item 1.6	This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).

4. **Income tax** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.

5. **Condensed consolidated statement of financial position**

Format The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation If there has been a material revaluation of non-current assets (including investments) since the last annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.

+ See chapter 19 for defined terms.

6. **Condensed consolidated statement of cash flows** For definitions of “cash” and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
8. **Gain and loss of control over entities** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity’s consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.
9. **Rounding of figures** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A’000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A’000 headings must be amended.
10. **Comparative figures** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
11. **Additional information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ⁺ASIC under the Corporations Act must also be given to ASX. For example, a director’s report and declaration, if lodged with the ⁺ASIC, must be given to ASX.

⁺ See chapter 19 for defined terms.

12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
13. **Corporations Act financial statements** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Details of expenses** AASB 1018 requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. AASB ED 105 clarifies that the disclosures required by AASB 1018 must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their ⁺accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items AASB 1018 requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term “relevance” is defined in AASB 1018. There is an equivalent requirement in AASB 1029: *Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16. **Dollars** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to “000” must be changed to the reporting value.

| 17. **Discontinuing operations**

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of AASB 1029: *Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their ⁺accounts in accordance with AASB 1042 *Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. **Format** This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

⁺ See chapter 19 for defined terms.

APPENDIX A

Half-year Report

Cromwell Corporation Limited

+ See chapter 19 for defined terms.

HALF-YEAR REPORT
CROMWELL CORPORATION LIMITED
A.B.N. 44 001 056 980
31 DECEMBER 2002

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors present their report on the consolidated entity, consisting of Cromwell Corporation Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2002.

1. **Directors**

The following persons were directors of Cromwell Corporation Limited during the whole of the half-year and up to the date of this report:

Mr Paul L Weightman
Mr Ross L Stiles
Mr Robert J Pullar (appointed 25 July 2002)
Mr Daryl J Wilson

2. **Review of Operations**

The economic entity has reported an after-tax loss of \$321,413 for the half-year to December 2002, compared with a profit of \$164,955 for the previous corresponding period. While the financial result for the period was disappointing, the value of property currently under contract or acquired for syndication in the second half-year will ensure a profit for the full year.

Property Syndication Activities

During the period, the economic entity finalised the capital-raising for the balance of the interests held in the Goulburn Street Planned Investment. Interests valued at \$21.9M were redeemed at cost during the period, and the funds utilised to repay the associated debenture funding.

No new properties were syndicated during the period, however properties valued in excess of \$50M are currently under contract to be acquired prior to 30 June 2003.

The Cromwell Diversified Property Trust ("CDPT") was formed, and registered with ASIC in December 2002. The CDPT is an open-ended, unlisted trust, and is expected to acquire the bulk of new property assets acquired over the next few years. The efforts of the group in the coming year will be focussed on growing the value of assets in the CDPT, and improvement of margins on the acquisition of new properties.

Revenue from the group's Managed Investment Scheme activities continued to grow during the period, in line with the increase in value of funds under management. Costs associated with the management of these assets also increased, however the net contribution from this aspect of the business continues to grow in real dollar terms.

Property Financing/Development Structuring Activities

Revenue from the management of mortgage assets continued to grow during the period, however no development management fees were earned during the half-year. The group continues to review Development Management opportunities, and is currently involved in a proposed project in the Brisbane CBD, which will provide future revenue for the group if it proceeds. The Norman Park Manors and CCC Marcoola loans have been collected since balance date. A further \$350,000 was advanced to CCC Marcoola in March (see note 11). The receivable owing by CCC Marcoola of \$1.5 million is due to be collected before the end of this month. This surplus cash is likely to be reinvested in other revenue-earning opportunities within the next 6 months.

This report is made in accordance with a resolution of the directors.



Director

Brisbane, Queensland
Dated this 14th day of March 2003

INDEPENDENT REVIEW REPORT**To the Members of Cromwell Corporation Limited****Scope**

We have reviewed the financial report being the Directors' Declaration, Consolidated Statements of Financial Performance, Financial Position and Cash Flows and Notes to the Consolidated Financial Statements of Cromwell Corporation Limited (the company) for the half-year ended 31 December 2002. The company's directors are responsible for the financial report which includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of, or during, the half-year. We have performed an independent review of the financial report in order for the company to lodge the financial report with the Australian Securities & Investments Commission. This review was performed in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: *Interim Financial Reporting* and other mandatory professional reporting requirements in Australia and the Corporations Act 2001, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the company is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: *Interim Financial Reporting* in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Inherent Uncertainty Regarding Tax Losses

Without qualification to the statement expressed above, attention is drawn to the following matter. As disclosed in note 11, the current tax liabilities for the consolidated entity have been determined after including the recoupment of prior year tax losses giving rise to tax benefits of \$1,030,734 for the years ended 30 June 2001 and 2002. Given the difficulties in satisfying the same business test, there is uncertainty whether the consolidated entity will be able to utilise the benefit of the prior year tax losses in determining its tax liability.

JOHNSTON RORKE
Chartered Accountants



R C N Walker
Partner

Brisbane, Queensland
14 March 2003

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The directors declare that the attached financial statements and notes:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) there are reasonable grounds to believe that Cromwell Corporation Limited 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 directors.



Director

Brisbane, Queensland

Dated this 14th day of March 2003

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

	Note	Half-year	
		2002	2001
		\$	\$
Revenues from ordinary activities			
Services		2,892,949	2,156,606
Proceeds from sale of investments		-	3,288,000
Other		991,136	326,805
Total revenues from ordinary activities	2	3,884,085	5,771,411
Cost of investments sold		-	(3,288,000)
		<u>3,884,085</u>	<u>2,483,411</u>
Other expenses from ordinary activities			
Amortisation and depreciation		79,122	38,674
Borrowing costs		1,335,530	225,401
Commissions		1,061,397	735,920
Computer consulting		59,957	31,972
Employee and director salaries and related costs		855,715	519,527
Portfolio monitoring fees		-	113,476
Property scheme costs		170,650	33,936
Premises rental		98,844	45,930
Travel and entertainment		55,750	74,314
Telecommunications		39,565	22,894
Other		448,968	426,961
		<u>4,205,498</u>	<u>2,269,005</u>
Profit/(loss) from ordinary activities before income tax expense		(321,413)	214,406
Income tax expense		-	(49,451)
Net profit/(loss)		<u>(321,413)</u>	<u>164,955</u>
		Cents	Cents
Basic earnings per share (loss)		<u>(0.21)</u>	<u>0.11</u>

The above consolidated statement of financial performance should be read in conjunction with the accompanying notes.

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2002

	Note	31 Dec 2002 \$	30 June 2002 \$
Current Assets			
Cash assets		347,295	337,093
Receivables	3	5,217,751	6,763,347
Other financial assets	4	836,739	21,915,461
Other		37,122	152,573
Total Current Assets		6,438,907	29,168,474
Non-Current Assets			
Receivables	3	525,423	512,423
Other financial assets	4	1,537,000	1,537,000
Property, plant and equipment		704,641	267,565
Intangible assets		170,060	170,537
Total Non-Current Assets		2,937,124	2,487,525
Total Assets		9,376,031	31,655,999
Current Liabilities			
Payables		1,209,434	2,022,848
Interest-bearing liabilities	5	1,892,497	18,215,532
Current tax liabilities		220,521	236,321
Provisions		58,100	37,586
Other	6	40,351	5,183,533
Total Current Liabilities		3,420,903	25,695,820
Non-Current Liabilities			
Interest-bearing liabilities	5	338,801	167,035
Other	6	144,596	-
Total Non-Current Liabilities		483,397	167,035
Total Liabilities		3,904,300	25,862,855
Net Assets		5,471,731	5,793,144
Equity			
Contributed capital		43,618,619	43,618,619
Accumulated losses		(38,146,888)	(37,825,475)
Total Equity		5,471,731	5,793,144

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

	Half-year	
	2002	2001
	\$	\$
Cash Flows From Operating Activities		
Cash receipts in the course of operations	5,136,357	2,315,923
Cash payments in the course of operations	(3,630,083)	(3,022,392)
Interest received	69,900	328,796
Distributions received	835,152	133,287
Borrowing costs paid	(1,415,157)	(306,301)
Net cash provided by/(used in) operating activities	996,169	(550,687)
Cash Flows From Investing Activities		
Payments for property, plant and equipment	(254,655)	(39,230)
Payments in respect of unpaid interests	(3,415,461)	-
Payments for other financial assets	-	(395,000)
Payments on behalf of schemes	(2,014,820)	(679,465)
Repayments by schemes	-	679,465
Loans to other persons	(150,317)	(432,325)
Repayment of loans by other persons	-	2,884,287
Proceeds from redemption of investment	21,875,461	-
Proceeds from sale of investments	-	3,288,000
Payments for other assets	(18,115)	-
Funds held by custodian	(796,739)	-
Proceeds from custodian	-	1,000,500
Net cash provided by investing activities	15,225,354	6,306,232
Cash Flows From Financing Activities		
Proceeds from borrowings	4,544,000	341,450
Repayment of borrowings	(20,940,269)	(6,098,124)
Proceeds from lease incentive	201,761	-
Repayment of lease incentive	(16,813)	-
Net cash used in financing activities	(16,211,321)	(5,756,674)
Net increase/(decrease) in cash held	10,202	(1,129)
Cash at the beginning of the reporting period	337,093	436,715
Cash at the end of the reporting period	347,295	435,586

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

1. Basis of Preparation of Half-Year Financial Report

This general purpose financial report for the interim half-year reporting period ended 31 December 2002 has been prepared in accordance with Accounting Standard AASB 1029: *Interim Financial Reporting*, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2002 and any public announcements made by Cromwell Corporation Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

Employee Benefits and Provisions

Amended Accounting Standard AASB 1028 Employee Benefits and new Accounting Standard AASB 1044 Provisions, Contingent Liabilities and Contingent Assets were adopted with effect from 1 July 2002. Neither of these Accounting Standards has had a material effect on the consolidated entity's financial statements.

2. Revenue

	Half-year	
	2002	2001
	\$	\$
Revenue from operating activities		
- services (see (a) below)	2,892,949	2,156,606
Revenue from outside operating activities		
- distributions from managed investment schemes	690,830	133,287
- interest	69,900	121,911
- proceeds from sale of investments	-	3,288,000
- other	230,406	71,607
	991,136	3,614,805
	<u>3,884,085</u>	<u>5,771,411</u>

(a) Revenue from operating activities - services

Property syndication/acquisition fees		
• Cromwell Goulburn Street Planned Investment	1,768,072	-
• Cromwell Northbourne Planned Investment	-	1,424,600
Other service revenue	1,124,877	732,006
	<u>2,892,949</u>	<u>2,156,606</u>

Other service revenue includes fees for management and administration of managed investment schemes which has increased as the number of schemes for which a controlled entity acts as responsible entity has increased.

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

2. Revenue (cont)

(b) Distributions from managed investment schemes

Distributions received during the half-year primarily related to distributions received from Cromwell Goulburn Street Planned Investment during the period the consolidated entity held interests therein.

(c) Proceeds from sale of investments

	Half-year	
	2002	2001
	\$	\$
Sales of interests in		
• Cromwell Mary Street Planned Investment	-	2,693,000
• Other schemes	-	595,000
	<u>-</u>	<u>3,288,000</u>

There was no gain or loss on sale of the above interests.

During the half-year 21,875,461 interests held in Cromwell Goulburn Street Planned Investment were redeemed at \$1.00 each. As these interests were redeemed rather than sold the proceeds from redemption have not been included in revenue above.

(d) Financial performance

The financial performance of the consolidated entity can be irregular due to the timing and frequency of property acquisition/syndication fees, the related expenditure and property development management fees.

3. Receivables

	31 Dec 2002	30 June 2002
	\$	\$
Current		
Trade debtors	1,895,978	5,538,002
Distributions receivable	20,311	164,633
Other debtors	129,892	41,279
Other loans - Norman Park Manors Pty Ltd	646,625	646,625
- CCC Marcoola Pty Ltd	444,625	372,808
- Other	65,500	-
Deposits and other recoverable costs	2,014,820	-
	<u>5,217,751</u>	<u>6,763,347</u>
Non-current		
Term deposit	46,000	46,000
Other loans - Meadowbrook Shopping Village Syndicate	479,423	439,423
- Other	-	27,000
	<u>525,423</u>	<u>512,423</u>

Deposits and other recoverable costs mainly comprises deposits on property acquisitions paid on behalf of managed investment schemes, or proposed schemes, which are expected to be recovered directly from such schemes.

Since 31 December 2002:

- The Norman Park Manors Pty Ltd and CCC Marcoola Pty Ltd loans have been repaid.
- Deposits of \$1,773,000 (included in deposits and other recoverable costs of \$2,014,820) have been refunded.

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

4. Other Financial Assets

	31 Dec 2002 \$	30 June 2002 \$
Current		
Interests in managed investment schemes – at cost		
- Goulburn Street Planned Investment		
• Paid up interests	40,000	18,500,000
• Unpaid interests	-	3,415,461
Funds held by custodian	796,739	-
	<u>836,739</u>	<u>21,915,461</u>
Non-current		
Interests in Mary Street Planned Investment – at cost	1,517,000	1,517,000
Shares in other corporations – at cost	20,000	20,000
	<u>1,537,000</u>	<u>1,537,000</u>

During the half-year the unpaid interests were paid up and interests in Goulburn Street Planned Investment were redeemed with the proceeds principally used to repay debt. Funds held by custodian principally comprises cash held by custodian on behalf of the consolidated entity of which \$230,000 (30 June 2002 - \$nil) was held for repayment of certain Goulburn Street debentures.

5. Interest-Bearing Liabilities

Current		
Debentures		
- Goulburn Street	270,000	15,130,320
- Defence Tender	1,544,000	-
Other loans - secured	-	3,000,000
- unsecured	14,246	57,251
Lease liabilities	64,251	27,961
	<u>1,892,497</u>	<u>18,215,532</u>
Non-current		
Lease liabilities	338,801	167,035

During the half-year:

- The consolidated entity received an additional \$3 million from a further Goulburn Street debenture issue. This was used to fund repayment of the other loans – secured.
- Goulburn Street debentures were repaid principally from proceeds from redemption of interests (refer note 5).
- The consolidated entity received \$1,544,000 from a Defence Tender debenture issue for the purpose of paying a tender deposit payable under the tender for the purchase of the Defence National Storage and Distribution Centre at Moorebank, Sydney. The tender deposit (\$1,573,000) was paid during the half-year (included in deposits and other recoverable costs –refer note 4) and has been refunded since 31 December 2002 as the tender was unsuccessful.

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

6. Other Liabilities

	31 Dec 2002 \$	30 June 2002 \$
Current		
Unpaid interests – Goulburn Street PI	-	3,415,461
Unearned revenue	-	1,768,072
Lease incentive	40,351	-
	<u>40,351</u>	<u>5,183,533</u>
Non-current		
Lease incentive	144,596	-
	<u>144,596</u>	<u>-</u>

During the half-year:

- The unpaid interests – Goulburn Street PI were paid up (refer note 5).
- The unearned revenue was recognised as revenue as the remaining vendor and consolidated entity interests (except for 40,000 such interests) were sold down during the half-year.
- The consolidated entity received an incentive from the lessor of its new Mary Street premises.

7. Segment Information

The consolidated entity operates in Australia only in the following divisions by service type:

- Managed Investment Schemes (MIS) Division – the consolidated entity is involved in the promotion and management of property and mortgage related managed investment schemes.
- Property Development Management (PDM) Division – the consolidated entity is involved in the management of certain property developments, primarily with one third party developer.

	MIS Division Half-year		PDM Division Half-year		Consolidated Entity Half-year	
	2002	2001	2002	2001	2002	2001
	\$	\$	\$	\$	\$	\$
External segment revenue	3,123,355	2,228,213	-	-	3,123,355	2,228,213
Sale of interests in MIS					-	3,288,000
Other unallocated revenue					760,730	255,198
Revenue from ordinary activities					<u>3,884,085</u>	<u>5,771,411</u>
Segment result	564,745	447,942	(157,026)	(121,412)	407,719	326,530
Unallocated revenue less unallocated expenses *					<u>(729,132)</u>	<u>(112,124)</u>
Profit/(loss) from ordinary activities before income tax					(321,413)	214,406
Income tax expense					-	(49,451)
Net profit/(loss)					<u>(321,413)</u>	<u>164,955</u>

* Net unallocated revenue and expenses are higher in the 2002 half-year due to distributions received from the Cromwell Goulburn Street Planned Investment (included in unallocated revenue) and related borrowing costs (included in unallocated expenses).

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

8. Notes to Statement of Cash Flows

	Half-year	
	2002	2001
	\$	\$
Non-Cash Financing and Investing Activities		
Acquisition of property, plant and equipment by means of finance leases	245,000	135,239
Service revenue from property schemes received otherwise than in cash, being received in the form of interests in schemes	-	200,000

9. Contingent Liabilities

The directors believe there are no material contingent liabilities other than disclosed in the 2002 annual report and elsewhere in this report.

10. Current Tax Liabilities

The current tax liabilities of \$220,521 (30 June 2002: \$236,321) have been determined after including the recoupment of prior year tax losses giving rise to tax benefits of \$1,030,734 for the years ended 30 June 2001 and 2002. The primary tests under current tax legislation, which a company must pass only one of to utilise tax losses, are referred to as the "continuity of ownership test" and the "continuity of business test". Although the directors believe that the consolidated entity has not at all times passed the continuity of ownership test, they believe that the conditions to comply with continuity of business test have been met. However, given the general uncertainty in the application of this difficult area to tax law, there is uncertainty as to whether the consolidated entity will be able to use the income tax benefits attributable to the prior year tax losses.

Although there is uncertainty, the directors are confident of recouping sufficient prior year tax losses, which have been recognised for the purpose of calculation of income tax expense.

11. Subsequent Events

Cromwell Diversified Property Trust

In December 2002 the consolidated entity established the Cromwell Diversified Property Trust ("CDPT") which is a registered scheme managed by the consolidated entity. The CDPT issued an excluded offer document to raise up to \$18 million in convertible underwriting units ("CUU"). The term of issue of any CUU is 12 months, however, CUU's may be redeemed at any time within 12 months of the issue date at the discretion of the consolidated entity. Proceeds from the capital raisings were used to assist in funding the purchase of the property known as NQX Distribution Centre (situated at Eagle Farm, Brisbane) and will be used in funding the property known as Henry Waymouth Centre (100 Waymouth Street, Adelaide). Since 31 December 2002, CDPT has acquired the NQX property at a total cost of approximately \$19.4 million (including acquisition costs) which was funded by approximately \$6.1 million in equity (CUU) and the balance by bank debt.

CROMWELL CORPORATION LIMITED AND CONTROLLED ENTITIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2002

11. Subsequent Events (cont)

The Adelaide property is due to settle on 28 March 2003 at a total cost of approximately \$34.5 million, including acquisition costs. The CDPT has received bank loan approval for approximately \$20.2 million, the balance of the property purchase to be funded by equity. On 28 February the consolidated entity registered a prospectus for the issue of approximately 25 million ordinary units of \$1 each in the CDPT. The convertible underwriting unitholders are entitled to convert all or part of their CUU into ordinary units in the CDPT.

Other

Since 31 December 2002:

- Loans and deposits have been repaid as disclosed in note 4 (the deposits repaid include return of a tender deposit of \$1,573,000 as disclosed in note 6).
- The remaining Goulburn Street Planned Investment interests and Goulburn Street debentures have been redeemed.
- The consolidated entity has paid a deposit of \$970,000 relating to the proposed purchase of a property (for \$9.7 million) by the Cromwell Diversified Property Trust. The consolidated entity expects to be repaid the deposit amount by the Trust.
- The Norman Park Manors and CCC Marcoola loans have subsequently been repaid (see note 4). The consolidated entity has subsequently advanced CCC Marcoola Pty Ltd \$350,000 secured by way of a fixed and floating charge over the assets of CCC Marcoola and various other assets held by related entities of CCC Marcoola.

The financial effects of the above were not recognised as at 31 December 2002.