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CHAIRMAN'S REPORT TO SHAREHOLDERS



Your directors announce that the audited profit before tax and abnormal items for the year ended 30 June 2005 was \$3,642,682 which represents an increase of \$233,197 or 7% compared to the previous year.

The costs incurred by the Company associated with the unsuccessful takeover bid amounted to \$293,757. Profit after tax and abnormal items was \$2,257,937 which represents a decrease of 5% on 2004.

The directors consider that this is an acceptable result after taking into account the costs and distraction of the unsolicited and hostile takeover bid in addition to the drought conditions that were in some areas the worst in living memory.

The directors have recommended a fully franked final dividend of 9 cents per share. This brings total fully franked dividends to 15 cents per share which is the same as the previous year.

The directors have set the dividend reinvestment price at \$1.98 which is a 5% discount to the average selling price of Bidgee's shares on the NSX during the 3 weeks ended 23 August 2005.

In May 2005 Bidgee's shares were listed on the NSX to provide shareholders with an open market in which to trade their shares. At our upcoming Annual General Meeting a new constitution will be put to members for adoption to reflect legislative changes and the additional NSX listing rules. The new constitution will not alter the current voting rights of our members.

One of the most important functions in an organisation like Bidgee is ensuring that our lending practices and policies are of the highest quality. For this reason further resources have been devoted to credit assessment and control. All directors are members of the audit committee, which regularly reviews lending practices.

Our current branches continued to perform in line with expectations. The growth of Wagga Wagga and Mildura branches necessitated the move to larger premises. The board's strategy is to continue to expand the branch network in strategic areas to build on the successful network we currently have in place. The implementation of this strategy was delayed by the prolonged attempted takeover.

The directors again express their appreciation to Bidgee's professional and dedicated staff. It is pleasing to note that the vast majority of our staff are also shareholders of Bidgee which tangibly demonstrates their confidence in the future.

As Chairman, I wish to thank my fellow directors John Macknight, Sam Sullivan, Lester Wheatley and Martin Hill for their sound and invaluable contribution during this challenging period.

Whilst the drought continues to have an impact in many areas, your directors are focused on profitable growth both organically and by prudent acquisitions.

I look forward to seeing as many shareholders as possible at our AGM, which will be held in our Mildura office on 29 September 2005 at 6 pm.

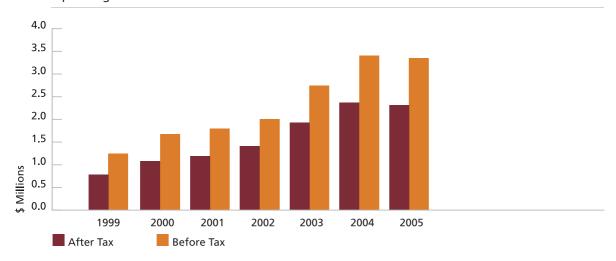
Lorson

Lloyd Thomson Chairman

The results for year ended 30 June 2005 have again been good. Profit before tax and abnormal items grew 7% to \$3,642,682 which is another record result.

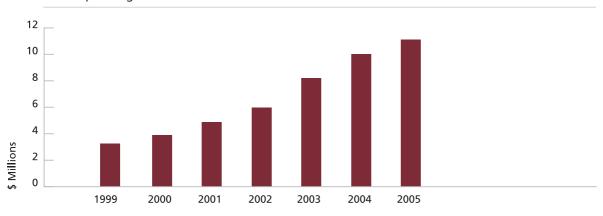
This result has been achieved by focusing on our core business, and by adhering to our commitment to shareholders to provide above average returns on their investment with Bidgee. Bidgee's shares continue to give shareholders a fully franked yield in excess of 7%.

Operating Profit



Interest revenue grew by 12% from \$7.4 million in 2004 to \$8.3 million in 2005. This growth was achieved by increasing our lending volumes with slightly reduced margins. Non-interest income increased 8%.

Total Operating Revenue



Several factors made 2005 a difficult year not the least of which was the attempted takeover. In addition to the significant costs that were incurred, the distraction to the board and staff members impacted on operations during the year. Several key projects, including the expansion of our branch network, were put on hold during this period.

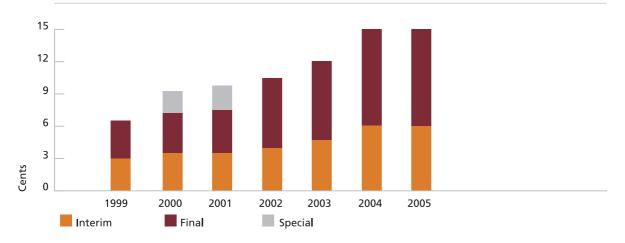


Shareholders' Returns

Bidgee was able to maintain its fully franked dividend for the year at 15 cents per share.

Our dividend payout ratio increased to 93% of after tax profits. Although this dividend payout ratio was higher than it was in prior years, the board considers that it was reasonable given that the underlying performance was sound, as the significant abnormal costs should not be incurred in the next financial year. After tax profit was further reduced, as only some of these costs are immediately tax deductible.

Dividends



Lending

Record Bidgee loan approvals of nearly \$45 million were recorded for the year compared to \$41 million the previous year. Lending referred to other financial institutions was nearly \$100 million, which is also a record.

These excellent results were achieved in a period in which many rural communities struggled with the effects of a major drought.

Although Bidgee's average lending rate reduced slightly from 11.9% in 2004 to 11.7% in 2005, increased volume and longer loan terms meant that interest income on this lending increased nearly 7% on the previous year.

The margin on business referred to other financial institutions also increased by nearly 7%.

Further improving our lending quality has been a key focus over past years and it is pleasing to see the impact this is having on the performance of our loans.

Past due loans have fallen by over 5% while the loan book increased by 11%. Our bad and doubtful debt expense also fell slightly compared to the previous year.

The spread of our branches and a relatively small average loan size enable Bidgee to spread the credit risk over a large number of customers in a variety of industries and locations.

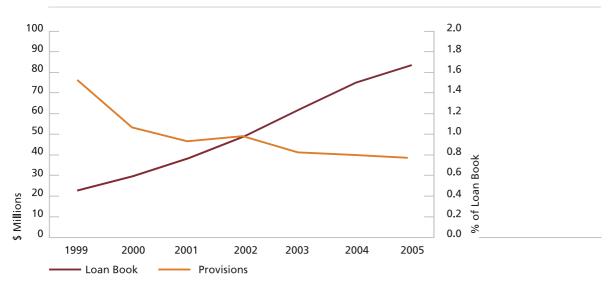
Provisioning

International accounting standards stipulate that from 1 July 2005 companies can no longer carry general provisions for doubtful debts. As a result Bidgee has decided to carry a specific provision for doubtful debts only.

Doubtful debt provisions increased from \$596,000 in 2004 to \$643,000 in 2005. As a percentage of our loan book, total provisioning decreased from 0.80% in 2004 to 0.77% in 2005.

Finance companies operating in country areas will always be affected by seasonal conditions. With continued prudent and conservative lending practices, Bidgee will be able to satisfactorily trade through these difficult periods.

Loan Book and Provisions



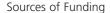


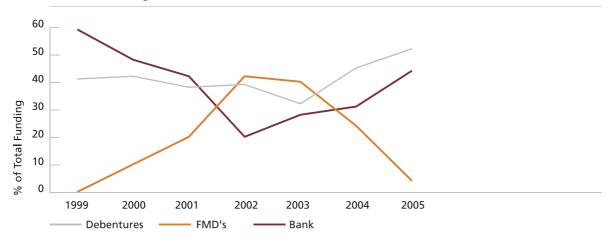
Funding

Total debentures including farm management deposits (FMDs) fell from \$36 million in 2004 to \$31 million in 2005.

This was largely due to the repayment of \$10 million of FMDs during the year following the Federal Government's decision in 2003 to limit institutions that could accept FMDs to banks, building societies and credit unions. In the last 2 years Bidgee has repaid \$16.1 million in FMDs.

This outflow of funding has been replaced by other debentures and bank borrowings. Debentures have increased by over \$6 million in the last year. Bank borrowings have increased by \$9 million over the same period. The additional funding has been used to grow the loan book. Bidgee currently has undrawn bank facilities of \$5 million.





Expenses

Total expenses increased 17% or \$1.2 million compared to the previous year, however nearly \$300,000 of this increase was attributable to costs associated with the unsuccessful takeover bid. The increase in expenses excluding these costs was 12.9%.

Major expense movements were:

- Albury branch costs were incurred for a full year compared to only 5 months in 2004.
- Interest and borrowing costs rose by 21% as average borrowings increased by 13%.
- Administration costs fell by 10% (excluding legal expenses associated with the attempted takeover).
- Occupancy expenses increased by 57% due to the leasing of larger premises in both Wagga Wagga and Mildura.
- Employment costs increased due to increased staff numbers.
- Selling expenses rose by 4% primarily as a result of increased vehicle operating costs.

Cost of Funds

Bidgee's average cost of funds increased from 6.12% in 2004 to 6.57% in 2005. This increase was predominantly due to the loss of FMDs as a source of competitive funding.

Earnings per Share

Basic earnings per share decreased from 19.0 cents per share in 2004 to 16.5 cents per share in 2005. Basic earnings per share, before abnormal items was 18.4 cents per share. In excess of 1 million additional shares have been issued during the year ended 30 June 2005. Over 70% of these shares were issued pursuant to the dividend reinvestment plan.

Branch Network

There were no additions to our branch network during the financial year.

The increase in the size of our premises in both Mildura and Wagga Wagga will allow us to manage the opportunities that are expected in these branches in the coming years.

The board is actively pursuing opportunities to further expand the branch network.

Listing

The NSX has provided Bidgee with a relatively low cost, effective and open market for the trading of Bidgee's shares. The ability of our shareholders to trade shares using CHESS makes the NSX a viable alternative to the ASX especially for thinly traded stocks such as Bidgee's.

The drop in our share price since listing was due to a surplus of shares on the market as a result of the unsuccessful takeover attempt. The price has recovered somewhat and Bidgee's board and staff will continue to work hard so that this trend can continue.

Staffing

Staffing numbers grew from 31 to 33 over the last 12 months.

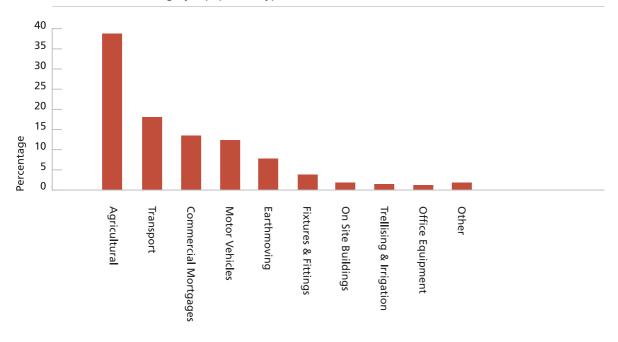
One of Bidgee's strengths has been its ability to retain quality staff. Staff turnover remains very low especially amongst our financiers. This low turnover enables our financiers to establish customer relationships and referral networks over a long period of time.



Customers and Loan Purpose

Farming still makes up the greatest proportion of Bidgee's customer base although our exposure to other non-farming industries is increasing as newer branches in larger cities such as Wagga Wagga and Albury establish themselves. These branches are developing opportunities that Bidgee traditionally has not had a significant exposure to such as commercial mortgages.

Amount Outstanding by Equipment Type



Outlook

The outlook for Bidgee remains positive. While economic and seasonal conditions will always have an impact on our performance, expanding our branch network will provide greater geographic and industry diversity which will provide a degree of protection to our overall performance in the event that conditions in some areas continue to be less than ideal.

Martin Hill Managing Director

· · · · · · · · · · · · · · · · · ·	2004/05	2003/04	2002/03	2001/02	2000/01
Financial results	11 102	10.000	0.100	F 072	4.002
Revenue (\$ '000) Expenses (\$ '000)	11,102 7,753	10,009 6,600	8,199 5,458	5,972 3,961	4,903 3,102
	,	•	•	,	
Net profit before income tax (\$ '000)	3,349	3,409	2,741	2,011	1,801
Net profit after income tax (\$ '000)	2,258	2,371	1,907	1,410	1,185
Dividends per share (cents)	15.00	15.00	12.00	10.50	9.75
Basic earnings per share (cents per share)	16.5	19.0	17.0	14.4	13.3
Other statistics - at financial year end Total Assets (\$ '000) Total Liabilities (\$ '000)	74,941 59,120	67,893 54,303	58,180 47,046	46,368 37,397	36,276 28,888
Net Assets (\$ '000)	15,821	13,590	11,134	8,971	7,388
Total amount financed (\$ millions)	139.4	129.6	111.8	72.0	55.8
Shares on issue ('000)	14,255	13,214	11,942	10,701	9,473
Share price (\$)	2.00	2.30	1.70	1.40	1.30
Share market capitalisation (\$ '000)	28,510	30,392	20,301	14,981	12,315
Number of shareholders	281	225	209	162	138
Number of employees	33	31	28	21	16

Your directors submit herewith the financial report of Bidgee Finance Ltd ("the Company") for the financial year ended 30 June 2005.

Directors

The names of directors in office at any time during or since the end of the year are: Lloyd John Thomson
John Hamilton Macknight
Gerard John Sullivan
Lester Matthew Wheatley (appointed 1 November 2004)
Martin John Hill
John Bernard Tushuizen (resigned 26 August 2004)

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

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Wendy Lee Leake Associate of CPA Australia, Bachelor of Business (Accounting)

Mrs. Leake has been employed by the Company since April 2002 and was appointed company secretary on 2 October 2003.

Principal Activity

The principal activities of the Company during the financial period were:

- Receiving funds on deposit
- Advancing loans for business purposes from the Company's own funds, and
- The referral of finance applications for business purposes to other financial institutions.

Effective from 1 July 2003, the Federal Government altered the Farm Management Deposit Act which prevents the Company from continuing to accept farm management deposits (FMDs). From this date only banks, building societies and credit unions can accept FMDs. The Company is complying with the transitional arrangements and expects that all FMDs will be repaid by 30 June 2006.

The Company ceased holding unsecured investments as at 30 June 2005. The majority of these investments were transferred to debenture stock.

Other than the above there have been no significant changes in the nature of the Company's activities during the year ended 30 June 2005.

Operating Results

The amount of profit of the Company for the financial year, after providing for income tax, was \$2,257,937 (2004: \$2,370,993), a decrease of 5%.

Operating profit before tax and abnormal items for the year was \$3,642,682 an increase of 7% above the previous year.

Dividends

Dividends paid, or recommended for payment, are as follows:	\$
Fully franked final dividend of 9.00 cents per fully paid ordinary share paid on 18 November 2004 as recommended in last year's report.	1,189,252
Fully franked interim dividend of 6.00 cents per fully paid ordinary share paid on 2 March 2005	823,981
Fully franked final dividend of 9.00 cents per fully paid ordinary share as recommended by the directors	1,283,183

Review of Operations

The Company currently has five branches located in Mildura, Deniliquin, Horsham, Wagga Wagga and Albury. Branches generally performed above or in line with expectations during 2004/2005.

Income growth across the Company was 11% with most of this growth coming from the loan book.

Financial Position

The net assets of the Company have increased by 16% from 30 June 2004 to \$15,120,410 as at 30 June 2005. This increase has largely resulted from an increase in the Company's lending activities.

During the past four years the Company has opened new branches in Wagga Wagga and Albury. In both these locations existing businesses have been acquired to compliment existing operations or to open a new branch.

The directors believe the Company is in a strong and stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

On 18 May 2005 the Company was admitted to the official list of the Stock Exchange of Newcastle Limited (NSX).

Other than the above there were no significant changes in the state of affairs of the Company.

After Balance Date Events

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

Future Developments, Prospects and Business Strategies

To further improve the Company's profit and to maximise shareholder wealth, the Company intends to investigate the acquisition of established finance brokering businesses that will either be integrated into our existing branches or become new branches.

These developments, together with the current strategy of continuous improvement and an adherence to quality control in existing markets, are expected to assist in the achievement of the Company's long-term goals and development of new business opportunities.



Environmental Issues

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

Information on Directors

The details of the directors in office as at the date of this report, their qualifications, experience and responsibilities are as follows:

Lloyd John Thomson Chairman (Non-executive)

Age 68

Qualifications Fellow of CPA Australia

Experience Appointed Chairman in 1999, board member since 1997. Mr. Thomson is a successful businessman with over 40 years experience in commerce, corporate and strategic management, across a range of industries including the finance industry. He was Commissioner of the Mildura Rural City Council from January 1995 to March 1997 and was awarded the title of 1997 North-West Victorian of the Year. In 2004, Mr Thomson was awarded the 'Outstanding Contribution by an Individual' by the Mildura Chamber of Commerce.

Interest in shares and options 2,276,777 shares in Bidgee Finance Ltd

Special responsibilities Mr. Thomson is a member of the Audit Committee

John Hamilton Macknight Director (Non-executive)

Age 68

Experience Board member since 1992. Mr. Macknight has been a commercial pilot for over 40 years and successfully commenced one of the first commuter airlines in Australia. Since 1964 he has been based in Deniliquin and has been farming in that area for many years. Prior to moving to Deniliquin he operated in a stock and station agency in North West NSW. Mr. Macknight has accumulated a wealth of practical business and farming experience and has an excellent knowledge of regional Australia.

Interest in shares and options 368,843 shares in Bidgee Finance Ltd

Special responsibilities Mr. Macknight is a member of the Audit Committee

Gerard John Sullivan Director (Non-executive)

Age 55

Qualifications Certified Practising Accountant,

Bachelor of Business (Accounting), Registered Company Auditor

Experience Board member since 1996. Mr. Sullivan has over 30 years experience in public accounting and taxation, business advising and business management, systems and control. He brings extensive financial and management experience to the board, having advised to a number of major agribusiness developments in the Mildura region. He has been a director of the ASX listed company Investor Group Limited since 1999 and is the Managing Principal of WHK Thomsons, a member firm of Investor Group Limited.

Interest in shares and options 217,670 shares in Bidgee Finance Ltd

Special responsibilities Mr. Sullivan is a member of the Audit Committee

Lester Matthew Wheatley

Age 59

Director (Non-executive)

Qualifications Diploma Associate of the Real Estate

Institute of Australia

Experience Board member since 2004. Mr. Wheatley has operated a successful real estate agency in Deniliquin since 1977 and is involved in a mixed irrigation primary production business. He is Chairman of the Murray Valley Community Action Group, which involves being a spokesman for water related State and Federal Government policy issues in the Murray Darling Basin. He has extensive knowledge of the issues facing regional and rural communities.

Interest in shares and options 112,884 shares in Bidgee Finance Ltd

Special responsibilities Mr. Wheatley is a member of the Audit Committee

Martin John Hill Managing Director (Executive)

Age 40

Qualifications Fellow of CPA Australia,

Bachelor of Business (Accounting), Member of the Australian Institute

of Company Directors

Experience Board member since 2003, employee since 1999. Mr. Hill was appointed General Manager in 2000 and Managing Director in 2003. Mr. Hill has nearly 20 years of management and accounting experience in finance, banking, public accounting and manufacturing industries.

Interest in shares and options 165,573 shares in Bidgee Finance Ltd, options to acquire a further

100,000 ordinary shares in Bidgee Finance Ltd

Special responsibilities Operational responsibility for Bidgee Finance Ltd and a member of

the Audit Committee

14 Bidgee Finance Ltd

Renumeration Report

This report details the nature and amount of remuneration for each director of Bidgee Finance Ltd, and for the specified executives.

Remuneration Policy

The total remuneration of non-executive directors is determined at a general meeting. Any increase must be approved at a general meeting provided notice of any suggested increase has been given when the meeting was convened. Once total non-executive directors' fees have been determined at a general meeting, the directors determine the amount to be paid to each non-executive director. Executive directors are not entitled to receive directors' fees.

Superannuation guarantee contributions are paid by the Company to directors.

Any director who devotes special attention to the business of the Company, or who otherwise performs services, which in the opinion of other directors are outside the scope of ordinary duties, may be paid such extra remuneration as the directors may determine.

All directors are entitled to be reimbursed for any out-of-pocket expenses incurred by them whilst engaged on the business of the Company.

All remuneration paid to directors and executives is valued at the cost to the Company and expensed. No shares have been given to directors or executives. Options are valued using the Trinomial American Call Option Pricing Model.

Company Performance, Shareholder Wealth and Directors' and Executives Remuneration

The Company's remuneration policy has been designed to align director and executive objectives, including the objectives of the company secretary, with shareholder and business objectives by providing a fixed remuneration with annual reviews. The annual reviews take into account key performance areas affecting the Company's financial results. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Company.

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and staff. This includes the issue of options to directors and staff to encourage the alignment of personal and shareholder interests

The Company believes that its remuneration policy has been effective in increasing shareholder wealth over the past four years.

The following table shows the gross revenue, profits and dividends for the past four years as well as the share price at the end of the respective financial years. Analysis of the figures shows an increase in profits each year except for the year ended June 2005 which was primarily due to the costs incurred in defending a hostile takeover. The improvement in the Company's performance over the last four years has been reflected in the Company's share price with an increase each year, with the exception of 2005, when the share price fell. The board is of the opinion that these results can be attributed in part to the previously described remuneration policy and is satisfied that this continued improvement has lead to increased shareholder wealth over the past four years.

	2005	2004	2003	2002
Revenue (\$'000)	11,102	10,009	8,199	5,972
Net Profit (\$'000)	2,258	2,371	1,907	1,410
Share price at year-end (\$)	2.00	2.30	1.70	1.40
Dividend paid per share in respect of				
each financial year	15 cents	15 cents	12 cents	10.5 cents

The directors felt that the unexpected drop in the share price towards the end of the last financial year was largely due to the selling activity of persons associated with the attempted takeover of the Company. Some of these share sales were non arms-length transactions. These factors were beyond the control of the current directors.

Details of Remuneration for Year Ended 30 June 2005

The remuneration for each director and executive officer of the Company was as follows:

Directors

2005 (\$'000)	Salary	Superannuation	Non Cash	Share	
	& Fees	Contribution	Benefits *	Options +	Total
Mr. L J Thomson	35	3			38
Mr. J H Macknight	20	2			22
Mr. G J Sullivan **					-
Mr. L M Wheatley	13	1			14
Mr. M J Hill	160	14	2	9	185
Mr. J B Tushuizen	62	1			63
	290	21	2	9	322

Specified Executives

2005 (\$'000)	Salary & Fees	Superannuation Contribution	Non Cash Benefits *	Share Options +	Total
Mrs. W L Leake	55	5	_	_	60

^{*} Benefit relates to the personal use of motor vehicles.

Options Issued as Part of Remuneration for the Year Ended 30 June 2005

No options were issued to directors or specified executives during the year ended 30 June 2005.

^{**} Mr. G J Sullivan does not personally receive a director's fee. An amount of \$25,000 is paid to WHK Thomsons Accountants and Advisers, a member firm of Investor Group Limited of which Mr. Sullivan is a director, which is equivalent to the director's fee that Mr. Sullivan would have received.

⁺ Share options have been valued using the Trinomial American Call option pricing model which takes into account all the factors as specified by International Accounting Standards Board Exposure Draft 2 and Australian Accounting Standards Board Exposure Draft 108.



Service Contracts

There have been no service contracts in place for any director.

Meetings of Directors

During the financial year, 19 meetings of directors were held. Attendances by each director during the year were as follows:

	Number of Directors' Meetings Held	Number of Directors' Meetings Attended
Mr. L J Thomson	19	19
Mr. J H Macknight	19	19
Mr. G J Sullivan	19	18
Mr. L M Wheatley *	11	11
Mr. M J Hill	19	19
Mr. J B Tushuizen **	3	1

^{*}Appointed 1 November 2004.

Share Options

In order to provide an incentive to the directors, executives and employees of the Company, an Executive & Employee Option Plan is in place. The incentive provided by the plan will be of material benefit to the Company in encouraging the commitment and continuity of service of the recipients. By providing directors, executives and employees with a personal financial interest in the Company, the Company will be able to attract and retain directors, key executives & employees in a highly competitive market. This is expected to result in future benefits accruing to the shareholders of the Company.

Directors are entitled to participate in the Executive and Employee Option Plan since each of the directors take part in the management of the Company and are therefore executive officers or senior managers for the purposes of the Corporations Act and ASIC class order 04/899.

Details of outstanding options to subscribe for an equivalent number of ordinary shares in the capital of the Company as at the date of this report are as follows

Grant Date	Date of Expiry	Exercise Price	Number Under Option
20/05/03	30/06/08	1.95	50,000
20/05/03	30/06/09	2.20	50,000
01/10/03	30/06/08	1.80	150,000
16/12/04	30/06/09	2.17	50,000
18/04/05	30/06/08	2.30	30,000
			330,000

During the year ended 30 June 2005, the following ordinary shares in the capital of the Company were issued on the exercise of options granted under the Company's Executive and Employee Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

^{**} Resigned 26 August 2004.

Grant Date	Exercise Price	Number of Shares Issued
25/09/02	1.55	100,000
24/03/03	1.65	50,000
20/05/03	1.70	110,000
		260,000

A total of 15,000 options have been cancelled during the financial year pursuant to the terms and conditions of issue.

The Company has not issued any options over un-issued ordinary shares in the capital of the Company to directors, executives or employees since the end of the financial year.

Details of options issued to or exercised by directors and employees are contained in notes 20 and 27 respectively of the financial statements.

Proceedings on Behalf of Company

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

Non-Audit Services

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence as the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence.

The following fees for non-audit services were paid to the external auditors during the year ended 30 June 2005

Fees in relation to an Extraordinary General Meeting

\$2,457

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2005 has been received and can be found on page 21 of the directors' report.

Director's Benefits

Other than any benefit derived and disclosed in Notes 20 and 21 of these financial statements, no director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the Company or a personally related entity with the director, or with a firm of which he is a member or with a company in which he has a substantial interest. The provision of services to or by the Company from or to entities in which directors are related to or have a financial interest were at all times provided under arms length terms and conditions that are available to or from unrelated entities.



Employees

As at 30 June 2005, the Company had 33 employees (2004: 31).

Rounding Off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Statement of Shareholding as at the Date of this Report

(a) Distribution of Shareholders

Category (size of holding)	Number of Ordinary Shareholders
1 – 1,000	7
1,001 – 5,000	45
5,001 – 10,000	42
10,001 – 100,000	159
100,001 – and over	28
	281

(b) There is one shareholding of less than a marketable parcel.

(c) 10 Largest Shareholders

	umber of Ordinary ly Paid Shares Held	% Held of Issued Ordinary Capital
L J Thomson Pty Ltd	1,766,852	12.4
Voltage Finance Pty Ltd	1,701,972	11.9
Mrs. Christine Ann Tushuizen	589,557	4.1
Fishers Stores Management Pty Ltd	477,970	3.4
Acutt Holdings Pty Ltd	407,488	2.9
Mr. John Hamilton Macknight	368,843	2.6
Mr. Lloyd John Thomson	292,524	2.1
Mr. Keith Raymond & Mrs. Beverley Jean Woodwa	rd 271,698	1.9
Red Tank Pty Ltd	246,463	1.7
Mr. Robert Hunter Fairbairn Landale	239,479	1.7
	6,362,846	44.7

Other Matters

The Company has not, during or since the end of financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Signed in accordance with a resolution of the directors.

- Jana

L J THOMSON Director

Mildura 24 August 2005

J H MACKNIGHT

Director



AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BIDGEE FINANCE LTD

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2005 there has been:

- 1. no contravention of the auditor independence requirements as set out in the *Corporations Act 2001*; and
- 2. no contraventions of any applicable code of professional conduct in relation to audit

Brian McCleary & CO

Brian McCleary (RCA 665)

22nd August 2005

126 End St Deniliquin NSW 2710

Board Composition And Membership

The number of directors must consist of no fewer than three and no more than seven.

As at the date of this report the board consisted of four non-executive (L J Thomson, J H Macknight, G J Sullivan & L M Wheatley) and one executive director (M J Hill – Managing Director). The directors have elected Mr. Thomson as Chairman. Individual details of directors, including their term in office, memberships, skills and experience, are set out in the Directors' Report.

At each annual general meeting at least one-third of directors (except the Managing Director) must retire from office. A retiring director shall be eligible for re-election.

Directors have the power to appoint a person to be a director. Any person so appointed shall hold office until the next annual general meeting and shall then be eligible for re-election.

Directors' Arrangements

The Company's constitution provides that a director may hold office in any other entity that the Company deals with, with the exception of acting in the capacity of external auditor. Each director must disclose their interests in any other entities with whom the Company deals.

It is the practice of the board that when a conflict of interest or a potential conflict of interest exists, the director concerned withdraws from that part of the meeting whilst the matter is being considered. At the discretion of the other board members and depending on the degree to which a conflict exists, the director concerned may be able to be present during discussions but cannot vote or exert influence over other members of the board.

Renumeration Of Directors

The total remuneration of non-executive directors is determined at a general meeting. Any increase must be approved at a general meeting provided notice of any suggested increase has been given when the meeting was convened. Once total non-executive directors' fees have been determined at a general meeting, the directors determine the amount to be paid to each non-executive director. Executive directors are not entitled to receive directors' fees.

Any director who devotes special attention to the business of the Company, or who otherwise performs services, which in the opinion of other directors are outside the scope of ordinary duties, may be paid such extra remuneration as the directors may determine.

All directors are entitled to be reimbursed for any out-of-pocket expenses incurred by them whilst engaged on the business of the Company.

Further details regarding the Company's remuneration policy are dealt with in the Directors' Report.

Share Trading Policy

The Company's share trading policy regulates dealings by the Company's directors, employees and personally related entities of directors and employees in any securities issued by the Company.



Share Trading Policy continued

The purpose of the policy is to ensure that the Company's directors and employees are aware of the legal restrictions on trading any securities issued by the Company while such a person is in possession of unpublished price sensitive information. Additionally, the policy is intended to minimise the chance that misunderstandings or suspicions may arise if the Company's directors or employees are trading in securities while it is reasonable to assume that they may be in possession of price sensitive information. The policy recognises that it may be illegal to trade in the Company's securities while in possession of unpublished price sensitive information.

Audit Committee

All directors are members of the Audit Committee. As the directors believe that the functions of an audit committee are of paramount importance in a finance company, audit committee functions are dealt with during the regular board meetings.

Risk Management

The board is ultimately responsible for the management and performance of the Company. The board considers the management of risk as one of its key responsibilities. The following processes or procedures have been established to curtail or prevent the occurrence of risks within the Company's operations.

- The establishment of a Credit Management Cell which approves all finance applications. As part of this process, staff cannot unilaterally approve finance applications. Sales functions are separated from credit functions which further strengthens the approval process.
- The establishment of a detailed Credit Policy which stipulates the type of financing activities the Company will participate in. This policy is regularly reviewed to ensure it remains relevant.
- The establishment of an internal audit function (see Audit section below).
- The establishment of a Security Register that details specific information in relation to certain types of securities that are held.
- Periodic audit of our information technology systems which includes the identification and rectification of any potential weaknesses that may exist within the constraints of an organisation of this size.

Audit

External Auditor

The board is responsible for the selection and appointment of the external auditor. To ensure the independence of the auditor, the Company will not use the services of the external auditor in a capacity that may jeopardise this independence.

Internal Auditor

The Company has appointed an internal auditor (independent of the external auditor) who reviews a selection of loans each month to ensure they comply with the Company's own credit policies and generally accepted principles of lending.

Continuous Disclosure And Reporting

The Company is aware of its responsibilities in relation to continuous disclosure as required by the Corporations Act 2001.

Directors are also aware of their disclosure obligations at board meetings to keep the Company informed of any matters that are of a serious or significant nature that other directors should be aware of. The outcomes of discussions at board meeting are recorded in the Company's minutes.

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L J THOMSON Director J H MACKNIGHT Director

Marchingl

Mildura 24 August 2005



DIRECTORS' **DECLARATION**

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J H MACKNIGHT

Director

The directors of the Company declare that:

- 1. The financial statements and notes, as set out on pages 27 to 52:
 - (a) Comply with Accounting Standards and the Corporations Act 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2005 and performance for the year ended on that date of the Company.
- 2. The Chief Executive Officer, who is also the Chief Finance Officer, has declared that:
 - (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - (c) the financial statements and notes for the financial year give a true and fair view.
- 3. In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors.

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L J THOMSON Director

Mildura 24 August 2005

Scope

We have audited the financial report of Bidgee Finance Ltd for the financial year ended 30 June 2005 as set out on pages 27 to 52. The Company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

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

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

Independence

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration as set out on page 21 of the financial report has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of Bidgee Finance Ltd is in accordance with:

- (a) The Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Company's financial position as at 30 June 2005 and its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

Brian McCleary & Co Chartered Accountants

By Brian McCleary

Registered Company Auditor No. 665

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Deniliquin 25 August 2005





	Note	2005 \$'000	2004 \$'000
Interest revenue	2	8,282	7,393
Borrowing costs	2	(3,471)	(2,864)
Net interest revenue		4,811	4,529
Other revenue from ordinary activities	3	2,820	2,616
Bad and doubtful debts expense	4	(261)	(283)
Employee benefits expense		(2,341)	(2,116)
Occupancy expenses		(181)	(123)
Depreciation and amortisation expenses		(198)	(188)
Fee and commission expenses		(168)	(193)
General administrative expenses		(545)	(279)
Other expenses from ordinary activities		(588)	(554)
Profit from ordinary activities before income tax	4	3,349	3,409
Income tax relating to ordinary activities	5	(1,091)	(1,038)
Net profit from ordinary activities after income tax		2,258	2,371
Basic earnings per share (cents per share)	6	16.5	19.0
Diluted earnings per share (cents per share)	6	16.2	18.5

The accompanying notes form part of these financial statements.

	Note	2005 \$'000	2004 \$'000
Assets			
Cash and short term liquid assets	22(a)	1,741	3,093
Accrued receivables	7	550	358
Loans and advances	8	70,494	62,923
Property plant and equipment	9	1,135	678
Deferred tax asset	10	305	236
Goodwill	11	716	605
Total Assets		74,941	67,893
Liabilities			
Deposits and short term borrowings	12	31,323	36,041
Payables and other liabilities	13	911	588
Interest bearing liabilities	14	25,000	16,000
Tax liabilities	15	273	141
Provisions	16	1,482	1,374
Other liabilities	17	131	159
Total Liabilities		59,120	54,303
Net Assets		15,821	13,590
Shareholders' Equity			
Contributed equity	18	12,993	10,913
Retained profits	19	2,828	2,677
Total Shareholders' Equity		15,821	13,590

The accompanying notes form part of these financial statements.





	Note	2005 \$'000	2004 \$'000
Cash Flows Relating to Operating Activities			
Payments to suppliers and employees		(4,136)	(3,481)
Interest received		8,282	7,393
Interest paid		(3,244)	(2,742)
Income taxes paid		(1,029)	(842)
Brokerage fees received		2,306	1,931
Other income		550	666
Net Operating Cash Flows	22(b)	2,729	2,925
Cash Flows Relating to Investing Activities			
Purchases of property, plant and equipment		(655)	(104)
Proceeds from sale of property, plant and equipment		54	20
Customer loans granted		(38,545)	(38,946)
Customer loans repaid		30,650	27,251
Business acquisitions		(50)	(7)
Net Investing Cash Flows		(8,546)	(11,786)
Cash Flows from Financing Activities			
Borrowings		9,000	3,500
Repayment of hire purchase agreements		(60)	(63)
Dividends paid to shareholders		(458)	(87)
Net increase/(decrease) in deposit funds		(302)	(60)
Net increase/(decrease) in debentures		(4,139)	3,566
Proceeds from share issues		424	18
Net Financing Cash Flows		4,465	6,874
Net Increase/(Decrease) in Cash Held		(1,352)	(1,987)
Cash at Beginning of Year		3,093	5,080
Cash at End of Year	22(a)	1,741	3,093

The accompanying notes form part of these financial statements.

Note 1. Summary of Significant Accounting Policies

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

The financial report covers the economic entity of Bidgee Finance Ltd which is listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of Accounting

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(b) Principles of Consolidation

The financial statements comprise the accounts of Bidgee Finance Ltd. There are no other controlled entities.

(c) Recognition of Revenue

Lease finance transactions have been recorded using the finance concept and accordingly these are shown in the financial statements as net receivable rather than leased assets less depreciation.

Unearned income on non-structured hire purchase and chattel mortgage contracts has been recognised using the "rule of 78" method. Unearned income on other receivables has been recognised using the actuarial method.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(d) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts.

(e) Doubtful Debts

A specific provision for doubtful debts has been established to provide for identified debtors that are considered doubtful. The directors review the provision for doubtful debts on a regular basis to ensure that it is adequate.

(f) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost less, where applicable, any accumulated depreciation.

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

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

Depreciation rates, using the diminishing value method of depreciation, used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Leasehold improvements	6% - 23%
Plant & equipment	5% - 40%
Plant & equipment leased to external parties	5% - 33%

(a) Goodwill

Goodwill is recorded initially at cost, being the amount by which the purchase consideration exceeds the fair value attributable to the identifiable cost, being net assets at the date of acquisition. Cost is based on the fair value of the consideration given in exchange for assets.

Goodwill is amortised on a straight-line basis over a period not exceeding 20 years.

(h) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits together with entitlements arising from wages and salaries, annual leave and long service leave have been measured at the amounts that are expected to be paid when the liability is settled.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

(i) Income Tax

The group adopts the liability method of tax effect accounting whereby the income tax expense shown in the profit and loss account is based on the operating profit before income tax adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expenses are included in the determination of operating profit before income tax and taxable income, are brought to account as either provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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

(j) Loans and Advances

Loans and advances are recognised at recoverable amount, after assessing required provisions for impairment. Impairment of a loan is recognised when there is reasonable doubt that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans.

Bad debts are written off to the profit and loss account when identified.

(k) Leases

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.

(I) Earnings Per Share

Basic earnings per share is determined by dividing net profit after income tax attributable to the members of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of potential shares assumed to have been issued which would dilute the number of ordinary shares.

(m) Fees and Commissions

Fees and commissions are recognised as revenues or expenses on an accrual basis.

(n) Comparative Figures

Where required by accounting standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables, payables and lease receivables in the Statement of Financial Position are shown exclusive of GST.

(p) Share Based Payments

Under the Australian equivalent to International Accounting Standard 2 (see note 1(q) below), the Company will be required to reflect in its Statement of Financial Performance the effects of share based payment transactions.

Under current accounting policy, no expense is recognised for equity-based compensation.

(g) Adoption of Australian Equivalents to International Financial Reporting Standards

The Company is preparing and managing the transition to Australian Equivalents to International Financial Reporting Standards (AIFRS) effective for financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the Company's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

The Company's management, along with its auditors, have assessed the significance of these changes and is preparing for their implementation. The impact of the alternative treatments and elections under AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards has been considered where applicable.



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

The Company's management are of the opinion that the key differences in the Company's accounting policies which will arise from the adoption of IFRS are:

(i) Impairment of Assets

The Company currently determines the recoverable amount of an asset on the basis of undiscounted net cash flows that will be received from the assets use and subsequent disposal. Under 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. In determining value in use, projected future cash flows are discounted using a risk adjusted pre-tax discount rate and impairment is assessed for the individual asset or at the 'cash generating unit' level. A 'cash generating unit' is determined as the smallest group of assets that generates cash flows that are largely independent of the cash inflows from other assets or groups of assets. It is likely that this change in accounting policy will lead to impairments being recognised, more often than under the existing policy.

The Company has reassessed its impairment testing policy and tested all non-current assets for impairment as at 1 July 2005 and found no impairment of existing assets.

(ii) Non-current Investments

Under AASB 139 Financial Instruments: Recognition and Measurement, financial assets are required to be classified into four categories, which determines the accounting treatment of the item. The categories and various treatments are:

- held to maturity, measured at amortised cost;
- held for trading, measured at fair value with unrealised gains or losses charged to the profit and loss;
- loans and receivables, measured at amortised cost; and
- available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

AASB 1 provides an election whereby the requirements of AASB 139 dealing with financial instruments are not required to be applied to the first AIFRS comparative year, and the first time adoption of this standard will apply from 1 July 2005. The Company has decided that it will adopt this election and will not restate comparative information for the 30 June 2005 year.

(iii) Goodwill on Consolidation

AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards allows an exemption from the retrospective application of AASB 3 Business Combinations for all or some business combinations.

The Company has elected not to restate any past business combinations as at transition date. As a result, all business combinations recognised under previous Generally Accepted Accounting Principals will continue as business combinations for AIFRS purposes.

Currently, goodwill is amortised over a maximum of 20 years. AIFRS prohibits the amortisation of goodwill. Instead, goodwill will be subject to annual impairment testing.

Impairment testing as at 1 July 2005 confirmed no impairment of the \$942,395 goodwill less accumulated amortisation of \$226,630 as disclosed in the Company's financial statements at 30 June 2005. The previously amortised goodwill of \$187,011 will, therefore, be reversed resulting in a corresponding increase of \$187,011 in retained earnings at 1 July 2004 and an increase in profit amounting to \$39,619 for the year ended 30 June 2005.

(iv) Share Based Payments

Under AASB 2 Share-based Payments, company's that provide share-based payment transactions, such as the issue of options to directors and employees, must recognise those transactions in the financial statements. This applies to options issued after 7 November 2002 that do not vest before the period covered by the financial statements.

AASB 2 Share Based Payments require that these options shall be measured at the more readily determinable fair value of the good/service or the fair values of the equity instrument. This amount will be expensed in the statement of financial performance. Where the grant date and the vesting date are different the total expenditure calculated will be allocated between the two dates taking into account the terms and conditions attached to the instruments as well as management's assumptions about probabilities of payments and compliance with and attainment of the set out terms.

This will result in a change to the current accounting practice, under which no expense is recognised for equity based compensation.

To record the effect of AASB 2 on options at 1 July 2004, capital would increase by \$31,768 resulting in a corresponding decrease in retained earnings. There would also be a further increase in capital for the year ended 30 June 2005 of \$20,088 and a corresponding decrease in profit to recognise the remuneration expense for the period.

(v) Income Tax

Currently the Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the accounting profit adjusted for any permanent differences. Timing differences are currently brought to account as either a provision for deferred income tax or future income tax benefit.

Under AASB 112: Income Taxes, the entity will be required to adopt a balance sheet approach under which temporary differences are identified for each asset and liability rather than the effects of the timing and permanent differences between taxable income and accounting profit. Deferred tax items will be calculated by comparing the difference in carrying amounts to tax bases for all assets and liabilities and multiplying this by the tax rates expected to apply to the period when the asset is realised or the liability settled. Recognition of the resulting amounts are subject to some exceptions, but generally deferred tax balances must be calculated for each item in the statement of financial position. Deferred tax assets will only be recognised where there exists the probability that future taxable profit will be available to recognise the asset.

There are likely to be more deferred tax assets and liabilities that arise under AASB 112 than arose under AASB 1020. The more common circumstances that cause this are asset revaluations and fair value adjustments to the assets and liabilities of acquired entities. The Company did not have any asset revaluations or acquisitions of entities during the year ended 30 June 2005.



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

	Average Balance \$'000	Interest \$'000	Average Interest Rate %
Note 2. Interest Revenue And Expense			
Interest Revenue 2005			
Deposits with other financial institutions Loans and advances	524 68,748	40 8,242	7.55 11.99
	69,272	8,282	11.96
Borrowing Costs 2005			
Deposits from other financial institutions Customer deposits	17,497 35,362	1,232 2,239	7.04 6.34
	52,859	3,471	6.57
Net Interest Income 2005	16,413	4,811	
Interest Revenue 2004			
Deposits with other financial institutions Loans and advances	3,003 58,743	100 7,293	3.34 12.41
	61,746	7,393	11.97
Borrowing Costs 2004			
Deposits from other financial institutions Customer deposits	13,700 33,116	974 1,890	7.11 5.71
	46,816	2,864	6.12
Net Interest Income 2004	14,930	4,529	

The accompanying notes form part of these financial statements.

		2005	2004
Note 3. Revenue		\$′000	\$'000
Operating Activities			
Interest received	Note 2	8,282	7,393
Fees and commissions		2,269	1,950
Other revenue		550	666
		11,101	10,009
Non-operating Activities			
Proceeds on disposal of property, plant & equipment		1	-
		11,102	10,009
Note 4. Profit From Ordinary Activities			
Profit from ordinary activities before income tax expense ha	as been determined af	ter:	
Expenses			
Bad and doubtful debts	Note 8(c)	261	283
Depreciation			
Plant and equipment	Note 9(a)	138	138
Leasehold improvements	Note 9(a)	17	1
Buildings	Note 9(a)	3	3
Total depreciation		158	142
Note 5. Income Tax			
The prima facie tax on operating profit is reconciled to the	income		
tax provided as follows:		1 022	1 022
Prima facie tax on operating profit @ 30% (2004: 30%) Tax effect of permanent differences:		1,023	1,023
Depreciation of buildings		1	1
Non deductible depreciation and amortisation		13	13
Other items		1	1
Tax effect of capitalised expenses incurred in defending the			
takeover bid deductible over the next four years		53	
Income tax attributable to operating profit		1,091	1,038



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

	2005 \$'000	2004 \$'000
Note 6. Earnings Per Share (EPS)		
(a) Earnings used in calculation of basic and dilutive EPS	2,258	2,371
(b) Weighted average number of ordinary shares outstanding		
during the year used in calculation of basic EPS	13,680	12,460
Weighted average number of options outstanding	283	387
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	13,963	12,847
Note 7. Accrued Receivables		
Sundry debtors	277	199
Prepayments	240	111
Other	33	48
	550	358
Note 8. Loans and Advances		
Leases	7,071	8,614
Hire purchase contracts	1,455	2,885
Mortgages Chattel mortgages	2,225 72,467	- 63,459
Premium funding	218	03,439
-	83,436	74,958
Unearned revenue	(12,299)	(11,439)
	71,137	63,519
Provision for impairment	(643)	(596)
Loans and advances (net)	70,494	62,923
(a) Maturity Analysis		
Not longer than 3 months	9,258	4,652
Longer than 3 and not longer than 12 months	22,972	22,615
Longer than 1 year and not longer than 5 years	38,907	36,252
	71,137	63,519
(b) Concentration of Risk		
The Company has an exposure to groupings of individual loans		
that concentrate risk and create exposure to particular segments as follows:	24.040	24 400
Victoria New South Wales	31,019 40,118	31,189 32,330
INGW JOULIT WALLS	,	
	71,137	63,519

(c) Provision for Impairment	2005 \$'000	2004 \$'000
(i) General Provision		
Opening balance	123	260
Doubtful debts provided for during the year	(123)	(137)
Closing balance	-	123
(ii) Specific Provision		
Opening balance	473	242
Doubtful debts provided for during the year	170	231
Closing balance	643	473
Total provision for impairment	643	596
(iii) Bad and Doubtful Debt Expense Comprises		
General provision	(123)	(137)
Specific provision	384	378
Bad debts recognised directly	-	42
	261	283

Specific provision for impairment is based on specific identification in relation to individual loans. General provision for impairment in prior years was based on estimation in relation to loan portfolios for which specific identification was impracticable.

(d) Impairment of Loans and Advances

(i) Non-accrual loans Balances without specific provision for impairment Balances with specific provision for impairment Specific provision for impairment	172 558 (369)	139 341 (126)
Net non-accrual loans	361	354
Interest revenue on non-accrual and restructured loans Interest foregone on non-accrual and restructured loans	10 41	46 34
(ii) Assets acquired through the enforcement of security Balance	351	272
(iii) Past due loans Balance	1,036	1,094
(iv) Restructured loans Balance	-	-



"Non-accrual loans" are loans and advances where the recovery of all interest and principal is considered to be reasonably doubtful, and hence provisions for impairment are recognised. Balances without a specific provision for impairment are believed to have adequate security to cover the outstanding balance of the loan.

"Restructured loans" arise when the borrower is granted a concession due to continuing difficulties in meeting the original terms, and the revised terms are not comparable to new facilities. Loans with revised terms are included in non-accrual loans when impairment provisions are required.

"Assets acquired through the enforcement of security" are assets acquired in full or partial settlement of a loan or similar facility through the enforcement of security arrangements.

"Past-due loans" are loans where payments of principal and/or interest are at least 90 days in arrears. Full recovery of both principal and interest is expected. If an impairment provision is required, the loan is included in non-accrual loans.

	2005 \$'000	2004 \$'000
Note 9. Property, Plant And Equipment	,	,
Freehold land at cost	80	80
Buildings at cost Less accumulated depreciation	123 (43)	123 (39)
Total buildings	80	84
Total property	160	164
Leasehold improvements at cost Less accumulated depreciation	452 (17)	24 (1)
Total leasehold improvements	435	23
Plant and equipment at cost Less accumulated depreciation	1,175 (635)	987 (496)
Total plant and equipment	540	491
Total property, plant and equipment	1,135	678

(a) 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.

	Freehold Land \$'000	Buildings \$'000	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
Balance at beginning of year	80	83	23	491	677
Disposals Additions			429	(183) 370	(183) 799
Depreciation expense		(3)	(17)	(138)	(158)
Carrying amount at year end	80	80	435	540	1,135

Note 10. Deferred Tax Assets	2005 \$'000	2004 \$'000
Future income tax benefit	305	236
Note 11. Goodwill		
Goodwill at cost	942	792
Less accumulated depreciation	(226)	(187)
	716	605
Note 12. Deposits and Short-Term Borrowings		
(a) Investments	-	302
(i) Maturity Analysis		
At call	-	289
Not longer than 3 months	-	-
Longer than 3 and not longer than 12 months Longer than 1 and not longer than 5 years	-	- 13
Longer than 1 and not longer than 3 years	<u> </u>	302
(ii) Concentration of Deposits		100
Victoria New South Wales	-	109 193
New South Wales	<u> </u>	302
(1) 5 1		
(b) Debentures & Farm Management Deposits Debentures	29,315	23,245
Farm Management Deposits	2,008	12,494
Talli Management Beposies	31,323	35,739
	, -	•
(i) Maturity Analysis	2.024	2 200
At call Not longer than 3 months	3,034 7,606	3,208 9,578
Longer than 3 and not longer than 12 months	16,592	9,576 17,457
Longer than 1 and not longer than 5 years	4,091	5,496
- J	31,323	35,739
	- ,	,



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

	2005 \$'000	2004 \$'000
(ii) Concentration of Deposits		
Victoria	18,972	21,327
New South Wales	12,351	14,412
	31,323	35,739
Total deposits and short-term borrowings	31,323	36,041
Note 13. Payables and Other Liabilities		
Trade creditors	144	174
Accrued interest payable	767	414
	911	588
Note 14. Interest-Bearing Liabilities (excluding debentures)		
Commercial bills - secured	25,000	16,000
The commercial bills are secured by a fixed and floating charge over the	assets of the Compan	y.
Note 15. Tax Liabilities		
Income tax	419	203
Deferred income tax	(146)	(62)
	273	141
Note 16. Provisions		
Dividends	1,283	1,189
Employee entitlements	199	185
	1,482	1,374
Note 17. Other Liabilities		

Note 18. Contributed Equity	2005 \$'000	2004 \$'000
(a) Contributed Equity		
14,254,887 (2004: 13,213,911) fully paid ordinary shares	12,993	10,913
(b) New Issues During the Year (i) 732,432 (2004: 904,634) ordinary shares issued pursuant		
to the Dividend Reinvestment Plan	1,555	1,527
(ii) 260,000 ordinary shares issued on exercise of options (iii) 48,544 ordinary shares issued in partial consideration	425	345
for businesses acquired in prior years	100	150
Total movements during the year	2,080	2,022

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held.

At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Quotation has been granted for 13,168,312 ordinary shares in the Company on the Stock Exchange of Newcastle Ltd.

A total of 1,086,575 ordinary shares are held as security for loans with the company. These shares are not listed on the NSX. The Company maintains the share register for these shares.

Note 19. Retained Profits

Retained profits at the beginning of the financial year	2,677	2,243
Net profit attributable to members of the Company	151	434
Retained profits at the end of the financial year	2,828	2,677
Balance of franking account at year-end using the tax paid basis,		
adjusted for franking credits arising from payment of provision for		
income tax and dividends recognised as receivables, franking credits		
arising from payment of proposed dividends and franking credits that		
may be prevented from distribution in the subsequent financial year.	2,228	2,063



Note 20. Directors' And Executives' Remuneration

(a) Names and Positions Held of Company Directors and Specified Executives in Office at Any Time During the Financial Year

Directors

Mr. L J Thomson	Chairman, non-executive
Mr. J H Macknight	Director, non-executive
Mr. G J Sullivan	Director, non-executive
Mr. L M Wheatley	Director, non-executive (appointed 1 November 2004)
Mr. M J Hill	Managing Director, executive
Mr. J B Tushuizen	Director, non-executive (resigned 26 August 2004)

Specified Executives

Mrs. W L Leake Company Secretary

(b) Directors' Remuner	ration
------------------------	--------

2005 (\$'000)	Salary &	Superannuation	Non Cash*	Share	Total
	Fees	Contribution	Benefits	Options +	
Mr. L J Thomson	35	3			38
Mr. J H Macknight	20	2			22
Mr. G J Sullivan **					-
Mr. L M Wheatley	13	1			14
Mr. M J Hill	160	14	2	9	185
Mr. J B Tushuizen	62	1			63
	290	21	2	9	322

2004 (\$'000)	Salary & Fees	Superannuation Contribution	Non Cash* Benefits	Share Options +	Total
Mr. L J Thomson	35	3			38
Mr. J H Macknight	20	2			22
Mr. G J Sullivan **					-
Mr. M J Hill	120	33	1	9	163
Mr. J B Tushuizen	130	24	1		155
	305	62	2	9	378

(c) Specified Executive's Remuneration

2005 (\$'000)	Salary &	Superannuation	Non Cash*	Share	Total
	Fees	Contribution	Benefits	Options +	
Mrs. W L Leake	55	5	-	-	60
2004 (\$'000)	Salary &	Superannuation	Non Cash*	Share	Total
	Fees	Contribution	Benefits	Options +	
Mrs. W L Leake	45	4	-	-	49

^{*} Benefit relates to the personal use of motor vehicles.

- ** Mr. G J Sullivan does not personally receive a director's fee. An amount of \$25,000 is paid to WHK Thomsons Accountants and Advisers, a member firm of Investor Group Limited of which Mr. Sullivan is a director, which is equivalent to the director's fee that Mr. Sullivan would have received.
- + Share options have been valued using the Trinomial American Call Option Pricing Model which takes into account all the factors as specified by International Accounting Standards Board Exposure Draft 2 and Australian Accounting Standards Board Exposure Draft 108.

(d) Options Granted to Directors and Specified Executives as Remuneration

During the financial year there were no options issued to directors or specified executives.

(e) Shares Issued to Directors and Specified Executives on Exercise of Remuneration Options

	Number of Ordinary	Amount Paid	Amount Unpaid
	Shares Issued	Per Share	Per Share
Mrs. W L Leake	20,000	1.70	-

(f) Options Holdings of Directors and Specified Executives whether Directly, Indirectly or Beneficially Held

	Balance	Granted as	Options	Balance	Total Vested	Total Exercisable	Total Unexercisable	
	1/7/04	Remuneration	Exercised	30/6/04	30/6/05	30/6/05	30/6/05	
Mr. M J Hill	100,000	-	_	100,000	-	-	100,000	

(g) Number of Shares Held Directly, Indirectly or Beneficially by Directors

	Balance 1/7/04	Received as Remuneration	Options Exercised	DRP +	Net Change Other*	Balance 30/6/05
Mr. L J Thomson	2,176,514			156,291		2,332,805
Mr. J H Macknight	529,360			41,720	51,621	622,701
Mr. G J Sullivan	193,717			13,910	50,000	257,627
Mr. L M Wheatley	65,197			4,682	43,005	112,884
Mr. M J Hill	185,436			1,033	(3,568)	182,901
Mr. J B Tushuizen **	1,416,704			2,254	(237,077)	1,181,881
	4,566,928	-	-	219,890	(96,019)	4,690,799

^{*} Net change other refers to shares purchased or sold during the financial year.

(h) Remuneration Practices

The Company's policy for determining the nature and amount of emoluments of board members is as follows:

The remuneration structure for executive directors is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. Where contracts of service exist between the Company and specified directors, those contracts are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement specified directors are paid employee benefit entitlements accrued to date of retirement. Any options not exercised before or on the date of termination lapse.

The Company seeks to emphasise payment for results through providing various rewards such as share options and bonuses. The objective of reward schemes is to reinforce the short and long-term goals of the Company and to provide a common interest between directors, staff and shareholders.

^{**} Resigned 26 August 2004

⁺ Dividend Reinvestment Plan



Note 21. Related Party Information

Transactions between related parties are on normal commercial terms and conditions and are no more favourable than those available to other parties unless otherwise stated.

(a) Directors

The names of persons who held office as directors of the Company during the financial year were L J Thomson, J H Macknight, G J Sullivan, L M Wheatley, M J Hill and J B Tushuizen (resigned 26 August 2005).

	2005	2004
	\$'000	\$'000
(b) Loans to Directors		
(i) Directors		
Loans advanced during the year		
G J Sullivan	85,000	85,000
M J Hill	112,000	112,000

These loans were provided on commercial terms and conditions available to other borrowers. Loans are for a one-year term and may be rewritten at the end of each year with interest payable in advance. These amounts are the highest amount of indebtedness during the reporting period.

Loans rep	oaid du	ring th	ne year
-----------	---------	---------	---------

G J Sullivan	91,825	91,942
M J Hill	120,994	121,147
(ii) Director Related Entities		
Loans advanced during the year		
Sunset Vineyard Management Pty Ltd	-	89,198
WHK Group Pty Ltd	-	151,932
C A Tushuizen	-	45,000
Shabach Pty Ltd	-	35,587
Armitage Downie Services Pty Ltd	199,671	158,858
Loans repaid during the year		
Sunset Sultana Management Pty Ltd	101,053	197,104
Sunset Vineyard Management Pty Ltd	80,886	14,575
Mildura Racing Club Inc	1,702	13,801
WHK Group Pty Ltd	103,278	82,370
C A Tushuizen	48,848	45,000
Shabach Pty Ltd	5,927	4,343
Armitage Downie Services Pty Ltd	100,455	10,851
G J & M J Gale	11,616	6,824

Mr. G J Sullivan is a director of Sunset Sultana Management Pty Ltd, Sunset Vineyard Management Pty Ltd, Mildura Racing Club Inc and a guarantor of the loans to these entities. Mr. Sullivan is also a director of Investor Group Limited, which is the parent company of WHK Group Pty Ltd and Armitage Downie Services Pty Ltd. Mr. Sullivan is not a guarantor to the loans to these companies.

Mr. M J Hill is related to G J & M J Gale. Mr. Hill is not a guarantor to this loan.

Mr. J B Tushuizen is related to Mrs. C A Tushuizen. Shabach Pty Ltd is an entity controlled by a relation of Mr. Tushuizen. Mr. Tushuizen is not a guarantor to these loans.

The above loans were provided on commercial terms and conditions available to other borrowers.

Interest paid and payable during the reporting period from loans made, guaranteed or secured, directly or indirectly by the Company to all specified directors, including personally related entities amounted to \$72,051.

(c) Other Transactions of Directors and Director Related Entities

Mr. G J Sullivan is a director of Investor Group Limited. During the year member firms of Investor Group Limited received income from the Company for the provision of advice in relation to information technology, accounting and taxation issues and for the referral of business on arms length terms.

Mr. G J Sullivan is a director of the Mildura Racing Club Inc. During the year the Mildura Racing Club Inc provided advertising and promotional services to the Company on arms length terms that are the same as what has been adopted with other customers.

Mr. L J Thomson is related to lain Thomson, an employee of Investor Group Limited. During the year member firms of Investor Group Limited received income from the Company for the provision of advice in relation to information technology, accounting and taxation issues and the referral of business on arms length terms.

Mr. M J Hill is related to the owners of the Deniliquin Motel. During the year the Deniliquin Motel provided accommodation services to the Company on arms length terms that are the same as what has been adopted with other customers.



2005

2004



	2005	2004
	\$'000	\$'000
Note 22. Cash Flow Information		
(a) Cash at the End of the Financial Year as Shown in the Statement of Casthe Related Items in the Statement of Financial Position as Follows	h Flows is Re	conciled to
Cash at bank	1,741	3,093
Bank overdraft	-	-
	1,741	3,093
(b) Reconciliation of Net Cash Provided by Operating Activities to		
Operating Profit after Income Tax		
Operating profit after income tax	2,258	2,371
Loss/(profit) on sale of non-current assets	18	-
Depreciation	158	142
Amortisation of goodwill	40	46
Bad debts written off	-	42
Doubtful debts provision	47	94
Employee benefits	14	52
(Increase)/decrease in other debtors	(77)	(46)
(Increase)/decrease in prepayments	(115)	(30)
Increase/(decrease) in accrued expenses/creditors	(18)	(94)
Increase/(decrease) in tax payable	216	178
Increase/(decrease) in accrued interest payable	341	151
Net movement in future income tax benefit/provision for deferred income tax	(153)	19
Net cash provided by operating activities	2,729	2,925

(c) Non Cash Financing and Investing Activities

- (i) 732,432 fully paid ordinary shares were issued to shareholders of the Company during the year pursuant to the Dividend Reinvestment Plan in satisfaction of dividends payable of \$1,554,912.
- (ii) Investors transferred \$277,499 from debenture stock to make payments on finance contracts.
- (iii) Plant and equipment to the value of \$32,695 was acquired during the year which was acquired under equipment finance contracts.
- (iv) 48,544 fully paid ordinary shares were issued as part consideration for businesses purchased in prior years.
- (v) Loans to the value of \$163,017 were granted during the year to exercise 90,000 options.

These transactions are not reflected in the Statement of Cash Flows.

(d) Bank Facilities

As at 30 June 2005 the Company had an unused overdraft facility of \$400,000 and a commercial bill facility of \$30,000,000 of which \$5,000,000 was unused. These facilities are secured by a fixed and floating charge over the assets of the Company.

Note 23. Auditors Remuneration

	22	14
Other services	2	-
Audit of the financial statements	20	14
Amounts received or due and receivable by the auditors of the Company for		

Note 24. Segment Reporting	2005 \$'000	2004 \$'000
The Company operates geographic segments (branches) in Mildura, Deniliquin, I and Albury. Revenue for each segment is as follows	Horsham,	Wagga Wagga
Mildura	4,395	4,390
Deniliquin	2,421	2,556
Horsham	863	676
Wagga Wagga	2,871	2,058
Albury *	460	130
Revenue not allocated to a segment	92	199
	11.102	10.009

^{*} Branch opened in February 2004.

Note 25. Financial Instruments

(a) Terms, Conditions and Accounting Policies

The Company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date are as follows

(i) Financial Assets	Notes	Accounting Policies	Terms and Conditions
Loans and Advances	8	The loan interest is calculated on either the actuarial or rule of 78 method.	All loans are secured by a charge over the asset financed. Additional security is obtained where the value of the asset financed falls below the loan amount sort.
(ii) Financial Liabilities			
Bank Overdraft	22(d)	The bank overdraft is carried at the principal amount. Interest is charged as an expense as it accrues.	Interest is charged at the bank's benchmark rate. Security details are set out in note 22(d).
Deposits and Short-Term Borrowings	12	Deposits are recorded at the principal amount.	Details of maturity analysis are set out in Note 12. Interest is paid in arrears either quarterly, half-yearly, annually or upon redemption.
Payables and Other Liabilities	13	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.	Trade liabilities are normally settled on 30-day terms.
Bank Borrowings	14	Bank borrowings are carried at the principal amount. Interest is charged as an expense as it accrues.	Interest is charged at the bank's bank bill swap rate plus their treasury margin. Security details are set out in note 22(d).



(b) Interest Rate Risk

Interest rate swap transactions entered into by the Company exchange variable and fixed interest payment obligations to protect long term borrowings from the The Company has both variable and fixed interest rate debt and enters into swap contracts to receive interest at both variable and fixed rates and to pay interest at fixed rates. risk of increasing interest rates.

The Company's exposure to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date are as follows

Financial Instruments

Weighted average effective interest	2005 2004 %	4.88 4.75	11.80 12.20	11.55 11.79	1	6.28 5.82	7.26 8.31	5.97 5.79
Weigh	20	4		<u>+</u>		9	7	ΓŲ.
Total carrying amount as per the Statement of Financial Position	\$,000	3,093	63,519	026'99	I	36,041	16,000	52,629
	2005	1,741	71,137	73,428		31,323	25,000	57,234
Non-interest bearing	\$,000	358		358		ι, α)	588
	\$,000	550		550		011	-	911
Over 1 to 5 years	\$,000		36,252	36,252		5,509	13,000	18,509
	2005		38,907	38,907 36,252		2,083	13,000 13,000	15,083
1 year or less	2004		27,267	27,267		27,034	3,000	30,034
	\$,000		32,230 27,267	32,230 27,267		26,206 27,034	12,000	38,206 30,034
Floating interest rate	\$,000	3,093		3,093		3,498		3,498
	2005	1,741		1,741		3,034		3,034
		(i) Financial Assets Cash and liquid assets Accrued receivables	Loans and advances	Total Financial Assets	(ii) <i>Financial Liabilities</i> Bank overdrafts	Deposits & short-term borrowings	Bank borrowings	Total Financial Liabilities

(c) Net Fair Values

The aggregate net fair values of financial assets and liabilities, both recognised and unrecognised in the Statement of Financial Position are as follows

-	Total carrying	Aggregate	Total carrying	Aggregate
amou	ınt as per the	net fair	amount as per the	net fair
	Statement of	value	Statement of	value
Fina	ncial Position	Financial Position		
	2005	2005	2004	2004
	\$'000	\$'000	\$'000	\$'000
(i) Financial Assets				
Cash and liquid assets	1,741	1,741	3,093	3,093
Accrued receivables	550	550	358	358
Loans and advances	71,137	71,137	63,519	63,519
Total Financial Assets	73,428	73,428	66,970	66,970
(ii) Financial Liabilities				
Deposits and short-term borrowings	31,323	31,323	36,041	36,041
Trade creditors and accruals	911	911	588	588
Bank borrowings	25,000	25,000	16,000	16,000
Total Financial Liabilities	57,234	57,234	52,629	52,629

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities

Cash and liquid assets and accrued receivables

The carrying amount approximates fair value because of their short-term to maturity or because they are receivable on demand.

Loans and advances

The fair values of loans receivable are calculated on the expected cash flow based on the contracted lending rate for each loan.

Deposits and short-term borrowings

The carrying amount approximates fair value because of their short-term maturity.

Trade creditors and accruals

The carrying amount approximates fair value, as they are short-term in nature.

Bank borrowings

The fair values of bank borrowings are calculated on the expected cash flows.

(d) Credit Risk Exposures

The Company's maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date, to recognised financial assets is the carrying amount net of any provisions, as disclosed in the Statement of Financial Position and notes to the financial statements.



(e) Concentrations of Credit Risk

The Company minimises concentrations of credit risk in relation to loans receivable by undertaking transactions with a large number of customers in a diverse range of industries and geographic regions. All customers are located in Australia.

Credit risk in loans is managed by conducting a risk assessment analysis for all customers prior to the advancement of any monies and by monitoring a customer's performance throughout the life of the loan. For customers with larger exposures, periodic reviews are conducted.

Note 26. Company Details

The registered office of the Company is

Bidgee Finance Ltd 113 Lime Avenue Mildura, Victoria 3500

Note 27. Employee Benefits

Employees' Share Option Arrangements

On 16 December 2004, 50,000 share options were granted to an employee under the Executive and Employee Option Plan at an exercise price of \$2.17 each. The options are exercisable between 30 June 2007 and 30 June 2009. The options hold no voting or dividend rights and are not transferable.

On 18 April 2005, a further 30,000 share options were granted to employees under the Executive and Employee Option Plan at an exercise price of \$2.30 each. The options are exercisable between 30 June 2006 and 30 June 2008. The options hold no voting or dividend rights and are not transferable.

The closing market price of ordinary shares in the Company as at 30 June 2005 was \$2.00 (2004: \$2.30)

(a) Movement in the Number of Share Options Held by Employees Excluding Executive Directors are as Follows:

	2005	2004
Opening balance	325,000	616,666
Granted During the Year	80,000	50,000
Exercised during the year	(160,000)	(281,666)
Lapsed during the year	(15,000)	(60,000)
Closing balance	230,000	325,000

No employees have been granted or exercised options since the end of the financial year to the date of this report.

Note 28. Debenture Stock

Debenture stock is secured by a second ranking charge in favour of Permanent Nominees (Aust.) Limited as the appointed Trustee for the holders of debenture stock, over the whole of the assets and undertakings of the Company.

Note 29. Controlled Entities

The Company does not have any controlled entities.

Note 30. Subsequent Events

No significant events have occurred since the balance date, which would impact on the financial position of the group at 30 June 2005 and the results for the year ended on that date.

Note 31. Contingent Liabilities

No contingent liabilities exist at balance date.



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