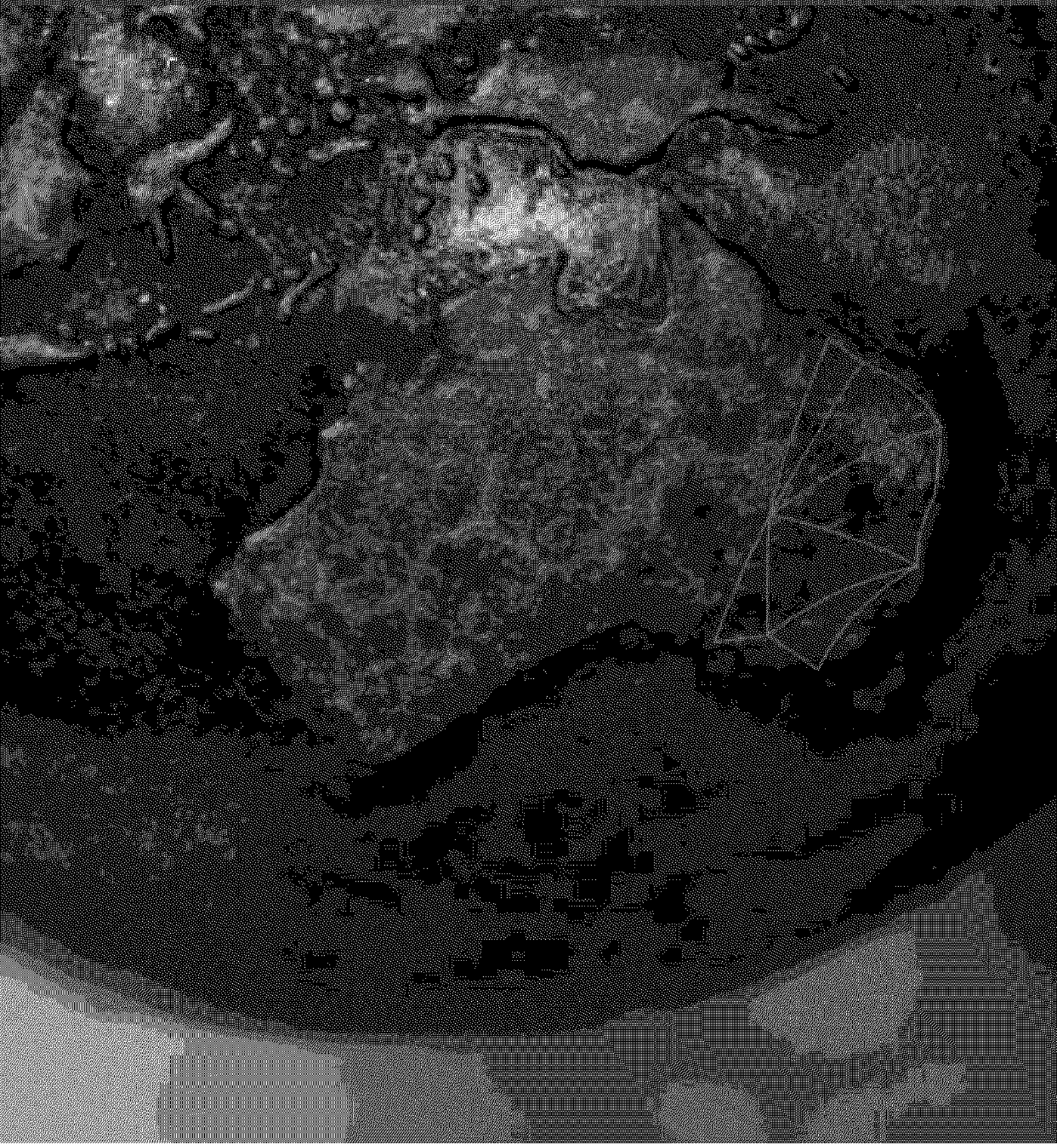
LINDSAY AUSTRALIA
LIMITED
ABN 81 061 642 733

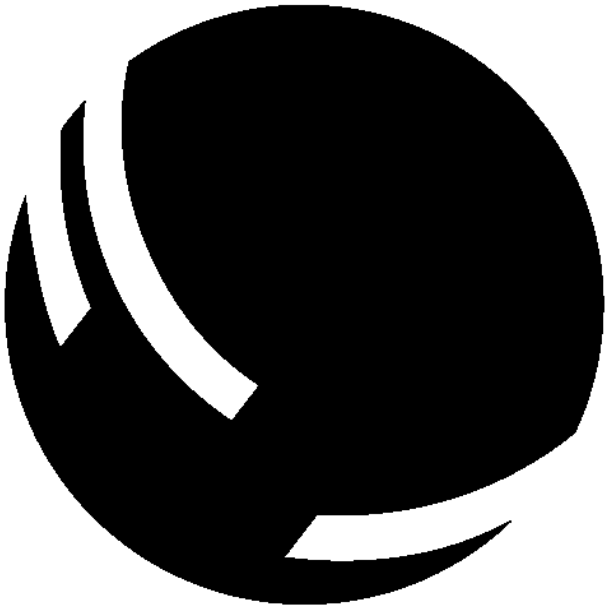
Australians Seeking Excellence

ANNUAL REPORT 2004



Contents

DIRECTORS' REPORT	1
FINANCIAL REPORT	9
CORPORATE GOVERNANCE STATEMENT	49
SHAREHOLDER INFORMATION	54



Corporate Directory

Directors

John F Pressler OAM MAICD (Chairman)

Michael K Lindsay MAICD
(Managing Director and Chief Executive Officer)

Richard A Anderson OAM, BCom, FCA, FCPA

Samuel S Doumany BSc, MAICD

Leslie R Hancock MAICD

Thomas K Lindsay

Company Secretary and Chief Financial Officer

Graham A Johnston BCom, MBA, CPA

Register of Securities

Computershare Investor Services Pty Ltd

345 Queen Street, Brisbane, Queensland, 4000
Telephone: 1300 552 270
www.computershare.com.au

Registered and Principal Administrative Office

116 Ipswich Road, Woolloongabba, Queensland, 4102

Administrative Office
Telephone: (07) 3240 4900
Fax: (07) 3393 1999
www.lindsayaustralia.com.au

Auditor

Johnston Rorke

255 Adelaide Street, Brisbane, Queensland, 4000

Bankers

Westpac Banking Corporation

65 Molesworth Street, Lismore, New South Wales, 2480

Solicitors

McCullough Robertson Lawyers

66 Eagle Street, Brisbane, Queensland, 4000

Stock Exchange Listings

Lindsay Australia Limited securities are listed on the Australian Stock Exchange

Lindsay Australia is an integrated transport, logistics and rural supply company with a specific focus on servicing major customers in the food processing, food services, fresh produce, rural and horticultural sectors.

Directors' Report

Your Directors present their report on the company and its controlled entities for the financial year ended 30 June 2004.

Directors

The following persons were Directors of Lindsay Australia Limited during the financial year and until the date of this report. Directors were in office for the whole of the year.

Mr. John Frederick Pressler, 62

(Non-executive Chairman)

Mr. Pressler has had a highly successful involvement in the agricultural and horticultural industries for over 40 years, and is recognised as one of the industry's leading participants in both the Bundaberg and Emerald regions. He currently owns and operates one of the largest privately owned orchards in the southern hemisphere, with around 600 hectares of citrus and 220 hectares of grapes under cultivation. Mr. Pressler has been a non-executive director of Wide Bay Capricorn Building Society Limited since 1988, and its Chairman since 1997. Mr. Pressler is a member of the Australian Institute of Company Directors. He was awarded the medal of the Order of Australia in 2004 for services to the horticultural industry.

Mr. Michael Kim Lindsay, 46

(Managing Director and Chief Executive Officer)

Mr. Lindsay has 30 years experience in the Australian transportation and rural merchandising industries. From 1974 to 1983 he worked for Lindsay Brothers Transport, gaining a hands on knowledge of the transportation industry through an involvement in all areas of the company's operations.

In 1983 Mr. Lindsay established P&H Rural Supplies, a specialist rural merchandising business with operations in central and southeast Queensland. As managing director of the company he was responsible for expanding it from a small local operation to a major regional business.

Mr. Lindsay is a member of the Australian Institute of Company Directors.

Mr. Richard Andrew Anderson, 58

(Non-executive Director)

Mr. Anderson is a former partner of PricewaterhouseCoopers having served as the firm's managing partner in Queensland for nine years and also as a member of the firm's national committee. Mr. Anderson holds a Bachelor of Commerce degree from the University of Queensland.

He is a Fellow of the Institute of Chartered Accountants and a Fellow of CPA Australia.

He was a member of the Queensland Treasury Corporation Capital Markets Board, the Board of Trustees of Brisbane Grammar School and president of CPA Australia in Queensland and the Brisbane Polo Club.

Mr. Anderson is the current chairman of Data #3 Limited, a member of the boards of Namoi Cotton Cooperative Limited and Villa World Limited and a member of the Council of the Queensland Art Gallery Foundation. He is also the current president of the Guide Dogs for the Blind Association of Queensland and Patron of the Brisbane Polo Club.

Mr. Anderson was awarded the medal of the Order of Australia in 1997 for services to the Guide Dogs for the Blind Association of Queensland and the Queensland Art Gallery Foundation.

Mr. Samuel Sydney Doumany, 67

(Non-executive Director)

Mr. Doumany has worked for over 40 years in both the government and private sectors in economic research, agribusiness management, public affairs, corporate governance and strategic planning. Mr. Doumany holds a Bachelor of Science degree in Agriculture from the University of Sydney.

He was elected to the Queensland Parliament in 1974 and subsequently served as Minister for Welfare and Minister for Justice and Attorney General.

Directors (cont)

Mr. Doumany has had a long and extensive involvement in rural industry, including more recently the Chairmanship of the Queensland Rural Adjustment Scheme Review Committee (1996/97), the Queensland Rural Adjustment Authority Board (1997/2000) and the Queensland Dairy Legislation Review Committee (1997/1998).

Mr. Doumany has been a non-executive director of Teys Brothers (Holdings) Pty Ltd and is currently a director of Frontline Defence Services. He is the principal of a corporate and government relations' consultancy, Sam S Doumany and Associates. Mr. Doumany is a member of the Australian Institute of Company Directors.

Mr. Leslie Raymond Hancock, 53

(Non-executive Director)

Mr. Hancock has been a solicitor since 1973, specializing in the areas of employment and industrial relations, and commercial and corporate matters. As a partner in the McCullough Robertson Group he has provided legal advice to the company for the past 11 years. He has an in-depth understanding of the commercial aspects of the company, and has had significant exposure to the horticultural industry, representing a number of the industry's leading growers in southern and central Queensland. Mr. Hancock is currently a director of the Bundaberg Friendly Society Medical Institute Limited. He is a member of the Australian Institute of Company Directors and the Business Law Council of Australia.

Mr. Thomas Kelsall Lindsay, 73

(Non-executive Director)

Mr. Lindsay co-founded Lindsay Brothers Transport in 1953 and, until 2002, was that company's joint managing director. Mr. Lindsay was instrumental in directing the ongoing expansion of the company to its status as one of Australia's largest refrigerated transport companies. Mr. Lindsay has over 50 years experience in the Australian transport industry and is widely regarded as one of its most influential figures. Mr. Lindsay has served on numerous industry organisations for over 30 years, including the North Coast Road Transport Association and Newcastle Road Transport Association (after its amalgamation with that body), the Long Distance Road Transport Association and National Roads Association. He was inducted into the Transport Hall of Fame in 2003.

Company Secretary

Mr. Graham Johnston, 52

(Company Secretary and Chief Financial Officer)

Mr. Johnston has over 20 years senior management experience in all aspects of finance and administration.

Mr. Johnston has held senior positions with a number of ASX listed companies involved in the tourism / leisure, development and construction, and retirement village industries. These positions entailed responsibility for financial management, accounting, ASX reporting and company secretarial requirements.

Mr. Johnston holds a Bachelor of Commerce and Master of Business Administration, and is a Certified Practising Accountant.

Committee membership

As at the date of this report, the company has an Audit and Risk Committee, an Environmental and Occupational Health and Safety Committee, and a Remuneration Committee of the board of Directors. Membership of the committees is as follows:

Audit and Risk	Remuneration	Environmental and Occupational Health and Safety
R A Anderson (Chairman)	S S Doumany (Chairman)	L R Hancock (Chairman)
J F Pressler	J F Pressler	S S Doumany
L R Hancock	R A Anderson	M K Lindsay

Directors (cont)

Interests in shares, options, and convertible notes of the company

At the date of this report the interests of current Directors in securities of the company are as follows:

	Ordinary Shares	Options over Ordinary Shares	Employee Share Options over Ordinary Shares	Convertible Notes
J F Pressler	2,253,874	375,631	-	-
M K Lindsay	9,173,825	1,164,677	525,000	-
R A Anderson	99,000	33,000	-	-
S S Doumany	40,000	13,334	-	-
L R Hancock	3,112,664	326,602	-	-
T K Lindsay	11,773,249	3,505,843	-	11,961,745

Dividends Paid or Recommended

No final dividend has been declared or recommended for the year ended 30 June 2004.

An interim dividend for the year ended 30 June 2004 of 1.0 cent per share fully franked was paid on 31 March 2004.

A final dividend for the year ended 30 June 2003 of 1.2 cents per share fully franked was paid on 30 September 2003.

Corporate Information

Nature of operations and principal activities

There have been no significant changes in the nature of activities during the year. The principal activities of the consolidated entity are:

- transportation of refrigerated and general freight, and
- merchandising of rural supplies.

Employees

The consolidated entity employed 670 staff as at 30 June 2004 (2003: 633).

Review of Operations

Performance indicators

Management and the board monitor the consolidated entity's overall performance against operating plans and financial budgets. The board together with management have identified key performance indicators that are used to monitor performance.

Operating results for the year

For the year ended 30 June 2004 the consolidated entity earned a net profit of $ 2.47 million. This compares with a profit of $1.33 million for the previous year. The net profit for this year is not comparable with the previous year as the company acquired the Lindsay Brothers Transport ("Transport") group and 50% of P&H Rural Supplies ("Rural") in December 2002.

The year under review was a mixed one for Lindsay Australia. After a strong first half-year, trading conditions deteriorated in the second six months. There were two significant items recognised during the financial year which have impacted on results.

These significant items were:

(1) Recognition of compensation amounts payable to pallet hire companies in respect of discrepancies between pallets hired and pallets used by the consolidated entity. In total the consolidated entity incurred a one-off expense for the year of $1.75 million in compensation payable to pallet hire companies.

(2) Reduction in the provision for deferred taxation as a consequence of the consolidated entity electing to consolidate for taxation purposes and resetting the tax cost base of plant and equipment. The reduction in the provision for deferred taxation of $2.44 million was credited to the income tax expense.

Review of Operations (cont)

Operating results for the year (cont)

Effective from 1 July 2003 the consolidated entity has elected to form, for the purpose of implementation of the tax consolidation legislation, a tax consolidated group. As part of this process the written down value for taxation purposes of plant and equipment in the Transport division's subsidiaries has been reset. This resetting of values has resulted in an uplift in the tax cost base of the plant and equipment and a reduction to the provision for deferred income tax. The effect of this is a credit to current year income tax expense of $2.44 million.

To better understand the results achieved by the consolidated entity the financial result is broken down by half-year earnings before interest, tax, depreciation and amortisation (EBITDA).

	Six months ended		Year
	31 Dec 2003 $'000	30 June 2004 $' 000	2004 $' 000
EBITDA before pallet compensation	8,458	4,938	13,396
Pallet compensation	(250)	(1,500)	(1,750)
EBITDA	8,208	3,438	11,646
Depreciation and amortisation	(4,099)	(4,412)	(8,511)
Interest	(1,578)	(1,598)	(3,176)
Profit/(loss) from ordinary activities before income tax	2,531	(2,572)	(41)
Income tax benefit/(expense)	(682)	751	69
Income tax credit on tax consolidation	-	2,442	2,442
Net profit	1,849	621	2,470

The EBITDA before pallet compensation charges for the six months ended 30 June 2004 of $4.938 million compares with an EBITDA of $5.976 million achieved in the corresponding period last year.

Revenue achieved for the last four half-years (including the six months ended 31 December 2002 which was pre-acquisition) was as follows:

	Six months ended			
	31 Dec 2002 $'000	30 June 2003 $'000	31 Dec 2003 $'000	30 June 2004 $'000
Freight cartage	45,559	42,782	50,626	45,575
Sale of agricultural supplies	21,388	20,215	23,972	19,750
Sale of fuel and bricks	5,745	5,517	5,279	4,046
	72,692	68,514	79,877	69,371

Revenue achieved for the last four half-years after elimination of the revenue obtained from Mildura and Robinvale (new operations commenced 1 October 2003) is as follows:

	Six months ended			
	31 Dec 2002 $'000	30 June 2003 $'000	31 Dec 2003 $'000	30 June 2004 $'000
Freight cartage	45,559	42,782	49,561	39,658
Sale of agricultural supplies	21,388	20,215	23,972	17,901
Sale of fuel and bricks	5,745	5,517	5,279	4,046
	72,692	68,514	78,812	61,605

Revenue for the six months ended 30 June 2004 from freight cartage fell $3.1 million (7.3%) and sales of agricultural supplies fell $2.3 million (11.4%) compared with the corresponding period last year. The major decrease in freight cartage was attributable to fruit depots with a $1.9 million fall, Brisbane depot with a $1.0 million fall, and Melbourne depot with a $0.9 million fall. As our customer base in these areas has remained relatively stable and there have been no major shifts in competitor's behaviour, the change in revenue for Transport is mostly attributed to seasonal factors as a consequence of late and/or reduced harvests.

Review of Operations (cont)

Operating results for the year (cont)

These seasonal factors are also reflected in the sale of agricultural supplies where again the customer base has been stable and there has been no material shift in competitor behaviour. These seasonal factors are a combination of flat packaging sales and a reduction in sales in other product lines that benefited in the corresponding period last year due to favourable weather conditions.

The impact of these seasonal variations in Transport's revenue resulted in Transport's operating margins in the six months ended 30 June 2004 being eroded, as many cost items were unable to be adjusted in response. This was further compounded as the outlook for the harvest was expected to be strong. Gross profit margins for Rural have been maintained at similar levels to last year. Additional charges for depreciation and amortisation and interest for the six months ended 30 June 2004 resulted in an increase of $1.135 million over the previous corresponding period. The fleet had been expanded in response to the strong growth in revenue that was occurring in prior periods. With revenue below expectations (as a result of seasonal variations) fleet utilisation fell and the additional fixed charges were not offset against expected increased revenue. The fleet is currently being rebalanced.

With approximately 65% of revenue sourced from the horticultural industry the consolidated entity experiences seasonal variations which occur within short time frames. These variations (both positive and negative) have a direct effect on operating results achieved by the consolidated entity.

Transport is currently sourcing more year round freight revenue, particularly in South East Queensland to reduce the exposure to seasonal variations. While this type of revenue is not always at premium rates it is more stable and will provide a better platform for growth.

Transport has recently been awarded an increase in freight from Cadbury Schweppes. A significant part of the increase includes year round freight out of Queensland. Cartage of processed meat out of South East Queensland has commenced with a national company, and a distribution contract for fresh food has also been awarded for South East Queensland.

The viability of some of Transport's smaller depots is currently being monitored. Horticultural produce output that requires refrigerated transportation has fallen in these areas as properties have been converted to alternative uses. In March the Cudgen depot was closed. Banana volumes carried were affected by competition from imported product.

During the 2004 year a significant discrepancy between the amount of pallets hired by the consolidated entity from pallet hire companies and the number of pallets used by the consolidated entity was identified. In total $1.75 million has been expensed as a one-off compensation payment to pallet hire companies. Inadequate control over pallets has existed in the Transport division for some time. New procedures have been put in place to control pallets. While some of the discrepancy can be identified as occurring prior to acquisition the legal position in respect of any possible recovery is still being investigated. The payment of this compensation will reduce pallet hire cost by approximately $750,000 per annum in future years.

In October 2003 the consolidated entity acquired the assets (principally vehicles) and goodwill of Cordoma Brothers Refrigerated Transport which is based in the Mildura region of Victoria. Total cost of the acquisition was $5.112 million. The final payment for goodwill to the vendors of $250,000 (payable by the issue of 910,747 shares fully paid), is expected to be made on 2 October 2004.

Cordoma was a strategic acquisition for the consolidated entity as it enabled expansion into the Victorian horticultural market. In January 2004 rural merchandising also commenced in the Mildura and Robinvale areas from the premises used by Transport. The consolidated entity now has a base from which to expand into major horticultural produce growing areas of Victoria and South Australia. For the financial year ended June 2004 revenue from operations in Mildura and Robinvale was as follows:

	$'000
Freight cartage	6,982
Sales of agricultural supplies	1,849
	8,831

Expansion into these areas and adjoining areas is strategically important to the consolidated entity as it provides geographic diversity in addition to revenue growth.

After moving the consolidated entity's head office to Brisbane in April 2003, significant attention has been devoted to the establishment of new systems and procedures. During the year a new time and attendance system was installed for pick-up and delivery drivers, as well as terminal and depot staff. This has improved control over labour together with processing time and accuracy. The reporting from the transport and logistics information system has also been improved to provide more meaningful management information. The next major project is the implementation of a new computerised inventory and sales system for use by Rural to overcome the limitations of the present systems.

Review of Operations (cont)

Operating results for the year (cont)

Control over subcontractors has increased with improved monitoring and cost awareness. Fuel prices increased during the financial year and were at historically high levels by year end. Notwithstanding the introduction of a fuel levy in June the increase in fuel costs has had a negative impact on financial results achieved. Since year end fuel prices have increased further as has the fuel levy. While this mitigates some of the impact of the increased cost, fuel prices remain above the average levels paid during the 2004 financial year.

Insurance costs for the year were also higher than expected and above historical averages as a result of a number of accidents that occurred during November 2003. As the consolidated entity's motor vehicle insurance policy incorporates self-insurance up to a certain level of claims the insurance cost will vary with the number of accidents occurring during the year.

The linehaul transport fleet generally is of low age and in good condition. Only a minimal amount of capital expenditure is forecast during the next financial year.

The current year has seen significant change in not only the way the consolidated entity has operated in the past, but also in accountability for actions undertaken. Financial goals have now been set for all operating areas. While there were a number of factors that have adversely affected performance for the year the changes made to operations provide a solid foundation going forward.

Financial condition

At 30 June 2004 the consolidated entity's working capital ratio was 1.01 and its net debt to shareholders' funds (gearing) ratio was 1.90. The ratios reflect the structure of the company with over 70% of the total interest bearing debt of $51.1 million used to fund the acquisition of its transport fleet. The consolidated entity does not have any trucks or trailers acquired by the use of operating leases. The consolidated entity at 30 June 2004 had additional undrawn equipment finance facilities of $11,167,000 and available bank overdraft and standby bank facilities of $3,436,000.

Risk management

The consolidated entity takes a proactive approach to risk management. The board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis.

The board has a number of mechanisms in place to ensure that management's objectives are aligned with the risks identified by the board. These include the following:

- Implementation of board approved operating plans and budgets and board monitoring of progress against these budgets, including the establishment and monitoring of KPI's of both a financial and non-financial nature.
- The establishment of committees to report on specific business risks including, for example, such matters as environmental issues and concerns, and occupational health and safety.

Significant Changes in the State of Affairs

There has been no significant change in the state of affairs of the company or the consolidated entity during the year.

Likely Developments and Expected Results

The Directors foresee that the 2005 financial year will be a period of further sales growth and profit improvement.

After Balance Date Events

Other than as disclosed in note 34 of the financial report, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial year and that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial years.

Environmental Regulations

The consolidated entity's operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors' and Other Officers' Remuneration

For details regarding Directors' and other officers' remuneration refer to note 24 of the financial report.

Share Options

For details of share options granted to Directors and officers refer to note 24 of the financial report.

Shares under option

Un-issued ordinary shares of Lindsay Australia Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under options
December 2002 - listed on ASX	30 November 2004	25¢	25,833,299
December 2002 - issued under ESOP	1 October 2004	45¢	1,417,500
December 2003 - issued under ESOP	1 October 2004	45¢	105,000
December 2002 - issued under ESOP	1 October 2005	65¢	1,417,500
December 2003 - issued under ESOP	1 October 2005	65¢	105,000
			28,878,299

No option holder has any right under the options to participate in any other share issue of the company or of another entity.

Shares issued on the exercise of options

The following ordinary shares of Lindsay Australia Limited have been issued on the exercise of options since 1 July 2003. No amounts are unpaid on any of the shares.

Options exercised	Issue price of shares	Number of shares issued
During year ended 30 June 2004	25¢	1,935,668
During year ended 30 June 2004	30¢	927,500
Since year end	25¢	131,535
		2,994,703

Meetings of Directors

During the financial year the following meetings of Directors and committees were held. Attendances were:

	Directors' Meetings		Audit and Risk Committee		Remuneration Committee		Environmental and Occupational Health and Safety Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
J F Pressler	16	16	2	2	3	3	-	-
M K Lindsay	16	16	-	-	-	-	2	2
R A Anderson	16	16	2	2	3	3	-	-
S S Doumany	16	16	-	-	3	3	2	2
L R Hancock	16	15	2	2	-	-	2	2
T K Lindsay	16	11	-	-	-	-	-	-

Indemnities

During or since the end of the financial year the consolidated entity has not given any indemnity or entered into any agreement to indemnify, or paid or agreed to pay insurance premiums in relation to an officer or auditor except as detailed below.

Lindsay Australia Limited has paid a premium to insure each of the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director, other than conduct involving a willful breach of duty. The amount of the premium was $36,900.

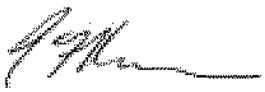
Rounding

The amounts in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Tax Consolidation

Lindsay Australia Limited and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003. The Australian Taxation Office has not yet been notified of this decision. Members of the group have entered into a tax sharing agreement and a tax funding agreement. The tax sharing agreement provides for the allocation of income tax liabilities between group members should Lindsay Australia Limited default on its tax payment obligations. The tax funding agreement focuses on the allocation of income tax expense between group members, and creates intercompany receivables or payables (as appropriate) relating to income tax balances that would previously have been recognised by subsidiaries that are now required to be recognised by Lindsay Australia Limited.

Signed in accordance with a resolution of the Directors.



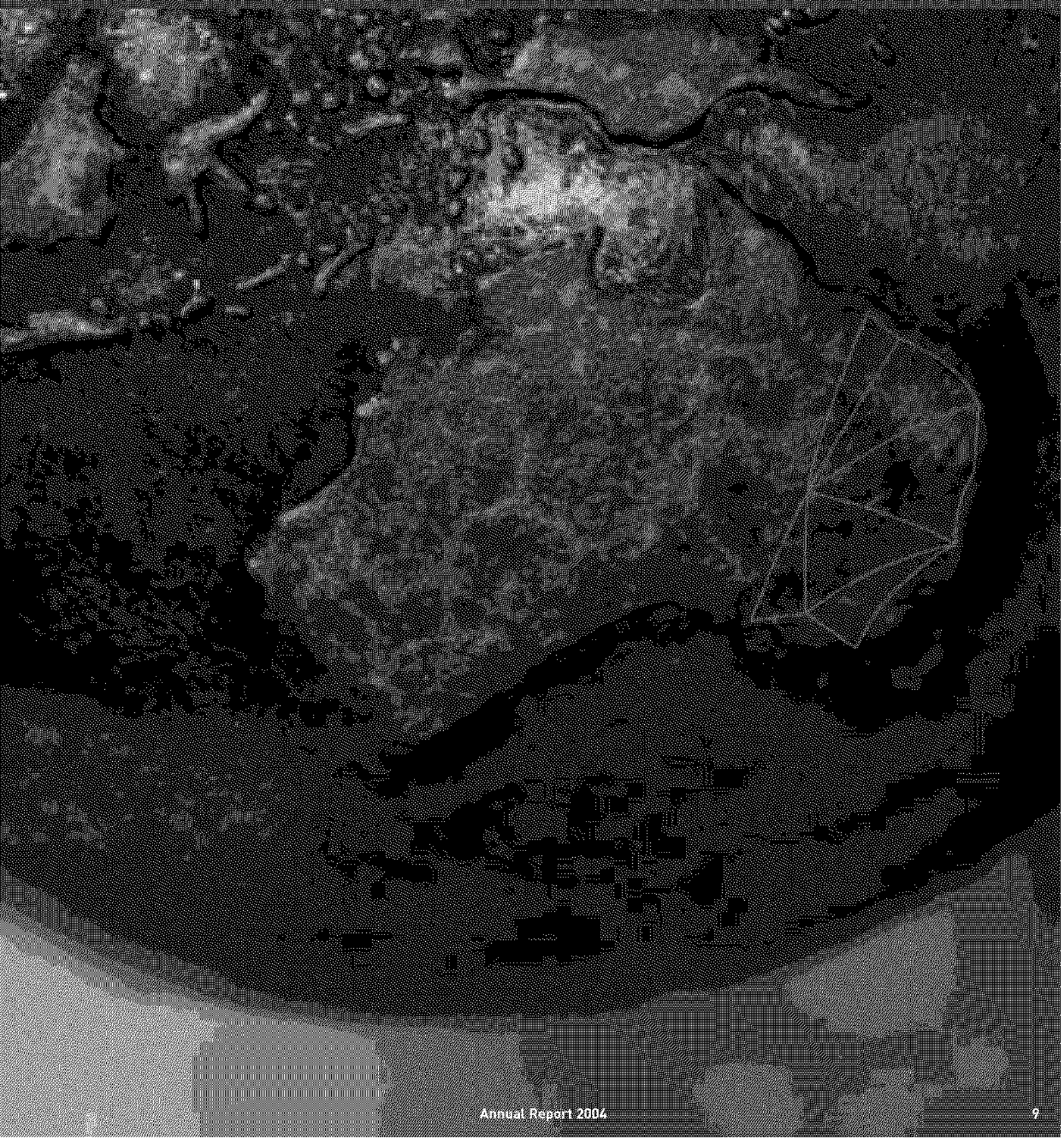
John F Pressler
Chairman

Brisbane, Queensland
16 September 2004

2004 FINANCIAL REPORT

FINANCIAL REPORT

Statements of Financial Performance 10
Statements of Financial Position 11
Statements of Cash Flows 12
Notes to the Financial Statements 13
Directors' Declaration 47
Independent Audit Report 48



Statements of Financial Performance

For the Year Ended 30 June 2004

	Note	Consolidated		Parent Entity	
		2004 $'000	2003 $'000	2004 $'000	2003 $'000
Revenues from ordinary activities					
Revenue from ordinary activities	2	153,681	71,558	7,563	2,652
Expenses from ordinary activities					
Changes in inventories		(444)	(287)	-	-
Purchase of inventories		44,152	21,630	-	-
Fuel costs		14,291	6,267	7	4
Repairs and maintenance		7,358	3,828	17	5
Subcontractors		17,479	7,789	-	-
Employee benefits and related costs		40,029	18,608	3,596	899
Depreciation and amortisation	3	8,511	3,565	652	37
Borrowing costs		3,176	1,406	872	347
Insurance		1,780	581	37	32
Pallet charges		1,600	732	-	-
Pallet compensation		1,750	-	-	-
Operating lease rentals		2,189	921	143	10
Carrying value of net assets sold		2,220	1,309	428	-
Other expenses		9,631	4,140	963	241
		153,722	70,489	6,715	1,575
Profit/(loss) before tax and share of net profits from associate		(41)	1,069	848	1,077
Share of net profits of associate accounted for using the equity method	28	-	484	-	-
Profit/(loss) from ordinary activities before income tax	3	**(41)**	**1,553**	**848**	**1,077**
Income tax (expense)/benefit	4	2,511	(226)	251	(69)
Net profit	20	**2,470**	**1,327**	**1,099**	**1,008**
		Cents	Cents		
Basic earnings per share	22	2.4	2.1		
Diluted earnings per share	22	2.1	2.0		

The accompanying notes form part of this financial report.

Statements of Financial Position

As at 30 June 2004

	Note	Consolidated		Parent Entity	
		2004 $'000	2003 $'000	2004 $'000	2003 $'000
CURRENT ASSETS					
Cash assets		634	1,189	50	37
Receivables	6	24,975	26,664	444	439
Inventories	7	4,499	4,055	-	-
Current tax assets	8	816	943	816	-
Other	9	2,639	1,446	112	72
TOTAL CURRENT ASSETS		33,563	34,297	1,422	548
NON-CURRENT ASSETS					
Receivables	6	2,283	2,127	9,890	5,858
Other financial assets	10	69	44	26,646	26,646
Property, plant and equipment	11	56,554	48,575	5,358	1,437
Deferred tax assets	8	-	1,038	-	16
Intangible assets	12	6,589	6,318	595	-
TOTAL NON-CURRENT ASSETS		65,495	58,102	42,489	33,957
TOTAL ASSETS		99,058	92,399	43,911	34,505
CURRENT LIABILITIES					
Payables	13	16,556	15,684	726	331
Interest bearing liabilities	14	13,864	14,113	2,050	718
Current tax liabilities	15	23	433	1	75
Provisions	16	2,583	2,400	438	160
Other	17	235	508	-	-
TOTAL CURRENT LIABILITIES		33,261	33,138	3,215	1,284
NON-CURRENT LIABILITIES					
Payables	13	-	-	3,309	-
Interest bearing liabilities	14	37,247	29,557	12,005	9,793
Deferred tax liabilities	15	1,098	4,599	1,098	9
Provisions	16	1,003	822	110	40
TOTAL NON-CURRENT LIABILITIES		39,348	34,978	16,522	9,842
TOTAL LIABILITIES		72,609	68,116	19,737	11,126
NET ASSETS		26,449	24,283	24,174	23,379
EQUITY					
Contributed equity	18	33,067	31,089	33,067	31,089
Reserves	19	468	468	468	468
Accumulated losses	20	(7,086)	(7,274)	(9,361)	(8,178)
TOTAL EQUITY		26,449	24,283	24,174	23,379

The accompanying notes form part of this financial report.

Statements of Cash Flows

For the Year Ended 30 June 2004

	Note	Consolidated		Parent Entity	
		2004 $'000	2003 $'000	2004 $'000	2003 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts in the course of operations		167,829	77,069	6,344	2,845
Payments in the course of operations		(156,282)	(73,836)	(4,511)	(1,463)
Distribution from controlled entity		-	-	-	512
Dividend received from controlled entity		-	-	900	-
Interest received		297	239	25	61
Income taxes paid		(1,606)	(1,546)	(879)	(1)
Income tax refunded		1,418	-	63	-
Tax compensation received from controlled entities		-	-	816	-
Borrowing costs paid		(3,197)	(1,462)	(893)	(383)
Net cash provided by operating activities	21(a)	8,459	464	1,865	1,571
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of business (in prior year)		770	404	770	404
Proceeds from disposal of property, plant and equipment		2,490	1,484	441	-
Payments for property, plant and equipment		(1,250)	(1,026)	(221)	(71)
Payments for acquisition of business	21(f)	(4,418)	-	(4,418)	-
Payments for purchase of controlled entities net of cash acquired	21(e)	-	(12,985)	-	(10,142)
Payments for investments		(25)	-	-	-
Pre-acquisition dividend received from controlled entity		-	-	-	484
Loans to controlled entities		-	-	(3,770)	(5,468)
Repayments from controlled entities		-	-	2,173	-
Net cash used in investing activities		(2,433)	(12,123)	(5,025)	(14,793)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		762	10,202	762	10,202
Proceeds from borrowings		7,840	7,607	5,330	7,000
Share issue transaction costs		-	(1,731)	-	(1,731)
Repayment of borrowings		(4,629)	(2,592)	(1,405)	(970)
Repayment of lease liabilities		(7,912)	(3,630)	(57)	(3)
Repayments to controlled entities		-	-	-	(276)
Loans from controlled entities		-	-	825	-
Dividends paid		(2,282)	-	(2,282)	-
Net cash provided by/(used in) financing activities		(6,221)	9,856	3,173	14,222
Net increase/(decrease) in cash held		(195)	(1,803)	13	1,000
Cash at beginning of financial year		(2,735)	(932)	37	(963)
Cash at end of financial year	21(d)	(2,930)	(2,735)	50	37

The accompanying notes form part of this financial report.

1. Summary of Significant Accounting Policies

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

The financial report 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. The accounting policies have been consistently applied, unless otherwise stated.

The impact of adopting AASB equivalents to IASB standards has been considered in note 33.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the parent entity and all of its controlled entities as at 30 June 2004 and the results of all controlled entities for the year then ended. Control exists where the parent entity 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 the parent entity to achieve the objectives of the parent entity.

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

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

(b) Cash

For the purposes of the statements of cash flows, cash includes cash on hand and deposits with banks or financial institutions which are readily convertible to cash on hand and are subject to insignificant risk of changes in value, net of outstanding bank overdrafts.

(c) Receivables

All trade debtors are recognised at the amounts receivable as they are generally due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where significant doubt as to collection exists.

Fuel rebates are also recognised at the amounts receivable as they are generally due for settlement no more than 60 days from the date of recognition.

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises cost of purchase and, where applicable, cost of conversion after deducting trade discounts, rebates and other similar items (such as fuel subsidies). Costs are assigned mainly on the basis of weighted average costs.

(e) Depreciation

The depreciable amount of each item of property, plant and equipment including buildings and capitalised leased assets, but excluding freehold land, is depreciated using the straight line (SL) or diminishing value (DV) method over its expected useful life to the consolidated entity.

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

Class	Rate	Depreciation Basis
Buildings and improvements	2.5%	SL
Plant and equipment	8 - 40%	SL/DV
Leased plant and equipment	8 - 40%	SL/DV

(f) Leases

Leases where substantially all the risks and benefits incidental to the ownership of the leased asset, but not the legal ownership, are transferred to entities within the consolidated 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. Leased assets are amortised using either the diminishing value or straight-line method over their estimated useful lives where it is likely that the consolidated 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.

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.

(g) Goodwill

Goodwill is 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 identifiable net assets at date of acquisition. Goodwill is amortised on a straight-line basis over the period of 20 years.

Goodwill is reviewed annually by the Directors and any balance representing future benefits for which the realisation is considered to be no longer probable is written off.

(h) Recoverable Amount of Non-Current Assets

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows arising from its continued use and subsequent disposal.

Where the carrying amount of an individual non-current asset is greater than its recoverable amount the asset is written-down to its recoverable amount. The expected net cash flows included in determining recoverable amounts of non-current assets are not discounted to their present values.

(i) Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the consolidated entity. Trade accounts payable are normally unsecured and due within 30-60 days.

Payables can include insurance premium liabilities which the consolidated entity periodically funds by way of loans repayable over a period of up to 12 months. The loans, when drawn down, are recognised as interest bearing liabilities.

1. Summary of Significant Accounting Policies (cont)

(j) Interest Bearing Liabilities

Interest bearing liabilities are recognised at principal amount or face value. Interest is charged as an expense as it accrues and is included in trade creditors and accruals.

(k) Employee Benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised and is measured in accordance with the above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Superannuation

Contributions are made by the consolidated entity to accumulation superannuation funds. Contributions are charged as expenses as they are incurred.

(l) Income Tax

Tax effect accounting procedures are followed whereby the income tax expense in the statements of financial performance is matched with the accounting profit (after allowing for permanent differences). The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit can be regarded as being virtually certain of realisation. Income tax on cumulative timing differences is set aside to the deferred income tax or the future income tax benefit accounts at the rates which are expected to apply when those timing differences reverse.

Tax Consolidation Legislation

Lindsay Australia Limited and its wholly-owned Australian controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003. The Australian Taxation Office has not yet been notified of this decision.

As a consequence, Lindsay Australia Limited, as the head entity in the tax consolidated group, recognises current and deferred tax amounts relating to transactions, events and balances of the wholly-owned Australian controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under an accounting tax funding agreement with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. Expenses and revenues arising under the tax sharing and/or funding agreements are recognised as a component of income tax expense (revenue).

The deferred tax balances recognised by the parent entity in relation to wholly-owned entities joining the tax consolidated group are measured based on their carrying amounts at the level of the tax consolidated group before the implementation of the tax consolidation regime, with one exception. The deferred tax balances relating to assets that had their tax value reset on joining the tax consolidated group, have been remeasured based on the carrying amount of those assets at the tax-consolidated group level and their reset tax values. The remeasurement adjustments to these deferred tax balances are also recognised in the consolidated financial statements as income tax expense or revenue, or as direct debits to the asset revaluation reserve to the extent the adjustments relate to the revaluation of assets. The impact on the income tax expense for the year is disclosed in note 4.

(m) Revenue Recognition

Revenue from freight cartage and hire and other services is recognised when the services are provided.

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.

Rent revenue is recognised by allocating the minimum lease payments due on a basis representative of the pattern of service rendered through provision of the relevant asset.

(n) GST

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, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Lease liabilities include GST applicable to lease payments. The related receivable has been recognised as future GST recoverable. Both the payable and receivable have been measured at the present value of GST payable.

(o) Investments in Associates

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the profits or losses of associates is recognised as revenue or expense in the consolidated statement of financial performance and its share of movements in reserves is recognised in consolidated reserves. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

1. Summary of Significant Accounting Policies (cont)

(p) Acquisitions of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their market price as at acquisition date. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

(q) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts and premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges.

(r) Prepayments

Prepayments are recognised when costs are paid or accrued in advance of receipt of goods or services.

Prepayments include insurance premiums and registration fees which are recognised as expenses over the periods to which they relate.

(s) Rounding of Amounts

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(t) Comparatives

Where necessary comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(u) General

This financial report covers both Lindsay Australia Limited as an individual entity (parent entity) and the consolidated entity consisting of Lindsay Australia Limited and its controlled entities.

Lindsay Australia Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

116 Ipswich Road

WOOLLOONGABBA QLD 4102

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
2. Revenue				
Revenue from operating activities				
Freight cartage and hire	96,201	42,782	-	-
Sale of goods	53,047	25,732	-	-
	149,248	68,514	-	-
Revenue from outside operating activities				
Insurance recoveries	271	110	-	-
Rentals – other persons	264	432	142	144
Interest	297	225	25	76
Sale of property, plant and equipment	2,490	1,484	441	-
Distribution from controlled entity	-	-	-	512
Dividend received from controlled entity	-	-	900	-
Management fees				
- controlled entities	-	-	6,055	1,620
- other	-	300	-	300
Other	1,111	493	-	-
Revenue from ordinary activities	153,681	71,558	7,563	2,652
3. Profit/(Loss) from Ordinary Activities				
Profit/(loss) from ordinary activities before income tax includes the following specific items:				
Cost of sales of goods	44,159	21,521	-	-
Depreciation				
Buildings and improvements	37	28	37	28
Plant and equipment	3,598	1,446	566	6
Amortisation				
Plant and equipment under finance lease	4,529	1,929	26	3
Goodwill	347	162	23	-
Provisions				
Stock obsolescence	-	(47)	-	-
Warranties	-	(15)	-	(15)
Net (gain)/loss on disposal of property, plant and equipment	(270)	(175)	(13)	-
Bad and doubtful debts – trade debtors	174	220	(7)	(15)
Operating lease rentals – minimum lease payments	2,189	921	143	10

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
4. Income Tax				
The prima facie tax on the profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense/(benefit) as follows:				
Profit/(loss) from ordinary activities before income tax	(41)	1,553	848	1,077
Prima facie tax at 30% (2003: 30%)	(12)	466	254	323
Tax effect of permanent differences:				
Share of net profit of associate	-	(145)	-	-
Dividend received from member of tax consolidated group	-	-	(270)	-
Amortisation of goodwill	104	49	7	-
Benefit of credit on franked dividend in trust distribution	-	-	-	(145)
Deductible issue costs	(96)	(96)	(96)	(96)
Other	30	(50)	(73)	(13)
Income tax adjusted for permanent differences	26	224	(178)	69
Overprovision in prior year	(97)	-	(75)	-
Other	2	2	2	-
Income tax expense/(benefit) attributable to profit/(loss) from ordinary activities before impact of tax consolidation	(69)	226	(251)	69
Impact of tax consolidation:				
Current and deferred taxes relating to transactions, events and balances of controlled entities in the tax consolidated group	-	-	1,329	-
Compensation paid/payable to/from controlled entities	-	-	(1,329)	-
Adjustments to deferred tax balance on implementation of tax consolidation	(2,442)	-	-	-
Income tax expense/(benefit)	(2,511)	226	(251)	69

There is no material unrecognised future income tax benefit (2003: $160,000 parent and consolidated). The future income tax benefit attributable to tax losses recognised as a reduction of the provision for deferred income tax are disclosed in note 15.

Tax Consolidation Legislation

Lindsay Australia Limited and its wholly owned controlled entities have decided to implement the tax consolidation legislation as of 1 July 2003. The Australian Taxation Office has not yet been notified of this decision. The accounting policy on implementation of the legislation is set out in Note 1(l). The impact on the income tax expense for the year is disclosed in the tax reconciliation above. The wholly-owned entities have fully compensated Lindsay Australia Limited for deferred tax liabilities assumed by Lindsay Australia Limited on the date of implementation of the legislation and have been fully compensated for any deferred tax assets transferred to Lindsay Australia Limited.

The entities have also entered into tax sharing and funding agreements. The tax sharing agreement provides for the allocation of income tax liabilities between group members should Lindsay Australia Limited default on its tax payment obligations. The tax funding agreement focuses on the allocation of income tax expense between group members, and creates intercompany receivables or payables (as appropriate) relating to income tax balances that would previously have been recognised by subsidiaries that are now required to be recognised by Lindsay Australia Limited.

	Parent Entity	
	2004 $'000	2003 $'000

5. Franking Credits / Dividends

Franking credits

Franking credits available for subsequent financial years	2,854	875

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(i) franking credits that will arise from the payment of the current tax liability;

(ii) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;

(iii) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and

(iv) franking credits that may be prevented from being distributed in subsequent financial years.

Franking credits of $3,075,000 were transferred from wholly-owned entities to the parent entity at the time these entities entered the tax consolidated group on 1 July 2003.

Dividends paid

Final dividend for the year ended 30 June 2003 of 1.2 cents per share fully franked (at 30%) paid in full on 30 September 2003 (2003: nil)	1,208	-
Interim dividend for the year ended 30 June 2004 of 1.0 cent per share fully franked (at 30%) paid in full on 31 March 2004 (2003: nil)	1,074	-
Total dividends provided for or paid	2,282	-

The final dividend for the year ended 30 June 2003 was not recognised at that date as it was declared subsequently.

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000

6. Receivables

Current

Trade debtors	23,106	25,226	-	71
Provision for doubtful debts	(858)	(1,176)	-	(35)
	22,248	24,050	-	36
Fuel rebates/subsidies	740	876	-	-
Future GST recoverable	1,002	957	14	-
Other debtors	985	396	3	18
Amounts receivable from controlled entities – tax related amounts	-	-	427	-
Amount receivable for sale of business	-	385	-	385
	24,975	26,664	444	439

Non-current

Future GST recoverable	2,283	1,742	12	-
Amounts receivable from controlled entities				
– tax related amounts	-	-	2,946	-
– other	-	-	6,932	5,473
Amount receivable for sale of business	-	385	-	385
	2,283	2,127	9,890	5,858

The future GST recoverable mainly relates to GST recoverable from the taxation authority upon payment of related lease liabilities. As these liabilities are generally payable monthly over the term of each lease, the future GST recoverable will be realised over the term of the leases (refer to note 31 for timing of payment of finance lease commitments).

Tax related amounts relate to amounts owed to the parent entity by wholly-owned controlled entities under the tax funding agreement referred to in note 4.

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
7. Inventories				
Raw materials and stores – at cost	1,272	821	-	-
Finished goods – at cost	3,377	3,384	-	-
	4,649	4,205	-	-
Provision for obsolescence	(150)	(150)	-	-
	4,499	4,055	-	-
8. Tax Assets				
Current				
Income tax refundable	816	943	816	-
Non-current				
Future income tax benefit	-	1,038	-	16
9. Other Current Assets				
Prepayments	2,639	1,446	112	72
10. Other Financial Assets				
Unlisted				
Shares in controlled entities – at cost	-	-	26,646	26,646
Shares in other corporations – at cost	69	44	-	-
	69	44	26,646	26,646

Information relating to controlled entities is set out in note 27.

11. Property, Plant and Equipment				
Land and Buildings				
Freehold land				
At recoverable amount	242	340	242	340
Buildings and improvements				
At recoverable amount	668	995	668	995
At cost	50	50	50	50
Accumulated depreciation	(50)	(28)	(50)	(28)
	668	1,017	668	1,017
Total land and buildings	910	1,357	910	1,357
Plant and Equipment				
Plant and equipment				
At cost	23,821	15,821	4,856	56
Accumulated depreciation	(6,137)	(1,461)	(583)	(21)
	17,684	14,360	4,273	35
Plant and equipment under finance lease				
At cost	43,009	34,673	199	48
Accumulated amortisation	(5,049)	(1,815)	(24)	(3)
	37,960	32,858	175	45
Total plant and equipment	55,644	47,218	4,448	80
Total property, plant and equipment	56,554	48,575	5,358	1,437

11. Property, Plant and Equipment (cont)

Land and buildings comprise properties in Bundaberg, which are leased as a manufacturing facility. At 30 June 2002, land and buildings were written down to their recoverable amount (current value), based on an independent valuation by Mr. G Shelton, a registered valuer, of Shelton & Co prepared on the basis of market value.

During the 2004 year one of the properties was sold for cash consideration of $427,000. The profit on sale of the property was $17,000.

The lease of the remaining land and buildings commenced on 1 July 2002 and is for 3 years subject to four by three year options. Rent for the first two years is $100,000 per annum (i.e. to 30 June 2004) and thereafter increases by CPI (with a range between 1.5% and 5%).

As noted above the land and buildings were written down at 30 June 2002. The depreciation expense for the year was $37,000 (2003: $28,000). The rent receivable at balance date was $3,000 (2003: $4,000). The minimum lease payments under the operating lease not recognised in the financial statements are receivable as follows:

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Within one year	103	100	103	100
Later than one year but not later than five years	-	100	-	100
	103	200	103	200

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are shown below.

	Freehold Land $'000	Buildings and Improvements $'000	Plant and Equipment $'000	Plant and Equipment Under Finance Lease $'000	Total $'000
Consolidated					
Carrying amount at the beginning of the year	340	1,017	14,360	32,858	48,575
Additions through acquisition of business	-	-	4,585	-	4,585
Additions	-	-	1,250	12,528	13,778
Disposals	(98)	(312)	(1,424)	(386)	(2,220)
Transfer from lease	-	-	2,511	(2,511)	-
Depreciation/amortisation	-	(37)	(3,598)	(4,529)	(8,164)
Carrying amount at the end of the year	242	668	17,684	37,960	56,554
Parent Entity					
Carrying amount at the beginning of the year	340	1,017	35	45	1,437
Additions through acquisition of business	-	-	4,585	-	4,585
Additions	-	-	221	172	393
Disposals	(98)	(312)	(18)	-	(428)
Transfer from lease	-	-	16	(16)	-
Depreciation/amortisation	-	(37)	(566)	(26)	(629)
Carrying amount at the end of the year	242	668	4,273	175	5,358

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
12. Intangible Assets				
Goodwill	7,098	6,480	618	-
Accumulated amortisation	(509)	(162)	(23)	-
	6,589	6,318	595	-

Goodwill is attributable to the acquisition of the entities Lindsay Brothers Holdings Pty Ltd and P&H Rural Supplies Pty Ltd in 2003, and the Cordoma Brothers Refrigerated Transport business in 2004. Further details of these purchases, including calculation of the goodwill arising on acquisition, is provided in notes 21(e) and 21(f) respectively.

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000

13. Payables

Current

Trade creditors & accruals	16,556	15,684	350	331
Amounts owing to controlled entities – tax related amounts	-	-	376	-
	16,556	15,684	726	331

Non-current

Amounts owing to controlled entities				
- tax related amounts	-	-	2,484	-
- other	-	-	825	-
	-	-	3,309	-

A major supplier, Amcor Packaging (Australia) Pty Ltd, has a registered charge over the assets of P&H Rural Supplies Pty Ltd up to a maximum amount of $3,200,000. At balance date the amount payable by a controlled entity to Amcor Packaging (Australia) Pty Ltd was $1,852,000 (2003: $1,172,000).

Tax related amounts relate to amounts owed by the parent entity to wholly-owned controlled entities under the tax funding agreement referred to in note 4.

14. Interest Bearing Liabilities

Current

Secured liabilities				
Bank overdrafts	3,564	3,924	-	-
Bills payable	750	-	750	-
Lease liabilities	8,234	8,704	63	26
Bank loans	591	793	512	-
Total secured current interest bearing liabilities	13,139	13,421	1,325	26
Unsecured liabilities				
Convertible notes	700	692	700	692
Other loan	25	-	25	-
Total unsecured current interest bearing liabilities	725	692	725	692
Total current interest bearing liabilities	13,864	14,113	2,050	718

Non-current

Secured liabilities				
Bills payable	6,250	7,000	6,250	7,000
Lease liabilities	25,370	19,788	128	24
Bank loans	3,432	-	3,432	-
Total secured non-current interest bearing liabilities	35,052	26,788	9,810	7,024
Unsecured liabilities				
Convertible notes	2,101	2,769	2,101	2,769
Other loan	94	-	94	-
Total unsecured non-current interest bearing liabilities	2,195	2,769	2,195	2,769
Total non-current interest bearing liabilities	37,247	29,557	12,005	9,793

The bank overdrafts, bills payable and bank loans are secured by guarantees by all companies in the consolidated entity supported by mortgages over all the consolidated entity's property and other assets.

Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default. Certain of the lease liabilities are also secured by guarantees by entities in the consolidated entity, as well as by mortgages/charges over the property and other assets.

14. Interest Bearing Liabilities (cont)

Assets Pledged as Security

All the assets of the consolidated entity are pledged as security for the facilities as noted above and in note 13.

Convertible Notes

The parent entity issued 14,952,181 6% convertible notes for $3,738,000 in December 2002. The notes were issued as partial consideration for the acquisition of Lindsay Brothers Holdings Pty Ltd by the parent entity (see note 21(e)). Each note is convertible to one share. The parent entity has the option to redeem one-fifth of the convertible notes each year at certain times for five years. Where the parent entity elects to redeem the notes in any year the note-holder may accept the redemption or otherwise elect to convert the notes into ordinary shares. Where the company does not elect to redeem the notes in any year, the note-holder may require the company to redeem the notes or otherwise can require the company to convert the notes into shares. Any unredeemed or unconverted notes remaining five years after issue may be elected by the parent entity to be redeemed, at which time the note-holder may accept the redemption or elect to convert the remaining notes to shares. The convertible notes expire December 2007.

In December 2003 the note holder elected to convert one fifth of the notes for 2,990,436 ordinary shares.

The convertible notes are presented in the statement of financial position as follows:

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Face value of notes issued	2,990	3,738	2,990	3,738
Other equity securities – value of conversion rights	(189)	(277)	(189)	(277)
	2,801	3,461	2,801	3,461
Representing convertible notes:				
Current	700	692	700	692
Non-current	2,101	2,769	2,101	2,769
	2,801	3,461	2,801	3,461

Other Loan

The other loan relates to vendor finance as part of the purchase of Cordoma Brothers Refrigerated Transport. The loan is repayable by monthly instalments of principal and fixed interest over a five year period commencing October 2003. Refer to note 21(f) for details of the acquisition.

15. Tax Liabilities

Current				
Income tax	23	433	1	75
Non-current				
Deferred income tax	1,098	4,599	1,098	9
The deferred income tax liability has been reduced by the following future income tax benefits attributed to tax losses:	636	-	636	-

16. Provisions

Current				
Employee benefits	2,583	2,400	438	160
Non-current				
Employee benefits	1,003	822	110	40

17. Other Current Liabilities

Deferred revenue	235	508	-	-

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
18. Contributed Equity				
Fully paid ordinary shares	32,600	30,812	32,600	30,812
Other equity securities	189	277	189	277
Other	278	-	278	-
	33,067	31,089	33,067	31,089

The amount shown for other equity securities is the value of conversion rights relating to the 6% convertible notes, details of which are shown in note 14.

The amount shown as "other" comprises the 910,747 shares to be issued on 2 October 2004 as part of the purchase consideration for the acquisition of Cordoma Brothers Refrigerated Transport. Refer note 21(f).

The movement in fully paid ordinary shares for 2003 and 2004 is reconciled as follows:

	Note	No. of Shares	Issue Price	$'000
Movement in fully paid ordinary share capital:				
Opening balance at 1 July 2002		16,750,000		11,639
Issue of shares pursuant to entitlement offer	(a)	16,750,000	25¢	4,188
Issue of shares pursuant to public offer	(b)	24,000,000	25¢	6,000
Issue of shares as consideration for:				
• Part acquisition of Lindsay Brothers Holdings Pty Ltd	(c)	23,923,489	25¢	5,981
• Acquisition of 50% of P& H Rural Supplies Pty Ltd	(d)	19,192,928	25¢	4,798
Issue of shares pursuant to the exercise of ASX listed options	(e)	55,068	25¢	14
Less: Transaction costs arising on share issues				(1,808)
Balance at 30 June 2003		100,671,485		30,812
Issue of shares pursuant to the exercise of ASX listed options	(f)	1,935,668	25¢	484
Issue of shares pursuant to the exercise of employee share options	(g)	927,500	30¢	278
Issue of shares as part consideration for the acquisition of Cordoma Brothers Refrigerated Transport	(h)	910,747	30.5¢	278
Issue of shares on conversion of convertible notes	(i)	2,990,436	25¢	748
Closing balance at 30 June 2004		107,435,836		32,600

(a) Entitlement offer

Pursuant to a Prospectus dated 4 November 2002, the company invited its shareholders to subscribe to an issue of 16,750,000 ordinary shares at an issue price of 25 cents per share on the basis of 1 share for every fully paid ordinary share held. Additionally, one attaching option was issued for every three shares issued. The shares were issued to shareholders in December 2002. The issue was fully subscribed raising $4,188,000 cash.

(b) Public offer

Pursuant to a Prospectus dated 4 November 2002, the company invited the public to subscribe to an issue of 24,000,000 ordinary shares at an issue price of 25 cents per share. Additionally, one attaching option was issued for every three shares issued. The shares were issued in December 2002. The issue was fully subscribed raising $6,000,000 cash.

(c) Acquisition of Lindsay Brothers Holdings Pty Ltd

In part consideration for the acquisition of Lindsay Brothers Holdings Pty Ltd, the company issued to the vendors 23,923,489 shares at 25c per share in December 2002. Additionally, one attaching option was issued to the vendors for every three shares issued as consideration. The acquisition of this entity is described further at Note 21(e).

(d) Acquisition of 50% of P & H Rural Supplies Pty Ltd

As consideration for the acquisition of 50% of P & H Rural Supplies Pty Ltd, the company issued to the vendors 19,192,928 shares at 25c per share in December 2002. Additionally, one attaching option was issued to the vendors for every three shares issued as consideration. The acquisition of this entity is described further at Note 21(e).

(e) Exercise of ASX listed options

During the 2003 year 55,068 ASX listed options for ordinary shares were exercised for cash at an issue price of 25 cents, raising $14,000.

18. Contributed Equity (cont)

(f) Exercise of ASX listed options

During the 2004 year 1,935,668 ASX listed options for ordinary shares were exercised for cash at an issue price of 25 cents, raising $484,000.

(g) Exercise of employee share options

During the 2004 year 927,500 employee share options for ordinary shares were exercised for cash at an exercise price of 30 cents, raising $278,000.

(h) Acquisition of Cordoma Brothers Refrigerated Transport

In part consideration for the acquisition of Cordoma Brothers Refrigerated Transport, the company issued to the vendors 910,747 shares at 30.5 cents per share in October 2003. The acquisition of this entity is described further in note 21(f).

(i) Conversion of convertible notes

During December 2003 2,990,436 convertible notes were converted to ordinary shares at a conversion price of 25 cents per note. Further details regarding these convertible notes are provided in note 14.

Options

As at 30 June 2004 the number of options to purchase ordinary shares in the parent entity was as follows:

	No of Options	Exercise Price	Expiry Date
Options – listed on ASX	25,964,834	25 cents	30 November 2004
Employee options	1,627,500	45 cents	1 October 2004
Employee options	1,627,500	65 cents	1 October 2005

All options are payable in cash.

27,955,570 options were issued in 2002 in accordance with the transactions in note (a) to (d) above. Each option is convertible into one ordinary share at any time on or before 30 November 2004 at a fixed price of 25 cents per share. 1,990,736 of these options have been exercised since issue (as at balance date).

An employee share option plan was also established during the 2003 financial year. Details of options issued pursuant to this plan are included in note 26.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
19. Reserves				
Asset revaluation reserve	468	468	468	468

There have been no movements in reserves in the last two years.

The asset revaluation reserve was used to record increments and decrements on the revaluation of non-current assets prior to the adoption of AASB 1041. The balance standing to the credit of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.

20. Accumulated Losses				
Accumulated losses at the beginning of the year	(7,274)	(8,601)	(8,178)	(9,186)
Net profit	2,470	1,327	1,099	1,008
Dividends paid	(2,282)	-	(2,282)	-
Accumulated losses at the end of the year	(7,086)	(7,274)	(9,361)	(8,178)

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000

21. Cash Flow Information

(a) Reconciliation of Cash Flows from Operating Activities with Net Profit

Net profit	2,470	1,327	1,099	1,008
Depreciation/amortisation	8,511	3,565	652	37
Provision for employee benefits	172	241	348	139
Net (gain)/loss on disposal of property, plant and equipment	(270)	(175)	(13)	-
Share of associate's net profit	-	(484)	-	-
Other	-	(2)	-	(2)
Changes in operating assets and liabilities, net of effects from acquisitions				
(Increase)/decrease in trade debtors	1,802	(313)	36	514
(Increase)/decrease in other receivables	(543)	14	15	(14)
(Increase)/decrease in prepayments and other assets	(1,193)	381	(40)	(72)
(Increase) in amounts receivable from controlled entities				
- tax related amounts	-	-	(3,373)	-
(Increase) in inventories	(390)	(287)	-	-
(Increase)/decrease in tax assets	1,212	(1,425)	(753)	(16)
(Decrease)/increase in trade creditors and accruals	872	(2,976)	19	(92)
(Decrease)/increase in tax liabilities	(3,911)	105	1,015	84
Increase in amounts owing to controlled entities				
- tax related amounts	-	-	2,860	-
(Decrease) in other liabilities	-	(15)	-	(15)
(Decrease)/increase in deferred revenue	(273)	508	-	-
Cash flows from operating activities	8,459	464	1,865	1,571

(b) Finance Facilities

Available facilities				
Bank overdrafts	5,000	5,000	-	-
Bank bills	9,000	7,000	9,000	7,000
Bank loans	4,023	793	3,944	-
Amounts utilised				
Bank overdrafts	(3,564)	(3,924)	-	-
Bank bills	(7,000)	(7,000)	(7,000)	(7,000)
Bank loans	(4,023)	(793)	(3,944)	-
Unused facilities	3,436	1,076	2,000	-

Bank overdrafts

The bank overdraft facilities are subject to annual review, may be drawn at any time and may be terminated by the bank without notice. The interest rate is variable and is based on prevailing market rates.

Bank bills

The bills are repayable, interest only, at variable rates until March 2005. From then quarterly principal repayments are required over the term of the facility to December 2008. The facility is subject to annual review.

Bank loans

Bank loans are generally repayable by monthly instalments of principal and fixed interest over periods of between 12 months and five years. The facilities are subject to annual review.

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000

21. Cash Flow Information (cont)

(b) Finance Facilities (cont)

Equipment Finance Facilities

Total equipment finance facilities	41,837	34,675	173	50
Amounts drawn (included in lease liabilities)	(30,670)	(26,054)	(173)	(50)
Amounts undrawn	11,167	8,621	-	-

The consolidated entity is able to draw on these facilities for the acquisition of plant and equipment (by way of finance lease). Generally:

- the facilities are subject to periodic review;
- fixed monthly repayments of principal and interest are arranged over the term of the agreement at the date of each draw; and
- the liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(c) Non-Cash Financing and Investing Activities

Acquisition of plant and equipment by means of finance leases *	12,528	9,461	172	27
Conversion of convertible notes to equity	748	-	748	-
Acquisition of controlled entities – see note 21(e)				
Acquisition of business – see note 21(f)				

* GST exclusive amount

(d) Reconciliation of Cash

Cash at the end of the financial year as shown in the statements of cash flows is reconciled to items in the statements of financial position as follows:

Cash assets	634	1,189	50	37
Bank overdrafts	(3,564)	(3,924)	-	-
	(2,930)	(2,735)	50	37

(e) Acquisition of Controlled Entities

During the 2003 financial year the consolidated entity acquired 100% of the issued capital of Lindsay Brothers Holdings Pty Ltd (LBH) and the 50% of the issued capital of P&H Rural Supplies Pty Ltd (PHRS) that it did not already own (bringing its interest to 100%). LBH is principally involved in transport and PHRS in agricultural rural supplies – refer note 30 for further information.

The acquisitions were approved by shareholders at an extraordinary general meeting held on 4 November 2002 and involved a capital raising of approximately $10.2 million pursuant to a Prospectus issued on that date. These transactions were completed in December 2002. The operating results of Lindsay Brothers Holdings Pty Ltd and P & H Rural Supplies Pty Ltd have been included in the consolidated statement of financial performance from 31 December 2002.

		LBH	PHRS
		$'000	$'000

21. Cash Flow Information (cont)

(e) Acquisition of Controlled Entities (cont)

Details of the acquisitions are as follows:

Current Assets			
Cash assets		264	782
Receivables			
- trade debtors		15,109	8,078
- fuel rebates/subsidies		603	4
- future GST recoverable		863	40
- other		488	187
Inventories		897	2,871
Prepayments		1,827	-
Non-Current Assets			
Receivables – future GST recoverable		1,265	36
Other financial assets		-	44
Plant and equipment		40,212	1,233
Deferred tax assets		336	220
Total Assets		61,864	13,495
Current Liabilities			
Payables – trade creditors and accruals		11,218	6,901
Interest bearing liabilities			
- bank overdrafts		3,889	-
- lease liabilities		7,103	444
- other		1,811	-
Current tax liabilities		207	404
Provisions – employee benefits		2,079	285
Non-Current Liabilities			
Interest bearing liabilities – lease liabilities		14,223	393
Deferred tax liabilities		4,285	31
Provisions – employee benefits		447	89
Total Liabilities		45,282	8,547
Net Identifiable Assets Acquired		16,582	4,948
Goodwill		3,225	3,255
		19,807	8,203
Consideration	**Note**		
Purchase price – paid in cash	(i)	9,718	-
Issues of shares	(ii)	5,981	4,798
Issues of convertible notes	(iii)	3,738	-
Acquisition costs		368	56
Other		2	-
Investment already held (50%) – note 28		-	3,349
		19,807	8,203

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000

21. Cash Flow Information (cont)

(e) Acquisition of Controlled Entities (cont)

(i) Purchase price – paid in cash

Outflow of cash to acquire controlled entities, net of cash acquired:

Cash consideration	-	9,718	-	9,718
Acquisition costs paid in cash	-	424	-	424
	-	10,142	-	10,142
Cash assets acquired	-	(1,046)	-	-
Bank overdrafts acquired	-	3,889	-	-
Outflow of cash	-	12,985	-	10,142

(ii) Issue of shares

Details of the issues of shares as consideration for the acquisition of these entities are provided in Note 18.

(iii) Issue of convertible notes

Details of the issue of convertible notes as consideration for the acquisition of Lindsay Brothers Holdings Pty Ltd are provided in note 14.

(f) Acquisition of Business

During the 2004 year the consolidated entity acquired the assets of Cordoma Brothers Refrigerated Transport Pty Ltd. This transaction was completed on 2 October 2003 and the assets were employed by Lindsay Brothers Transport from that date (property, plant and equipment was retained by the parent entity). Details of the acquisition are as follows:

Fair value of identifiable net assets acquired:	**$'000**
Inventories	54
Property, plant and equipment	4,585
Deferred tax assets	47
Provisions – employee benefits	(192)
Net identifiable assets acquired	4,494
Goodwill	618
	5,112

Consideration	**Note**	
Purchase price		
- paid in cash	(i)	4,179
- vendor finance	(ii)	138
- shares issued	(iii)	278
- shares to be issued	(iv)	278
Acquisition costs		239
		5,112

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
(i) Purchase price – paid in cash				
Outflow of cash to acquire business, net of cash acquired:				
Cash consideration	4,179	-	4,179	-
Acquisition costs paid in cash	239	-	239	-
Outflow of cash	4,418	-	4,418	-

21. Cash Flow Information (cont)

(f) Acquisition of Business (cont)

(ii) Vendor finance

Details of vendor financed loans are provided in note 14.

(iii) Issue of shares

Details of the issue of shares as consideration for the acquisition of this business is provided in note 18(h).

(iv) Shares to be issued

A further 910,747 shares are to be issued on 2 October 2004 as part of the purchase consideration for the acquisition of Cordoma Brothers Refrigerated Transport. The issue of these shares is contingent upon the achievement of defined future sales levels per the sale agreement. The directors believe that these sales levels will be achieved.

	Consolidated	
	2004 ¢	2003 ¢
22. Earnings Per Share		
Basic earnings per share	2.4	2.1
Diluted earnings per share	2.1	2.0

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2004 $'000	2003 $'000
Earnings used in calculating basic earnings per share – net profit	2,470	1,327
Adjustments:		
Interest savings on convertible notes	139	79
Earnings used in calculating diluted earnings per share	2,609	1,406

	2004 Number of Shares	2003 Number of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	104,100,946	62,036,227
Effect of dilutive securities:		
Convertible notes	13,301,722	8,070,081
Shares to be issued	679,328	-
ASX listed options	7,893,541	-
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share	125,975,537	70,106,308

Information relating to the calculation of basic and diluted earnings per share is as follows:

- Convertible notes are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share. The notes have not been included in the determination of basic earnings per share. Details relating to the notes are set out in note 14.
- Shares to be issued to the vendors of Cordoma Brothers Refrigerated Transport are considered to be potential ordinary shares. The shares have been included in the determination of diluted earnings per share but have not been included in the determination of basic earnings per share. Details relating to the shares to be issued are set out in Note 21(f).
- Options are considered to be potential ordinary shares. The ASX listed options were dilutive for the 2004 financial year and are therefore included in the calculation of diluted earnings per share. Otherwise options were not dilutive in the current or prior year. The options have not been included in the determination of basic earnings per share. Details relating to options are set out in note 18.

	Consolidated		Parent Entity	
	2004 $	2003 $	2004 $	2003 $

23. Auditor's Remuneration

During the year the auditor of the parent entity and its related practices earned the following remuneration:				
Audit or review of financial reports of the entity or any entity in the consolidated entity	154,500	152,100	137,500	123,100
Other assurance services	1,500	117,650	-	117,650
Total audit and other assurance services	156,000	269,750	137,500	240,750
Taxation services	29,330	45,100	13,670	6,300
Total remuneration	185,330	314,850	151,170	247,050

Other assurance services for the 2003 year primarily relates to preparation of the independent accountant's report and due diligence in respect of the Prospectus issued in November 2002 by the parent entity.

24. Director and Executive Disclosures

(a) Details of Directors and Specified Executives

(i) Directors

The following persons were Directors of Lindsay Australia Limited during the financial year:

Name	Position	Appointment Date
J F Pressler	Chairman (Non-Executive)	8 January 1997
M K Lindsay	Managing Director and Chief Executive Officer	26 November 1996
R A Anderson	Director (Non- Executive)	16 December 2002
S S Doumany	Director (Non- Executive)	16 December 2002
L R Hancock	Director (Non- Executive)	13 September 2002
T K Lindsay	Director (Non- Executive)	16 December 2002

(ii) Specified Executives

The following persons were the seven executives with the greatest authority for the strategic direction and management of the consolidated entity ("specified executives") during the financial year:

Name	Position	Employer
B J Baker	Queensland Manager - Transport	Lindsay Brothers Management Pty Ltd
A W Bunker	Commercial Manager - Transport	Lindsay Australia Limited
S M Foster	National Linehaul Manager – Transport	Lindsay Brothers Management Pty Ltd
L D Greene	Commercial Manager - Rural	Lindsay Australia Limited
G A Johnston	Chief Financial Officer and Company Secretary	Lindsay Australia Limited
T G Lindsay	General Manager - Transport	Lindsay Australia Limited
E K Schuh	General Manager - Rural	Lindsay Australia Limited

There were no other specified executives during the prior year. Where executives commenced during the past two years, commencement dates are shown in b(iii) below.

(b) Remuneration of Directors and Specified Executives

(i) Remuneration Policy

The Remuneration Committee of the board of Directors of Lindsay Australia Limited is responsible for determining and reviewing compensation arrangements for the Directors, the chief executive officer and the executive team. The Remuneration Committee assesses the appropriateness of the nature of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and executive team. Such officers are given the opportunity to receive their base emolument in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

To assist in achieving these objectives the executive Director and executives have the opportunity to qualify for participation in the Employee Share Option Plan. Unexercised options are forfeited on termination.

24. Director and Executive Disclosures (cont)

(b) Remuneration of Directors and Specified Executives (cont)

(ii) Service Agreements

Major provisions of service agreements with the executive Director and specified executives at 30 June 2004 appear below.

Name	Motor Vehicle Supplied	Term Remaining	Notice Period*
M K Lindsay	Yes	18 months	-
B J Baker	Yes	-	1 month
A W Bunker	Yes	12 months	-
S M Foster	Yes	12 months	-
L D Greene	No	12 months	-
G A Johnston	No	-	1 month
T G Lindsay	Yes	12 months	-
E K Schuh	Yes	18 months	-

* Where not subject to fixed term contract.

(iii) Remuneration of Directors and Specified Executives

	Primary			Post-employment	Equity	Total
	Directors' Fees $	Cash Salary and Fees $	Non Monetary Benefits $	Superannuation $	Options $	$
Directors						
J F Pressler						
2004	-	-	-	65,400	-	65,400
2003	21,667	-	-	24,300	-	45,967
M K Lindsay						
2004	-	359,119	9,753	35,912	7,018	411,802
2003*	8,019	152,377	41,223	15,238	10,707	227,564
R A Anderson						
2004	40,000	-	-	3,600	-	43,600
2003	21,667	-	-	1,950	-	23,617
S S Doumany						
2004	40,000	-	-	3,600	-	43,600
2003	21,667	-	-	1,950	-	23,617
L R Hancock						
2004	40,000	-	-	3,600	-	43,600
2003	26,042	-	-	1,800	-	27,842
T K Lindsay						
2004	40,000	100,800	6,639	-	-	147,439
2003	21,667	46,600	6,007	770	-	75,044
D J Corpe (resigned 13 September 2002)						
2004	-	-	-	-	-	-
2003	2,917	-	-	-	-	2,917
K C Winning (resigned 16 December 2002)						
2004	-	-	-	-	-	-
2003	8,021	-	-	984	-	9,005
Total 2004	160,000	459,919	16,392	112,112	7,018	755,441
Total 2003	131,667	198,977	47,230	46,992	10,707	435,573

*MK Lindsay was a director of Lindsay Australia Limited for all of 2003 but was an employee from December 2002.

24. Director and Executive Disclosures (cont)

(b) Remuneration of Directors and Specified Executives (cont)

	Primary		Post-employment	Equity	Total
	Cash Salary and Fees	Non Monetary Benefits	Superannuation	Options	
	$	$	$	$	$
Specified Executives					
B J Baker					
2004	112,357	15,782	39,836	12,849	180,824
2003 From 19/5/03	9,058	2,038	906	-	12,002
A W Bunker					
2004	77,916	40,285	10,874	2,807	131,882
2003 From 1/1/03	44,315	4,249	4,432	4,283	57,279
S M Foster					
2004	158,654	23,694	15,865	2,807	201,020
2003 From 1/1/03	70,967	2,312	7,097	4,283	84,659
L D Greene					
2004	65,610	43,634	19,982	2,807	132,033
2003 From 1/1/03	34,657	15,038	4,636	4,283	58,614
G A Johnston					
2004	157,519	-	15,752	2,807	176,078
2003	130,230	-	13,023	4,283	147,536
T G Lindsay					
2004	200,224	13,924	21,002	4,913	240,063
2003 From 1/1/03	107,104	2,483	10,710	7,495	127,792
E K Schuh					
2004	133,616	7,686	35,362	4,913	181,577
2003	176,143	7,500	37,475	7,495	228,613
Total 2004	905,896	145,005	158,673	33,903	1,243,477
Total 2003	572,474	33,620	78,279	32,122	716,495

The amounts disclosed for remuneration in this note include the assessed fair values at the date they were granted over the vesting period. Fair values have been determined using the Black Scholes Option Pricing Model and take into account factors such as exercise price, the term of the option, current price and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(c) Remuneration Options Granted and Vested during the Year

During the financial year options were granted to Directors and specified executives as disclosed below. The options were issued free of charge and are exercisable at the price disclosed. Each option granted is convertible into one ordinary share in Lindsay Australia Limited.

					Terms & Conditions for each Grant		
	Granted Number	Vested Number	Grant Date	Value per Option at Grant Date ($)	Exercise Price per Share ($)	First Exercise Date	Last Exercise Date
Directors							
Nil							
Specified Executives							
B J Baker	70,000	70,000	1/12/2003	0.09	0.30	1/12/2003	1/12/2003
B J Baker	105,000	105,000	1/12/2003	0.06	0.45	1/12/2003	1/10/2004
B J Baker	105,000	-	1/12/2003	0.04	0.65	1/10/2004	1/10/2005
	280,000	175,000					

The options granted to Directors and specified executives were under the Employee Share Option Plan. Refer to note 26 for terms and conditions.

24. Director and Executive Disclosures (cont)

(d) Shares Issued on Exercise of Remuneration Options

Details of ordinary shares in the company provided to each Director of Lindsay Australia Limited and each specified executive of the consolidated entity as a result of the exercise during the financial year of remuneration options are set out below.

Director	Number of Shares Issued	$ per Share Paid
M K Lindsay	175,000	0.30
Specified Executives		
B J Baker	70,000	0.30
A W Bunker	70,000	0.30
L D Greene	70,000	0.30
T G Lindsay	122,500	0.30
E K Schuh	122,500	0.30
	630,000	

No amounts are unpaid on any shares issued on the exercise of options.

(e) Equity Holdings of Directors and Specified Executives

The share and option holdings disclosed for Directors and specified executives are calculated in accordance with *AASB 1046 Director and Executive Disclosures by Disclosing Entities*. Accordingly, the holdings for each Director and specified executive includes holdings of the individual (whether held directly, indirectly or beneficially) as well as, the holdings of their personally related entities (whether held directly, indirectly or beneficially). Personally related entities encompass relatives of the individual, the spouses of the relatives and any entity under the joint or several control or significant influence of the individual, relatives of the individual or spouses of the relatives. Relatives are defined as the spouse, parent or remoter lineal ancestor, son, daughter or remoter issue, or brother or sister of the person. As a result, where Directors and/or specified executives are related and/or have personally related entities in common, the holdings of relatives and/or entities may be included in the holdings of all relevant Directors and/or specified executives, i.e., holdings may be included more than once in the disclosure.

(i) Options

The number of options over ordinary shares in the company held during the year by each Director of Lindsay Australia Limited and each of the specified executives of the consolidated entity, including their personally-related entities, are set out below.

							30 June 2004	
	Balance at 1 July 2003	Exercise Price $	Granted as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2004	Vested and Exercisable	Not Vested
Directors								
J F Pressler	442,998	0.25	-	-	-	442,998	442,998	-
M K Lindsay	8,371,030	0.25	-	(440,000)	216,250	8,147,280	8,147,280	-
M K Lindsay	367,500	0.30	-	(367,500)	-	-	-	-
M K Lindsay	551,250	0.45	-	-	-	551,250	551,250	-
M K Lindsay	551,250	0.65	-	-	-	551,250	-	551,250
R A Anderson	42,000	0.25	-	-	-	42,000	42,000	-
S S Doumany	13,334	0.25	-	-	-	13,334	13,334	-
L R Hancock	423,009	0.25	-	-	20,000	443,009	443,009	-
T K Lindsay	8,395,530	0.25	-	(440,000)	216,250	8,171,780	8,171,780	-
T K Lindsay	367,500	0.30	-	(367,500)	-	-	-	-
T K Lindsay	551,250	0.45	-	-	-	551,250	551,250	-
T K Lindsay	551,250	0.65	-	-	-	551,250	-	551,250

24. Director and Executive Disclosures (cont)

(e) Equity Holdings of Directors and Specified Executives (cont)

(i) Options (cont)

	Balance at 1 July 2003	Exercise Price $	Granted as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2004	30 June 2004 Vested and Exercisable	30 June 2004 Not Vested
Specified Executives								
B Baker	-	0.30	70,000	(70,000)	-	-	-	-
	-	0.45	105,000	-	-	105,000	105,000	-
	-	0.65	105,000	-	-	105,000	-	105,000
A W Bunker	19,334	0.25	-	-	-	19,334	19,334	-
	70,000	0.30	-	(70,000)	-	-	-	-
	105,000	0.45	-	-	-	105,000	105,000	-
	105,000	0.65	-	-	-	105,000	-	105,000
S M Foster	83,001	0.25	-	-	-	83,001	83,001	-
	70,000	0.30	-	-	(70,000)	-	-	-
	105,000	0.45	-	-	-	105,000	105,000	-
	105,000	0.65	-	-	-	105,000	-	105,000
L D Greene	83,867	0.25	-	-	36,100	119,967	119,967	-
	70,000	0.30	-	(70,000)	-	-	-	-
	105,000	0.45	-	-	-	105,000	105,000	-
	105,000	0.65	-	-	-	105,000	-	105,000
G A Johnston	49,500	0.25	-	-	-	49,500	49,500	-
	70,000	0.30	-	-	(70,000)	-	-	-
	105,000	0.45	-	-	-	105,000	105,000	-
	105,000	0.65	-	-	-	105,000	-	105,000
T G Lindsay	8,389,530	0.25	-	(440,000)	216,250	8,165,780	8,165,780	-
	367,500	0.30	-	(367,500)	-	-	-	-
	551,250	0.45	-	-	-	551,250	551,250	-
	551,250	0.65	-	-	-	551,250	-	551,250
E K Schuh	44,968	0.25	-	-	(8,300)	36,668	36,668	-
	122,500	0.30	-	(122,500)	-	-	-	-
	183,750	0.45	-	-	-	183,750	183,750	-
	183,750	0.65	-	-	-	183,750	-	183,750

(ii) Shareholdings

The number of ordinary shares in the company held during the financial year by each Director of Lindsay Australia Limited and each of the specified executives of the consolidated entity, including their personally-related entities, are set out below.

	Balance at 1 July 2003	On Exercise of Options	On Exercise of Convertible Notes	Net Change Other	Balance at 30 June 2004
Directors					
J F Pressler	2,520,074	-	-	-	2,520,074
M K Lindsay	30,903,878	807,500	2,990,436	(1,828,932)	32,872,882
R A Anderson	126,000	-	-	-	126,000
S S Doumany	40,000	-	-	-	40,000
L R Hancock	1,654,390	-	-	1,812,714	3,467,104
T K Lindsay	31,008,327	807,500	2,990,436	(1,828,932)	32,977,331
Specified Executives					
B J Baker	-	70,000	-	25,500	95,500
A W Bunker	58,000	70,000	-	-	128,000
S M Foster	429,000	-	-	-	429,000
L D Greene	321,350	70,000		(70,000)	321,350
G A Johnston	37,500	-	-	-	37,500
T G Lindsay	30,959,378	807,500	2,990,436	(1,828,932)	32,928,382
E K Schuh	135,900	122,500	-	(127,034)	131,366

24. Director and Executive Disclosures (cont)

(e) Equity Holdings of Directors and Specified Executives (cont)

All equity transactions with Directors and specified executives other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

No shares were granted as remuneration during the year.

(f) Loans to Directors and Specified Executives

There were no loans to Directors or specified executives during the current or prior reporting period.

(g) Other Transactions and Balances with Directors and Specified Executives

	Consolidated	
	2004	2003
	$	$
Amounts recognised as revenues and expenses:		
Revenues		
Management fees charged to Lindsay Brothers Holdings pre-acquisition, an entity associated with MK Lindsay, TK Lindsay and TG Lindsay	-	300,000
Cartage revenue received / receivable from entities associated with JF Pressler	1,661,445	756,582
Sale of cartons and stock to entities associated with JF Pressler, net of rebates	2,049,901	1,335,202
Purchase of stock by MK Lindsay	2,409	2,645
Sale of fuel to entities owned by relatives of MK Lindsay, TK Lindsay and T G Lindsay	1,719,222	1,033,538
Transport services provided to an entity associated with TK Lindsay	124,760	76,396
	5,557,737	3,504,363
Expenses		
Rental of premises from entities associated with MK Lindsay, TK Lindsay and TG Lindsay	1,621,082	841,792
Transport services provided by an entity owned by a relative of TK Lindsay	85,196	-
Travel agency services provided by an entity associated with TK Lindsay	137,192	38,619
Fees for legal services provided by an entity associated with LR Hancock	139,016	462,664
Fuel purchased from entities associated with TK Lindsay	934,393	915,766
Interest on convertible notes paid / payable to TK Lindsay	200,320	121,050
Remuneration paid to employees who are relatives of MK Lindsay, TK Lindsay and TG Lindsay	451,757	841,502
Cartage fees paid to entities associated with BJ Baker	527,188	5,732
	4,096,144	3,227,125

During the 2003 financial year the parent entity acquired Lindsay Brothers Holdings Pty Ltd from TK Lindsay, MK Lindsay, TG Lindsay and their relatives – refer note 21(e) for further details. During the 2003 financial year the parent entity also acquired the remaining 50% interest in P&H Rural Supplies Pty Ltd form Amcor Packaging (Australia) Pty Ltd – refer note 21(e). Details of these acquisitions were also given in an Explanatory Memorandum dated 3 October 2002 and the Prospectus dated 4 November 2002.

Amounts receivable / payable to Directors and specified executives and their related entities at balance date		
Current receivables – trade debtors	1,442,703	1,929,138
Current payables – trade creditors and accruals	66,397	161,324
Convertible notes *		
- current	700,243	692,209
- non-current	2,100,729	2,768,836
	2,867,369	3,622,369

* in addition an amount of $189,464 (2003: $276,702) has been recognised as other equity securities (refer note 8).

The Directors believe transactions with Directors and specified executives were on commercial terms and conditions (unless otherwise stated).

25. Related Party Information

Directors and Specified Executives

Disclosures relating to Directors and specified executives are set out in note 24.

Wholly Owned Group

The wholly owned group consists of the ultimate parent entity Lindsay Australia Limited and its wholly owned controlled entities. Ownership interests in those controlled entities are set out in note 27.

Transactions between Lindsay Australia Limited and other entities in the wholly-owned group during the years ended 30 June 2004 and 30 June 2003 consisted of:

- Loans advanced to/by controlled entities and repayments (refer statements of cash flows);
- Management fees received by Lindsay Australia Limited for accounting, administrative services, management and use of assets (refer note 2);
- Transactions between Lindsay Australia Limited and its wholly-owned controlled entities in accordance with the tax funding agreement (refer note 4);
- Dividends/distributions received by Lindsay Australia Limited (refer notes 2 and 27).

Loans are interest free, unsecured and have no fixed repayment terms (refer notes 6 and 13). Management fees are charged by the parent entity generally to recover costs and are based on estimated management and staff requirements and resource usage.

The Directors believe transactions with related parties were on commercial terms and conditions (unless otherwise stated).

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
26. Employee Benefits				
Employee benefit and related on-costs liabilities				
Included in trade creditors and accruals - current	2,060	1,634	154	76
Provision for employee benefits:				
Current	2,583	2,400	438	160
Non-current	1,003	822	110	40
	5,646	4,856	702	276
Number of employees at year end	670	633	40	10

Employee Share Option Plan

The establishment of the Employee Share Option Plan was approved by shareholders on 4 November 2002. Staff eligible to participate in the plan are generally those of manager level and above (including executive Directors) who are designated by Directors.

Options are granted under the plan for no consideration. The exercise price will be the amount specified by Directors at the time of issue. The exercise period is the period specified by Directors at the time of issue. Options issued under the plan may not exceed 5% of the total number of issued shares of the company at the date of issue.

Options lapse if prior to or during the exercise period the employee is terminated or resigns. If a person dies, becomes disabled, or is made redundant prior to the exercise period the option lapses. If a person dies, becomes disabled or is made redundant during the exercise period special rules apply that allow options to be exercised.

Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share. Amounts receivable on the exercise of options are recognised as share capital. No remuneration expense is recognised at the time of granting options.

26. Employee Benefits (cont)

Set out below are summaries of options granted under the plan.

Grant Date	Exercise Period	Exercise Price	Balance at Start of Year	Issued	Exercised	Lapsed	Balance at End of Year
December 2002	1 October 2003 to 1 December 2003	30¢	1,032,500	-	857,500	175,000	-
December 2003	1 December 2003 to 1 December 2003	30¢	-	70,000	70,000	-	-
December 2002	1 October 2003 to 1 October 2004	45¢	1,548,750	-	-	26,250	1,522,500
December 2003	1 December 2003 to 1 October 2004	45¢	-	105,000	-	-	105,000
December 2002	1 October 2004 to 1 October 2005	65¢	1,548,750	-	-	26,250	1,522,500
December 2003	1 October 2004 to 1 October 2005	65¢	-	105,000	-	-	105,000

For the year ended 30 June 2003 options issued, exercised and lapsed was as follows:

Grant Date	Exercise Price	Issued	Lapsed	Balance at end of year
December 2002	30¢	1,172,500	140,000	1,032,500
December 2002	45¢	1,758,750	210,000	1,548,750
December 2003	65¢	1,758,750	210,000	1,548,750

Options Exercised During the Financial Year and Number of Shares Issued to Employees on Exercise of Options

		Consolidated		Parent Entity	
Exercise Date	Fair Value of Shares at Share Issue Date	2004 Number	2003 Number	2004 Number	2003 Number
20 October 2003	35¢	70,000	-	70,000	-
20 November 2003	38¢	35,000	-	35,000	-
1 December 2003	38.5¢	822,500	-	822,500	-
		927,500	-	927,500	-

The fair value of shares issued on exercise of options is the last sale price at which the company's shares were traded on the Australian Stock Exchange on the day prior to the date of issue.

	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Aggregate proceeds received on exercise of options and recognised as issued capital	278	-	278	-
Fair value of shares issued on the exercise of options as at the share issue date	354	-	354	-

	2004 Number of options	2003 Number of options	2004 Number of options	2003 Number of options
Options vested at the reporting date	1,627,500	-	1,627,500	-

27. Controlled Entities

Set out below are the names of the controlled entities which are included in the consolidated financial statements shown in this report. All entities were incorporated in Australia.

	Equity Holding		Cost of Parent Entity's Investment	
Name	2004 %	2003 %	2004 $'000	2003 $'000
Lindsay Brothers Holdings Pty Ltd*	100	100	19,807	19,807
Lindsay Brothers Transport Pty Ltd*	100	100	-	-
Lindsay Brothers Management Pty Ltd*	100	100	-	-
Lindsay Brothers Fuel Services Pty Ltd*	100	100	-	-
Lindsay Brothers Hire Pty Ltd*	100	100	-	-
Lindsay Brothers Plant & Equipment Pty Ltd*	100	100	-	-
P&H Produce Pty Ltd	100	100	-	-
P&H Produce Trust	100	100	2,469	2,469
P&H Rural Supplies Pty Ltd**	100	100	4,370	4,370
			26,646	26,646

* Lindsay Brothers Holdings Pty Ltd (LBH) is the parent entity of Lindsay Brothers Transport Pty Ltd, Lindsay Brothers Management Pty Ltd, Lindsay Brothers Fuel Services Pty Ltd, Lindsay Brothers Hire Pty Ltd, and Lindsay Brothers Plant and Equipment Pty Ltd. Accordingly, the parent entity's interest in these entities (other than LBH) is indirect. The parent entity acquired these entities during the year ended 30 June 2003 – refer note 21(e).

** P&H Rural Supplies Pty Ltd is 50% owned by P&H Produce Trust and 50% owned by the parent entity. The parent entity acquired its 50% interest during the year ended 30 June 2003 – refer note 21(e). P&H Produce Trust acquired its 50% interest prior to 2003 – refer note 28. The cost of the parent entity's investment comprises:

	$'000
Issue of shares*	4,798
Acquisition costs*	56
	4,854
Less pre-acquisition dividend received subsequent to acquisition	(484)
	4,370

* refer note 21(e)

	Consolidated	
	2004 $'000	2003 $'000

28. Investments Accounted for Using the Equity Method

The ownership interest in P&H Rural Supplies Pty Ltd up to December 2002 was 50%. In December 2002 the parent entity purchased the remaining 50%. As from that date P&H Rural Supplies Pty Ltd became a controlled entity.

Movements during the year in equity accounted investment in associate:		
Carrying amount at beginning of the financial year	-	2,865
Share of profit	-	484
Adjustment upon becoming a controlled entity	-	(3,349)
Carrying amount at end of the financial year	-	-
Results attributable to associate:		
Profit from ordinary activities before income tax expense (after notional goodwill adjustments)	-	717
Income tax expense	-	(233)
Net profit	-	484
Retained earnings attributable to associate:		
Balance at beginning of the financial year	-	267
Share of profit	-	484
Adjustment upon becoming a controlled entity	-	(751)
Balance at end of the financial year	-	-
Summarised presentation of aggregate identifiable assets, liabilities and performance of associate*:		
Current assets	-	-
Non-current assets	-	-
Total assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Net assets	-	-
Revenues	-	22,161
Expenses	-	(20,676)
Profit from ordinary activities before income tax expense (and before goodwill amortisation)	-	1,485
Income tax expense	-	(466)
Profit from ordinary activities after income tax expense (and before goodwill amortisation)	-	1,019
Commitments/contingent liabilities		
The associate's aggregate lease commitments are:		
Finance leases	-	-
Operating leases	-	-
	-	-

* Lindsay Australia Limited had a 50% interest in these assets, liabilities, results and commitments.

29. Financial Instruments

Net Fair Values

The net fair values of financial assets and financial liabilities approximate their carrying amounts.

Credit Risk

The credit risk on financial assets which have been recognised in the statement of financial position is generally the carrying amount, net of any provisions.

The consolidated entity has the following material credit risk exposures:

- There are a number of individually significant receivables. These include:
  - Government fuel rebates/subsidies receivable – refer note 6.
  - Other rebates receivable included in other debtors of $503,000 (2003 – nil).
  - Amounts receivable from individually significant trade debtors. For example at 30 June 2004 the largest 10 debtors comprised approximately 35% (2003 – 33%) of total trade debtors (the largest individual debtor alone comprised 8% (2003 – 11%) of trade debtors).
- A majority of the trade debtors are involved in the rural industry in Queensland, New South Wales and Victoria (approximately 67% (2003: 65%)).

At balance date cash was held with Westpac Banking Corporation and National Australia Bank.

Derivative Financial Instruments

The consolidated entity does not normally use derivative financial instruments.

Interest Rate Risk

The consolidated entity's exposure to interest rate risk and the weighted average effective interest rate for each class of financial asset and financial liability is as follows:

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing		Non-Interest Bearing	Total
			Within 1 Year	1 to 5 Years		
	%	$'000	$'000	$'000	$'000	$'000
2004						
Financial assets						
Cash assets	3.4	624	-	-	10	634
Receivables	-	-	-	-	27,258	27,258
Other financial assets	-	-	-	-	69	69
Total financial assets		624	-	-	27,337	27,961
Financial liabilities						
Payables	-	-	-	-	16,556	16,556
Bank overdrafts	7.7	3,564	-	-	-	3,564
Bank bills payable	6.3	7,000	-	-	-	7,000
Lease liabilities	6.3	-	7,583	23,087	2,934*	33,604
Convertible notes	6.0	-	700	2,101	-	2,801
Bank loans	7.1	-	591	3,432	-	4,023
Other loan	6.0	-	25	94	-	119
Total financial liabilities		10,564	8,899	28,714	19,490	67,667
Net financial assets/(liabilities)		(9,940)	(8,899)	(28,714)	7,847	(39,706)

29. Financial Instruments (cont)

	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing		Non-Interest Bearing	Total
			Within 1 Year	1 to 5 Years		
	%	$'000	$'000	$'000	$'000	$'000
2003						
Financial assets						
Cash assets	3.9	1,179	-	-	10	1,189
Receivables	-	-	-	-	28,021	28,021
Receivable – sale of business	7.5	-	385	385	-	770
Other financial assets	-	-	-	-	44	44
Total financial assets		1,179	385	385	28,075	30,024
Financial liabilities						
Payables	-	-	-	-	15,684	15,684
Bank overdrafts	7.2	3,924	-	-	-	3,924
Bank bills payable	5.3	7,000	-	-	-	7,000
Lease liabilities	6.5	-	8,008	18,046	2,438*	28,492
Convertible notes	6.0	-	692	2,769	-	3,461
Bank loans	8.2	-	793	-	-	793
Total financial liabilities		10,924	9,493	20,815	18,122	59,354
Net financial assets/(liabilities)		(9,745)	(9,108)	(20,430)	9,953	(29,330)

No interest is charged on trade debtors except for certain debtors who pay late and are charged interest at 1.5% per month by agreement.

* GST component

30. Segment Information

Business Segments

The consolidated entity operates predominantly in the following business segments:

- Transport - Cartage of general and refrigerated products and ancillary sales.
- Rural Supplies - Sale and distribution of a range of agricultural supply products.

The consolidated entity operated in these business segments for the whole of the 2004 year. For the 2003 year these business segments were in operation for the period January to June 2003.

Geographical Segments

The consolidated entity operates in one geographical segment, being Australia.

30. Segment Information (cont)

Primary reporting – business segments

	Transport	Rural Supplies	Elimination	Consolidated
	$'000	$'000	$'000	$'000
2004				
Revenue				
Sales to customers outside the consolidated entity	105,527	43,721	-	149,248
Intersegment sales	621	50	(671)	-
Total sales	106,148	43,771	(671)	149,248
Other revenue	2,978	575	-	3,553
Total segment revenue	109,126	44,346	(671)	152,801
Unallocated revenue				880
Consolidated revenue				153,681
Results				
Segment results	3,285	4,217	-	7,502
Unallocated revenue less unallocated expenses				(7,543)
Consolidated entity loss from ordinary activities before income tax benefit				(41)
Income tax benefit				2,511
Net profit				2,470
Assets				
Segment assets	80,806	15,881	(62)	96,625
Unallocated assets				2,433
Total assets				99,058
Liabilities				
Segment liabilities	13,131	6,410	(62)	19,479
Unallocated liabilities				53,130
Total liabilities				72,609
Other segment information				
Acquisitions of property, plant and equipment and intangible assets	18,308	280	-	18,588
Unallocated acquisitions				393
				18,981
Depreciation/amortisation expense	7,928	474	-	8,402
Unallocated depreciation				109
				8,511
Non-cash expenses other than amortisation and depreciation	40	86	-	126
Unallocated non-cash expenses				46
				172

30. Segment Information (cont)

Primary reporting – business segments

	Transport	Rural Supplies	Elimination	Consolidated
	$'000	$'000	$'000	$'000
2003				
Revenue				
Sales to customers outside the consolidated entity	48,299	20,215	-	68,514
Intersegment sales	193	19	(212)	-
Total sales	48,492	20,234	(212)	68,514
Other revenue	1,879	466	-	2,345
Total segment revenue	50,371	20,700	(212)	70,859
Share of net profit of associate	-	484	-	484
	50,371	21,184	(212)	71,343
Unallocated revenue				699
Consolidated revenue*				72,042
* includes share of net profit of associate of $484,000				
Results				
Segment results	1,705	1,790	-	3,495
Unallocated revenue less unallocated expenses				(1,942)
Consolidated entity profit from ordinary activities before income tax expense				1,553
Income tax expense				(226)
Net profit				1,327
Assets				
Segment assets	72,105	15,925	(119)	87,911
Unallocated assets				4,488
Total assets				92,399
Liabilities				
Segment liabilities	11,942	7,183	(107)	19,018
Unallocated liabilities				49,098
Total liabilities				68,116
Other segment information				
Acquisitions of property, plant and equipment and intangible assets	53,588	4,705	-	58,293
Unallocated acquisitions				119
				58,412
Depreciation/amortisation expense	3,293	236	-	3,529
Unallocated depreciation				36
				3,565
Non-cash expenses other than amortisation and depreciation	57	44	-	101
Unallocated non-cash expenses				78
				179

30. Segment Information (cont)

(a) Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and accounting standard AASB 1005 Segment Reporting.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and goodwill and other intangible assets, net of related provisions. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets used jointly by segments are allocated based on reasonable estimates of usage. Segment liabilities consist primarily of trade and other creditors and employee benefits. Segment assets and liabilities do not include income taxes.

(b) Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's length" basis and are eliminated on consolidation.

(c) Equity accounted investment

For the year ended 30 June 2003, the net profit of associated entity relates to the share of net profit of P & H Rural Supplies Pty Ltd during the period July 2002 to December 2002, after which time its results were consolidated.

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000

31. Commitments

Finance Lease Commitments

Finance lease commitments are payable as follows:				
- not later than 1 year	9,862	10,144	74	28
- later than 1 year but not later than 5 years	27,797	21,753	135	27
Minimum lease payments	37,659	31,897	209	55
Less future finance charges	(4,055)	(3,405)	(18)	(5)
	33,604	28,492	191	50
Representing lease liabilities:				
Current	8,234	8,704	63	26
Non-current	25,370	19,788	128	24
	33,604	28,492	191	50

Finance leases comprise leases of items of plant and equipment under normal commercial finance lease terms and conditions.

Operating Lease Commitments

Non-cancellable operating leases contracted for but not recognised in the financial statements are payable as follows:				
- not later than 1 year	2,389	1,960	213	205
- later than 1 year but not later than 5 years	4,493	4,598	275	422
	6,882	6,558	488	627

Operating leases primarily comprise leases of premises under normal commercial operating lease terms and conditions. These include rentals, in certain cases, being subject to periodic review for market and/or for CPI increases as well as options for renewal. Consolidated operating lease commitments include $4,029,000 (2003 - $5,359,000) for leases of premises from entities associated with MK Lindsay, TK Lindsay and TG Lindsay.

31. Commitments (cont)

	Consolidated		Parent Entity	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Capital Commitments				
Commitments for capital expenditure contracted for but not recognised in the financial statements are payable as follows:				
- not later than 1 year	2,514	7,363	-	-
Remuneration Commitments				
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:				
- not later than 1 year	2,124	1,999	1,230	590
- later than 1 year but not later than 5 years	309	1,939	309	530
	2,433	3,938	1,539	1,120

P&H Rural Supplies Pty Ltd (Rural)

On 24 July 2002 Rural entered into a distribution agreement with Amcor. The agreement commenced 1 November 2002 and expires 31 October 2009. Rural has agreed to the distribution of Amcor products in a number of areas where Rural presently carries on business. The agreement includes:

- an option for both parties to extend the agreement for a further 5 years upon terms and conditions as agreed between parties;
- an option for Amcor to buy the Rural business during the term of the agreement on terms no less favourable than those that would be offered to a third party, should the parent entity wish to sell or assign its interest in Rural.

32. Contingent Liabilities

Secured guarantees by the parent entity in respect of bank facilities (including lease liabilities) of controlled entities (secured by mortgages over all assets)	-	-	35,229	30,162
Guarantees by the parent entity in respect of leases of controlled entities	-	-	1,828	2,997

On 15 July 2003 P&H Rural Supplies Pty Ltd was served a statement of claim for damages of approximately $5.6 million in respect of the supply and installation of an irrigation system. The claim relates to the design, supply and installation of a central automation irrigation control system. P&H Rural Supplies Pty Ltd are named as second defendant, the first defendant being the company that designed and supplied the system. The Directors are of the view that the claim is not supported by the facts and deny any liability. Accordingly the claim is being vigorously defended by the company's insurers. The Directors consider that no liability is likely to be incurred by P&H Rural Supplies Pty Ltd. The Directors believe that, even if the claim against P&H Rural Supplies Pty Ltd were to be successful, the consolidated entity would have indemnity from their insurer to at least $3.3 million of the total claim.

The financial effects of the above are not recognised as at 30 June 2004.

From time to time the consolidated entity is subject to claims and litigation during the normal course of business. The Directors have given consideration to such matters and are of the opinion that there are no further material contingent liabilities as at the reporting date that are likely to arise.

33. Impact of Adopting AASB Equivalents to IASB standards

Lindsay Australia Limited has commenced transitioning its policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). Management has had initial discussions with its professional advisors to identify key areas that may be impacted. As Lindsay Australia Limited has a 30 June year-end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required for the preparation of the first fully IFRS compliant financial report for the year ending 30 June 2006. Set out below are the key areas identified to date where accounting policies may change and may have an impact on the financial report of Lindsay Australia Limited. At this stage the company has not been able to reliably quantify the impacts on the financial report.

Goodwill

Under the new standard *AASB 3 Business Combinations* goodwill will no longer be able to be amortised but instead will be subject to annual impairment testing. This will result in a change in the company's current accounting policy which amortises goodwill over 20 years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed in the future are not yet known.

Impairment of assets

Under the new standard *AASB 136 Impairment of Assets* the recoverable amount of an asset is determined as the higher of fair value less costs to sell and value in use. This will result in a change in the company's current accounting policy which determines the recoverable amount of an asset on the basis of undiscounted cash flows. Reliable estimation of future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known. However, it is likely that this change will lead to impairments being recognised more often than under the existing policy.

Share based payments

Under the new standard *AASB 2 Share Based Payments*, the company will be required to determine the fair value of options issued to employees as remuneration and recognise an expense in the statement of financial performance. This standard is not limited to options and also extends to other forms of equity-based remuneration. This will result in a change to the current accounting policy where no expense is recognised for equity based compensation.

Income taxes

Under the new standard *AASB 112 Income Taxes*, the company will be required to use a balance sheet approach which focuses on the tax effect of transactions and other events that affect amounts recognised in either the statement of financial position or a tax-based balance sheet, rather than the current income statement approach. The most significant likely impact identified at this time will be the recognition of a deferred tax liability in relation to the asset revaluation reserve. Previously, the capital gains tax effect of asset revaluations was not recognised. Additionally, the tests for recognition of deferred tax assets, such as future income tax benefits, will be based on where realisation of the benefit is "probable" rather than where realisation of the benefit can be regarded as being assured beyond any reasonable doubt or virtually certain.

Classification of financial instruments

Under the new standard *AASB 139 Financial Instruments: Recognition and Measurement*, financial instruments will be required to be classified into categories which will, in turn, determine the accounting treatment of the item. The classifications are loans and receivables - measured at amortised cost, held to maturity – measured at amortised cost, available for sale – measured at fair value with fair value changes taken to equity, and financial assets – measured at fair value with fair value changes charged to profit and loss (which includes financial assets held for trading). This will result in a change in the current accounting policy that does not classify financial instruments. Current measurement is as disclosed in Note 1. The future financial effect of this change in accounting policy is not yet known as the classification and measurement process has not yet been fully completed.

34. Subsequent Events

To the Director's knowledge no matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Directors' Declaration

The directors declare that the accompanying financial statements and notes:

(a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

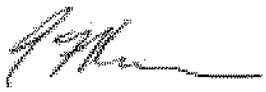
(b) give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2004 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the Corporations Act 2001; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



John F Pressler
Chairman

Brisbane, Queensland
16 September 2004

Independent Audit Report

To the members of Lindsay Australia Limited

Scope

The financial report and Directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Directors' declaration for both Lindsay Australia Limited (the company) and the consolidated entity, for the year ended 30 June 2004. 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 judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with 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.

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 Lindsay Australia Limited is in accordance with:

(a) the Corporations Act 2001, including:

  (i) giving a true and fair view of the company's and the consolidated entity's financial position as at 30 June 2004 and of their performance for the year ended on that date; and

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

(b) other mandatory financial reporting requirements in Australia.

JOHNSTON RORKE
Chartered Accountants

R.C.N WALKER
Partner

Brisbane, Queensland
16 September 2004

Corporate Governance Statement

The board of Directors of Lindsay Australia Limited is responsible for the corporate governance of the consolidated entity. The board guides and monitors the business and affairs of Lindsay Australia Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

The format of the Corporate Governance Statement has changed in comparison to the previous year due to the introduction of the Australian Stock Exchange Corporate Governance Council's (the Council's) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's recommendations, the Corporate Governance Statement must now contain certain specific information and must disclose the extent to which the company has followed the guidelines during the period. Where a recommendation has not been followed, that fact must be disclosed, together with the reasons for the departure. Lindsay Australia Limited's Corporate Governance Statement is now structured with reference to the Corporate Governance Council's principles and recommendations, which are as follows:

Principle 1. Lay solid foundations for management and oversight

Principle 2. Structure the board to add value

Principle 3. Promote ethical and responsible decision making

Principle 4. Safeguard integrity in financial reporting

Principle 5. Make timely and balanced disclosure

Principle 6. Respect the rights of shareholders

Principle 7. Recognise and manage risk

Principle 8. Encourage enhanced performance

Principle 9. Remunerate fairly and responsibly

Principle 10. Recognise the legitimate interests of stakeholders

During the year ended 30 June 2004 Lindsay Australia Limited's Corporate Governance practices were developed and/or amended recognising the requirements of the Council's best practice recommendations. In developing Lindsay Australia Limited's Corporate Governance practices recognition has been given to the company's market capitalisation, the complexity of operations, and existing governance structures.

Departures from the Council's recommendations are as follows:

Principle 1. **Lay solid foundations for management and oversight** – Recognise and publish the respective roles and responsibilities of the board and management.

During the financial year the company was governed in accordance with the Corporate Governance Statement contained in the 2003 Annual Report and statements contained in the Prospectus issued by the company dated 4 November 2002. A "Corporate Governance Charter" was adopted by the board in June 2004. The charter formalises corporate governance practices that are to be adhered to by company. The new Corporate Governance Charter was published on the company's website in July 2004.

Principle 2. **Structure the board to add value** – Have a board of an effective composition, size, and commitment to adequately discharge its duties and responsibilities.

Recommendation 2.1 A majority of the board should be independent Directors.

The company has not complied with this recommendation. The following Directors are not considered to be independent:

– M K Lindsay – Chief executive officer and substantial shareholder,

– T K Lindsay – substantial shareholder, and

– L R Hancock – a principal of a material professional advisor.

The independent Directors are:

– J F Pressler,

– R A Anderson, and

– S S Doumany.

The board does not consider the expense of increasing the number of independent Directors so that a majority of independent Directors is obtained is justified. The board intends to move to a position of a majority of independent Directors over time.

Recommendation 2.2 The chairperson should be an independent Director.

The company complies with this recommendation.

Recommendation 2.3 The role of chairperson and chief executive officer should not be exercised by the same individual.

The company complies with this recommendation.

Recommendation 2.4 The board should establish a nomination committee.

The company does not have a nomination committee. The board believes that due to the company's relatively small size that a nominations committee is not necessary as the board can undertake all functions normally delegated to a nomination committee.

Recommendation	2.5	Implement reporting of Corporate Governance *The company's Corporate Governance Charter was published on its website in July 2004. The 2003 Annual Report and Prospectus dated 4 November 2002 contained information in respect of the corporate governance of the company.*
Principle	3.	**Promote ethical and responsible decision-making**
Recommendation	3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: 3.1.1 the practices necessary to maintain confidence in the company's integrity, 3.1.2 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. *A formal Code of Conduct forms part of the Corporate Governance Charter. During the period, there was a code of conduct that applied to employees. Directors were required to comply with the requirements of the Australian Institute of Company Directors and professional associations of which they were members.*
Recommendation	3.2	Disclose the policy concerning trading in company securities by Directors, officers and employees. *The Corporate Governance Charter contains a Code of Conduct for Transactions in Securities. This replaced a similar code which was applicable for the period up to the adoption of the new code.*
Principle	4.	**Safeguard integrity in financial reporting –** have a structure to independently verify and safeguard the integrity of the company's financial reporting.
Recommendation	4.1	Require the chief executive officer and the chief financial officer to state in writing to the board that the company's financial reports present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with relevant accounting standards. *The company complies with this recommendation.*
Recommendation	4.2	The board should establish an audit committee. *The company complies with this recommendation.*
Recommendation	4.3	Structure the audit committee so that it consists of: • only non-executive Directors, • a majority of independent Directors, • an independent chairperson, who is not chairperson of the board, and • at least three members. *The company complies with this recommendation.*
Recommendation	4.4	The audit committee should have a formal charter. *The company complied with this recommendation however a new charter was adopted in June 2004.*
Recommendation	4.5	The audit committee should report to the board on a range of issues. *The company complies with this recommendation.*
Principle	5.	**Make timely and balanced disclosure –** Promote timely and balanced disclosure of all material matters concerning the company.
Recommendation	5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. *The company complied with the continuous disclosure requirements of Chapter 3 of the Australian Stock Exchange Listing Rules. The Corporate Governance Charter contains additional requirements.*
Recommendation	5.2	Implement reporting of departures from best practice recommendation in the annual report and make publicly available a summary of policies and procedures designed to guide compliance with listing rule disclosure requirements. *Departures from the recommendations are contained in the Corporate Governance Statement. The Corporate Governance Charter is published on the company's website.*
Principle	6.	**Respect the rights of shareholders –** and facilitate the effective exercise of those rights.
Recommendation	6.1	Design and disclose a communication strategy to promote effective communication with shareholders and encourage participation at general meetings. *The Corporate Governance Charter formalises requirements of this obligation. The company complied with the Corporations Act 2001 and the requirements of the ASX Listing Rules during the period.*
Recommendation	6.2	Request the external auditor to attend the annual general meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report. *The company complies with this recommendation.*

Principle	7.	**Recognise and manage risk –** establish a sound system of risk oversight and management and internal control.
Recommendation	7.1	The board or appropriate board committee should establish policies on risk oversight and management. *Part of the responsibilities of the Audit and Risk Committee is to monitor risk. The company does not have an internal audit function. The board considers that due to the relatively small size of the company such a function would not be cost effective. A business risks checklist is reviewed at each meeting of the board.*
Recommendation	7.2	The chief executive officer and the chief financial officer should state to the board in writing that: 7.2.1 the statement given in accordance with the best practice recommendation 4.1 (the integrity of financial statements) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board, and 7.2.2 the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. *During the financial year a significant discrepancy between the number of pallets hired and the number used was identified. Compensation for this discrepancy was recognised in the financial accounts. Changes to internal control procedures have been made.* *During the year other improvements to the system of internal control were made in response to weaknesses identified. A new accounting package for the Rural division is to be implemented during the 2005 financial year to further improve internal control.*
Recommendation	7.3	Implement reporting of Corporate Governance. *The Corporate Governance Charter was published on the company's website in July 2004.*
Principle	8.	**Encourage enhanced performance –** fairly review and actively encourage enhanced board and management effectiveness.
Recommendation	8.1	Disclose the process for performance evaluation of the board, its committees and individual Directors, and key executives. *The Corporate Governance Charter adopted in June 2004 includes requirements for these processes.*
Principle	9.	**Remunerate fairly and responsibly –** ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.
Recommendation	9.1	Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies, and (ii) the link between remuneration paid to Directors and key executives and corporate performance. *The remuneration policy was disclosed in the 2003 Annual Report. There were no material changes to that policy during the year. Due to the relatively small size of the company the only direct link between remuneration and performance of the company for the chief executive officer and senior executive staff is by the issue of options over shares. At any review the performance of the company and the contribution by particular executives forms part of the process. Details of the remuneration of the Directors and the 7 most highly paid officers of the company are shown in note 24 of the Annual Report.*
Recommendation	9.2	The board should establish a remuneration committee. *The company complies with this recommendation.*
Recommendation	9.3	Clearly distinguish the structure of non-executive Directors' remuneration from that of executives. *The guidelines for non-executive Director remuneration published by the Council are:* 9.3.1 Non-executive Directors should normally be remunerated by way of fees (in the form of cash, non-cash benefits, superannuation contributions or equity); they should not participate in schemes designed for the remuneration of executives. 9.3.2 Non-executive Directors should not receive options or bonus payments. 9.3.3 Non-executive Directors should not be provided with retirement benefits other than statutory superannuation. *The company complies with this recommendation.*
Recommendation	9.4	Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders. *The company complies with this recommendation. Shareholders approved the Employee Share Option Plan in November 2002. There are no other plans in operation.*
Recommendation	9.5	Implement reporting of Corporate Governance. *The Corporate Governance Charter was published on the company's website in July 2004.*

Principle	10	**Recognise the legitimate interest of stakeholders –** recognise legal and other obligations to all legitimate stakeholders.
Recommendation	10.1	Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders. *The Corporate Governance Charter includes a Code of Conduct. The Charter was published on the company's website in July 2004.*

For further information on corporate governance policies adopted by Lindsay Australia Limited, refer to our website: **www.lindsayaustralia.com.au**

Structure of the Board

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of the annual report is included in the Directors' Report on pages 1 and 2. Directors of Lindsay Australia Limited are considered to be independent when they are independent of management and free from any material business or other relationship that could interfere with – or could reasonably be perceived to interfere with – the exercise of their unfettered and independent judgement.

In the context of Director independence, a factor is considered "material" if it is greater than 5% of either sales or purchases of the consolidated entity.

In accordance with the definition of independence detailed in the company's website, the following Directors of Lindsay Australia Limited are considered to be independent:

J F Pressler

R A Anderson

S S Doumany

There are procedures in place, agreed by the board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the company's expense.

The term in office held by each Director at the date of this report is as follows:

Name	Term in Office	Name	Term in Office
J F Pressler	8 Years	S S Doumany	2 Years
M K Lindsay	8 Years	L R Hancock	2 Years
R A Anderson	2 Years	T K Lindsay	2 Years

For additional details regarding board appointments, please refer to the company's Corporate Governance Charter.

Nomination Committee

The company does not have a Nomination Committee. Directors consider that due to the relatively small size of the company it is not necessary to have a Nomination Committee. Functions that are usually performed by the Nomination Committee are performed by the board.

Audit and Risk Committee

The board has established an audit and risk committee, which operates under a charter approved by the board. It is the board's responsibility to ensure that an effective internal control framework and risk identification process exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The board has delegated the responsibility for the establishment and maintenance of a framework of internal controls and ethical standards for the management of the consolidated entity to the audit and risk committee.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. All members of the audit and risk committee are non-executive Directors. A majority of the Directors are independent.

The members of the audit committee during the year were:

R A Anderson - Chairman

J F Pressler

L R Hancock

For details of the qualifications of members of the audit committee refer to pages 1 and 2 of the Directors' Report.

For details on the number of meetings of the audit and risk committee held during the year and the attendees at those meetings, refer to page 7 of the Directors' Report.

Remuneration Committee

It is the company's objective to provide maximum stakeholder benefit from the retention of a high quality board and executive team by remunerating Directors and key executives fairly and appropriately with reference to relevant employment market conditions. To assist in achieving this objective, the Remuneration Committee links the nature and amount of executive Directors' and officers' emoluments to the company's financial and operational performance. The expected outcomes of the remuneration structure are:

- retention and motivation of key executives,
- attraction of quality management to the company, and
- performance incentives which allow executives to share the rewards of the success of Lindsay Australia Limited.

For details on the amount of remuneration and all monetary and non-monetary components for each of the seven highest paid (non-Director) executives during the year and for all Directors, refer to note 24 of the financial report. In relation to the payment of bonuses, options and other incentive payments, discretion is exercised by the board, having regard to the overall performance of Lindsay Australia Limited and the performance of the individual during the period.

There is no scheme to provide retirement benefits, other than statutory superannuation, to non-executive Directors.

The board is responsible for determining and reviewing compensation arrangements for the Directors themselves and the chief executive officer and the executive team. The board has established a remuneration committee, comprising three non-executive Directors. Members of the remuneration committee throughout the year were:

S S Doumany - Chairman

J F Pressler

R A Anderson

For details on the number of meetings of the remuneration committee held during the year and the attendees at those meetings, refer to page 7 of the Directors' Report.

Environmental and Occupational Health and Safety Committee

The board has established an environmental and occupational health and safety committee. It is the board's responsibility to ensure that the company observes all regulatory compliance, is proactive in achieving environmental outcomes consistent with sustainable development, and to provide a safe workplace by identifying and managing risks in the workplace. The board has delegated the responsibility for the functions to the environmental and occupational health and safety committee. The members of the committee during the year were:

L R Hancock - Chairman

S S Doumany

M K Lindsay

For details on the number of meetings of the environmental and occupational health and safety committee held during the year and the attendees at those meetings, refer to page 7 of the Directors' Report.

Shareholder Information

Information relating to security holders as at 31 August 2004.

Shares

Distribution of Shareholders

	Size of Holdings	Number of Shareholders
1 - 1,000	23,005	31
1,001 - 5,000	932,033	293
5,001 - 10,000	3,101,303	352
10,001 - 100,000	24,940,737	845
100,001 and over	78,521,093	92
Total	107,518,171	1,613

Number of holdings less than a marketable parcel 58

Top Twenty Shareholders

Name	No of Shares	% of Issued Shares
Amcor Packaging (Australia) Pty Ltd	19,192,928	17.85
Thomas Kelsall Lindsay	10,956,964	10.19
K & D Lindsay Pty Ltd (D Lindsay Family A/c)	4,982,795	4.63
Barolin Nominees Pty Ltd (Magnum Unit Account)	2,185,714	2.03
Andrew David Lindsay	2,005,218	1.87
Brickworks Securities Pty Limited	1,868,000	1.74
Thomas Glen Lindsay	1,680,718	1.56
Milton Corporation Limited	1,600,000	1.49
Maria Gail Orr	1,545,500	1.44
Sandra Marcelle Hordern	1,495,218	1.39
Michael Kim Lindsay	1,495,218	1.39
Justin Lindsay	1,495,218	1.39
Maria Elizabeth Lorenzo (The Damien Lindsay A/c)	1,495,218	1.39
Donna Margaret Pell	1,495,218	1.39
Washington H Soul Pattinson & Company Limited	1,401,000	1.30
Legendary Pty Ltd (Rangia Incentive A/c)	1,070,000	1.00
Michael Kim Lindsay & Thomas Glen Lindsay (The N&C Lindsay A/c)	996,812	0.93
Norman Charles Philip & Paula Mary Philip (Philip Family S/F No1 A/c)	935,435	0.87
Cordoma Group Holdings Pty Ltd	910,747	0.85
Carjay Pty Ltd	896,815	0.83
	59,704,736	55.53

Substantial Shareholders

The names of substantial shareholders who have notified the company in accordance with section 617B of the Corporations Act 2001 are:

Name	No. of Shares	% of Issued Shares
Amcor Packaging (Australia) Pty Ltd	19,192,928	17.85
Thomas Kelsall Lindsay	11,773,249	10.95
K & D Lindsay Pty Ltd	8,177,013	7.61

Voting Rights of Ordinary Shares

The holders of ordinary shares in the company are entitled at any general meeting, either in person of by proxy, on a show of hands, to one vote, and on a poll to one vote for each fully paid share.

Options

Distribution of Optionholders

	Size of Holdings	Number of Optionholders
1 – 1,000	21,121	32
1,001 – 5,000	1,075,381	323
5,001 – 10,000	2,071,965	284
10,001 – 100,000	5,594,463	206
100,001 and over	17,119,569	26
Total	25,882,499	871

Number of holdings less than a marketable parcel 753

Top Twenty Optionholders

Name	No of Options	% of Issued Options
Amcor Packaging (Australia) Pty Ltd	6,397,643	24.72
Thomas Kelsall Lindsay	3,488,843	13.48
Maria Gail Orr	511,740	1.98
Sandra Marcelle Hordern	498,406	1.93
Michael Kim Lindsay	498,406	1.93
Justin Lindsay	498,406	1.93
Thomas Glen Lindsay	498,406	1.93
Maria Elizabeth Lorenzo (The Damien Lindsay A/c)	498,406	1.93
Donna Margaret Pell	498,406	1.93
Washington H Soul Pattinson & Company Limited	467,000	1.80
K & D Lindsay Pty Ltd (D Lindsay Family A/C)	334,000	1.29
Michael Kim Lindsay & Thomas Glen Lindsay (The N&C Lindsay A/c)	332,271	1.28
Gail Annette Smith	330,857	1.28
Bailey and Fenton Pty Ltd (Super Fund EFB A/c)	300,000	1.16
Rossi Orchards Pty Ltd (Super Fund A/c)	250,000	0.97
Ian Stuart Rutherford	223,100	0.86
Burke & Southall Pty Ltd (Allocated Pension Plan A/c)	200,000	0.77
Custodial Services Limited	200,000	0.77
Mr Russell Mark Pell & Mrs Donna Margaret Pell	198,000	0.76
Julie-Anne Larkey	166,135	0.64
	16,390,025	63.34

Voting Rights of Options over Shares

The holders of options over shares in the company are not entitled to vote at any general meeting.

Unquoted Equity Securities

Distribution of Unquoted Equity Security Holders

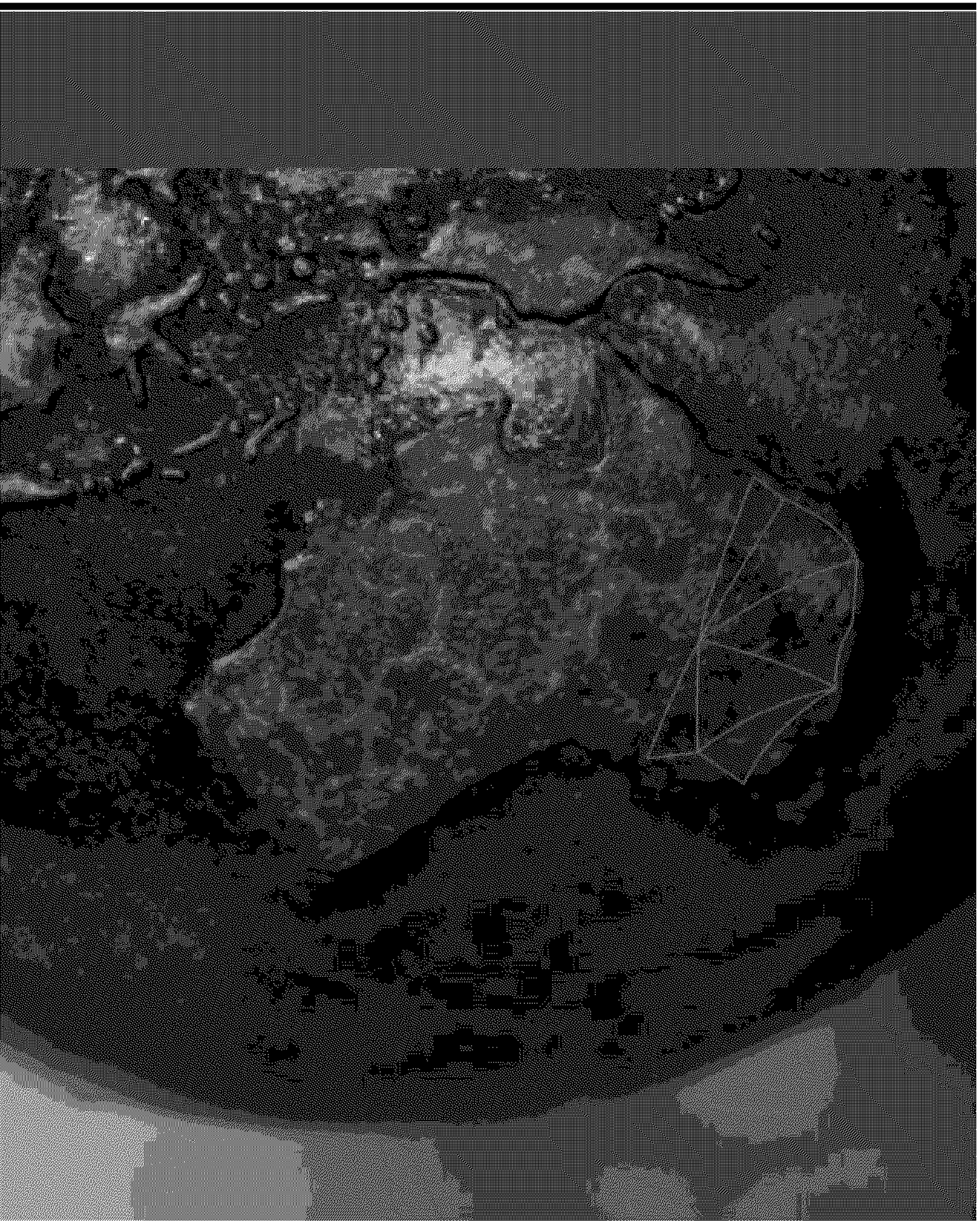
	Employee Share Options		6% Convertible Notes	
	Size of Holdings	No. of Holders	Size of Holdings	No. of Holders
1 – 1,000	-	-	-	-
1,001 – 5,000	-	-	-	-
5,001 – 10,000	-	-	-	-
10,001 – 100,000	105,000	2	-	-
100,001 and over	2,940,000	13	11,961,745	1
Total	3,045,000	15	11,961,745	1

Employee Share Options

No person holds more than 20% of the employee share options. The holders of employee share options over shares in the company are not entitled to vote at any general meeting.

6% Convertible Notes

The convertible notes are held by Thomas Kelsall Lindsay and were issued at 25c each. Convertible notes do not entitle the holder to a vote at any general meeting.

LINDSAY AUSTRALIA
LIMITED
ABN 81 061 642 733

Australians Seeking Excellence