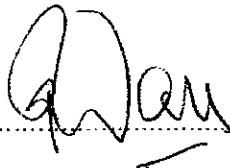


This is annexure A of 18 pages referred to in form 388:
Copy of financial statements and reports



Director

Dated this 13 day of April 2006

CAMMS GROUP HOLDINGS PTY LTD
ABN: 82 103 283 638
AND CONTROLLED ENTITIES
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2005

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

DIRECTORS' REPORT

Your Directors present their report on Camms Group Holdings Pty Ltd ("the Company") and its controlled entities ("the Consolidated Entity") for the financial year ended 30 June 2005. The names of the directors in office at any time during or since the end of the year are:

Adam Robert Keats
Paul David Walker
Peter John Wall

Sean Andrew Ebert
Trevor John Richards
Roger Neil Sexton (resigned 1 April 2005)

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

The consolidated profit of the Consolidated Entity for the financial year after providing for income tax and eliminating outside equity interests amounted to \$76,780.

A review of the operations of the Consolidated Entity during the financial year and the results of those operations shows that there were no significant changes in market demand or competition during the financial year. However, profitability was impacted by costs of establishing new markets, expansion of customer and industry revenue bases, costs of research and development supporting continuing innovation and investment in sales and marketing infrastructure. In the Directors' opinion, these investments will create a positive base for future growth.

No significant changes in the Consolidated Entity's state of affairs occurred during the year.

The principal activities of the Consolidated Entity during the financial year remain unchanged and were the design and integration of industrial information technology systems.

No matters or circumstances have arisen since the end of the financial year, which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Likely developments in the operations of the Consolidated Entity and the expected results of those operations in future financial years have not been included in this report, as the inclusion of such information is likely to result in unreasonable prejudice to the Consolidated Entity.

The Consolidated Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

No dividends have been paid or declared since the start of the financial year.

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report. No indemnities have been given, during or since the end of the financial year, for any person who is or has been an officer of the Consolidated Entity.

The Consolidated Entity has paid a premium of \$6,826 for insurance against current and former officers' liability for legal costs.

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any party of those proceedings. The Company was not a party to any such proceedings during the year.

Director
Peter John Wall

Director
Adam Robert Keats

Dated this 13 day of April 2006



115 Grenfell Street
Adelaide SA 5000

GPO Box 2499
Adelaide SA 5001
Australia

ABN: 51 194 660 183
Telephone: +61 8 8236 3111
Facsimile: +61 8 8236 3299
DX: 456 Adelaide
www.kpmg.com.au

Lead Auditor's Independence Declaration under Section 307 of the Corporations Act 2001 to the directors of Camms Group Holdings Pty Ltd

To the directors of Camms Group Holdings Pty Ltd:

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2005 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

IK Footer

Partner

Adelaide

13 April 2006

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

STATEMENTS OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2005

	Note	Consolidated		The Company	
		2005 \$	2004 \$	2005 \$	2004 \$
Revenues from ordinary activities	3	18,355,157	20,420,484	606	863,180
Correction of fundamental error	25	-	-	-	1,572,077
Raw materials and consumables used		(7,230,763)	(10,056,525)	-	-
Employee benefits expense		(9,077,202)	(8,119,917)	-	-
Depreciation and amortisation expenses		(514,232)	(459,761)	-	-
Borrowing costs expense		(206,152)	(71,512)	-	-
Doubtful debts expense – intercompany loans		-	-	(400,000)	-
Other expenses from ordinary activities		(1,340,735)	(1,791,810)	(1,364)	(9,812)
Profit / (Loss) from ordinary activities before related income tax expense	4	(13,927)	(79,041)	(400,758)	2,225,445
Income tax (expense) / benefit relating to ordinary activities	5	90,707	54,153	120,227	(4,212)
Net profit / (loss) from ordinary activities after related income tax expense to members of the parent entity	22	76,780	(24,888)	(280,531)	2,221,233
Adjustment resulting from fundamental error in the previous financial year in relation to the treatment of investment in subsidiaries and contributed equity	25	-	1,628,445	-	(173,200)
Net (decrease) in retained profits on the initial adoption of AASB 1028 "Employee Benefits"		-	(113,392)	-	-
Total changes in equity from non-owner related transactions attributable to members of the parent parent entity		76,780	1,490,165	(280,531)	2,048,033

The accompanying notes form part of these financial statements

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2005

	Note	Consolidated		The Company	
		2005 \$	2004 \$	2005 \$	2004 \$
CURRENT ASSETS					
Cash Assets	7	600,515	289,037	4,541	65,189
Receivables	8	1,994,055	2,808,615	1,784,753	2,060,049
Inventories	9	707,656	571,789	-	-
Tax Assets	10	-	25,168	-	-
Other Assets	11	170,161	125,704	-	-
Property, Plant and Equipment	14	2,305,062	-	-	-
TOTAL CURRENT ASSETS		5,777,449	3,820,313	1,789,294	2,125,238
NON-CURRENT ASSETS					
Other financial assets	12	-	-	26,172	6
Inventories	9	158,660	-	-	-
Property, Plant and Equipment	14	927,988	3,526,589	-	-
Intangible assets	15	2,768	2,768	2,768	2,768
Deferred tax assets	16	247,993	157,284	367,993	54,958
TOTAL NON-CURRENT ASSETS		1,337,409	3,686,641	396,933	57,732
TOTAL ASSETS		7,114,858	7,506,954	2,186,227	2,182,970
CURRENT LIABILITIES					
Payables	17	1,522,429	1,909,522	321,500	3,710
Interest bearing liabilities	18	447,043	467,092	-	-
Provisions	19	444,700	671,560	-	-
Tax Liabilities	20	-	-	-	34,002
TOTAL CURRENT LIABILITIES		2,414,172	3,048,174	321,500	37,712
NON-CURRENT LIABILITIES					
Interest bearing liabilities	18	2,650,920	2,726,394	-	-
Provisions	19	240,600	-	-	-
TOTAL NON-CURRENT LIABILITIES		2,891,520	2,726,394	-	-
TOTAL LIABILITIES		5,305,692	5,774,568	321,500	37,712
NET ASSETS		1,809,166	1,732,386	1,864,727	2,145,258
EQUITY					
Contributed equity	21	362,674	362,674	362,674	362,674
Retained profits	22	1,446,492	1,369,712	1,502,053	1,782,584
TOTAL EQUITY		1,809,166	1,732,386	1,864,727	2,145,258

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

The accompanying notes form part of these financial statements

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2005

	Note	Consolidated		The Company	
		2005 \$	2004 \$	2005 \$	2004 \$
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from customers		18,749,141	19,614,353	-	-
Payments to suppliers and employees		(17,963,259)	(20,012,370)	(1,364)	(9,812)
Dividends received		-	-	-	650,000
Interest received		25,769	43,999	606	13,180
Borrowing costs paid		(206,602)	(71,512)	-	-
Income tax paid / (refunded)		25,168	35,030	21,183	(28,878)
Net cash provided by / (used in) operating activities	24 (b)	630,217	(390,500)	20,425	624,490
CASH FLOW FROM INVESTING ACTIVITIES					
Proceeds from sale of equipment		39,389	33,000	-	-
Payments for property, plant and equipment		(262,606)	(3,094,248)	-	-
Payments for intangible assets		-	-	-	(2,768)
Net cash provided by / (used in) investing activities		(223,217)	(3,061,248)	-	(2,768)
CASH FLOW FROM FINANCING ACTIVITIES					
Acquisition of shares		-	-	(26,166)	-
Proceeds from borrowings		437,076	2,880,555	-	-
Repayments of borrowings		(532,598)	(321,170)	-	-
Dividends paid		-	(300,000)	-	(300,000)
Loans to related companies		-	-	(54,907)	(702,200)
Net cash provided by / (used in) financing activities		(95,522)	2,259,385	(81,073)	(1,002,200)
Net increase/ (decrease) in cash held		311,478	(1,192,363)	(60,648)	(380,478)
Cash at beginning of year		289,037	1,481,400	65,189	445,667
Cash at end of year	24 (a)	600,515	289,037	4,541	65,189

The accompanying notes form part of these financial statements

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005

1 Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Corporations Act 2001. The Directors have determined that the Consolidated Entity is not a reporting entity.

The financial report covers Camms Group Holdings Pty Ltd as an individual parent entity and Camms Group Holdings Pty Ltd and controlled entities as a Consolidated Entity. Camms Group Holdings Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

The report has been prepared in accordance with the requirements of the Corporations Act 2001, the recognition and measurement aspects of all applicable Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board that have material effect. The financial report does not include the disclosure requirements of the following announcements having a material effect.

AASB 1005:	Segment reporting
AASB 1017:	Related party disclosures
AASB 1033:	Presentation and disclosure of financial instruments
AASB 1041:	Revaluation of non current assets
AASB 1047:	Disclosing the impacts of adopting Australian equivalents to the International Financial Reporting Standards

The report is also prepared on an accruals basis, is based on historic costs, and does not take into account changing money values or, except where specifically stated, current valuation or non-current assets.

The following material accounting policies which are consistent with the previous year unless otherwise stated have been adopted in the preparation of this report:

(a) Principles of Consolidation

A Controlled Entity is any entity controlled by Camms Group Holdings Pty Ltd. Control exists where Camms Group Holdings Pty Ltd has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with Camms Group Holdings Pty Ltd to achieve the objectives of Camms Group Holdings Pty Ltd. Details of the controlled entities are contained in Note 13.

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

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

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

(b) Income Tax

The Consolidated Entity adopts the income statement liability of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt, or if relating to tax losses when realisation is virtually certain.

Tax consolidation

The company is the head entity in the tax-consolidated group comprising all the Australian wholly owned subsidiaries set out in Note 13. The implementation date for the tax-consolidated group is 1 July 2003. The head entity recognises all of the current and deferred tax assets and liabilities of the tax consolidated group (after elimination of intra-group transactions).

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances GST is recognised as part of the cost of acquisition or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the statement of financial position.

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

(d) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first in first out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(e) Receivables

The collectibility of debts is assessed at reporting date and specific provision is made for any doubtful accounts. Trade debtors are to be settled within 60 days and are carried at amounts due. When a contract has payment terms that extend beyond 12 months, without a market rate of interest being charged, the receivable is discounted using the prevailing rate for a similar instrument of an issuer with a similar credit rating.

(f) Work in Progress / Recognition of Revenue from Projects

Project work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis.

Project profits are recognised on the percentage of completion basis measured using the proportion of costs incurred to date as compared to expected total costs. Where losses are anticipated they are provided for in full. Project revenue has been recognised based on the terms of the contract adjusted for any variations or claims allowable under the contract.

Hosting, licensing and software maintenance fees are recognised as revenue in the period in which the fee is earned. That being the period in which all steps required to earn the fees have occurred and the customer has no contractual right to refuse payment. Where the fee revenue is contracted to be received periodically over a period of time, then revenue will be recognised on a monthly basis for the term of the contract.

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

(g) Revenue Recognition

Sale of non-current assets

The gross proceeds of non-current asset sales are recognised as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Interest revenue

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

Dividends

Revenue from distribution from controlled entities is recognised by the parent entity when they are declared by the controlled entities.

(h) Fixed Assets

Each class of fixed assets are carried at cost or fair value less, where applicable, any accumulated depreciation. Fixed assets are measured on the cost basis.

All assets are depreciated on a straight line basis over their useful lives to the Consolidated Entity. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are only reflected in current and future periods. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

(i) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the 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, including any guaranteed residual values. Leased assets are depreciated on a straight line bases over their estimated useful lives where it is likely that the entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

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

(j) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount if these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations.

(k) Payables

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

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

	Note	Consolidated		The Company	
		2005	2004	2005	2004
		\$	\$	\$	\$

(i) **Employee Benefits**

Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employee's services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as, workers compensation insurance and payroll tax.

Non-accumulating non-monetary benefits, such as interest free loans, are expenses based on the net marginal cost to the Consolidated Entity as the benefits are taken by employees.

Long Service Leave

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

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

2 Changes in Accounting Policy

The Consolidated Entity applied the revised AASB 1028 "Employee Benefits" for the first time from 1 July 2003.

The liability for wages and salaries and annual leave is now calculated using the remuneration rates the Consolidated Entity expects to pay as at each reporting date, including on costs, not wage and salary rates current at reporting date.

The initial adjustments to the consolidated financial report as at 1 July 2003 because of the change were:

- \$113,392 increase in provision for employee benefits; and
- \$113,392 decrease in opening retained earnings.

	Note	Consolidated		The Company	
		2005	2004	2005	2004
		\$	\$	\$	\$
3 Revenue from Ordinary Activities					
Revenue from sale of goods and services from operating activities		18,289,999	20,279,091	-	-
Other revenues:					
<i>From operating activities</i>					
Interest received		25,769	49,399	606	13,180
Dividends received		-	-	-	650,000
Rent and related income received		-	58,994	-	-
<i>From outside operating activities</i>					
Gross proceeds from sale of non current assets		39,389	33,000	-	-
Total other revenues		65,158	141,393	606	663,180
Total revenue from ordinary activities		18,355,157	20,420,484	606	663,180

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

	Note	Consolidated		The Company	
		2005 \$	2004 \$	2005 \$	2004 \$
4 Profit from Ordinary Activities					
Individually significant expenses/(revenues) included in loss before ordinary activities before income tax expense:					
(a) Expenses					
Depreciation of plant and equipment		514,232	459,761	-	-
Cost of non current assets sold		41,913	37,270	-	-
Bad and doubtful debts		8,863	4,183	400,000	-
<i>Auditors' remuneration</i>					
Audit services -- auditors of the company		17,500	15,000	-	-
Other services		13,396	708	-	-
(b) Revenue and Net Gains					
Proceeds from sale of non current assets		(39,389)	(33,000)	-	-
Net gain / (loss) on disposal of plant and equipment		(2,524)	(4,270)	-	-
5 Income Tax Expense					
The prima facie tax payable / (benefit) on profit / (loss) from ordinary activities before income tax is reconciled to the income tax expense/(benefit) as follows:					
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2004: 30%)					
		(4,178)	(23,712)	(120,227)	667,633
Add/(deduct)					
- Corrections related to previous financial year		(117)	(106,231)	-	(471,623)
- Research and development tax concession		(138,632)	(26,548)	-	-
- Brought forward tax losses		-	(4,336)	-	-
- Rebateable dividends		-	-	-	(195,000)
- Amortisation of goodwill		-	-	-	-
- Other non-allowable items		52,220	106,674	-	3,202
Income tax expense / (benefit) attributable to profit from ordinary activities		(90,707)	(54,153)	(120,227)	4,212
6 Dividends Paid					
Final fully franked dividend franked at tax rate of 30% (2004 30%)	22	-	300,000	-	300,000

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

	Note	Consolidated		The Company	
		2005 \$	2004 \$	2005 \$	2004 \$
7 Cash Assets					
Cash at bank		599,805	287,572	4,541	65,189
Cash on hand		710	1,465	-	-
		600,515	289,037	4,541	65,189
8 Receivables					
CURRENT					
Trade debtors		1,994,055	2,808,615	-	-
Provision for Doubtful Debts		-	-	-	-
Loans to related entities		-	-	2,184,753	2,060,049
Provision for Intercompany loan write down		-	-	(400,000)	-
		1,994,055	2,808,615	1,784,753	2,060,049
9 Inventories					
CURRENT					
Stock		174,999	169,789	-	-
Unbilled work in progress		532,657	402,000	-	-
		707,656	571,789		
NON CURRENT					
Unbilled work in progress		158,660	-	-	-
10 Tax Assets					
CURRENT					
Income Tax		-	25,168	-	-
		-	25,168	-	-
11 Other Assets					
CURRENT					
Prepayments		170,161	125,704	-	-
		170,161	125,704	-	-
12 Other Financial Assets					
Shares in related companies – at cost		-	-	26,172	6
		-	-	26,172	6

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

Note	Consolidated		The Company	
	2005	2004	2005	2004
	\$	\$	\$	\$
13 Controlled Entities				
Subsidiary: Camms Process Control Pty Ltd				
Country of incorporation: Australia				
Percentage owned: 100%				
Subsidiary: Camms Shared Services Pty Ltd				
Country of incorporation: Australia				
Percentage owned: 100%				
Subsidiary: Camms Global Technologies Pty Ltd				
Country of incorporation: Australia				
Percentage owned: 100%				
Subsidiary: Camms Profit Impact Pty Ltd				
Country of incorporation: Australia				
Percentage owned: 100%				
Subsidiary: Camms Global Technologies (IP) Pty Ltd				
Country of incorporation: Australia				
Percentage owned: 100%				
Subsidiary: Camms No 1 Pty Ltd				
Country of incorporation: Australia				
Percentage owned: 100%				
Subsidiary: Camms International				
Country of incorporation: United States of America				
Percentage owned: 100%				
14 Property, Plant and Equipment				
CURRENT				
Land and buildings – at cost, June 2005	2,354,511	2,336,511	-	-
Less accumulated depreciation	(49,449)	(2,043)	-	-
	2,305,062	2,334,468	-	-
NON CURRENT				
Plant and equipment – at cost	2,088,853	1,859,475	-	-
Less accumulated depreciation	(1,419,346)	(1,074,374)	-	-
	669,507	785,101	-	-
Motor vehicles – at cost	713,318	834,990	-	-
Less accumulated depreciation	(454,837)	(427,970)	-	-
	258,481	407,020	-	-
Total Property, Plant and Equipment	3,233,050	3,526,589	-	-

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

	Note	Consolidated		The Company	
		2005 \$	2004 \$	2005 \$	2004 \$
14 Property, Plant and Equipment (continued)					
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:					
Land and Buildings					
Carrying amount at beginning of year		2,334,468	-	-	-
Additions		18,000	2,336,511	-	-
Depreciation		(47,406)	(2,043)	-	-
Carrying amount at end of year		2,305,062	2,334,468	-	-
Plant and Equipment					
Carrying amount at beginning of year		785,101	524,589	-	-
Additions		244,606	593,544	-	-
Disposals		(7,346)	-	-	-
Depreciation		(352,854)	(333,032)	-	-
Carrying amount at end of year		669,507	785,101	-	-
Motor Vehicles					
Carrying amount at beginning of year		407,020	405,669	-	-
Additions		-	163,923	-	-
Disposals		(34,546)	(38,156)	-	-
Depreciation		(113,993)	(124,416)	-	-
Carrying amount at end of year		258,481	407,020	-	-
15 Intangible Assets					
Trade Marks		2,768	2,768	2,768	2,768
		2,768	2,768	2,768	2,768

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

	Note	Consolidated		The Company	
		2005 \$	2004 \$	2005 \$	2004 \$
16 Deferred Tax Assets					
Future income tax benefit		247,993	157,284	367,993	54,958
		<u>247,993</u>	<u>157,284</u>	<u>367,993</u>	<u>54,958</u>
17 Payables					
CURRENT					
Trade creditors		940,724	1,207,103	-	-
Sundry creditors		246,127	399,709	-	-
Revenue received in advance		120,982	130,000	-	-
GST payable		214,596	172,710	-	-
Loans to related entities		-	-	321,500	3,710
		<u>1,522,429</u>	<u>1,909,522</u>	<u>321,500</u>	<u>3,710</u>
18 Interest Bearing Liabilities					
CURRENT					
Hire purchase liability - secured	23	298,330	368,905	-	-
Financing for Insurance premiums - unsecured		148,713	98,187	-	-
		<u>447,043</u>	<u>467,092</u>	<u>-</u>	<u>-</u>
NON CURRENT					
Hire purchase liability - secured	23	324,087	399,561	-	-
Bank loans - secured		2,326,833	2,326,833	-	-
		<u>2,650,920</u>	<u>2,726,394</u>	<u>-</u>	<u>-</u>
19 Provisions					
CURRENT					
Employee entitlements		444,700	671,560	-	-
		<u>444,700</u>	<u>671,560</u>	<u>-</u>	<u>-</u>
NON CURRENT					
Employee entitlements		240,600	671,560	-	-
		<u>240,600</u>	<u>671,560</u>	<u>-</u>	<u>-</u>
Number of employees at year end		92	111	-	-
20 Tax Liabilities					
CURRENT					
Income Tax		-	-	-	34,002
		<u>-</u>	<u>-</u>	<u>-</u>	<u>34,002</u>

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

	Note	Consolidated		The Company	
		2005 \$	2004 \$	2005 \$	2004 \$
21 Contributed Equity					
Issued and fully paid share capital (1,263,158 ordinary shares)		362,674	362,674	362,674	362,674
		<u>362,674</u>	<u>362,674</u>	<u>362,674</u>	<u>362,674</u>
Fully paid ordinary shares participate in dividends and the proceeds on winding up the company in proportion to the number of shares held. At shareholders meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.					
22 Retained Profits					
Retained profits at the beginning of the financial year		1,369,712	179,547	1,782,584	34,551
Net profit / (loss) attributable to members of the company		76,780	(24,888)	(280,531)	2,221,233
Adjustment resulting from fundamental error in the previous financial year in relation to the treatment of investment in subsidiaries and contributed equity		-	1,628,445	-	(173,200)
Net decrease in retained profits on the initial adoption of AASB 1028 "Employee Benefits"	2	-	(113,392)	-	-
Dividends paid	6	-	(300,000)	-	(300,000)
Retained profits at the end of the financial year		<u>1,446,492</u>	<u>1,369,712</u>	<u>1,502,053</u>	<u>1,782,584</u>
23 Capital and Leasing Commitments					
Hire Purchase Commitments					
Payable					
not longer than 1 year		343,026	418,985	-	-
longer than 1 year but not longer than 5 years		337,250	462,038	-	-
longer than 5 years		-	-	-	-
Minimum lease payments		680,276	881,023	-	-
Less future finance charges		(57,859)	(112,557)	-	-
Total Hire Purchase Liability		<u>622,417</u>	<u>768,466</u>	-	-
Current		298,330	368,905	-	-
Non Current		324,087	399,561	-	-
		<u>622,417</u>	<u>768,466</u>	-	-

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

	Note	Consolidated		The Company	
		2005 \$	2004 \$	2005 \$	2004 \$
24 Cash Flow Information					
(a) Reconciliation of Cash					
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:					
Cash on hand and at bank		600,515	289,037	4,541	65,189
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax					
Profit /(loss) from ordinary activities after income tax		76,780	(24,888)	(280,531)	2,221,233
Non-cash flows in profit from ordinary activities					
Depreciation		514,232	459,761	-	-
(Profit)/ loss on sale of assets		2,524	3,888	-	-
Correction of fundamental error		-	-	-	(1,572,077)
Provision for doubtful debts		-	-	400,000	-
Changes in assets and liabilities					
(Increase) / Decrease in trade debtors		814,560	153,528	-	-
(Increase) / Decrease in prepayments		(44,457)	(7,181)	-	-
(Increase) / Decrease in stock on hand		(5,210)	(41,232)	-	-
(Increase) / Decrease in work in progress		(289,317)	(770,000)	-	-
Increase / (Decrease) in income tax assets		(65,541)	(19,123)	(99,044)	(24,666)
Increase / (Decrease) in trade creditors		(266,379)	(550,294)	-	-
Increase / (Decrease) in sundry creditors		(162,601)	258,746	-	-
Increase / (Decrease) in GST payable		41,886	(58,950)	-	-
Increase / (Decrease) in employee entitlements		13,740	318,638	-	-
Adjustment of adoption on AASB 1028		-	(113,393)	-	-
		630,217	(390,500)	20,425	624,490

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2005 (CONTINUED)

25 Fundamental Error – Previous Financial Year

Subsequent to the end of the 2003 financial year, the Directors became aware of a fundamental error surrounding the carrying value of the Company's investment in its subsidiaries and the contributed equity of the Company. The correction of this fundamental error was made in the 2004 financial statements. The nature of the adjustment, together with the disclosures for the previous year had the fundamental error not occurred, are set out below.

	2004	2003 As shown	2003 Should have been	2003 Difference
	\$	\$	\$	\$
Consolidated				
Issued capital	362,674	4,189,474	362,674	(3,826,800)
Retained profits	1,369,712	179,547	1,807,992	1,628,445
Less:				
Shares in related companies – at cost	-	-	-	-
Goodwill, at written down value	-	(2,198,355)	-	2,198,355
	1,732,386	2,170,666	2,170,666	-
The Company				
Issued capital	362,674	4,189,474	362,674	(3,826,800)
Retained profits	1,782,584	34,551	1,433,428	1,398,877
Less:				
Shares in related companies – at cost	(6)	(2,427,929)	(6)	2,427,923
	2,145,252	1,796,096	1,796,096	-

26 Contingent Liability

The joint & several liquidator of Gartner Wines Pty Ltd (Receivers & Managers Appointed) (In Liquidation) ("Gartner Wines") has made a claim against Camms Process Control Pty Ltd (formerly Camms Pty Ltd), a subsidiary of the Company. The liquidator claims \$1,065,342 paid to Camms Process Control Pty Ltd by Gartner Wines constitutes an unfair preference payment pursuant to section 588FA of the Corporations Act 2001. The Company is currently defending the claim. As at the reporting date, it is not possible to estimate the financial effect, if any, of this claim on the Company.

**CAMMS GROUP HOLDINGS PTY LTD ABN 82 103 283 638
AND CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

The Directors have determined that the Consolidated Entity is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Directors of the Company declare that:

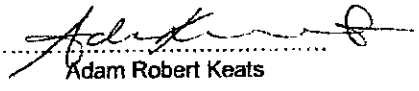
1. The financial statements and notes, as set out on pages 3 to 17 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 June 2005 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date in accordance with the basis of accounting described in Note 1; and
 - (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001 and other mandatory professional reporting requirements to the extent described in Note 1; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director.....


Peter John Wall

Director.....


Adam Robert Keats

Dated this

13

day of

April

2006



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CAMMS GROUP HOLDINGS PTY LTD

Scope

We have audited the financial report of Camms Group Holdings Pty Ltd ('the Company') for the year ended 30 June 2005 being a special purpose financial report consisting of the statements of financial performance, statements of financial position, statements of cash flows, accompanying notes and the directors' declaration. The financial report includes the consolidated financial statements of the Consolidated Entity, comprising the Company and the entities it controlled during that year. The Company's directors are responsible for the financial report. The directors' have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Corporations Act 2001 and the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the Company. No opinion is expressed whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the requirements of the Corporations Act 2001. We disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any person other than the members, or for any purpose other than that for which it was prepared.

We conducted an independent audit in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of the Company's and the Consolidated Entity's financial position and performance, as represented by the results of their operations and their cash flows. These policies do not require the application of all accounting standards nor other mandatory professional reporting requirements in Australia.

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

Qualification

We were appointed auditors of the Company on 24 September 2004 and as a consequence, we did not audit the existence of inventory of the Consolidated Entity as at 30 June 2004. Also, the financial report for the year ended 30 June 2003 was not audited. Therefore, we are unable to form an opinion on the inventory balance of \$169,789 at 30 June 2004, the consolidated net loss for the year ended 30 June 2004 and the consolidated net profit for the year ended 30 June 2005.

Qualified Audit opinion

1. In our opinion:

As a result of the limitation of scope of our work as described in the qualification paragraph, and the effect of such adjustments, if any, as may have been determined to be necessary had the limitation of scope not existed, we are unable to and do not express an opinion as to whether the Consolidated Entity's statements of financial performance, and statements of cash flows and related notes thereto for the years ended 30 June 2005 and 30 June 2004 are presented fairly, 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 performance for the year ended 30 June 2005, in accordance with the accounting policies described in Note 1; and



- (ii) complying with AASB 1025 "Application of the Reporting Entity Concept and Other Amendments", AASB 1018 "Statement of Financial Performance", AASB1034 "Financial Report Presentation and Disclosures," other Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001; and
 - (b) other mandatory professional reporting requirements to the extent described in Note 1 the financial statements.
- 2. In our opinion the statements of financial position of Camms Group Holdings Pty Ltd and the Consolidated Entity are presented fairly 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 2005, in accordance with the accounting policies described in Note 1; and
 - (ii) complying with AASB 1025 "Application of the Reporting Entity Concept and Other Amendments", AASB 1040 "Statement of Financial Position", AASB1034 "Financial Report Presentation and Disclosures," other Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001; and
 - (b) other mandatory professional reporting requirements to the extent described in Note 1 the financial statements.

KPMG
KPMG

IK Footer
Partner

Adelaide 13 April 2006