

**Facsimile**

To	Company Announcements Office	From	Stephen Hanich
Fax	1900 999 279	Pages	6
Company	Australian Stock Exchange	Date	8 February 2005
Re	Kip McGrath Education Centres Limited		

Please find attached a Form 603 – Notice of Initial Substantial Shareholder

Kind regards

A handwritten signature in black ink, appearing to be "S. Hanich", written over a light blue horizontal line.

Stephen Hanich
Company Secretary

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Kip McGrath Education Centres LimitedACN/ARSN 003 415 889**1. Details of substantial holder (1)**Name Souls Funds Management LimitedACN/ARSN (if applicable) 098 628 605The holder became a substantial holder on 07 /02 /2005**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
ORD	862,867	862,867	5.08%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Refer Annexure A		

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Refer Annexure B			

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Refer Annexure C				

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
n/a	

7. Addresses

The addresses of persons named in this form are as follows:

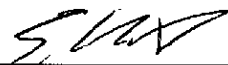
Name	Address
Souls Funds Management	Level 2, 160 Pitt Street
Limited	Sydney NSW 2000

Signature

print name **Stephen Hanich**

capacity **Company Secretary**

sign here



date **08 / 02 / 2005**

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

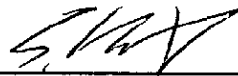
See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE A

Souls Funds Management Limited ACN 098 628 603

Holder of relevant interest	Nature of relevant interest	Class and number of securities
Souls Funds Management Limited	In its capacity as investment manager. Exercise of voting and disposal powers may be subject to any client direction	862,867

This is Annexure A of 1 page referred to in Form 603 - Notice of Initial Substantial Holder



Stephen Hanich
Company Secretary

08-Feb-05

Date

ANNEXURE B

Souls Funds Management Limited ACN 098 628 603

Holder of relevant interest	Registered holder of securities	Person entitled to be registered holder	Class and number of securities
Souls Funds Management Limited	Souls Funds Management Limited as RE for Souls Australian Small Companies Fund	ANZ Banking Group Limited	466,032
Souls Funds Management Limited	AMP Capital Investors Limited	Cogent Nominees Pty Limited	24,600
Souls Funds Management Limited	Australian Business Limited	Cogent Nominees Pty Limited	106,281
Souls Funds Management Limited	Colonial First State Investments Limited	Citicorp Nominees Pty Limited	163,954
Souls Funds Management Limited	Advance Asset Management Limited	National Nominees Limited	102,000

This is Annexure B of 1 page referred to in Form 603 - Notice of Initial Substantial Holder



Stephen Hanich
Company Secretary

08-Feb-05

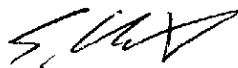
Date

ANNEXURE C

Souls Funds Management Limited ACN 098 628 605

Holder of relevant interest	Date of acquisition	Consideration	Class and number of securities
Souls Funds Management Limited	11-Oct-04	9,039.60	4,000
Souls Funds Management Limited	12-Oct-04	13,559.40	6,000
Souls Funds Management Limited	22-Oct-04	24,610.81	10,000
Souls Funds Management Limited	29-Oct-04	36,289.47	15,000
Souls Funds Management Limited	05-Nov-04	37,102.16	15,648
Souls Funds Management Limited	08-Nov-04	81,937.80	33,548
Souls Funds Management Limited	09-Nov-04	14,968.92	6,083
Souls Funds Management Limited	10-Nov-04	15,363.24	6,275
Souls Funds Management Limited	11-Nov-04	20,364.41	8,448
Souls Funds Management Limited	12-Nov-04	14,162.04	6,000
Souls Funds Management Limited	15-Nov-04	33,044.76	14,000
Souls Funds Management Limited	17-Nov-04	12,561.73	5,322
Souls Funds Management Limited	18-Nov-04	39,365.75	16,678
Souls Funds Management Limited	23-Nov-04	53,280.36	23,650
Souls Funds Management Limited	24-Nov-04	16,533.86	7,340
Souls Funds Management Limited	25-Nov-04	6,749.57	3,000
Souls Funds Management Limited	26-Nov-04	12,621.70	5,610
Souls Funds Management Limited	29-Nov-04	62,584.77	27,526
Souls Funds Management Limited	30-Nov-04	20,791.08	9,000
Souls Funds Management Limited	01-Dec-04	13,860.72	6,000
Souls Funds Management Limited	07-Dec-04	45,844.33	19,848
Souls Funds Management Limited	08-Dec-04	2,310.12	1,000
Souls Funds Management Limited	09-Dec-04	47,535.34	20,577
Souls Funds Management Limited	10-Dec-04	8,265.61	3,578
Souls Funds Management Limited	31-Jan-05	11,299.50	5,000
Souls Funds Management Limited	01-Feb-05	22,599.00	10,000
Souls Funds Management Limited	03-Feb-05	17,888.76	8,200
Souls Funds Management Limited	04-Feb-05	32,586.25	15,000
Souls Funds Management Limited	07-Feb-05	2,952.94	1,400

This is Annexure C of 1 page referred to in Form 603 - Notice of Initial Substantial Holder



 Stephen Hanich
 Company Secretary

 08-Feb-05
 Date