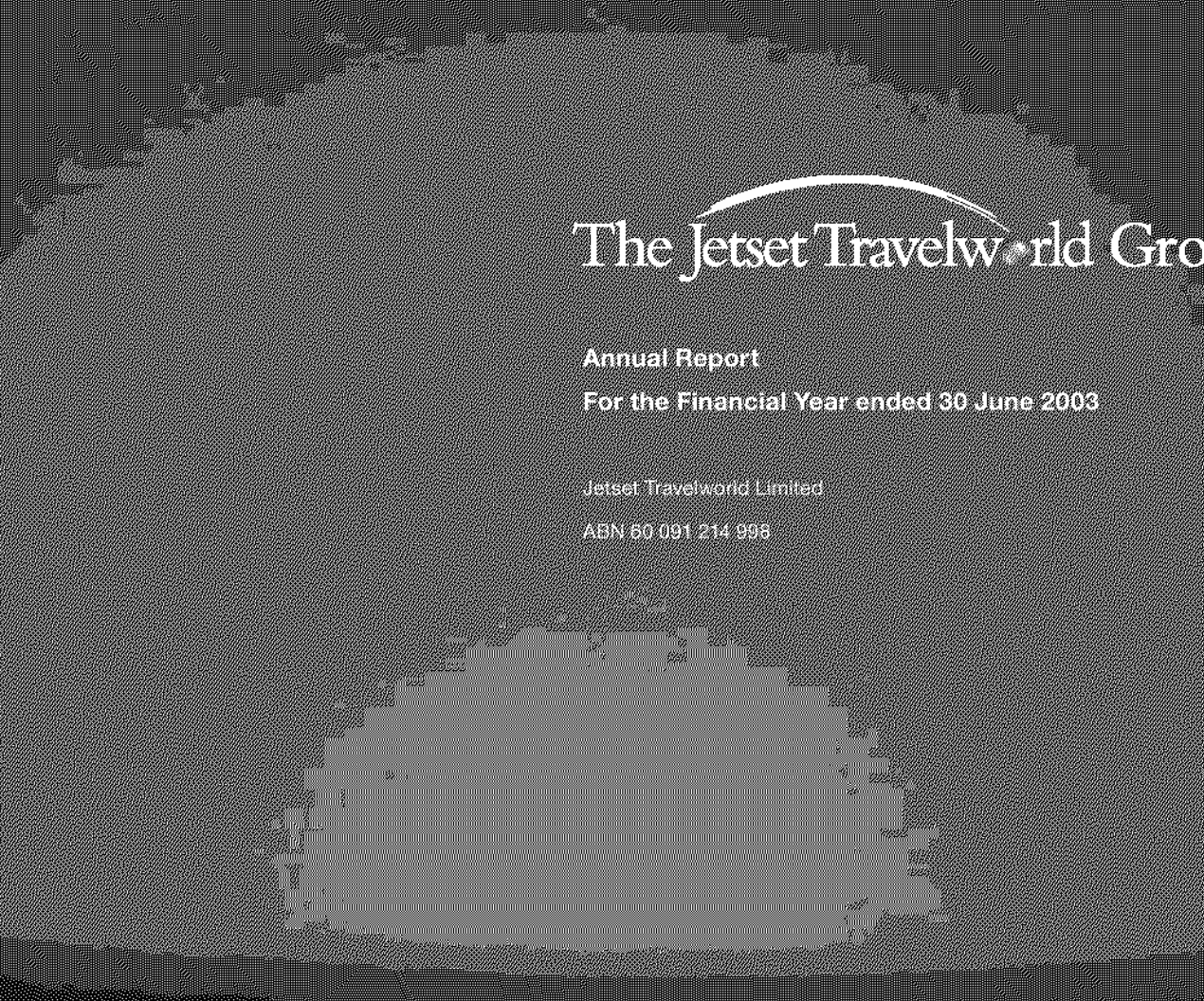




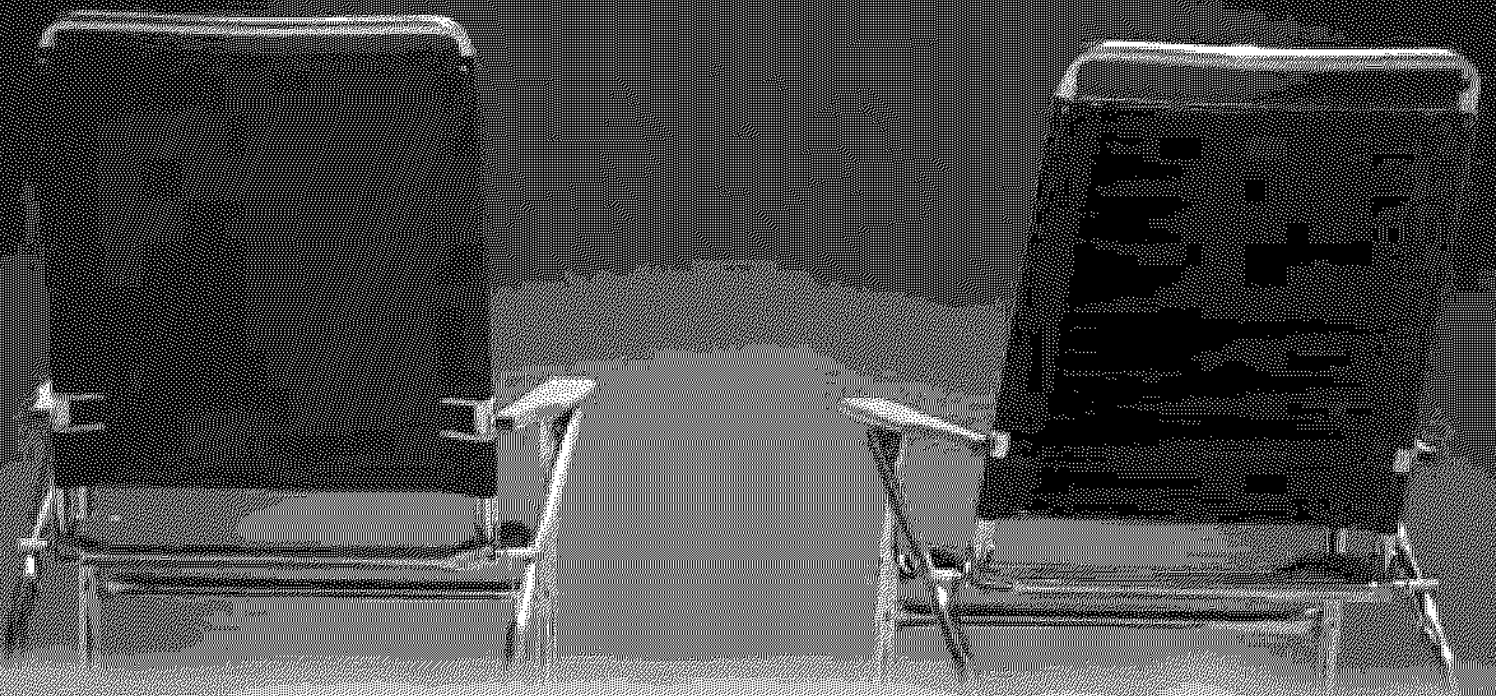
The Jetset Travelworld Group

Annual Report

For the Financial Year ended 30 June 2003

Jetset Travelworld Limited

ABN 60 091 214 998



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Corporate Directory

Directors

Brian Wild	Executive Chairman
Michael Ruane	Non-executive Director
Timothy Ryan	Non-executive Director
Barry Samuels	Non-executive Director
Peter Spathis	Non-executive Director

Company Secretary

Stephen Heesh

Registered and Principal Office

Level 9, 1 Bligh Street
Sydney, New South Wales, 2000
Telephone: 61 2 9221 9777
Facsimile 61 2 9221 9900

Sales Offices

Victoria
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Southbank, Victoria, 3006

Queensland
463 Nudgee Road
Hendra, Queensland, 4000

South Australia
5th Floor,
25 Leigh Street,
Adelaide, South Australia, 5000

Western Australia
1st Floor,
10 Stirling Highway,
Nedlands, Western Australia, 6009

Auditors

KPMG
45 Clarence Street,
Sydney, New South Wales, 2000

Stock Exchange

Australian Stock Exchange Limited
Exchange Plaza, 2 The Esplanade,
Perth, Western Australia, 6000

ASX Code

JET

Share Registry

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building,
45 St Georges Terrace,
Perth, Western Australia, 6000
Telephone: 61 8 9323 2000
Facsimile: 61 8 9323 2033

Executive Chairman's Report

Dear Shareholder,

It is with great pleasure that I present the 2002-2003 Annual Report for The Jetset Travelworld Group.

My appointment as Executive Chairman took place six months ago, so in addition to reporting to you on the results for the 2002-2003 financial year, it is timely that I share with you some of the key elements of the Group's strategic plan that will guide the Company over the coming years.

The second year of operations for Jetset Travelworld was one in which the travel industry globally was significantly impacted by the multiple events of terrorism, war, soaring oil prices and SARS.

The bombings in Bali and terrorism elsewhere in the world, together with the outbreak of war in Iraq, were to prove to be relative short-term setbacks for a very resilient travel sector. On the other hand, the outbreak of the SARS virus around the world had an immediate global impact on the confidence of travelers and resulted in a fall-off of business levels of up to 30% for many operators, including the major airlines.

Business did improve from mid-June as the SARS alerts were removed from many countries around the world. This improvement has continued into this financial year. However, with so many global events impacting the industry at one time, I believe recovery to normal trading levels could be slower on this occasion compared to previous significant downturns.

On a positive note, a highlight for the Group in these very turbulent times has been the dedication of the members, franchisees and staff of Jetset Travelworld. The Company focused its activities on local marketing, primarily on products that had high appeal to consumers. This allowed us to minimize expenditure, a move which proved to be particularly necessary during this period.

Annual Results

The year marked the Jetset Travelworld Group's first full year of trading as an expanded entity during which operating revenues of \$22.154 million (excluding interest) were generated.

Operating expenses excluding amortization and borrowing costs were \$21.947 million giving an EBITA of \$0.206 million (2002: loss of \$0.287 million).

The loss after tax was \$0.572 million. The proceeds of expired un-exercised options, being \$0.374 million, were credited to accumulated losses in the year.

While in part the results reflect the difficult trading conditions of the last six months, they were disappointing. In addition, integration costs associated with the first full year of operations for the Jetset, Travelworld and affiliated brands – and significant marketing costs associated with re-branding – have exceeded our forecast. These items are non-recurring.

The Year Ahead

I have been actively involved with the Company since my appointment. My first involvement was to attend a strategic planning retreat with the Jetset Travelworld executive team. The principal outcome from this meeting was the formulation and formalisation of the Group's five-year strategic plan.

This plan was presented to the Board in May 2003 and provides a blueprint for the Group's future development. The main objective of the plan is to maximize shareholders' returns and franchisee value.

While this plan sets long-term parameters, its focus will be immediate. It should be noted that the Board has made firm commitments to specific commercial objectives, all of which are tied to the executive team's key performance indicators (KPIs) during this period.

The strategy firmly embraces the following key objectives for The Jetset Travelworld Group :

- Growth of the network;
- Direct sales for the support of preferred suppliers;
- Continued strengthening of the Jetset and Travelworld brands that delivers consumer relevance and reinforcement of the positioning of our brands in-store;
- Extend the product range available from the Group to deliver alternative revenues. Our new travel insurance product 'Travellers Assistance' is a prime example of this objective at work;
- Secure an increased level of exclusive products and services for the franchise network; and
- Deliver a dividend to shareholders.

“ I have wandered all my life, and I have travelled:
the difference between the two is this: we wander
for distraction, but we travel for fulfilment...” ”

- Hilaire Belloc

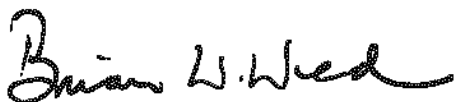


Executive Chairman's Report (cont'd)

In preparation for the implementation of this year's plan, and to secure these results, we restructured the field team and introduced a new State management structure. The new structure will facilitate territory development throughout Australia and support the newly appointed Group General Manager, Carl Frier, in his objective to achieve our commercial targets in 2003-2004. Additionally, the Finance Division of the Company was restructured with the appointment of a Financial Controller, David Royale. The finance functions have now been moved to head office in Sydney, from Melbourne.

The Board and I are particularly mindful of our responsibilities as they relate to corporate governance and the overall integrity of the Company. This is reflected in the dedicated corporate governance commentary further on in this report. You would be aware through the extensive media coverage of Government and community concerns about "loosely managed" public companies – and equally aware of the severe penalties for those who choose to ignore them. Corporate governance is a priority for us. An Audit Committee is now in place as well as a Remuneration Committee, and a Finance Committee with which I have a direct involvement. Prudence in these areas used to be little more than common sense: today it is a legislative requirement – and still, common sense.

We have now taken the first of a number of important and fundamental steps to position the Group as a major force in the retail travel distribution system in Australia and to meet the expectations of our shareholders and group members.



Brian Wild
Executive Chairman

Review Of Operations

Marketing & Communications

The Jetset Travelworld Group operates two differently positioned brands in the Australian market. The Group has invested heavily in these brands during the past year to strengthen their positioning in a market dominated by well established travel brands.

The brand values expressed in our advertising for Jetset and Travelworld are quite different, delineating their positioning in the marketplace. This distinction is best reflected in the respective advertising 'straplines' - "For People Going Places" (Jetset) and "Putting the Fun Back into Travel" (Travelworld).

Everything we do in a marketing and communications context reflects these positionings.

During the year we appointed two advertising agencies to manage our two major brands - Cummins & Partners to Jetset and PMA to Travelworld. We also appointed a specialist public affairs company, S2i Communications, to handle all editorial media.

The new Jetset advertising campaign was launched in November 2002 following an extensive research project to determine the brand's positioning. Recent research indicates that this campaign has generated significantly improved brand awareness for Jetset, although not yet at the levels enjoyed by our major competitors. We are committed to this campaign over time and recognise that less than a year of media exposure cannot immediately reverse the effects of five years of previous neglect and disinterest in this brand.

The Travelworld advertising campaign also launched during the last financial year and featured comedian John Cleese. The Cleese profile was able to accelerate awareness of what was a fledgling brand. Consequently, Travelworld is now one of the more prominent travel brands in the country. Perhaps one of the more powerful elements of the Cleese campaign was its penetration right down to local travel agency level where franchisees embraced it with high impact signage, impactful point-of-sale and local initiatives and promotions.

The Group also established a close working relationship with Network Seven, and in particular its highly regarded travel program 'The Great Outdoors'.

The Group formed a Cruise Division during the latter half of the year with some 130 centres focused on building the level of domestic and international cruising. The formation of this Division recognizes the enormous commercial potential of cruising which is now the fastest growing segment of all travel internationally, with Australians prominent among the industry's most committed 'cruisers'.

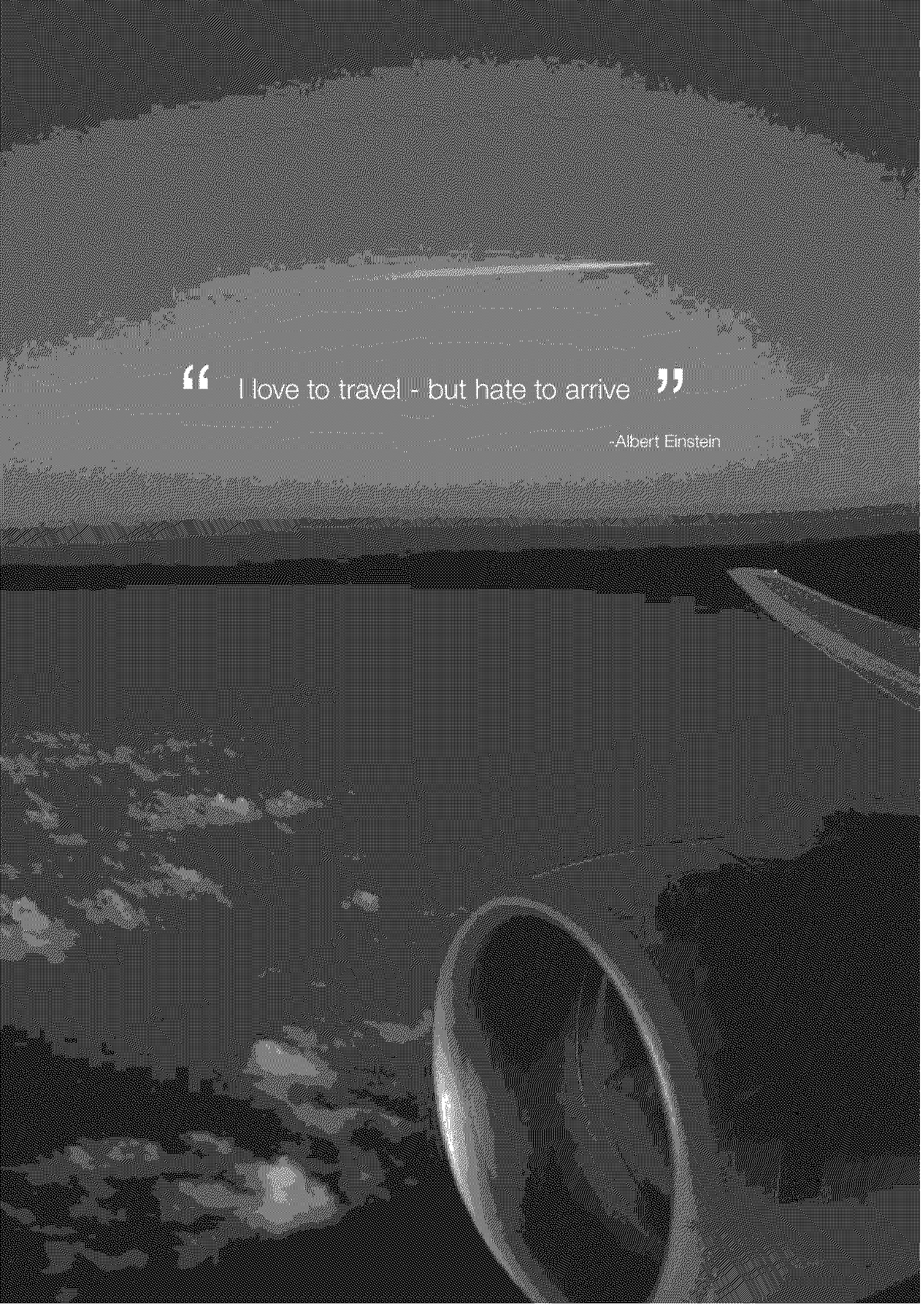
Some significant relationships were formed during the year: most notably with 'Travelsavers International', one of the travel industry's most respected global brands generating more than \$US17 billion a year in revenue from its 2,700 offices around the world.

Jetset Travelworld established a new Corporate Division to provide immediate access to a range of competitive products and services for the business travel market and to access Travelsavers impressive purchasing power.



“ The world is a book, and those who
do not travel, read only a page.. ”

St. Augustine

A black and white photograph of a road winding through a landscape. In the foreground, a large, dark, rounded object, possibly a tire or a large rock, is visible. The road curves into the distance, flanked by a grassy field and a line of trees. The sky is overcast with soft clouds.

“ I love to travel - but hate to arrive ”

-Albert Einstein

Company History

The Jetset Travelworld Group was formed when Perth-based medical technology Company, Heartlink Limited, completed the first of several acquisitions and agreements to establish the largest network of travel centres in Australia.

The Company first purchased a group of 50-plus centres trading as National World Travel at the end of May 2001. This was quickly followed by acquisition of the Travelworld network and a 10 year management contract for the Australian Travel Agents Cooperative (ATAC).

The horrendous events of September 11, 2001, and the ultimate demise of Ansett Australia and its subsidiary, Traveland, became the catalyst for the Company to secure the bulk of the Traveland franchise centres on Christmas Eve, 2002. More than 180 of the former Traveland sites are now within our Group.

The decision by Air New Zealand to dispose of the Jetset Retail Division was an opportunity for the Company to further expand its network and secure one of the oldest and most established travel brands in Australia. A contract was signed in February, 2002, and settlement completed in August, 2002.

The year under review has seen the Company complete the integration program, the development of its franchise program and build brand awareness. The on-going strengthening of the brands and securing a foothold in the market have been achieved.

On 6 December 2002 Sintack Pty Ltd announced that it intended to make a conditional, proportional take-over offer. This offer was to raise Sintack's holding to 60% in Jetset Travelworld Limited on the basis of 25 cents cash. The offer closed with Sintack increasing its holding in Jetset Travelworld to 60.27%.

On 6 March 2003 one of the travel industry's most respected and well known identities, Mr Brian Wild, was appointed Executive Chairman of Jetset Travelworld. Mr Wild spent much of his 40 year career as a key member of Qantas' top global management team.

Mr Wild's current Board appointments include Director and Trustee of the Travel Compensation Fund, Director of the Universal Federation of Travel Agents Associations and Director of the United Alliances of Asia-Pacific Agents. Mr Wild is a member of the Australian Institute of Company Directors



Corporate Governance Statement

Responsibilities of the Board

The governance of Jetset Travelworld Limited is the responsibility of the Board. The Board is also responsible for protecting and enhancing shareholder value. This is done by setting and reviewing strategic direction and continuously monitoring the operating and financial performance of the Group.

The Board recognises its responsibilities for accountability and transparency in its dealings with all stakeholders, particularly the Company's shareholders. The Board discharges these responsibilities by means of Board committees charged with the responsibility to examine in detail and retain familiarity with those functions of the Group which are critical to financial success and the control framework established within the Group.

Directors

Details of the Directors and their qualifications appear in the Directors' Report on pages 17 and 18 of this Report.

The Board comprises five Directors. The Executive Chairman has certain executive responsibilities in relation to the commercial aspects of the Group. All Directors are subject to rotation and re-election by shareholders at least every three years.

Our Directors provide a combination of comprehensive financial, commercial and travel industry experience. Where the Board requires more in-depth advice on a particular issue, Directors seek professional expertise externally at the Company's expense.

Board Meetings

The Directors meet at least 11 times per year and more frequently where circumstances dictate. These meetings are timed, as far as possible, to permit full attendance.

Committees

The Board has formed three committees:

Audit Committee

Members of the Audit Committee are Barry Samuels, Tim Ryan and Peter Spathis.

The Audit Committee members are all non-executive Directors. The Committee advises on the establishment and maintenance of a framework of internal controls and appropriate ethical standards for the management of the consolidated entity. The Committee also provides the Board with assistance in discharging its statutory obligations with respect to accounting policies, audit and reporting of financial information under the Corporations Act 2001, Accounting Standards, ASX Listing Rules and other regulations.

The Committee recommends the selection of external auditors to the Board. The external auditors, KPMG, were appointed in 2000.

It reviews, for submission to the Board, reports of the external auditors.

It monitors business risks and ensures that controls are in place to mitigate actual or potential significant risks.

Finance Committee

Members of the Finance Committee are Brian Wild and Peter Spathis. (Bob Sparks resigned 1 August 2003)

The Committee monitors the financial reporting process particularly the quality, timeliness and accuracy of financial information submitted to the Board.

The Committee reviews all proposals submitted to the Board to verify their financial viability and approval in accordance with delegations of authority.

Remuneration Committee

Members of the Remuneration Committee are Barry Samuels, Tim Ryan and Peter Spathis and its responsibilities include:

- approval of the Company's recruitment, retention and termination policies for senior management to ensure the best available talent is recruited, retained and fairly remunerated;
- evaluation of the performance of senior management;
- evaluation of the performance and composition of the Board; and
- setting of remuneration framework for Directors and senior management.

Corporate Governance Statement (cont'd)

Ethics

The Board has instituted an Insider Trading Policy and recently approved a Code of Conduct to be observed by the Board, management and all employees.

Insider Trading Policy

The policy states that the obligation of all Directors, employees and contractors is to comply with the Law:

- this policy prohibits the trading in Company securities during the two weeks preceding results, announcements and any major ASX announcement where the trader is aware that such an announcement is likely to be made; and
- sets out a procedure for reporting intentions to trade in the Company's securities.

Code of Conduct

This code addresses the following issues:

- conduct of business to be at the highest ethical standards;
- compliance with the law;
- independent professional advice;
- prohibition of paying or receiving secret commissions;
- reporting of actual or potential conflicts of interest; and
- protection of assets.

Continuous Disclosure

Management is held accountable for ensuring that information required for the Company to meet the Australian Stock Exchange disclosure obligations is reported promptly. This enables the Company's shareholders and the market to be informed in a timely manner of issues which may influence investment decisions. It also enables other stakeholders, such as franchisees, to be informed as to the Company's performance.



Board of Directors

From left to right: Mr Peter Spathis, Mr Timothy Ryan, Dr Michael Ruane, Mr Barry Samuels, Mr Brian Wild.



Directors' Report

The Directors present their Report together with the financial report of Jetset Travelworld Limited ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2003 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Mr Brian Wild – Appointed 6 March 2003

Executive Chairman, Member of the Finance Committee

Mr Wild is one of the travel industry's most respected and well known identities. For much of his 40 year industry career he was a key member of the Qantas worldwide executive team with responsibility for systemwide Sales and Marketing.

He also holds a number of Directorships within the industry, including Director and Trustee of the Travel Compensation Fund, Director of the United Federation of Travel Agents Association, with the responsibility for the Asia Pacific Region. Mr Wild is also a Member of the Institute of Company Directors of Australia.

Dr Michael Ruane – Appointed 30 June 2002

Non-Executive Director

Dr Ruane holds a PhD in chemistry from the University of Western Australia. He has had over 25 years experience as a technical consultant in the chemical and metallurgical industries and over 15 years as a manager/director of a number of public listed companies.

Dr Ruane is currently the Managing Director of Intermin Resources Ltd, a major shareholder in Jetset Travelworld Ltd.

Mr Barry Samuels – Appointed 7 June 2001

Non-Executive Director, Member of Audit and Remuneration Committees

Mr Samuels has been involved in banking and investment for the past 33 years. In that time he has held various managerial positions with major banks and financial institutions and has controlled lending and investment areas.

After leaving the banking sector in 1985, Mr Samuels established his own business, Money Resources Pty Ltd, a financial company specialising in advice, loan book management and lending.

He is currently Managing Director of Financial Resources Ltd, a commercial finance company.

As well as being a Jetset Travelworld Director and chairman of the Company's Audit and Remuneration Committees, Mr Samuels is also on the boards of directors for Financial Resources Ltd, Australian Manganese Ltd and Money Resources Pty Ltd.

Directors' Report (cont'd)

Mr Timothy Ryan – Appointed 30 June 2002

Non-Executive Director, Member of Audit and Remuneration Committees

Mr Ryan is a chartered accountant specializing in the shipping, marine, architecture, real estate and travel industries and has extensive experience in the accounting and audit fields since entering the profession in 1976. Mr Ryan has specialised in reporting systems for large and medium size companies and has a long professional connection in these areas and established his own specialist consultancy firm in 1991.

Mr Ryan is also a registered company auditor whose current appointments include auditor and adviser to a number of organizations in the marine, real estate franchise and travel industries. He consults extensively in these areas and is also regarded as an authority on the cruise and passenger ferry industries and frequently presents papers and writes articles in various marine publications throughout Australia and the Asia Pacific region.

Mr Ryan is a Fellow of the Institute of Chartered Accountants in Australia and holds a Bachelor of Commerce degree.

Mr Peter Spathis – Appointed 30 June 2002

Non-Executive Director, Member of Audit, Remuneration and Finance Committees

Mr Spathis began his career as an auditor and tax consultant in private practice, where he developed a special interest for the travel and entertainment industries. He has held a number of senior financial positions in these industries since 1990.

Mr Spathis is currently a corporate executive with a leading travel company, responsible for financial reporting, development of automation systems, and the application of this technology to the travel agent industry. With over 15 years experience in finance, accounting and I.T., he has acted as a consultant and adviser to other organisations on the commercial aspects of the travel industry.

Mr Spathis gained a Bachelor of Business Degree in 1984 and completed a Graduate Diploma in Public Accounting (Taxation) in 1990. He is a Fellow of CPA Australia and a registered tax agent.

Mr Robert Sparks – Appointed 27 February 2002, resigned 1 August 2003

Former Managing Director and Chief Operating Officer

Directors' Meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors of the Company during the time the Director held office during the financial year are:

Director	Held	Attended
Mr Brian Wild	7	6
Dr Michael Ruane	17	15
Mr Timothy Ryan	17	16
Mr Barry Samuels	17	15
Mr Robert Sparks	17	17
Mr Peter Spathis	17	15

An Audit Committee was formed on 8 August 2002. The number of Audit Committee meetings and the number of meetings attended by each of the committee members during the financial year are:

Committee Member	Held	Attended
Mr Barry Samuels	11	9
Mr Timothy Ryan	11	11
Mr Peter Spathis	11	11

Principal Activity

The principal activity of the consolidated entity during the course of the financial year was the operation of a travel agency franchising business.

Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this Report.

State of Affairs

Significant changes in the state of affairs of the consolidated entity during the financial year were as follows:

On 12 November 2002, a deed of assignment was executed transferring medical technology and associated pre-emptive rights to Heartlink Ltd (ACN 101 733 920), in exchange for shares in Heartlink Ltd to the carrying value of \$100, 347. These shares were distributed in the specie to shareholders on the Jetset Travelworld Ltd register at 28 November 2002.

Directors' Report (cont'd)

On 6 December 2002, Sintack Pty Ltd announced that it intended to make a conditional, proportional take-over for up to 60% of all shares in Jetset Travelworld Ltd on issue on that date, that it did not already own on the basis of 25 cents cash. The offer closed with Sintack Pty Ltd increasing its holding in Jetset Travelworld Ltd to 60.27%.

During the course of the year 5,623,995 options were exercised and transferred to contributed equity. At the expiry date of 30 June 2003, 49,946,608 options were unexercised.

Results

The result of the consolidated entity for the year ended 30 June 2003 was a loss after income tax of \$572,067 (2002: loss \$750,336).

Review of Activities

The principal activity for the Company for the 2002/2003 financial year was to operate a substantial franchise travel centre network across Australia.

A full review of the Group's activities appears in the Review of Operations contained on page 8 of the Report. In the opinion of the Directors, there were no other significant changes in the state of affairs that occurred during the financial year under review not otherwise disclosed in this Annual Report.

Directors' interests

The relevant interest of each Director in the shares or options over shares issued by the Company, as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Ordinary Shares	
Dr Michael Ruane	281,130
Mr Barry Samuels	154,688
Mr Peter Spathis	-
Mr Timothy Ryan	-
Mr Brian Wild	-

Options

No options were issued to Directors during the year.

Directors' and senior executives' emoluments

The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Details of the nature and amount of each major element of the emoluments of each Director of the Company and each of the named officers of the Company and the consolidated entity receiving the highest emolument are:

	Base Emolument \$	Annual Leave \$	Super Contributions \$	Non-cash Benefits \$	Insurance \$	Total \$
Director						
Dr Michael Ruane	20,000	-	1,800	-	12,698	34,498
Mr Timothy Ryan	30,000	-	2,700	-	12,698	45,398
Mr Barry Samuels	30,000	-	2,700	-	12,698	45,398
Mr Robert Sparks	203,849	15,681	18,000	8,571	12,698	258,799
Mr Peter Spathis	30,000	-	2,700	-	12,698	45,398
Mr Brian Wild	36,770	-	-	-	12,698	49,468

Executive Officers

Mr Shaun Houston	124,280	9,560	10,519	11,392	-	155,751
Mr Peter Ornsby	110,000	8,462	9,900	621	-	128,983
Mr William Sidwell	80,839	-	6,981	23,192	-	111,012
Mr Peter Watson	95,308	7,331	8,268	21,802	-	132,709
Ms Ann Whitehead	81,901	6,154	7,200	-	-	93,354

Directors' Report (cont'd)

Indemnification of Officers

Indemnification

The Company has agreed to indemnify certain former Directors of the Company against liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance Premiums

Since the end of the previous financial year the Company has paid \$76,188 (2002: \$8,342) in respect of directors' and officers liability and legal expenses' insurance contracts, for current and former Directors and officers.

The premiums relate to insurance against:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

Environmental regulation

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the consolidated entity has adequate systems in place for the management of its environmental regulations and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

Events Subsequent to Balance Date

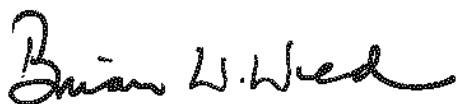
Other than the incorporation of Jetset Travelworld Insurance Pty Ltd in July 2003, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

Likely Developments

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Dated at Sydney this 12th day of September 2003.

Signed in accordance with a resolution of the Directors:



Mr Brian Wild
Executive Chairman

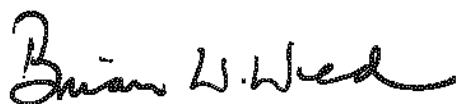
Directors' Declaration

In the opinion of the Directors of Jetset Travelworld Limited ("the Company"):

- (a) the financial statements and notes, set out on pages 24 to 46, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and the consolidated entity as at 30 June 2003 and of their performance, as represented by the results of their operations and their cashflows, for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 12th day of September 2003.

Signed in accordance with a resolution of the Directors:

A handwritten signature in black ink, appearing to read "Brian W. Wild". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Mr Brian Wild
Executive Chairman

Statements Of Financial Performance For The Year Ended 30 June 2003

	Note	Consolidated		The Company	
		2003 \$	2002 \$	2003 \$	2002 \$
Revenue from rendering of services		22,057,433	8,299,835	-	-
Other revenues from ordinary activities		218,680	85,560	89,377	197,292
Total revenue from ordinary activities	2	22,276,113	8,385,395	89,377	197,292
Service revenue expenses		(10,420,742)	(4,550,008)	-	-
Selling and marketing expenses		(6,015,593)	(933,769)	-	(7,193)
Administration expenses		(4,450,854)	(1,925,098)	(201,588)	(428,107)
Borrowing costs		(397,759)	(122,213)	-	-
Technology rights written off		-	(600,000)	-	(600,000)
Other expenses from ordinary activities		(1,717,649)	(852,463)	(7,167)	(22,466)
Loss from ordinary activities before related income tax expense	3	(726,484)	(598,156)	(119,378)	(860,474)
Income tax benefit/(expense) relating to ordinary activities	5	154,417	(152,180)	-	-
Net loss from ordinary activities attributable to members of the parent entity		(572,067)	(750,336)	(119,378)	(860,474)
Basic (loss) per share	27	(0.65 cents)	(1.27 cents)		
Diluted (loss) per share	27	(0.65 cents)	(1.27 cents)		

The statements of financial performance are to be read in conjunction with the notes to the financial statements.

Statements Of Financial Position As At 30 June 2003

		Consolidated		The Company	
	Note	2003 \$	2002 \$	2003 \$	2002 \$
Current Assets					
Cash assets	6	3,397,597	4,412,428	460,707	2,365,859
Receivables	7	5,300,237	3,707,054	6,228	40,499
Other	8	249,410	180,936	-	957
Total Current Assets		8,947,244	8,300,428	466,935	2,407,315
Non Current Assets					
Receivables	7	-	-	8,417,979	5,657,678
Property, plant & equipment	9	732,831	667,437	3,955	9,338
Intangible assets	10	8,124,046	8,781,311	-	-
Technology rights	11	-	100,347	-	100,347
Other financial assets	12	-	-	1,236,508	1,236,508
Deferred tax assets	5(c)	263,405	26,734	-	-
Total Non Current Assets		9,120,282	9,575,829	9,658,442	7,003,871
Total Assets		18,067,526	17,876,257	10,125,377	9,411,186
Current Liabilities					
Payables	13	5,232,270	5,199,371	15,695	198,574
Interest-bearing liabilities	14	396,811	415,092	-	-
Current tax liabilities	5(b)	261,158	178,914	-	-
Provisions	15	263,679	247,753	-	1,507
Total Current Liabilities		6,153,928	6,041,130	15,695	200,081
Non Current Liabilities					
Interest-bearing liabilities	14	2,107,175	2,495,911	-	-
Provisions	15	96,580	75,261	-	-
Total Non-current Liabilities		2,203,755	2,571,172	-	-
Total Liabilities		8,357,683	8,612,302	15,695	200,081
Net Assets		9,709,843	9,263,955	10,109,682	9,211,105
Equity					
Contributed equity	16	11,179,138	10,119,112	11,179,138	10,119,112
Reserves	17	-	415,706	-	415,708
Accumulated losses	18	(1,469,295)	(1,270,863)	(1,069,456)	(1,323,713)
Total Equity		9,709,843	9,263,955	10,109,682	9,211,105

The statements of financial position are to be read in conjunction with the notes to the financial statements.

Statements Of Cash Flows For The Year Ended 30 June 2003

		Consolidated		The Company	
	Note	2003 \$	2002 \$	2003 \$	2002 \$
Cash flows from operating activities		22,440,001	4,808,739	32,976	-
Cash receipts in the course of operations		(23,594,414)	(4,123,252)	(387,410)	(333,775)
Interest received		120,881	94,935	63,176	86,667
Borrowing costs paid		-	(122,213)	-	-
Net cash provided by/ (used in) operating activities	26(b)	(1,033,532)	658,209	(291,258)	(247,108)
Cash flows from investing activities					
Payments for property, plant and equipment		(317,941)	(675,690)	-	(1,905)
Payments for intangible assets		-	(7,180,614)	-	-
Deferred consideration paid		(300,000)	-	-	-
Loans to controlled entities		-	-	-	(5,462,678)
Loans to other entities		-	(272,611)	(2,722,164)	(272,611)
Loans repaid by other entities		-	272,611	-	272,611
Net cash used in investing activities		(617,941)	(7,856,304)	(2,722,164)	(5,464,583)
Cash flows from financing activities					
Proceeds from issue of shares and options		1,108,270	5,962,158	1,108,270	5,962,158
Proceeds from borrowings		-	6,600,000	-	3,600,000
Repayment of borrowings		-	(3,600,000)	-	(3,600,000)
Funds received / (paid) on behalf of other entities		(471,638)	471,638	-	-
Net cash provided by financing activities		636,632	9,433,796	1,108,270	5,962,158
Net increase / (decrease) in cash held		(1,014,841)	2,235,701	(1,905,152)	250,467
Cash at the beginning of the financial year		4,412,438	2,176,737	2,365,859	2,115,392
Cash at the end of the financial year	26(a)	3,397,597	4,412,438	460,707	2,365,859

The statements of cash flows are to be read in conjunction with the notes to the financial statements.

Notes To The Financial Statements

1. Statement of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are:

a) Basis of preparation

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

It has been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, are consistent with those of the previous year.

Where necessary comparative figures have been reclassified so as to be comparable with the figures stated in the current year.

b) Principles of consolidation

Controlled entities

The financial statements of the controlled entities are included from the date control commences until the date control ceases.

Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions between controlled entities are eliminated in full on consolidation.

c) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Rendering of services

Franchise fees are recognised as they accrue.

Volume incentives/commissions earned by the consolidated entity on travel products sold by franchisees are recognised as they are earned in accordance with the terms of the contractual arrangements with the suppliers of the travel products, and only when the amount can be reliably measured.

The consolidated entity records as revenue only the amount of volume incentive/commission earned under its contractual arrangements and not the gross value of travel products sold by franchisees.

Amounts recharged to third parties for advertising are not recognized as revenue but treated as a recovery of advertising expenses, and offset against advertising expense.

Notes To The Financial Statements (cont'd)

1. Statement of significant accounting policies (cont'd)

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Sale of non-current assets

The gross proceeds of non-current assets are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (gst), except where the amount of gst incurred is not recoverable from the taxation authority. In these circumstances the gst is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

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

e) Borrowing costs

Borrowing costs include interest relating to borrowings and are expensed as incurred. Ancillary costs incurred in connection with the arrangement of borrowings are capitalized and amortised over the life of the borrowings.

f) Taxation

The consolidated entity adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt or if relating to tax losses when realisation is virtually certain.

g) Receivables

The collectibility of debts is assessed at reporting date and specific provision is made for any doubtful accounts.

Trade debtors

Trade debtors are generally settled within 60 days and are carried at amounts due.

h) Recoverable amount of non-current assets valued on cost basis

The carrying amounts of non-current assets valued on the cost basis, are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

i) Acquisition of assets

All assets acquired, including property, plant and equipment, are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

j) Depreciation and amortisation

All assets, including intangibles, have limited useful lives and are depreciated/amortised using the straight-line method over their estimated useful lives, taking into account estimated residual values.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciation/amortisation rates or useful lives for each class of asset are as follows:

	2003	2002
Property, plant and equipment		
Plant and equipment	20% - 50%	20% - 50%
Intangibles		
Goodwill	5, 10, 20 years	5, 10, 20 years

k) Revisions of accounting estimates

Revisions to accounting estimates are recognized prospectively in current and future periods only.

Notes To The Financial Statements (cont'd)

1. Statement of significant accounting policies (cont'd)

l) Leased assets

Leases under which the consolidated entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Operating leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

m) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

n) Employee benefits

Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

Long service leave

The provision for employee benefits to long service leave represents the present value of estimated future cash outflows to be made resulting from employees' services provided to reporting date.

Superannuation plan

The Company and the controlled entities contribute to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

o) Investments

Controlled entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

p) Goodwill

Goodwill represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired.

q) Technology rights

Acquisition of technology rights are brought to account at cost. Ongoing research and development is expensed as incurred.

The cost of technology rights are amortised over the period in which the related benefits are expected to be realized. Amortisation will commence upon commercial development of the technology.

r) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit/(loss) to members of the parent entity for the reporting period, by the weighted average number of ordinary shares of the Company.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares of the Company.

Notes To The Financial Statements (cont'd)

		Consolidated		The Company	
		2003	2002	2003	2002
	Note	\$	\$	\$	\$
2. Revenue from ordinary activities					
Rendering of services revenue from operating activities		22,057,433	8,299,835	-	-
Other revenues					
Management fee	25	-	-	27,496	120,000
Interest income		122,540	85,560	61,881	77,292
Other income		96,140	-	-	-
Total revenue from ordinary activities		22,276,113	8,385,395	89,377	197,292
3. Loss from ordinary activities before income tax expense					
(a) Individually significant expenses included in loss from ordinary activities before income tax expense					
Technology rights written off		-	600,000	-	600,000
(b) Loss from ordinary activities before income tax expense has been arrived at after charging/ (crediting) the following items:					
Depreciation of plant and equipment		241,257	57,460	5,383	19,457
Amortisation of goodwill		657,265	274,958	-	-
Total depreciation and amortisation		898,522	332,418	5,383	19,457
Borrowing costs – other parties		397,759	122,213	-	-
Net bad and doubtful debts expense including movements in provision for doubtful debts		44,463	170,455	-	-
Net loss on disposal of non-current assets		11,290	-	-	-
Operating lease rental expense		743,143	214,154	45,305	17,398
4. Auditors' remuneration					
<i>Audit services:</i>					
Auditors of the Company - KPMG					
- Audit and review of the financial reports		112,700	56,052	22,266	16,302
<i>Other Services:</i>					
Auditors of the Company - KPMG					
- Other assurance services		20,343	6,000	-	6,000
- Taxation services		12,000	-	-	-
- Acquisition due diligence services		-	8,000	-	8,000

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
5. Taxation				
(a) Income tax expense/ (benefit)				
Prima facie income tax (benefit) calculated at 30% (2002: 30%) on the operating loss from ordinary activities	(217,945)	(179,447)	(35,813)	(258,142)
Increase/(decrease) in income tax expense/ (benefit) due to:				
Amortisation of goodwill	197,180	82,487	-	-
Technology rights written off	-	180,000	-	180,000
Option premium	112,090	-	112,090	-
Non-deductible expenses	18,028	2,146	-	686
Share issue costs	(36,000)	-	(36,000)	-
Future income tax benefit not brought to account	-	77,456	-	77,456
Income tax (over) provided in prior year	(95,067)	-	-	-
Recovery of tax losses not previously brought to account	(132,703)	(10,462)	(40,277)	-
Income tax (benefit)/expense attributable to loss from ordinary activities	(154,417)	152,180	-	-
Income tax (benefit)/expense attributable to operating loss is made up of:				
Current income tax provision	177,321	178,914	-	-
Deferred income tax provision	-	511,980	-	-
Future income tax benefits	(236,671)	(538,714)	-	-
Over provision in prior year	(95,067)	-	-	-
	(154,417)	152,180	-	-
(b) Current tax liabilities				
<i>Provision for current income tax</i>				
Movements during the year:				
Balance at beginning of year	178,914	-	-	-
Current year's income tax expense on loss from ordinary activities	177,321	178,914	-	-
Over provision in prior year	(95,067)	-	-	-
	261,168	178,914	-	-

Notes To The Financial Statements (cont'd)

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
5. Taxation (Cont'd)				
(c) Deferred tax assets				
<i>Future income tax benefit</i>				
Future income tax benefits comprises the estimated future at the applicable rate of 30% on the following items:				
Provisions and accrued employee entitlements not currently deductible	263,405	45,022	-	-
Accruals	-	493,692	-	-
Net of deferred tax liabilities	-	(511,980)	-	-
	263,405	26,734	-	-
<i>Future income tax benefit not brought to account</i>				
This potential future income tax benefit arising from tax losses and timing differences has not been recognized as an asset because recovery of tax losses is not virtually certain and recovery of timing differences is not assured beyond reasonable doubt:				
Tax losses carried forward	152,025	211,943	152,025	211,943
Timing differences	-	7,204	-	7,204
	152,025	219,147	152,025	219,147

The potential future income tax benefit will only be obtained if:

- (i) the relevant Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilized by another Company in the consolidated entity in accordance with Division 170 of the Income Tax Assessment Act 1997;
- (ii) the relevant Company and/or the consolidated entity continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in tax legislation adversely affect the relevant Company or the consolidated entity in realising the benefit.

Tax Consolidation

The consolidated entity has not yet determined whether it will elect to form a Consolidated Tax Group under the Tax Consolidation provisions of the Australian tax law. Consequently, it has also not determined a date on which it will elect to form a Consolidated Tax Group. Preliminary work undertaken by the Company indicates that none of its deferred tax assets are likely to be impaired should it elect to form a Consolidated Tax Group.

		Consolidated		The Company	
	Note	2003 \$	2002 \$	2003 \$	2002 \$
6. Cash Assets					
Cash at bank and on hand		2,732,929	2,098,170	10,707	51,591
Bank short term deposits		664,668	2,314,268	450,000	2,314,268
	26(a)	3,397,597	4,412,438	460,707	2,365,859

The bank short term deposits mature within 30 days and pay interest at a weighted average interest rate of 4.33% (2002: 3.70%) at 30 June 2003.

7. Receivables

Current

Trade debtors		5,401,540	3,685,183	-	-
Less: Provision for doubtful trade debtors		(120,000)	(80,455)	-	-
		5,281,540	3,604,728	-	-
Deposits		-	60,546	-	-
Interest receivable		3,786	2,127	832	2,127
Other debtors		14,911	39,653	5,396	38,372
		5,300,237	3,707,054	6,228	40,499

Non-current

Loans to controlled entities (i)	25	-	-	8,417,979	5,657,678
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The loans to controlled entities are interest free and have no set date of repayment

8. Other Current Assets

Prepayments		249,410	176,624	-	957
Consumable stores			4,312	-	-
		249,410	180,936	-	957

9. Property, Plant & Equipment

Plant and equipment

At cost		1,039,476	734,975	38,465	38,465
Accumulated depreciation		(306,645)	(67,538)	(34,510)	(29,127)
Total property, plant and equipment net book value		732,831	667,437	3,955	9,338

Notes To The Financial Statements (cont'd)

		Consolidated		The Company	
		2003	2002	2003	2002
	Note	\$	\$	\$	\$
9. Property, Plant & Equipment (cont'd)					
Reconciliations					
Reconciliations of the carrying amounts for plant and equipment are set out below:					
Carrying amount at beginning of year		667,437	49,207	9,338	26,890
Additions		317,941	675,690	-	1,905
Disposals		(11,290)	-	-	-
Depreciation		(241,257)	(57,460)	(5,383)	(19,457)
Carrying amount at end of year		732,831	667,437	3,955	9,338
10. Intangible Assets					
Goodwill – at cost		9,078,684	9,078,684	-	-
Accumulated amortisation		(954,638)	(297,373)	-	-
		8,124,046	8,781,311	-	-
11. Technology Rights					
Technology Rights – at cost		-	700,347	-	700,347
Less: Writedown		-	(600,000)	-	(600,000)
		-	100,347	-	100,347
12. Other Financial Assets					
Investments in controlled entities	22	-	-	1,236,508	1,236,508
13. Payables					
Trade Creditors		3,459,726	2,777,536	-	17,712
Other creditors and accruals		1,772,544	1,650,197	15,695	180,862
Deferred consideration		-	300,000	-	-
Other		-	471,638	-	-
		5,232,270	5,199,371	15,695	198,574

		Consolidated		The Company	
	Note	2003	2002	2003	2002
		\$	\$	\$	\$
14. Interest Bearing Liabilities					
Current					
Other loans - secured (i)		396,811	415,092	-	-
Non-current					
Other loans - secured (i)		2,107,175	2,495,911	-	-

i) Under a facility agreement entered into between the Company, Jetset Pty Ltd (a wholly owned subsidiary) and a Supplier ("Facility Agreement"), the Supplier advanced the sum of \$3,000,000 to Jetset Pty Ltd to assist in funding the acquisition of Jetset Travel. The monies advanced under the Facility Agreement have been secured by fixed and floating charges over the assets and undertakings of the Company and its subsidiaries, together with a guarantee and indemnity given by the Company.

Under the Facility Agreement, the Supplier will reduce the outstanding balance of the loan based upon the consolidated entity's use of the Supplier's products and services over a three year period. To date, the outstanding balance of the loan has been reduced by approximately \$496,014 (2002: \$88,997). After 3 years, any outstanding balance of the loan facility will become due and payable by Jetset Pty Ltd. Interest is payable by Jetset Pty Ltd on the loan facility at the end of the 3 year period only if the loan has not already been repaid in the manner described above. Interest of \$397,759 has been accrued to date.

	Note	2003	2002	2003	2002
		\$	\$	\$	\$
15. Provisions					
Current					
Employee benefits (including on-costs)		263,679	247,753	-	1,507
Non-current					
Employee benefits (including on-costs)		96,580	75,261	-	-
		Number	Number	Number	Number
Number of employees at year end		51	49	-	1

16. Contributed Equity

Share capital

92,212,250 (2002:86,588,255)

ordinary shares, fully paid	11,179,138	10,119,112	11,179,138	10,119,112
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(a) Ordinary Shares

Movements during the year

Balance at beginning of year	10,119,112	4,129,360	10,119,112	4,129,360
Shares issued for cash pursuant to an entitlement issue	-	806,235	-	806,235
Shares issued for cash pursuant to a prospectus	-	5,600,00	-	5,600,000
Transaction costs arising from issues for cash pursuant to prospectus raisings	-	(596,483)	-	(596,483)
Return of capital to shareholders (i)	(100,347)	-	(100,347)	-
Shares issued with shareholder approval	-	180,000	-	180,000
Shares issued from conversion of options	1,160,373	-	1,160,373	-
Balance at end of year	11,179,138	10,119,112	11,179,138	10,119,112

Notes To The Financial Statements (cont'd)

16. Contributed Equity (cont'd)

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up the Company, ordinary shareholders rank after creditors.

Technology Rights

A deed of assignment was executed transferring medical technology and associated pre-emptive rights to Heartlink Ltd (ACN 101 733 920), in exchange for shares in Heartlink Ltd to the carrying value of \$100, 347. These shares were distributed in the specie to shareholders on the Jetset Travelworld Ltd register at 28 November 2002.

Options

During the course of the year 5,623,995 options were exercised and transferred to contributed equity. At the expiry date of 30 June 2003, 49,946,608 options were unexercised.

The following options to subscribe for ordinary fully paid shares are outstanding as at 30 June 2003:

	Number 30 June 2003	Number 30 June 2002
Options exercisable on or before 30 June 2003	-	55,570,603

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
17. Reserves				
Option Premium Reserve				
Balance at beginning of year	415,706	415,706	415,706	415,706
Transferred to contributed entity	(42,071)	-	(42,071)	-
Transferred to accumulated losses	(373,635)	-	(373,635)	-
Balance at end of year	-	415,706	-	415,706

Nature and purpose of reserve

The option premium reserve records the proceeds from the issue of options over ordinary shares.

Upon exercise of these options, amounts recorded in the option premium reserve are transferred to contributed equity. 49,946,608 options to the value of \$373,635 were unexercised at the expiry date of 30 June 2003 and were transferred to accumulated losses.

18. Accumulated Losses

Accumulated losses at beginning of year	(1,270,863)	(520,527)	(1,323,713)	(463,239)
Transfer from option premium reserve	373,635	-	373,635	-
Net loss from ordinary activities attributable to members of the parent entity	(572,067)	(750,336)	(119,378)	(860,474)
Accumulated losses at end of year	(1,469,295)	(1,270,863)	(1,069,456)	(1,323,713)

19. Segment Reporting

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise cash and interest revenue.

Business segments

The consolidated entity comprised the following main business segments, based on the consolidated entity's management reporting system:

<i>Travel agency franchisor</i>	Operator of a travel agency network throughout Australia.
<i>Medical diagnostic research</i>	Development and commercialization of patented diagnostic process. Ceased operations during the year.

Notes To The Financial Statements (cont'd)

19. Segment Reporting (cont'd)

	Travel \$		Medical \$		Consolidated \$	
Primary reporting Business segments	2003	2002	2003	2002	2003	2002
Revenue						
Segment revenue	22,153,573	8,299,835	-	-	22,153,573	8,299,835
Interest revenue					122,540	85,560
Total segment revenue					22,276,113	8,385,395
Result						
Segment result	(451,265)	279,642	-	(841,145)	(451,265)	(561,503)
Net interest and other borrowing costs					(275,219)	(36,653)
					(726,484)	(598,156)
Income tax benefit (expense)					154,417	(152,180)
Net loss					(572,067)	(750,336)
Depreciation and amortisation	(898,522)	(315,360)	-	(17,058)	(898,522)	(332,418)
Individually significant items						
Technology rights written off	-	-	-	(600,000)	-	(600,000)
Assets						
Segment assets	14,406,524	13,336,738	-	100,347	14,406,524	13,437,085
Unallocated tax assets					263,405	26,734
Unallocated cash assets					3,397,597	4,412,438
Consolidated total assets					18,067,526	17,876,257
Liabilities						
Segment liabilities	(8,096,515)	(8,433,388)	-	-	(8,096,515)	(8,433,388)
Unallocated tax liabilities					(261,168)	(178,914)
					(8,357,683)	(8,612,302)

Secondary reporting

Geographical segments

The consolidated entity operates entirely in Australia.

20. Additional Financial Instruments Disclosure

(a) Interest rate risk exposure

The consolidated entity's exposure to interest rate risk is presently limited to its cash assets. Cash assets include short term deposits of \$664,668 (2002: \$2,314,268) maturing in less than thirty days and paying interest at 30 June 2003 at rates of between 4.20% and 4.60% (2002: 2.25% and 4.50%) per annum. Other funds held in cheque and business management accounts during the year earned interest at rates ranging between 0% and 4.4%, depending on account balances.

The secured loan from one of the consolidated entity's suppliers matures in April 2005 and incurs interest at the supplier's bank overdraft rate plus 2%, currently 10.95%. All other financial assets and financial liabilities are non-interest bearing.

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counter-parties fail to perform as contracted.

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position is generally the carrying amount, net of any provisions for doubtful debts.

A large portion of the consolidated entity's debtors result from incentive agreements with suppliers which expose the Group to a level of risk.

(c) Net fair values of financial assets and liabilities

The net fair values of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity are not materially different from their carrying values.

21. Comments

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
Non-cancellable operating lease commitments				
Future operating lease commitments not provided for in the financial statements and payable:				
Within one year	538,813	476,840	23,506	14,548
One year or later and not later than five years	707,958	1,353,902	47,013	119,737
	1,246,771	1,830,742	70,519	134,285

The consolidated entity leases property under non-cancellable operating leases expiring from one to five years. Leases generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated.

Notes To The Financial Statements (cont'd)

22. Controlled Entities

Particulars in relation to controlled entities

Parent entity

Jetset Travelworld Limited

Controlled entities

	Place of incorporation	Interest	Interest
Controlled entity		2003	2002
Travelworld Pty Ltd	Australia	100%	100%
Jetset Pty Ltd	Australia	100%	100%

23. Directors' Remuneration

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
Total income paid or payable, or otherwise made available, to all Directors of the Company and controlled entities from the Company or any related party.	478,959	591,822	-	227,927

The number of Directors of the Company whose income from the Company or any related party falls within the following bands:

			2003	2002
\$ 0 - \$ 9,999	-	\$ 9,999	-	4
\$ 20,000 - \$ 29,999	-	\$ 29,999	-	2
\$ 30,000 - \$ 39,999	-	\$ 39,999	1	-
\$ 40,000 - \$ 49,999	-	\$ 49,999	4	-
\$ 60,000 - \$ 69,999	-	\$ 69,999	-	1
\$ 100,000 - \$ 109,000	-	\$ 109,000	-	1
\$ 250,000 - \$ 259,999	-	\$ 259,999	1	-
\$ 360,000 - \$ 369,999	-	\$ 369,999	-	1

Directors' remuneration includes an allocation of insurance premiums paid by the Company in respect of directors' and officers' liabilities and legal expenses' insurance contracts in accordance with common commercial practice.

24. Executives' Remuneration

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
Total income in respect of the financial year received, or due and receivable, from the Company, entities in the consolidated entity or related parties by executive officers of the Company and of controlled entities whose income is \$100,000 or more are:	787,254	467,449	-	103,554

The number of Australian based executive officers of the Company and of the controlled entities, whose remuneration from the Company falls within the following bands:

	Consolidated		The Company	
	2003	2002	2003	2002
\$100,000 - \$109,999	-	1	-	1
\$110,000 - \$119,999	1	-	-	-
\$120,000 - \$129,999	1	-	-	-
\$130,000 - \$139,999	1	-	-	-
\$150,000 - \$159,999	1	-	-	-
\$250,000 - \$259,999	1	-	-	-
\$360,000 - \$369,999	-	1	-	-

Executive officers are those officers involved in the strategic direction, general management or control of business at a Company or operating division level.

Executives' remuneration includes amounts paid during the year to indemnify executives, and an allocation of insurance premiums paid by the Company or related parties in respect of directors' and officers' liabilities and legal expenses insurance contracts, in accordance with common commercial practice.

25. Related Parties

Directors

The names of each person holding the position of Director of Jetset Travelworld Limited during the financial year are:

Mr Brian Wild	Appointed 6 March 2003
Dr Michael Ruane	
Mr Timothy Ryan	
Mr Barry Samuels	
Mr Peter Spathis	
Mr Robert Sparks	Resigned 1 August 2003

Details of Directors' remuneration are set out in Note 23. Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving Directors' interests subsisting at year end.

Notes To The Financial Statements (cont'd)

25. Related Parties (cont'd)

Directors' holdings of shares and share options

The interests of Directors of the reporting entity and their director-related entities in shares and share options of entities within the consolidated entity at year-end are set out below:

	Consolidated	
	2003 Number Held	2002 Number Held
Ordinary shares	1,435,818	3,863,608
Options over ordinary shares	-	4,516,558

Directors' transactions with the Company or its controlled entities

The terms and conditions of transactions with Directors and their director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director-related entities on an arm's length basis.

During the year the consolidated entity paid \$145,652 (2002: \$28,008) to Spectacular Events Pty Ltd, a Company associated with Mr Robert Sparks, for ticketing and conference management services.

During the year the consolidated entity paid a franchisee that is associated with Mr Robert Sparks, Travelworld Caloundra, \$97,349 for overrides and received \$2,964 for various franchise fees.

The consolidated entity entered into an agreement with Consolidated Travel Pty Ltd which is an associated Company of Sintack Pty Ltd, and earned income of \$80,306 (2002: Nil).

Wholly-Owned Group

Details of the Company's interests in wholly-owned controlled entities are set out at Note 22. Details of dealings with these entities are set out below.

Loans

Loans to the controlled entities are unsecured, interest-free and of no fixed term. The loans are provided primarily to fund the operational activities of the controlled entities. Accordingly, the ultimate recoupment of the loans is dependent upon successful operation and performance of the controlled entities.

Other Transactions

The Company charged one of the controlled entities a management fee of \$27,496 (2002: \$120,000) for services provided. The fee is considered to be in the normal course of business.

Balances with Controlled Entities

The aggregate amounts receivable from the wholly-owned controlled entities by the Company at balance date are:

Jetset Pty Ltd	\$6,464,551 (2002: \$3,720,986)
Travelworld Pty Ltd	\$1,953,428 (2002: \$1,936,692)

26. Notes To The Statements Of Cash Flows

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
(a) Reconciliation of cash				
For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:				
Cash assets	3,397,597	4,412,438	460,707	2,365,859
(b) Reconciliation of loss from ordinary activities after income tax to net cash provided by operating activities				
(Loss) from ordinary activities after income tax	(572,067)	(750,336)	(119,378)	(860,474)
Add / (Less) non-cash items:				
Interest accrued	397,759	-	-	-
Loss on disposal of assets	11,290	-	-	-
Amortisation of goodwill	657,265	274,958	-	-
Depreciation of plant and equipment	241,257	57,460	5,383	19,457
Commission applied to loan repayment	(407,017)	(88,997)	-	-
Technology rights written off	-	600,000	-	600,000
Sundry items	-	(55,218)	-	-
Provision for employee entitlements	37,245	67,051	(1,508)	(6,567)
Bad and doubtful debts expense	44,463	170,455	-	-
Net cash provided by/(used in) operating activities before changes in assets and liabilities	410,195	275,373	(115,503)	(247,584)
(Increase)/decrease in receivables	(1,632,728)	(3,776,465)	34,271	10,874
Increase/(decrease) in payables	411,892	4,163,965	(210,983)	(9,441)
(Increase) in other current assets	(68,474)	(156,844)	957	(957)
(Increase) in deferred tax assets	(236,671)	(26,734)	-	-
Increase/(decrease) in current tax liabilities	82,254	178,914	-	-
Net cash provided by/(used in) operating activities	(1,033,532)	658,209	(291,258)	(247,108)

Notes To The Financial Statements (cont'd)

27. Earnings Per Share

	Consolidated	
	2003	2002
	Number of shares	
Weighted average number of ordinary shares used as the denominator in the calculation of basic and diluted earnings per share	87,867,433	58,978,198

The Company's potential ordinary shares are not considered dilutive and accordingly basic loss per share is the same as diluted loss per share.

28. Discontinuing Operations

Medical diagnostic research operations

On the 12th November 2002, the Board agreed to enter into a deed of assignment of technology and pre-emptive rights which were the sole remaining assets of the medical diagnostic research operations. The activities of this segment are inconsistent with the long term strategy of the consolidated entity, which is to focus on further strengthening its presence in the travel industry.

A deed of assignment was executed transferring medical technology and associated pre-emptive rights to Heartlink Ltd (ACN 101 733 920), in exchange for shares in Heartlink Ltd to the carrying value of \$100, 347. These shares were distributed in the specie to shareholders on the Jetset Travelworld Ltd register at 28 November 2002.

Details of the results of discontinuing operations are given in note 19 of the financial statements.

Audit Report

Independent Audit Report to the members of Jetset Travelworld Limited

Scope

The financial report and directors' responsibility

The financial report comprises the statements of financial position, statements of financial performance, statements of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Jetset Travelworld Limited (the "Company") and the Jetset Travelworld Limited group (the "consolidated entity"), for the year ended 30 June 2003. The consolidated entity comprises both the Company and the entities it controlled during that year.

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

Audit approach

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

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

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

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

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

Audit Report (cont'd)

Independence

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

Audit opinion

In our opinion, the financial report of Jetset Travelworld Limited is in accordance with:

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



KPMG



Kevin Leighton

Partner

Sydney, 12 September 2003

Shareholder Information

The 20 largest registered holders of each class of security as at 31 August 2003 were:

Fully paid ordinary shares

Name	No. of Shares	%
1. Sintack Pty Ltd	54,193,165	58.77
2. Intermin Resources Ltd	7,738,846	8.39
3. Ethnic Publications Pty Ltd	2,000,000	2.17
4. Parmelia Pty Ltd	1,724,875	1.87
5. Solbec Pharmaceuticals Ltd	1,435,520	1.56
6. Tip Top Poultry (Vic) Pty Ltd	1,214,500	1.32
7. Mr Robert Glen Sparks	1,000,000	1.08
8. Mr Richard William Daigleish	711,200	0.77
9. Yandal Investments Pty Ltd	549,416	0.60
10. Mr Robert Archer Black & Dr Ann Carolyn Black	505,000	0.55
11. Mr Giuseppe Vince Petracca	500,000	0.54
12. Baracus Pty Ltd	380,271	0.41
13. Mr James Edgar Everett & Mrs Jocelyn Ann Everett	308,554	0.33
14. Forza Family Pty Ltd	300,000	0.33
15. Golden Venture Pty Ltd	282,560	0.31
16. Mr William Terence Sidwell & Mrs Janice Joy Sidwell	275,000	0.30
17. Mr Thomas Joseph Falvey	270,170	0.29
18. Mr Keith Davenport	270,000	0.29
19. Textron Engineering (Aust) Pty Ltd	270,000	0.29
20. Lawstar Pty Ltd	247,000	0.26
	74,176,077	80.44

Shareholder Information (cont'd)

Distribution schedule of share and optionholders as at 31 August 2003

Shares Range	Holders	Units	%
1 - 1,000	12	5,179	0.01
1,001 - 5,000	145	547,993	0.59
5,001 - 10,000	210	1,819,001	1.97
10,001 - 100,000	456	12,838,117	13.92
100,001 - Over	10	77,001,960	83.51
Total	833	92,212,250	100.0

Substantial shareholders

The details of substantial shareholders as set out in notices given to the Company are set out below:

Substantial Shareholder	Number Of Shares	%
Sintack Pty Ltd	54,193,165	58.77
Intermin Resources Ltd	7,738,846	8.39

Holders of unmarketable parcels of shares as at 31 August 2003

Holders	Units
0	0

Voting Rights

The voting rights attaching to ordinary fully paid shares are:

At shareholder meetings, on a show of hands every member present in person or by proxy shall have one vote, and upon a poll each share shall have one vote.

Restricted securities

The details of restricted securities of the Company are as follows:

Number Of Ordinary Shares	Date Escrow Period Ends
1,000,000	30 May 2004

On-market buy-back

There is no current on-market buy-back.

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