TRANSPACIFIC INDUSTRIES PTY LTD

A.B.N. 40 010 745 383

AND CONTROLLED ENTITIES

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE, 2002

TRANSPACIFIC INDUSTRIES PTY LTD
A.B.N. 40 010 745 383
AND CONTROLLED ENTITIES
DIRECTORS' REPORT FOR THE YEAR ENDED 30TH JUNE, 2002

Your directors present their report on the company and its controlled entities for the financial year ended 30 June 2002.

Directors

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

Terrence Elmore Peabody
Terrence Elmore Peabody Jnr. (resigned 18 July 2002)
Geoffrey Francis Sparks
David Francis Keating
Stewart Smith (appointed 1 February 2002)

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

Economic Entity Results (Consolidated)

The consolidated profit/(loss) of the economic entity for the financial year after providing for income tax and eliminating outside equity interests amounted to $700,090 (2001: $950,049).

Dividends

The directors recommend that no dividends be paid for the year ended 30 June, 2002.

Principal Activities

The principal activities of the Parent Entity and its controlled entities during the year were:
- transportation, recycling, treatment and disposal of liquid waste;
- industrial cleaning and high pressure water blasting
- collection and distribution of waste oil;
- transportation and disposal of hazardous waste.

No significant change in the nature of these activities or the consolidated entity's state of affairs occurred during the year.

Review of Operations

The Parent Entity trades under the names Zappaway Liquid Waste, Zappaway Gold Coast, Allied Waste Management and Kendell Oil and is primarily involved in the collection, processing and recycling of liquid waste in Queensland and New South Wales.
It is also engaged in similar activities in Western Australia where it holds a 50% interest in two joint venture companies which commenced operations during the financial year. Western Resource Recovery Pty Ltd is the transport arm of the operation, while Total Waste Management Pty Ltd operates a liquid waste treatment facility in Kalgoorlie.

Australian Resource Recovery Pty Ltd operates treatment plants at Crestmead and Murrarie for the processing of bio-degradable waste.

NQ Resource Recovery Pty Ltd operates tankers and treatment plants in North Queensland for the collection, processing and recycling of oil, greasetrap and industrial liquid waste streams.

Nationwide Oil Pty Ltd operates tankers and processing plants for the collection and recycling of waste oil in New South Wales, Victoria, Queensland and Western Australia. It also operates a chemical treatment facility at Narangba in Queensland for the processing of industrial liquid waste material.

Australian Terminal Services Pty Ltd operates a tanktainer and isotanker cleaning and repair facility at the Port of Brisbane complex at Fisherman Island.

Zappaway Steamit Industrial Services Pty Ltd commenced operations in April 2002 following the merger of Zappaway Industrial Cleaning from Transpacific Industries Pty Ltd and NQ Industrial Services from NQ Resource Recovery Pty Ltd, together with the acquisition of the Steamit Group. The company also acquired the business of Gardner Perrott from Brambles Australia Limited on 28 June 2002.

Matters since the end of the Financial Year
In December 2002, the entity acquired the business of Associated Oils, which is involved in the collection, processing and marketing of used cooking oil and tallow products.
No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations, or the state of affairs of the economic entity in future financial years.

Likely Developments and Expected Results
Likely developments in the operations of the economic entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the economic entity.

Environmental Regulation and Performance
The entity holds licences with various local, state and federal government authorities which specify limits for discharges to the environment. There have been no significant breaches of the economic entity's licencing condition.

Share Options
No options over issued shares or interests in the company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification and Insurance of Directors and Officers
No indemnities have been given or insurance premiums paid, during or since the end of the financial year for any person who is or has been an officer or auditor of the economic entity.

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

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

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

Director..
T.E. Peabody

Director..
G.F. Sparks

TRANSPACIFIC INDUSTRIES PTY LTD
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AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2002

	Note No.	ECONOMIC ENTITY 2002	2001	PARENT ENTITY 2002	2001
CURRENT ASSETS					
Cash assets		7,621,444	3,628,680	643,301	444,231
Receivables	7	20,321,553	14,461,314	18,063,336	16,550,225
Inventories	8	1,832,551	1,615,943	68,213	91,509
Other	9	789,225	341,523	69,631	71,866
TOTAL CURRENT ASSETS		30,564,773	20,047,460	18,844,481	17,157,831
NON-CURRENT ASSETS					
Property, plant and equipment	10	63,628,959	50,698,348	12,717,902	11,209,273
Deferred tax assets	11	1,929,155	1,981,391	312,295	368,761
Intangible assets	12	6,977,722	6,765,730	1,030,136	50,969
Investments accounted for using the equity metho	13	4,948,548	-	-	-
Other financial assets	14	1,274,742	173,411	16,576,051	7,534,573
TOTAL NON-CURRENT ASSETS		78,759,126	59,618,880	30,636,384	19,163,576
TOTAL ASSETS		109,323,899	79,666,340	49,480,865	36,321,407
CURRENT LIABILITIES					
Payables	15	9,079,858	7,920,232	2,287,069	2,980,493
Interest-bearing liabilities	6(a)	11,495,257	9,709,791	12,755,672	12,518,038
Provisions	17(a)	2,893,979	1,738,364	749,270	740,162
TOTAL CURRENT LIABILITIES		23,469,094	19,368,387	15,792,011	16,238,693
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	6(b)	52,372,781	28,999,901	19,680,517	5,817,217
Provisions	7(b)	649,570	625,379	91,573	88,844
Deferred tax liabilities	18	2,346,519	2,009,177	246,536	216,622
TOTAL NON-CURRENT LIABILITIES		55,368,870	31,634,457	20,018,626	6,122,683
TOTAL LIABILITIES		78,837,964	51,002,844	35,810,637	22,361,376
NET ASSETS		30,485,935	28,663,496	13,670,228	13,960,031
EQUITY					
Contributed equity	19	17,000,000	17,000,000	17,000,000	17,000,000
Reserves	20	3,116,101	3,116,101	1,963,138	1,963,138
Retained profits	21	2,341,927	1,641,837	(5,292,910)	(5,003,107)
Equity attributable to members of the parent entity		22,458,028	21,757,938	13,670,228	13,960,031
Outside equity interests in controlled entities	22	8,027,907	6,905,558	-	-
TOTAL EQUITY		30,485,935	28,663,496	13,670,228	13,960,031

The accompanying notes form part of these financial statements and are to be read in conjunction therewith.

TRANSPACIFIC INDUSTRIES PTY LTD
A.B.N. 40 010 745 383
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2002

	Note No.	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
Revenues from ordinary activities	2	73,104,529	59,988,760	19,039,261	16,233,524
Expenses from ordinary activities, excluding borrowing costs expense	3	(67,255,937)	(54,259,332)	(18,470,442)	(16,615,721)
Borrowing costs expense	4	(2,309,663)	(2,244,406)	(782,445)	(322,304)
Share of net losses of associates accounted for using the equity method		(476,552)	-	-	-
Profit/(loss) from ordinary activities before income tax expense		3,062,377	3,485,022	(213,626)	-704,501
Income tax benefit/(expense) relating to ordinary activities	6	(1,239,938)	(1,315,011)	(76,177)	77,172
Net profit/(loss) from ordinary activities after income tax expense		1,822,439	2,170,011	(289,803)	(627,329)
Net profit/(loss) attributable to outside equity interests	22	(1,122,349)	-1,219,962	-	-
Net profit attributable to members of the parent entity	21	700,090	950,049	(289,803)	(627,329)
Net increase in asset revaluation reserve	20	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity recognised directly in equity		700,090	950,049	-289,803	-627,329
Total changes in equity other than those relating from transactions with owners as owners		700,090	950,049	(289,803)	(627,329)

The accompanying notes form part of these financial statements and should be read in conjunction therewith.

TRANSPACIFIC INDUSTRIES PTY LTD
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AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2002

		ECONOMIC ENTITY		PARENT ENTITY	
		2002	2001	2002	2001
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from Customers		79,141,788	63,611,549	16,458,488	14,757,699
Payments to Suppliers and Employees		(69,022,943)	(51,778,657)	(15,020,595)	(19,214,088)
Interest Received		409,920	370,071	275,157	253,117
Distribution from related entity			-	-	-
Dividends received		179	-	179	-
Borrowing Costs paid		(2,101,102)	(2,100,720)	(642,294)	(322,304)
Income tax refunded (paid)		(768,644)	(205,698)	(269,614)	-
Net cash provided by (used in) operating activities	27(b)	7,659,198	9,896,545	801,321	(4,525,576)
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		1,961,752	495,276	1,703,182	397,885
Payment for property, plant and equipment		(6,544,267)	(10,494,859)	(3,789,204)	(4,267,731)
Proceeds from disposal of controlled entity		3,925,100	-	-	-
Payments for investments		(6,526,431)	(158,035)	(9,041,478)	(158,335)
Payments for business		(15,890,157)	(1,558,618)	(1,016,299)	
Loan to associated entities		(1,412,620)		(1,412,620)	
Repayments of loans by related parties		-	-	-	252,777
(Payments)/Refund of security deposit		(1,105)	(12,930)	(814)	(5,390)
Net cash provided by (used in) investing activities		(24,487,728)	(11,729,166)	(13,557,233)	(3,780,794)
CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from issue of shares to outside equity interest		-	120,000	-	-
Proceeds from borrowings		27,051,497	5,871,000	14,000,000	2,000,000
Repayments of borrowings		(3,680,431)	(7,316,501)	(400)	(105,229)
Repayments of lease liabilities		(2,549,772)	(2,061,468)	(1,044,618)	(1,161,715)
Net cash provided by (used in) financing activities		20,821,294	(3,386,969)	12,954,982	733,056
Net increase (decrease) in cash held		3,992,764	(5,219,590)	199,070	(7,573,314)
Cash at beginning of year		3,628,680	8,848,270	444,231	8,017,545
Cash at end of year	27(a)	7,621,444	3,628,680	643,301	444,231

The accompanying notes form part of these financial statements and are to be read in conjunction therewith.

TRANSPACIFIC INDUSTRIES PTY LTD
A.B.N. 40 010 745 383
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

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

The financial report covers Transpacific Industries Pty Ltd as an individual parent entity and Transpacific Industries Pty Ltd and controlled entities as an economic entity. Transpacific Industries Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

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 economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of Consolidation

A controlled entity is any entity controlled by Transpacific Industries Pty Ltd. Control exists where Transpacific Industries Pty Ltd has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with Transpacific Industries Pty Ltd to achieve the objectives of Transpacific Industries Pty Ltd. Details of the controlled entities are contained in Note 26.

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

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

Outside interests in the equity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income Tax

The economic entity adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account either as a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

TRANSPACIFIC INDUSTRIES PTY LTD
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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES cont.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs, including an appropriate proportion of fixed and variable overhead expenses are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first-in first-out or standard cost basis.

(d) Property, Plant and Equipment

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

The carrying amount of property, plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those 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 present values in determining recoverable amounts.

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Buildings	2.5% to 4.0%
Furniture and Fittings	10% to 40%
Plant & Equipment	5% to 40%
Leased Plant & Equipment	10% to 25%

The revaluation of freehold land and buildings have not taken account of the potential capital gains tax on assets acquired after the introduction of capital gains tax.

(e) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or on the underlying net assets in the particular companies for other investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(f) Investments in Associates

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

(g) Intangible Assets

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net tangible assets at date of acquisition. Both purchased goodwill and goodwill on consolidation are amortised on a straight line basis over a period of between 5 and 20 years. The balances are reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer probable are written off.

Patents, Trademarks and Licences

Significant costs associated with patents, trademarks and licences are deferred and amortised on a straight line basis over the periods of their expected benefit, which varies from 5 to 10 years.

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES cont.

(h) Employee Entitlements

Provision is made in respect of the company's liability for employee entitlements arising from services rendered by employees at balance date. Long service leave is accrued for at nominal rates of pay in respect of all employees with more than 5 years service with the entity, on a pro-rata basis. This rate of measurement approximates to the present value of the future cash outflows to be made for those entitlements.

The aggregate liability for employee entitlements at Balance Sheet date was $2,516,886 (2001: $1,823,665). The total number of employees of the economic entity at year end was 537 (2001: 429).

Contributions are made by the company to an employee superannuation scheme and are charged as expenses when incurred. The company has no legal obligation to provide benefits to employees on retirement.

(i) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership are transferred to the entities within the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

(j) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as par of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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NOTES TO THE FINANCIAL STATEMENTS

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
NOTE 2 - REVENUE				
Operating activities				
- sale of goods	65,318,463	55,743,577	14,669,716	13,346,159
- government subsidies	4,755,868	2,102,017	176,180	85,877
- management fees (controlled entities)	-	-	473,216	401,388
- management fees (other persons)	207,395	150,000	207,395	150,000
- administration fee (controlled entities)	-	-	938,000	696,000
- data processing fee (controlled entities)	-	-	201,500	180,000
- interest (related entities)	-	-	236,186	136,747
- interest (other persons)	201,934	317,528	67,111	184,511
	70,483,660	58,313,122	16,969,304	15,180,682
Non-operating activities				
- proceeds on disposal of property, plant and equipment	1,961,752	495,276	1,703,182	397,885
- sundry income	658,938	656,837	366,596	131,432
- dividends received (other corporations)	179		179	-
- Distribution from related entity - Brenzil Pty Ltd	-	523,525	-	523,525
	2,620,869	1,675,638	2,069,957	1,052,842
Total revenue	73,104,529	59,988,760	19,039,261	16,233,524
NOTE 3 - EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE				
Cost of sales	12,409,410	12,551,410	3,417,350	3,562,215
Employee expenses	24,856,366	17,935,348	7,401,664	6,484,754
Depreciation and amortisation expenses	7,952,001	7,028,495	1,935,576	1,504,516
Other expenses from ordinary activities	22,038,160	16,744,079	5,715,852	5,064,236
	67,255,937	54,259,332	18,470,442	16,615,721
NOTE 4 - PROFIT FROM ORDINARY ACTIVITIES				
Profit from ordinary activities before income tax expense has been determined after:				
(a) Expenses				
Borrowing costs				
- related entity	589,004	132,719	418,671	-
- other persons	1,720,659	2,111,687	363,774	322,304
Total borrowing costs	2,309,663	2,244,406	782,445	322,304
Depreciation of non-current assets				
- Leasehold land	29,629	3,833	-	-
- Buildings	317,386	221,401	31,174	17,749
- Furniture and Fittings	49,227	40,380	21,489	16,004
- Plant and Equipment	4,653,078	4,096,620	914,226	648,259
Total depreciation	5,049,320	4,362,234	966,889	682,012
Amortisation of non-current assets				
- goodwill	462,723	410,667	37,132	50,969
- leased assets	2,009,958	1,825,594	931,555	771,535
- licences	430,000	430,000	-	-
- trademarks	-	-	-	0
Total depreciation and amortisation expense	7,952,001	7,028,495	1,935,576	1,504,516
Bad and doubtful debts	21,959	31,571	15,592	16,599
Rental expense on operating leases	1,844,307	1,422,973	(130,899)	340,380
(Profit)/loss on disposal of property, plant and equipment	(345,331)	316,818	(369,342)	(29,243)

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NOTES TO THE FINANCIAL STATEMENTS

	ECONOMIC ENTITY		PARENT ENTITY	
	2002	2001	2002	2001
NOTE 5 - REMUNERATION OF AUDITOR				
Remuneration of auditor				
- audit or review	65,234	46,204	30,734	19,804
- other services	28,839	26,889	13,289	16,839

NOTE 6 - INCOME TAX EXPENSE

(a) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax expense provided in the accounts as follows:

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2001: 34%)	1,061,679	1,184,907	(64,088)	(239,530)
Tax effect of permanent differences -				
Entertainment	11,685	11,081	4,074	4,524
Amortisation of Goodwill	141,228	142,359	11,140	17,329
Amortisation of Trademarks	38,700	43,860	-	-
Building depreciation	20,502	17,246	2,830	3,207
Debt forgiveness	-	-	-	37,450
Other non allowable items	(13,682)	441	11,111	319
Tax distribution - Brenzil	-	177,999	-	177,999
Accounting distribution - Brenzil	-	(177,999)	-	(177,999)
Provisions	(16,226)	-	-	-
Non-assessable income	-	(5,228)	-	(5,228)
Transfer of tax losses to group companies	-	-	111,110	85,000
Adjustments - change in tax rate		(74,096)	-	19,905
- on consolidation	(5,094)	(5,737)		
- other	1,148	326	-	-
- prior year adjustment		(148)	-	(148)
INCOME TAX EXPENSE	1,239,938	1,315,011	76,177	(77,172)
Tax effect of timing differences -				
Provisions	111,395	83,418	12,941	36,215
Fixed assets	(289,212)	(444,116)	(33,655)	(40,691)
Leases capitalised	3,382	22,396	16,399	22,056
Prepayments	(46,019)	(4,060)	510	(2,759)
Accruals	14,837	76,683	3,068	3,068
Prior year losses recouped	(234,156)	-	-	-
Interest accrued not received	(156)	34,859	(156)	36,229
Development costs	3,387	(18,234)	3,387	(18,233)
Current year losses	119,682	147,925	32,439	146,044
Other	54,586	(27,372)	-	-
NET MOVEMENT IN TIMING DIFFERENCES	(262,274)	(128,501)	34,933	181,929
Subtotal	977,664	1,186,510	111,110	104,757
Transfer of tax losses for no consideration	(111,110)	(85,000)	(111,110)	(85,000)
Prior year losses utilised	-	(739,969)	-	-
Prior year adjustment	(1,148)	-176	-	148
Adjustments due to change in tax rates	-	74,096	-	(19,905)
Tax instalments paid	(424,264)	(162,269)	(269,614)	-
Income tax provision (receivable)	441,142	273,192	(269,614)	-

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
NOTE 6 - INCOME TAX EXPENSE cont				
(b) The future income tax benefit comprises:				
Provisions	726,020	632,132	252,762	249,412
Accruals	206,249	86,042	14,858	93,530
Carried forward tax losses	917,985	1,156,367	4,419	1,963
Leases capitalised	62,168	73,276	40,257	23,856
Other	16,733	33,574	-	-
	1,929,155	1,981,391	312,296	368,761
(c) The provision for deferred income tax comprises:				
Fixed assets	2,223,100	1,933,887	215,532	181,877
Prepayments	54,383	57,423	204	18,608
Interest accrued not received	50,938	1,778	12,702	48
Development costs	18,098	16,089	18,098	16,089
	2,346,519	2,009,177	246,536	216,622
NOTE 7 - RECEIVABLES				
Trade debtors	12,005,144	7,676,817	3,393,254	3,018,138
Provision for Doubtful Debts	(5,045)	(16,560)	(1,696)	(2,370)
	12,000,099	7,660,257	3,391,558	3,015,768
Loan - related entity - Brenzil Pty Ltd	5,539,169	5,539,169	2,786,019	2,786,019
Loan - controlled entities	-	-	9,893,311	10,032,087
Loan - associated entities	1,412,620	-	1,412,620	-
Sundry Debtors	1,369,665	1,261,888	579,828	716,351
	20,321,553	14,461,314	18,063,336	16,550,225
NOTE 8 - INVENTORIES				
Raw materials and stores	108,175	122,047	27,732	72,005
Work in Progress	(274,692)	(92,413)	19,176	19,504
Finished goods	1,999,068	1,586,309	21,305	-
	1,832,551	1,615,943	68,213	91,509
NOTE 9 - OTHER ASSETS				
Prepayments	762,510	315,913	60,327	63,376
Security Deposits	26,715	25,610	9,304	8,490
	789,225	341,523	69,631	71,866

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	2002	2001	2002	2001
NOTE 10 - PROPERTY PLANT AND EQUIPMENT				
Freehold land - at cost	4,052,389	2,933,852	1,107,679	609,142
Freehold land - at directors valuation (i)	460,000	460,000	460,000	460,000
Leased land - at cost	230,000	230,000	-	-
Provision for depreciation	(33,462)	(3,833)	-	-
	4,708,927	3,620,019	1,567,679	1,069,142
Buildings - at cost	8,290,416	5,033,248	1,054,744	583,612
Less accumulated depreciation	(1,155,918)	(838,532)	(81,319)	(50,144)
Buildings - at directors valuation (i)	1,446,243	1,446,243	166,840	166,840
Less accumulated depreciation	(176,231)	(176,233)	(20,120)	(20,120)
	8,404,509	5,464,726	1,120,144	680,187
Plant and equipment - at cost	46,599,842	39,070,211	8,551,565	5,865,406
Less accumulated depreciation	(21,904,180)	(17,666,384)	(3,814,560)	(2,972,551)
	24,695,662	21,403,827	4,737,005	2,892,855
Leased plant and equipment	14,904,461	12,860,457	6,322,819	6,043,224
Less accumulated depreciation	(4,944,973)	(4,570,952)	(1,859,447)	(1,431,978)
	9,959,488	8,289,505	4,463,372	4,611,246
Furniture and fittings - at cost	889,075	788,698	588,925	554,880
Less accumulated depreciation	(549,775)	(505,519)	(436,928)	(415,438)
	339,300	283,179	151,997	139,442
Capital Work in Progress	15,521,073	11,637,092	677,705	1,816,401
Total Property, Plant and Equipment	63,628,959	50,698,348	12,717,902	11,209,273

(i) The directors have considered revaluation of the land and buildngs at 30 June 2002 and decided that their value is the same as the previous valuation at 30 June 1995.

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

Land				
Carrying amount at beginning of year	3,620,019	3,685,079	1,069,142	1,360,369
Additions	1,118,537	263,885	498,537	33,885
Disposals	-	-325,112	-	(325,112)
Depreciation	(29,629)	-3,833	-	-
Carrying amount at end of year	4,708,927	3,620,019	1,567,679	1,069,142
Buildings				
Carrying amount at beginning of year	5,464,726	4,614,976	680,187	369,600
Additions	3,257,169	1,071,875	471,131	328,336
Disposals		-724	-	-
Depreciation	(317,386)	-221,401	(31,174)	(17,749)
Carrying amount at end of year	8,404,509	5,464,726	1,120,144	680,187
Furniture and Fittings				
Carrying amount at beginning of year	283,179	249,232	139,442	98,602
Additions	115,639	78,072	34,044	56,844
Disposals	(10,291)	-3,745	-	-
Depreciation	(49,227)	-40,380	(21,489)	(16,004)
Carrying amount at end of year	339,300	283,179	151,997	139,442

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		ECONOMIC ENTITY		PARENT ENTITY	
		2002	2001	2002	2001
NOTE 10 - PROPERTY PLANT AND EQUIPMENT cont					
Plant and Equipment					
Carrying amount at beginning of year		21,403,827	22,723,713	2,892,855	2,743,657
Additions		8,498,478	3,250,994	2,758,376	840,988
Disposals		(553,565)	-474,660	-	-43,531
Depreciation		(4,653,078)	-4,096,620	(914,226)	-648,259
Carrying amount at end of year		24,695,662	21,403,427	4,737,005	2,892,855
Leased plant and equipment					
Carrying amount at beginning of year		8,289,505	6,762,359	4,611,246	3,014,730
Additions		4,201,796	3,866,966	951,709	2,809,417
Disposals		(521,855)	-514,226	(168,028)	(441,366)
Depreciation		(2,009,958)	-1,825,594	(931,555)	(771,535)
Carrying amount at end of year		9,959,488	8,289,505	4,463,372	4,611,246
NOTE 11 - DEFERRED TAX ASSETS					
Future income tax benefit		1,929,155	1,981,391	312,295	368,761
NOTE 12 - INTANGIBLES					
Goodwill		6,892,592	5,899,142	1,556,142	539,843
Less accumulated amortisation		(2,064,871)	(1,713,413)	(526,006)	(488,874)
Licence		4,300,001	4,300,001	-	-
Less accumulated amortisation		(2,150,000)	(1,720,000)	-	-
Trademarks - at cost		862,053	862,053	855,521	855,521
Less accumulated amortisation		(862,053)	(862,053)	(855,521)	(855,521)
		6,977,722	6,765,730	1,030,136	50,969
NOTE 13 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD					
Associated companies	25	4,948,548	-	-	-
		4,948,548	-	-	-
NOTE 14 - OTHER FINANCIAL ASSETS					
Shares in listed corporations - at cost		1,274,742	173,411	1,274,742	173,411
Shares in controlled entities - at cost		-	-	9,876,209	7,361,162
Shares in associated entities - at cost		-	-	5,425,100	-
		1,274,742	173,411	16,576,051	7,534,573
NOTE 15 - PAYABLES					
Trade Creditors		6,229,200	5,990,915	1,708,570	2,795,707
Sundry Creditors and accrued expenses		2,850,658	1,929,317	578,499	184,786
		9,079,858	7,920,232	2,287,069	2,980,493
NOTE 16 - INTEREST BEARING LIABILITIES					
(a) Current					
Loans - unsecured and unrelated		-	2,438	-	-
Loans - controlled entities		-	-	5,072,711	4,878,468
Loans - related entity - Brenzil Pty Ltd		6,750,275	6,750,675	6,750,275	6,750,675
Loans - related entities		2,291,497	681,000	-	-
Lease liabilities		2,453,485	2,275,678	932,686	888,895
		11,495,257	9,709,791	12,755,672	12,518,038

NOTE 16 - INTEREST BEARING LIABILITIES cont

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
(b) Non-current				
Loans secured	25,200,000	18,717,593	-	-
Loans - related entities	19,199,070	3,782,719	16,000,000	2,000,000
Finance leases	7,973,711	6,499,589	3,680,517	3,817,217
	52,372,781	28,999,901	19,680,517	5,817,217

(i) Bank Bills of $2,200,000 (2001: $2,817,593) to NQ Resource Recovery Pty Ltd are secured by the following:
To Commonwealth Bank of Australia, Brisbane:
- A First Registered Mortgage by NQ Resource Recovery Pty Ltd over property situated at 77-79 Enterprise St, Bohle, Townsville, Queensland.
- A First Registered Mortgage by NQ Resource Recovery Pty Ltd over the whole of its assets and undertakings including uncalled capital.
- A First Registered Mortgage by NQ Resource Recovery Pty Ltd over property situated at Lot 3 Barkly Highway, Mount Isa, Queensland.
- A First Registered Mortgage by NQ Resource Recovery Pty Ltd over property situated at Lot 89, MacOnachie Street, Woree, Queensland
- A Guarantee limited to $1,000,000 by Transpacific Industries Pty Ltd
- A Guarantee limited to $1,000,000 by Towners Cleansing Services Pty Ltd

(ii) A loan of $13,500,000 (2001:$15,900,000) to Nationwide Oil Pty Ltd is secured by the following:
To Commonwealth Bank of Australia, Melbourne
- A letter of comfort from each of the shareholders being Shell Australia Ltd, Transpacific Industries Pty Ltd, and Vacuum Oil Company Pty Ltd.
- A Registered Mortgage Debenture ASIC Charge 623006.
- A Registered Deed of Equitable Mortgage by the Company over Queensland Assets.

(iii) Bank Bills of $9,500,000 and finance leases of $1,678,377 provided to Zappaway Steamit Industrial Services Pty Ltd by the Commonwealth Bank, Brisbane are secured by the following:
- A First Registered Equitable Mortgage by Zappaway Steamit Industrial Services Pty Ltd over the whole of its assets and undertakings including uncalled capital.
- A Guarantee limited to $6,085,725 by Transpacific Industries Pty Ltd.
- A Guarantee limited to $7,164,275 by NQ Resource Recover Pty Ltd.
- A Deed of Subordination of Shareholders' Loans from Transpacific Industries Pty Ltd and NQ Resource Recovery Pty Ltd to an amount of $3,000,000.

NOTE 17 - PROVISIONS

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
(a) Current				
Taxation	759,777	273,192	-	-
Employee Entitlements:				
Holiday Pay	1,526,761	1,078,238	442,188	461,644
Long Service Leave	365,990	183,145	198,159	176,163
	241,451	203,789	108,923	102,355
	2,893,979	1,738,364	749,270	740,162
(b) Non-Current				
Employee Entitlements				
Long Service Leave	321,728	308,871	78,260	76,595
On-costs on employee entitlements	60,956	49,622	13,313	12,249
Provision for land remediation	266,886	266,886	-	-
	649,570	625,379	91,573	88,844

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
NOTE 18 - DEFERRED TAX LIABILITIES				
Provision For Deferred Income Tax	2,346,519	2,009,177	246,536	216,622
NOTE 19 - CONTRIBUTED EQUITY				
6,600,000 fully paid ordinary shares	13,000,000	13,000,000	13,000,000	13,000,000
4,000,000 fully paid redeemable preference shares	4,000,000	4,000,000	4,000,000	4,000,000
	17,000,000	17,000,000	17,000,000	17,000,000

(a) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held

At shareholder 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.

(b) "A" Class Redeemable Preference Shares have the following rights:

(i) (a) the right to such dividends (if any) as the directors may decide from time to time but no right to share in the dividends from time to time declared on ordinary shares; and
(b) the right to payment of the amount paid up on such shares in the event of the winding up of the entity in preference to the ordinary shares but no right to participate further in distributions on a winding up.

(ii) The "A" Class Redeemable Preference Shares do not carry any voting rights.

(iii) The "A" Class Redeemable Preference Shares or any of them may be redeemed (at the discretion of the directors) at any time after the expiration of two years from the date of their issue by payment of the amount paid up on the shares to be redeemed plus any unpaid dividends.

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
NOTE 20 - RESERVES				
Asset revaluation reserve	1,438,114	1,438,114	285,152	285,152
Capital reserve	1,677,987	1,677,987	1,677,986	1,677,986
	3,116,101	3,116,101	1,963,138	1,963,138
Movements in reserves during the year				
Asset Revaluation Reserve				
Opening balance	1,438,114	1,438,114	285,152	285,152
Closing balance	1,438,114	1,438,114	285,152	285,152

The asset revaluation reserve records revaluations of non-current assets.

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
Capital Reserve				
Opening balance	1,677,987	1,677,987	1,677,986	1,677,986
Closing balance	1,677,987	1,677,987	1,677,986	1,677,986

The capital reserve records realised profits on the sale of revalued land and buildings.

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	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
NOTE 21 - RETAINED PROFITS				
Retained profits (accumulated losses) at the beginning of the financial year	1,641,837	691,788	(5,003,107)	(4,375,778)
Net profit/(loss) attributable to members of the company	700,090	950,049	(289,803)	(627,329)
Retained profits at the end of the financial year	2,341,927	1,641,837	(5,292,910)	(5,003,107)
NOTE 22 - OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES				
Outside equity interest comprises:				
Share capital	6,320,100	6,320,100		
Reserves	77,010	77,010		
Retained profits/(Accumulated losses)	1,630,797	508,448		
	8,027,907	6,905,558		

NOTE 23 - REMUNERATION AND RETIREMENT BENEFITS

a) Directors' Remuneration

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
Income paid or payable to all directors of each entity in the economic entity by the entities of which they are directors.	410,939	477,535		
Income paid or payable to all directors of the parent entity by the parent entity and any related parties.			410,939	477,535
Number of parent entity directors whose income from the parent entity or any related parties was within the following bands			No.	No.
$0-$9,999			1	-
$80,000-$89,999			-	1
$90,000-$99,999			-	1
$100,000 - $109,999			2	-
$120,000-$129,999			1	1
$170,000-$179,999			1	1

The names of directors of the parent entity who have held office during the financial year are:
- Terrence Elmore Peabody
- Geoffrey Francis Sparks
- David Francis Keating
- Terrence Elmore Peabody Jnr (resigned 18 July 2002)
- Stewart Gordon Smith (appointed 1 February 2002)

b) Retirement and Superannuation Payments

No amounts of a prescribed benefit have been given during the year by the parent entity or a related party to a director or prescribed superannuation fund in connection with the retirement from a prescribed office.

NOTE 24 - ULTIMATE PARENT ENTITY

The directors believe the ultimate parent entity to be Pozzolanic (Holdings) HK Limited an entity incorporated in Hong Kong

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NOTE 25 - ASSOCIATED COMPANIES

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
Interests are held in the following associated companies	Ownership Interest		Carrying amount of investment	
Total Waste Management Pty Ltd	50%	100%	3,556,518	-
Western Resource Recovery Pty Ltd	50%	100%	1,392,030	-
			4,948,548	-

a) Movements during the year in equity accounted investments in associated companies

	ECONOMIC ENTITY 2002
Balance at beginning of year	
Add: New investments during the year	5,425,100
Less: Share of associated companies loss from ordinary activities after income tax	-476,552
	4,948,548

b) Retained earnings attributable to Associates

	ECONOMIC ENTITY 2002
Share of associates' losses from ordinary activities before income tax	-680,789
Share of associates' income tax benefit	204,237
Share of associates' losses from ordinary activities after income tax	-476,552
Retained profits (accumulated losses) at beginning of year	-
Retained profits (accumulated losses) at end of year	-476,552

NOTE 26 - CONTROLLED ENTITIES

(a) Controlled entities and their contribution to consolidated profit

Subsidiary	Country of Incorporation	Percentage owned	
Yobeap No. 4 Pty Ltd (formerly True Blue Oil Pty Ltd)	Australia	100%	100%
Yobeap No. 5 Pty Ltd (formerly Muir Oil Pty Ltd)	Australia	100%	100%
Australian Resource Recovery Pty Ltd	Australia	100%	100%
Total Waste Management Pty Ltd	Australia	-	100%
Western Star Group Pty Ltd	Australia	100%	100%
Australian Terminal Services Pty Ltd	Australia	70%	70%
N Q Resource Recovery Pty Ltd	Australia	50%	50%
Nationwide Oil Pty Ltd	Australia	50%	50%
Zappaway Steamit Industrial Services Pty Ltd	Australia	68.67%	-

Transpacific Industries Pty Ltd has management control of N Q Resource Recovery Pty Ltd and Nationwide Oil Pty Ltd and thus has the capacity to dominate decision making in relation to the financial and operating policies so as to enable those entities to operate with Transpacific Industries Pty Ltd as part of an economic entity in pursuing its objectives.

The directors are of the opinion that any deficiency in the net assets of any controlled entity does not represent a permanent diminuition in the value of the Parent Entity's investment in that controlled entity.

(b) Controlled entities acquired:
During the year the parent entity acquired 37.33% of Zappaway Steamit Industrial Services Pty Ltd for consideration of $2,515,147
A subsidiary of Transpacific Industries Pty Ltd, NQ Resource Recovery Pty Ltd acquired 62.67% of Zappaway Steamit Industrial Services Pty Ltd for consideration of $3,310,894.

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NOTE 26 - CONTROLLED ENTITIES cont

(c) Controlled entities disposed of:
On 31/10/01 the parent entity disposed of 50% of its interest in Total Waste Management Pty Ltd. The parent entity retains a 50% interest in the company, however does not have management control. The investment is now accounted for using the equity method.

NOTE 27 - CASH FLOW INFORMATION

a) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes:
(i) cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts; and
(ii) investments in money market instruments maturing within less than two months.

Cash at the end of the year is shown in the Statement of Financial Position as:

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
Cash on hand and at bank	6,323,329	443,998	643,301	114,201
At call deposits with financial institutions	1,298,115	3,184,682	0	330,030
	7,621,444	3,628,680	643,301	444,231

b) Reconciliation of Cash Flow from Operations with profit from ordinary activities after income tax

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
Profit from ordinary activities after income tax	1,822,439	2,170,011	(289,803)	(627,329)
Non-cash flows in profit from ordinary activities				
Amortisation	2,902,681	2,666,261	968,687	822,504
Depreciation	5,049,320	4,362,234	966,889	682,012
Increase/(Decrease) in employee provisions	693,221	220,652	11,837	106,856
(Profit)/Loss on sale of property, plant and equipment	(345,331)	316,818	(369,342)	(29,243)
Shares received for no consideration	-	(15,376)	-	(15,376)
Share of associated companies net loss after income tax	476,552			
(Increase)/Decrease in future income tax benefit	52,236	515,809	56,466	(92,590)
Increase/(Decrease) in deferred taxes payable	337,342	369,554	29,914	16,036
(Increase)/Decrease in trade and sundry debtors	(4,447,619)	(3,549,624)	(239,267)	(1,732,243)
(Increase)/Decrease in inter company	-	(523,525)	333,019	(6,512,331)
(Increase)/Decrease in loan account (tax)		-	-	-
(Increase)/Decrease in prepayments	(446,597)	38,387	3,049	(8,163)
(Increase)/Decrease in inventories	(216,608)	81,598	23,296	(75,943)
(Increase)/Decrease in interest receivable	-	68,606	-	68,606
Increase/(Decrease) in accounts payable and accruals	1,781,562	3,175,140	(693,424)	1,171,179
Cash Flows provided by (used in) operations	7,659,198	9,896,545	801,321	(6,226,025)

(c) Non-cash financing and investing activities
Property Plant and Equipment
During the year the entity acquired plant and equipment with an aggregate fair value of $xxxx (2001: $3,866,968) by means of finance leases.

During the year the parent entity acquired plant and equipment with an aggregate fair value of $951,709 (2001: $2,809,417) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

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	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001

NOTE 27 - CASH FLOW INFORMATION cont

d) Credit Stand-by Arrangements and Loan Facilities

	2002	2001
Loan Facilities	30,817,593	30,817,593
Amount Utilised	(23,562,807)	(23,562,807)
Unused Loan Facilities	7,254,786	7,254,786

Loan facilities available to the economic entity:

a) Westpac Banking Corporation
An overdraft facility of $500,000 (2001: $500,000) obtained by the parent entity.
A lease facility of $5,000,000 (2001:$5,000,000) obtained by the parent entity from Westpac Banking Corporation as agent for Australian Guarantee Corporation Limited.
A Transactional Risk facility of $500,000 (2001: $500,000) obtained by the parent entity.

b) Commonwealth Bank of Australia
Finance will be provided under all facilities provided the economic entity has not breached any borrowing requirements and the required financial ratios are met.

e) Acquisition of business
During the year 100% of the business of Kendell Oil Pty Ltd was acquired by Transpacific Industries Pty Ltd.
Details of the transaction are:

	2002
Purchase consideration	1,989,859
Cash consideration	1,989,859
Assets acquired:	
Property, plant and equipment	1,056,235
Goodwill on acquisition	933,624
Total cost of acquisition	1,989,859

e) Acquisition of business cont.
During the year 100% of the business of Allied Waste Pty Ltd was acquired by Transpacific Industries Pty Ltd.
Details of the transaction are:

	2002
Purchase consideration	1,435,800
Cash consideration	1,435,800
Assets acquired:	
Property, plant and equipment	1,407,349
Goodwill on acquisition	28,451
Total cost of acquisition	1,435,800

(f) During the year 50% of the controlled entity Total Waste Management Pty Ltd was sold by Transpacific Industries Pty Ltd.
Details of the transaction are:

	2002
Assets and liabilities held at disposal date:	
Property, plant and equipment	7,850,000
Loan account - parent entity	(7,850,000)
	-

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NOTE 28 - RELATED PARTY TRANSACTIONS

(a) The parent entity, Transpacific Industries Pty Ltd made (received) interest free loans to (from) the following:

Controlled entities				
Western Star Group Pty Ltd			-1,791,421	-1,791,421
N Q Resource Recovery Pty Ltd			2,291,497	-
Australian Resource Recovery Pty Ltd			-194,243	253,454
Australian Terminal Services Pty Ltd			1,589,000	1,589,000
Total Waste Management Pty Ltd			787,620	5,008,668
Yobeap No. 4 Pty Ltd (formerly True Blue Oil Pty Ltd)			(2,037,103)	(2,037,103)
Yobeap No. 5 Pty Ltd (formerly Muir Oil Pty Ltd)			(651,699)	(651,699)
Western Resource Recovery Pty Ltd			625,000	-
Related entities				
Craggy Range Vineyards Ltd	79,327		79,327	-
Brenzil Pty Ltd	5,539,169	5,539,169	2,786,019	2,786,019
Brenzil Pty Ltd	(6,750,275)	(6,750,675)	(6,750,675)	(6,750,675)

(b) Amounts receivable at year end on normal commercial terms and conditions from:

Nationwide Oil Pty Ltd	224,748	308,293
N Q Resource Recovery Pty Ltd	22,106	156,244
Australian Terminal Services Pty Ltd	42,689	103,192

(c) Amounts payable at year end on normal commercial terms and conditions to:

Nationwide Oil Pty Ltd	176,012	174,103
N Q Resource Recovery Pty Ltd	121	23,638
Zappaway Steamit Industrial Services Pty Ltd	53,532	-
Australian Terminal Services Pty Ltd	19,947	-

(d) Loans between controlled entities of the parent entity and related entities are as follows:

Australian Resource Recovery Pty Ltd - to Brenzil Pty Ltd	2,753,150	2,753,150
N Q Resource Recovery Pty Ltd - from JJ Richards Pty Ltd	2,291,497	-
Australian Terminal Services - from Culverkeys Pty Ltd	1,281,000	681,000

(e) The parent entity has received insurance premiums for coverage under its blanket insurance policies

Australian Resource Recovery	9,516	4,800
Nationwide Oil Pty Ltd	273,773	123,690
N Q Resource Recovery Pty Ltd	115,168	107,246
Australian Terminal Services Pty Ltd	12,727	-

(f) The parent entity made the following purchases on normal trading terms during the year as follows:

Australian Resource Recovery Pty Ltd	1,538,016	1,373,392
Nationwide Oil Pty Ltd	984,092	1,626,933
N Q Resource Recovery Pty Ltd	21,850	37,553
Australian Terminal Services Pty Ltd	30,037	-

(g) An administration fee has been received by the parent entity Transpacific Industries Pty Ltd from:

Australian Resource Recovery Pty Ltd	24,000	24,000
Nationwide Oil Pty Ltd	432,000	432,000
N Q Resource Recovery Pty Ltd	108,000	96,000
Australian Terminal Services Pty Ltd	24,000	-

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001

NOTE 28 - RELATED PARTY TRANSACTIONS cont

(h) Management fees have been received by the parent entity Transpacific Industries Pty Ltd from:

			2002	2001
Nationwide Oil Pty Ltd			217,844	217,844
N Q Resource Recovery Pty Ltd			255,372	183,544
Australian Terminal Services Pty Ltd			-	90,000

(i) Data processing charges have been received by the parent entity Transpacific Industries Pty Ltd from:

			2002	2001
Australian Resource Recovery Pty Ltd			6,000	6,000
Nationwide Oil Pty Ltd			132,000	132,000
N Q Resource Recovery Pty Ltd			12,000	12,000

(j) The parent entity, Transpacific Industries Pty Ltd made the following sales on normal trading terms during the year to controlled entities:

			2002	2001
Australian Resource Recovery Pty Ltd			267,741	378,570
Nationwide Oil Pty Ltd			578,315	472,796
N Q Resource Recovery Pty Ltd			95,253	47,894
Australian Terminal Services Pty Ltd			8,766	-

(k) The parent entity, Transpacific Industries Pty Ltd received the following interest amounts from:

			2002	2001
Nationwide Oil Pty Ltd			135,351	132,718
Australian Terminal Services Pty Ltd			95,392	4,029
Zappaway Steamit Industrial Services Pty Ltd			5,443	-

(l) During the year the parent entity, Transpacific Industries Pty Ltd, loaned $400,000 to Australian Terminal Services Pty Ltd. Interest is payable on this loan at 6.5%. The outstanding loan balance at year end is $1,400,000.

During the year the parent entity, Transpacific Industries Pty Ltd, loaned $2,296,500 to Zappaway Steamit Industrial Services Pty Ltd. Interest is payable on this loan at 7.5%. The outstanding loan balance at year end is $2,296,500.

Transpacific Industries Pty Ltd loaned $1,650,000 to Nationwide Oil Pty Ltd during the 2001 year. Interest is payable on this loan at 7.75%. The outstanding loan balance at year end is $1,918,069.

During the year the parent entity, Transpacific Industries Pty Ltd, loaned an amount of $14,000,000, from Rheman Pte Ltd. Interest is payable on this loan at 6.5%. The outstanding loan balance at year end is $16,000,000.

(n) The parent entity, Transpacific Industries Pty Ltd, received a distribution from Brenzil Pty Ltd, a related entity, of $nil (2001: $523,525) during the year.

NOTE 29 - DIVIDENDS PAID OR PROPOSED

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001
Final fully franked dividend at tax rate of 30%			-	-
Balance of franking account at year end adjusted for franking credits arising from payment of income tax payable and payment of proposed dividend.	3,629,669	2,434,946	272,396	6,491

The franking account balance at 30 June 2002 has been adjusted to reflect the new income tax legislation at 1 July 2002. The balance of the account now represents the actual taxation paid by the company, and has not been adjusted to applicable taxation rates.

TRANSPACIFIC INDUSTRIES PTY LTD
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NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR

	ECONOMIC ENTITY 2002	ECONOMIC ENTITY 2001	PARENT ENTITY 2002	PARENT ENTITY 2001

NOTE 30 - FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

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

	Weighted average Effective interest rate %	Floating Interest Rate	Fixed Interest Within 1 year	Rate Maturing 1-5 years.
Parent entity				
2002				
Financial Assets				
Cash at Bank	0.00%	643,301	-	-
Deposits at Call	4.60%	-	-	-
Loan - controlled entity	6.50%	-	1,400,000	-
Loan - controlled entity	7.50%	-	2,296,500	-
Loan - controlled entity	7.75%	1,918,069	0	-
Total financial assets		2,561,370	3,696,500	-
Financial Liabilities				
Loan - related entity	6.5%			16,000,000
Lease liabilities	7.60%	-	932,686	3,680,517
Total financial liabilities		0	932,686	19,680,517
2001				
Financial Assets				
Cash at Bank	0.00%	114,201	-	-
Deposits at Call	4.85%	330,030	-	-
Loan - controlled entity	6.50%	-	1,000,000	-
Loan - controlled entity	7.50%	-	-	-
Loan - controlled entity	7.75%	1,782,718	-	-
Total financial assets		2,226,949	1,000,000	0
Financial Liabilities				
Lease liabilities	7.57%	-	888,895	3,817,217
Total financial liabilities		-	888,895	3,817,217
Economic entity				
2002				
Financial Assets				
Cash at Bank	0.00%	6,232,329		
Deposits at Call	4.60%	1,298,115		
Total financial assets		7,530,444		
Financial Liabilities				
Lease liabilities	7.60%		2,453,485	7,973,711
Loan - related party	7.75%	1,782,719		
Loan - related party	6.5%			16,000,000
Commercial Bills	5.56%	25,200,000		
Total financial liabilities				
2001				
Financial Assets				
Cash at Bank	0.00%	443,998		
Deposits at Call	4.85%	3,184,682		
Total financial assets		3,628,680		
Financial Liabilities				
Lease liabilities	7.92%		2,275,678	6,499,589
Loan - related party	7.75%	1,782,719		
Commercial Bills	5.52%	17,440,000		
Bank loan	7.95%		1,277,593	

Total financial liabilities	19,222,719	3,553,271	6,499,589	

	ECONOMIC ENTITY		PARENT ENTITY	
	2002	2001	2002	2001

NOTE 30 - FINANCIAL INSTRUMENTS cont

(b) Terms, conditions and accounting policies

Trade receivables and payables are carried at nominal amounts due less any provision for doubtful debts. Credit sales/purchases are on 30 day terms.

Receivables from related parties: Amounts (other than trade debts) receivable from related parties are carried at nominal amounts due.

Payables from related parties: Loans from related parties are carried at the principal amount.

c) Credit risk exposure.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial statements.

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

d) Net Fair Values

The net fair values of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the economic entity intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

NOTE 31 - CAPITAL AND LEASING COMMITMENTS

(a) Finance Lease Commitments Payable				
- not later than 1 year	3,134,827	2,869,767	1,244,865	1,276,156
- later than 1 year but not later than 5 years	9,012,344	7,146,002	4,143,635	4,109,300
- later than 5 years	-	240,970	-	240,970
Minimum lease payments	12,147,171	10,256,739	5,388,500	5,626,426
Less future finance charges	(1,719,975)	(1,481,472)	(775,297)	(920,314)
Total Lease Liability	10,427,196	8,775,267	4,613,203	4,706,112
(a) Operating Lease Commitments				
- not later than 1 year	385,521	833,417	314,376	330,770
- later than 1 year but not later than 5 years	686,513	1,271,713	356,134	550,011
- later than 5 years	-	-	-	-
	1,072,034	2,105,130	670,510	880,781

NOTE 32 - SEGMENT REPORTING

(i) The economic entity operates primarily in the Waste Management business.
(ii) The economic entity operates predominantly within the geographical region of Australia.

NOTE 33 - COMPANY DETAILS

The registered office and principal place of business of the company is:
Transpacific Industries Pty Ltd
Level 10
9 Sherwood Road
Toowong Qld 4076

TRANSPACIFIC INDUSTRIES PTY LTD
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AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 2 to 24, are in accordance with the Coporations 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 2002 and of the performance for the year ended on that date of the company and economic entity.

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.

Director...
Terrence Elmore Peabody

Director...
Geoffrey Francis Sparks

Dated this 28th day of February 20 03

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TRANSPACIFIC INDUSTRIES PTY LTD
A.B.N. 40 010 745 383
AND CONTROLLED ENTITIES

Scope

We have audited the financial report of Transpacific Industries Pty Ltd for the financial year ended 30 June 2002 as set out on pages 2 to 25.

The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional requirements and statutory requirements so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Transpacific Industries Pty Ltd is in accordance with:

(a) the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2002 and of their performance for the year ended on that date; and
- (ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements.

Bentleys MRI

BENTLEYS MRI
Brisbane Partnership

Dated: 3 March 2003
Brisbane

A. D. Dann

A. D. Dann - Partner