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**ECHO TECHNOLOGIES LIMITED**  
**ACN 094 006 023**

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**2004 ANNUAL REPORT**

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## **CORPORATE DIRECTORY**

### **PRINCIPAL PLACE OF BUSINESS**

Level 1, 10 Stirling Highway  
Nedlands Western Australia 6009  
Tel 61 8 9284 8800/Fax 61 8 9284 8899  
www.echotecho.com  
**ASX CODE: EHO**

### **REGISTERED OFFICE**

First Floor 10 Stirling Highway  
Nedlands Western Australia 6009  
Tel 61 8 9284 8800/Fax 61 8 9284 8899

### **DIRECTORS**

Paul D'Sylva (Chairman)  
Bryant McLarty  
Stuart Gunzburg  
Thomas Picton-Warlow

### **COMPANY SECRETARY**

Stuart Gunzburg

### **SHARE REGISTRY**

Computershare Registry Services Pty Limited  
Level 2 Reserve Bank Building  
45 St George's Terrace  
Perth Western Australia 6000

### **SOLICITORS**

Fairweather & Lemonis  
Level 9, 172 St Georges Tce  
Perth Western Australia 6000

### **AUDITORS**

RSM Bird Cameron Partners  
8 St Georges Terrace  
Perth Western Australia 6000

### **BANKERS**

National Australia Bank  
51 Dowd Street  
Welshpool WA 6106

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## CHAIRMAN'S REVIEW

Dear Shareholders

The 2003/04 Financial Year has been characterised by great change and consolidation at Echo Technologies Ltd. A new Board was appointed in July last year and undertook a strategic review of the Company's business with a view to investigating a range of investment opportunities that would enhance shareholder value.

I am pleased to report that your Board has successfully embarked on this strategy and added significant shareholder value in the process. This process commenced with the addition of a new high technology medicinal and synthetic chemistry company Epichem Pty Ltd to the Echo group of companies in October 2003.

The Western Australian Minister for State Development, Dr Clive Brown, officially launched Epichem's new state-of-the-art facility at Murdoch University in April 2004. Epichem has commenced operations on time and on-budget and has met or exceeded all key performance indicators in its Business Plan.

Subsequent to the successful launch of Epichem, the Board established a strategy for Echo to integrate business assets across the pharmaceutical production chain from discovery to manufacturing. In line with this strategy, the Board negotiated the rights to purchase a generic pharmaceutical manufacturing company, Ramprie Laboratories, in June 2004, subject to raising capital to fund the transaction.

Along with these acquisitions, I am delighted to have joined the Board of Echo this year and to have had the privilege of chairing the Company. With my fellow Board members and the management teams of the Echo group of companies, I am committed to the successful implementation of the Company's objective of becoming a leading player in the Australian pharmaceutical industry. Echo's successes to date could not have been achieved without the help and support of the whole of the management team and the members of the Boards of Echo and its subsidiary companies. Sincere thanks are extended to each of them for their ongoing dedication and support.

I look forward to the next year with considerable optimism and am confident that the progress that we have made to date will be continued and extended into the future

Dr Paul D'Sylva  
Chairman

## ACTIVITIES REPORT

### Review of Operations

#### A New Board at Echo Technologies

On the 25th June 2003, Mr Bryant McLarty and Dr Stuart Gunzburg were appointed as Directors of Echo Technologies. Shortly thereafter, Mr Thomas Picton-Warlow was appointed as a Director of the Company.

On 7th October 2003, Echo Technologies advised that Mr Marinko Vidovich had resigned as Company Secretary and would be replaced by Dr Stuart Gunzburg.

The new Echo Technologies Board was made complete by the by the appointment of Dr Paul D'Sylva on 11 November 2003.

#### Acquisition of Epichem Pty Ltd

On the 24<sup>th</sup> of October, the new Board of Echo Technologies announced that it had secured a majority (80%) interest in Epichem Pty Ltd - a start-up organic chemistry company that focuses on the lucrative drug discovery and pharmaceutical industries.

Epichem utilises the medicinal and synthetic chemistry expertise of its staff and management to conduct two main activities.

Firstly, Epichem provides highly specialised chemistry services on a contract basis to International and Australian drug development and biotechnology companies.

Secondly, Epichem is developing its own suite of intellectual property generating research and development in pre-clinical drug discovery.

The Epichem Laboratory was completed on time and under budget in February 2004 and was opened by WA Minister for State Development, Clive Brown, in April 2004.

The state-of-the-art facility is one of Australia's top drug discovery laboratories with specialised facilities that allow for the **rapid synthesis and purification of multiple drug compounds**, meaning drugs can be created and tested at a record pace.

The facility is uniquely located on campus at Murdoch University in Western Australia. The completion of Epichem's facilities at Murdoch and securing of start-up clients was a major step forward for the development of Epichem and for Echo.

Epichem staff includes Dr Wayne Best who has over 20 years' experience in synthetic and medicinal chemistry both in academia, government and industry in Australia and overseas.

In addition to providing specialised medicinal chemistry services to a range of national and international clients, Epichem is currently involved with Murdoch University in a major research project aimed at discovering new treatments to combat parasitic diseases, funded by pharmaceutical giant GlaxoSmithKline (GSK) and the Australian Research Council (ARC).

## ACTIVITIES REPORT (Cont.)

Epichem recently received a major boost to this collaborative project, with its lead compound, EPL-AJ1008, passing the bacterial reverse mutation test. The Test, often referred to as the Ames test, is a key indicator of a compound's genotoxicity and is a critical step in the development of any new drug candidate.

The project has produced a range of compounds that have shown excellent activity against a number of important animal and human parasitic diseases including trypanosomiasis and leishmaniasis. These diseases, for which there are currently no effective treatments, have enormous social and economic impact in Africa, South and Central America, and Asia.

Work will now continue using EPL-AJ1008 as a template, optimising the structure of the molecule to improve its properties and make it more suitable for development as a commercial pharmaceutical. It is envisaged that a patent will be filed in the near future to protect these novel compounds.

Epichem has been rapidly expanding to keep pace with the influx of new work. Two additional chemists have joined the company since it opened for business in mid February, with another two due to start late in 2004.

### **Ramprie Laboratories Pharmaceutical Manufacturing Opportunity**

In June 2004, Echo executed a memorandum of understanding which has since become a conditional Sale Agreement with Ramprie Laboratories, a generic pharmaceutical manufacturer, located in Welshpool, Western Australia.

A fire in September 2003 led to significant damage to Ramprie buildings and laboratories, which further led to a voluntary suspension of the TGA (Therapeutic Goods Authority) license held by the Company.

Ramprie Laboratories is currently undertaking the process of rebuilding its premises and laboratories so as to regain a fully operational TGA license and the validation of various TGA approved products.

Ramprie was manufacturing from its existing base of 95 products on the Australian Register of Therapeutic Goods and it is still producing over 200 non-therapeutic products. Ramprie also develops, manufactures and markets generic pharmaceutical products for the Australian market

### **Agreement signed with Apex Healthcare**

Echo has signed a binding agreement with Xepa-Soul Pattinson, a wholly owned subsidiary of Apex Healthcare, Malaysia's largest pharmaceutical and healthcare group.

Pharmaceutical manufacturer Xepa-Soul Pattinson (XSP) and Echo will establish an exclusive Distribution and Licensing Agreement for identified pharmaceutical products with Echo appointed XSP's exclusive agent in Australia to market and distribute the products. Echo will explore external markets such as New Zealand.

The deal will allow Echo to integrate the business of Epichem with Xepa-Soul Pattinson's well-established pharmaceutical manufacturing business. Because of the difference in patent laws in Malaysia, a two-year lead-time will be available to formulate and produce patent-expired medicines, creating a faster route to the Australian market.

## ACTIVITIES REPORT (Cont.)

### Future Directions

The acquisition of Ramprie Laboratories together with Epichem represents a significant change in direction for Echo. A general meeting of Echo shareholders will be convened as soon as possible after a Notice of Meeting and Explanatory Statement has been prepared. This meeting will consider the approval of various resolutions including:

- A change in the scale and nature of Echo's activities
- Consolidation of the existing issued share capital
- Change in business name to PharmAust Limited and
- The issue of shares under a prospectus

Echo will request a voluntary suspension of its securities on the day prior to the general meeting at which shareholder approval will be sought. Once Echo has obtained shareholder approval for the transaction, it is anticipated that the securities of Echo will be reinstated for trading.

### Proposed \$5.5 Million in Capital Raising

Echo intends to seek approval for a capital consolidation on a 1 for 5 basis. Following receipt of shareholder approval, Echo intends to issue a prospectus to raise \$5,500,000 by offering shares at 20 cents per share (on a post consolidation basis). Patersons Securities Limited has agreed to be Lead Manager to the prospectus raising. Funds will be used to acquire the assets of Ramprie Laboratories and to progress the PharmAust opportunity, as well as to provide general working capital for Epichem.

### Existing Echo Projects

The Company's strategy is to maximise value to its Shareholders by seeking to sell in part or in full the Company's interest in the following projects. The near term revenue that may be generated from the projects is insufficient for Echo to justify any further significant funding.

**Galaxy Tds Agreement:** The Board of Directors has undertaken a review of the partnership agreement by which Galaxy Distribution System Ltd appointed the Company as the sole distributor in Australia, New Zealand and the South Pacific for the Galaxy Distribution System known as "Galaxy TDS" and the GroundServices System. The partnership agreement was terminated by mutual consent without any outstanding obligations from any party to the other.

**Tardis Travel Pty Ltd:** Tardis Travel is a wholly owned subsidiary providing travel services to corporate businesses. Tardis Travel posted a modest profit for the year.

**The StarPort Project:** This project involved the development of technology to integrate computer systems of travel agents for a more efficient and cost effective solution for the management of company data.

**GroundServices Ltd:** This project was a former joint venture with Parkside Insurance Brokers an authorised representative for the processing of travel insurance business which explored the possibility of adapting software to provide an interface for retail travel agents to book travel insurance products and support transactions involving travel technology software.

**ACE Software:** This is a software project marketed to travel agents. The ACE back office accounting solution provides more efficient and versatile back office accounting whilst interfacing with software systems on which travel agents book flights and land content.

## DIRECTORS' REPORT

Your directors present their report on the Company and the entities it controlled for the financial year ended 30 June 2004.

### Directors

The following persons held office as directors of Echo Technologies Ltd during the financial year and up to the date of this report:

Frank Vanspeybroeck	(Resigned 25 July 2003)
Marinko Vidovich	(Resigned 25 July 2003)
Stephen Surleff	(Resigned 21 August 2003)
Bryant McLarty	(Appointed 25 July 2003)
Stuart Gunzburg	(Appointed 25 July 2003)
Thomas Picton-Warlow	(Appointed 22 August 2003)
Paul D'Sylva	(Appointed 28 November 2003)

### CURRENT DIRECTORS

#### ***Mr. Paul D'Sylva PH.D. – Chairman***

Dr D'Sylva is the Director of the Division of Research and Development at Murdoch University, where he is responsible for the management of the University's research and the commercialisation of its intellectual property. He has a strong track record in raising investment capital for early stage scientific discoveries and has led the development of a number of successful research joint ventures. He represents the University on the Boards of a number of research centres and companies including the Australian Centre for Sustainable Energy, the Environmental Biotechnology Cooperative Research Centre and Paragen Pty Ltd. Dr D'Sylva is a technical and corporate consultant to Australian Biotechnology Company, EQiTX Ltd.

#### ***Mr. Bryant McLarty – Managing Director***

Bryant McLarty has extensive hands on practical experience as an equities adviser in the securities industry in Australia. Mr McLarty's role as Managing Director will include strategic planning, fundraising and the development and promotion of the company's business along with the introduction of new projects.

#### ***Mr. Stuart Gunzburg - Non Executive Director***

***B.Sc. (Hons), Ph.D., M.B.A.***

Stuart Gunzburg has a PhD in science and an MBA majoring in finance each from the University of Western Australia. Mr Gunzburg has extensive experience in equity and derivative markets, extensive experience as an equities adviser in the securities industry in Australia and has specialised in the analysis of companies including emerging technology companies.

#### ***Mr. Thomas Picton-Warlow – Non Executive Director***

***BA (Hons), Grad Dip Comp, Grad Dip Bus***

Thomas Picton-Warlow has extensive experience as an Information Technology project manager in the area of Investment Banking and Wealth Management. Mr. Picton-Warlow has a BA with Honors and Graduate Diploma in Computing and Business Computing, together with international experience gained through extensive contracts in both London and Hong Kong.

## DIRECTORS' REPORT (Cont.)

### Corporate Information

Echo Technologies Ltd is a Company limited by shares that is incorporated and domiciled in Australia.

### Principal Activities

The principal continuing activities during the period of the consolidated entity, constituted by Echo Technologies Ltd and the entities it controlled during the year, consisted of development and promotion of travel industry software.

### Consolidated Results

The results of the consolidated entity for the period ended 30 June 2004 was a loss, after income tax expense, of \$2,547,863 (2003: \$2,073,134 – loss).

### Dividends

Since the end of the previous financial year, no amount has been paid or declared by way of dividend. The directors do not recommend that any dividend be paid.

### Review of Operations

The review of operations is covered separately in this report.

### Significant Changes in State of Affairs

There were no significant changes to the state of the consolidated entity's affairs during the year.

### Future Developments

In the opinion of the directors it would prejudice the interests of the consolidated entity to provide additional information, beyond that reported in this Annual Report, relating to likely developments in the operations of the consolidated entity and the expected results of those operations in financial years ended subsequent to 30 June 2004.

### Interests in the Shares and Options of the Company

As at the 27 September 2004 the interests of the directors in the shares and options of the company were:-

Director	Ordinary Shares		Options Over Ordinary Shares	
	Direct Interest	Indirect Interest	Direct Interest	Indirect Interest
Mr B McLarty	-	10,100,000	-	-
Mr S Gunzburg	-	499,501	-	-
Mr T Picton-Warlow	521,700	-	-	-
Mr P D'Sylva	1,296,160	1,650,000	-	-

## DIRECTORS' REPORT (Cont.)

### Meetings of Directors

The number of meetings of the Company's directors (including meetings of committees of directors) held during the year ended 30 June 2004, and the number of meetings attended by each director were:

Directors	Eligible to Participate	Meetings of Directors Number Attended
Mr P D'Sylva	3	3
Mr S Gunzburg	5	5
Mr T Picton-Warlow	5	5
Mr M Vidovich (Resigned 25 July 2003)	-	-
Mr S Surleff (Resigned 21 August 2004)	-	-
Mr B McLarty	5	5
Mr FVanspeybroeck (Resigned 25 July 2003)	-	-

### Share Options

No person entitled to exercise any of the following options has by virtue of the options, any right to participate in any share issue of any other body corporate.

At the date of this report, the number of options outstanding are:

- Listed                                      32,381,830    - Exercise price of 35 cents to be exercised by 30 June 2005
- Unlisted                                     9,211,998    - Exercise price of 7.5 cents to be exercised by 30 June 2008

### Indemnification and Insurance of Directors and Officers

The company has not, during or since the financial period, in respect of any person who is or has been a director or officer of the company:

- 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.

### Proceedings on Behalf of the Company

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave 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 part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under Section 237 of the Corporations Act 2001.

## DIRECTORS' REPORT (Cont.)

### Corporate Governance

The Company is committed to implementing the highest practical standards of corporate governance. The Company is pleased to advise that its practices are largely consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*.

Where the Company's corporate governance practices differ from the practices recommended by the Council, the Company will explain its position bearing in mind that not all the practices are appropriate due to the size of the Company.

#### 1. Board of Directors

##### 1.1 *Role of the Board*

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board.

##### 1.2 *Composition of the Board*

The Board does not comply with practices recommended as no director is independent. Directors are appointed based on the specific skills required by the Company and on the independence of their decision-making and judgment.

The current Board comprising two Non Executive Directors and two Executive Directors is appropriate for the size of the company.

##### 1.3 *Responsibilities of the Board*

Without intending to limit the role of the Board, the principal functions and responsibilities of the Board include the following.

- Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.
- Strategy Formulation: working with senior management to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Company Finances: approving and monitoring acquisitions, divestitures and financial and other reporting.
- Delegation of Authority: delegating appropriate powers to the CEO to ensure the effective day-to-day management of the Company.

##### 1.4 *Board Policies*

- Conflicts of Interest

Directors must disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company;

- Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company and, if any, will be reported in writing to each Board meeting.

## DIRECTORS' REPORT (Cont.)

### Corporate Governance (Cont.)

- Trading in Company Shares

The Company has a Share Trading Policy under which Directors and certain employees and their associates are prohibited from trading in the Company's securities during the 4 weeks preceding:

- the release by the Company of its half-yearly results to the ASX; and
- the release by the Company of its annual results to the ASX.

In addition, consistent with the law, designated officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company.

### 2. Board Committees

#### 2.1 Audit Committee

As the whole Board consists of only four members and due to the size of the Company, it does not have an Audit Committee. Matters that would otherwise be considered by an Audit Committee, are considered by the whole Board.

#### 2.2 Remuneration Committee

As the whole Board consists of only four members and due to the size of the Company, it does not have a Remuneration Committee. Matters that would otherwise be considered by a Remuneration Committee, are considered by the whole Board.

#### 2.3 Nomination Committee

As the whole Board only consists of four members, and due to the size of the Company, it does not have a separate nomination committee.

### 3. Company Code Of Conduct

As part of its commitment to recognising the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code includes:

#### *Responsibilities to Shareholders and the Financial Community Generally*

The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position.

#### *Responsibilities to Clients, Customers and Consumers*

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers.

#### *Employment Practices*

The Company endeavours to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

## DIRECTORS' REPORT (Cont.)

### Corporate Governance (Cont.)

#### *Obligations Relative to Fair Trading and Dealing*

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws.

#### *Conflicts of Interest*

Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

This report is signed in accordance with a resolution of the Board:



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**BRYANT MCLARTY**  
Director

Signed at Perth, Western Australia this 29<sup>th</sup> day of September 2004

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ECHO TECHNOLOGIES LIMITED

### Scope

#### *The financial report and directors' responsibility*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the directors' declaration for Atlantic Limited (the Company) and the consolidated entity, for the year ended 30 June 2004. The consolidated entity comprises both the Company and the entities it controlled during that year.

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

#### *Audit Approach*

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

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

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

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

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

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the Company.

## Independence

We are independent of the Company and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

## Audit Opinion

In our opinion, the financial report of Echo Technologies Limited is in accordance with:

- (a) the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of Echo Technologies Limited and the consolidated entity at 30 June 2004 and of their performance for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.



RSM BIRD CAMERON PARTNERS  
Chartered Accountants



S C CUBITT  
Partner

Perth, WA  
Dated: 29<sup>th</sup> September 2004

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes set out on pages 16 to 39, are in accordance with the Corporations Act 2001:
  - (a) comply with Accounting Standards, other mandatory professional reporting requirements and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 30 June 2004, and performance for the year ended on that date of the Company and consolidated entity;
2. in the Director's 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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**BRYANT MCLARTY**  
Director

Signed at Perth, Western Australia this 29<sup>th</sup> day of September 2004

## STATEMENTS OF FINANCIAL PERFORMANCE

### For the year ended 30 June 2004

	NOTE	CONSOLIDATED		PARENT ENTITY	
		2004 \$	2003 \$	2004 \$	2003 \$
Revenue from ordinary activities	2	511,743	1,022,820	203,675	850,096
Expenses					
Amortisation		154,000	734,811	154,000	247,011
Depreciation		53,734	89,187	34,517	89,187
Loss on disposal of assets		133,169	-	133,169	-
Recoverable amount write down in value of intangible assets		1,309,976	-	-	-
Provision for non-recovery of loans to controlled entities		-	-	1,684,070	1,329,304
Provision for diminution of other financial assets		16,999	-	-	-
Borrowing costs		46,573	120,280	46,336	120,057
Other expenses from ordinary activities	3a	1,382,011	2,151,676	801,303	1,322,431
Loss from ordinary activities before income tax expense	3b	(2,584,719)	(2,073,134)	(2,649,720)	(2,257,894)
Income tax expense relating to ordinary activities	4	-	-	-	-
Loss from ordinary activities after income tax expense		(2,584,719)	(2,073,134)	(2,649,720)	(2,257,894)
Net loss attributable to outside equity interests	15	(36,856)	-	-	-
<b>Net loss attributable to members of the parent entity</b>	14	<b>(2,547,863)</b>	<b>(2,073,134)</b>	<b>(2,649,720)</b>	<b>(2,257,894)</b>
Basic earnings per share (cents per share)	16	(1.64)	(1.92)		
Diluted earnings per share (cents per share)	16	(1.64)	(1.92)		

*The accompanying notes form an integral part of these financial statements.*

**STATEMENTS OF FINANCIAL POSITION**  
**As at 30 June 2004**

	NOTE	CONSOLIDATED		PARENT ENTITY	
		2004 \$	2003 \$	2004 \$	2003 \$
<b>CURRENT ASSETS</b>					
Cash assets	5	182,288	624,355	115,901	589,977
Receivables	6a	165,978	61,548	99,968	60,326
<b>TOTAL CURRENT ASSETS</b>		<b>348,266</b>	<b>685,903</b>	<b>215,869</b>	<b>650,303</b>
<b>NON-CURRENT ASSETS</b>					
Receivables	6b	-	-	-	1,324,687
Other financial assets	7	8,500	74,000	461,515	139,898
Property, plant and equipment	8	429,119	288,615	81,501	288,615
Intangibles	9	119,000	1,463,976	-	154,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>556,619</b>	<b>1,826,591</b>	<b>543,016</b>	<b>1,907,200</b>
<b>TOTAL ASSETS</b>		<b>904,885</b>	<b>2,512,494</b>	<b>758,885</b>	<b>2,557,503</b>
<b>CURRENT LIABILITIES</b>					
Payables	10	125,960	260,559	59,448	207,413
Interest bearing liabilities	11a	17,321	431,577	17,321	431,577
Provision	12	-	6,358	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>143,281</b>	<b>698,494</b>	<b>76,769</b>	<b>638,990</b>
<b>NON CURRENT LIABILITIES</b>					
Interest bearing liabilities	11b	20,582	-	20,582	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>20,582</b>	<b>-</b>	<b>20,582</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>163,863</b>	<b>698,494</b>	<b>97,351</b>	<b>638,990</b>
<b>NET ASSETS</b>		<b>741,022</b>	<b>1,814,000</b>	<b>661,534</b>	<b>1,918,513</b>
<b>EQUITY</b>					
Contributed equity	13	11,080,254	9,687,513	11,080,254	9,687,513
Accumulated losses	14	(10,421,376)	(7,873,513)	(10,418,720)	(7,769,000)
Parent entity interest		658,878	1,814,000	661,534	1,918,513
Outside equity interest	15	82,144	-	-	-
<b>TOTAL EQUITY</b>		<b>741,022</b>	<b>1,814,000</b>	<b>661,534</b>	<b>1,918,513</b>

*The accompanying notes form an integral part of these financial statements.*

## STATEMENTS OF CASH FLOWS

### For the year ended 30 June 2004

	NOTE	CONSOLIDATED		PARENT ENTITY	
		2004	2003	2004	2003
		\$	\$	\$	\$
<b>Cash Flows From Operating Activities</b>					
Receipts from customers		245,703	890,630	4,030	99,569
Payments to suppliers and employees		(1,392,401)	(1,462,721)	(805,650)	(407,983)
Interest received		31,043	21,301	29,435	21,253
Interest and other costs of finance		(46,573)	(120,280)	(46,336)	(120,057)
Net cash used in operating activities	19b	(1,162,228)	(671,070)	(818,521)	(407,218)
<b>Cash Flows From Investing Activities</b>					
Payments for plant and equipment		(368,560)	-	-	-
Proceeds from sale of plant and equipment		41,790	14,386	41,790	14,386
Payments for other financial assets		(40,915)	-	(620,915)	(89,000)
Proceeds from sale of other financial assets		88,778	675,986	88,778	675,986
Loans to controlled entities		-	-	(164,275)	(146,819)
Net cash provided by/(used in) investing activities		(278,907)	690,372	(654,622)	454,553
<b>Cash Flows From Financing Activities</b>					
Proceeds from share issues		1,392,741	417,340	1,392,741	417,340
Proceeds from borrowings		-	126,735	-	126,735
Repayment of borrowings		(393,674)	(868,730)	(393,674)	(868,730)
Net cash provided by/(used in) financing activities		999,067	(324,655)	999,067	(324,655)
Net decrease in cash held		(442,068)	(305,353)	(474,076)	(277,320)
Cash at the beginning of the financial year		624,355	929,708	589,977	867,297
Cash at the end of the financial year	19a	182,287	624,355	115,901	589,977

*The accompanying notes form an integral part of these financial statements.*

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

#### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 1a Basis of presentation

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of the Company's and consolidated entity's assets and the discharge of their liabilities in the normal course of business.

The Board considers that the Company is a going concern and recognises that additional funding is required to ensure that the Company can continue to fund its and the consolidated entity's operations for the twelve month period from the date of this financial report. Such additional funding, has occurred by a share placement and is to occur by the issue of a prospectus subsequent to balance date, as discussed in Note 24. Further funding, if required, can be derived from either one or a combination of the following:

- The further placement of securities under ASX Listing Rule 7.1;
- An excluded offer pursuant to the Corporations Act 2001; or
- A further prospectus issued pursuant to the Corporations Act 2001.

Accordingly, the Directors believe that the Company will obtain sufficient funding to enable it and the consolidated entity to continue as going concerns and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

The financial report is also 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 consolidated entity of Echo Technologies Limited and controlled entities, and as an individual parent entity. Echo Technologies Limited is a listed public company incorporated and domiciled in Australia.

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.

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

##### 1b Principles of Consolidation

A controlled entity is any entity controlled by Echo Technologies Limited. Control exists where Echo Technologies Limited 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 Echo Technologies Limited to achieve the objectives of Echo Technologies Limited. A list of controlled entities is contained in Note 23 to the financial statements.

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

1c Income Tax

The consolidated entity adopts the liability method of tax effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account as either a provision for deferred income tax or as a 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 consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

1d Property, plant and equipment

*Plant and equipment*

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

*Depreciation*

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

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

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	10-33%

1e 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 entities in 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 basis over their estimated useful lives where it is likely that the consolidated entity will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2004

### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### 1f Investments

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

#### 1g Intangibles

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

Non-current intangible assets are not revalued to an amount above their recoverable amount and where carrying values exceed this recoverable amount, assets are written down to their recoverable amount. In determining recoverable amount, the expected net cash flows have not been discounted to their present value.

The Company's and consolidated entity's financial statements have been prepared taking into account the Directors' current assessment of the prospects for successful development, deployment and the commercialisation of the Company's and consolidated entity's travel management software solutions. Recoverability of the Company's and consolidated entity's recorded amounts for non-current assets depends on future events which involve risks and uncertainties. These events include consumer acceptance of the travel management software and the achievement of the Company's and consolidated entity's business forecasts.

The Directors carefully considered the above factors and reviewed the progress of the Company and consolidated entity in achieving these business plans and forecasts at 31 December 2003. At that time the Directors were of the view that the outlook for continued successful development, deployment and commercialisation of the Company's and consolidated entity's technologies was not positive and that the recorded amounts of the Company's and consolidated entity's non-current intangible assets, should be recorded as a recoverable amount of zero. Accordingly, recoverable amount write downs to this effect were made at 31 December 2003, as disclosed in Notes 3 and 9.

#### *Goodwill*

Goodwill, representing the excess of purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on the acquisition of a controlled entity, is amortised over the period of time during which benefits are expected to arise. Goodwill is amortised on a straight-line basis over 20 years.

#### *Other intangible assets*

Costs incurred in obtaining the distribution agreement are capitalised and amortised on a straight-line basis over the period in which its benefits are expected to be realised or the period of the licence of five years, whichever is shorter.

Costs incurred in acquiring software licences are deferred until the software is first put into use or held ready for use, to the extent that it is probable future economic benefits will eventuate. Deferred costs are amortised on a straight-line basis over the period of the expected benefit, not exceeding five years.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

#### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

##### 1h Foreign Exchange

Foreign currency transactions are translated into Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial period in which the exchange rates change.

##### 1i Employee Entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

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

##### 1j 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; and
- investments in money market instruments with less than 14 days to maturity.

##### 1k Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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).

##### 1l 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 Tax 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 and payables in the statement of financial position are shown inclusive of GST.

##### 1m Comparatives

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

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

#### 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

##### 1n Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year, being 1 July 2004.

The consolidated entity's directors and management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. The directors and management will oversee and manage the consolidated entity's transition to IFRS. We will seek to keep stakeholders informed as to the impact of these new standards as they are finalised.

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

##### *Impairment of Assets*

The consolidated entity 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. In terms of the pending AASB 136: *Impairment of Assets*, the recoverable amount of an asset will be determined as the higher of fair value less costs to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

##### *Goodwill on Consolidation*

Under the proposed changes to the IAS 22: *Business Combinations*, goodwill is to be capitalised to the statement of financial position and subjected to an annual impairment test. Amortisation of goodwill is to be prohibited. Current accounting policy of the consolidated entity is to amortise goodwill on a straight line basis over the period of 20 years.

##### *Non-current Investments*

Under the pending AASB 139: *Financial instruments: Recognition and measurement*, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity. Current accounting policy is to measure non-current investments at cost, with an annual review by directors to ensure that the carrying amounts are not in excess of the recoverable value of the instrument.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2004**

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>2</b>	<b>REVENUE FROM ORDINARY ACTIVITIES</b>			
Sales	306,460	67,971	-	29,644
Interest received	31,043	21,301	29,435	21,253
Proceeds from sale of non-current assets	130,568	690,372	130,568	690,372
Other revenue	43,672	243,176	43,672	108,827
	511,743	1,022,820	203,675	850,096
<b>3</b>	<b>LOSS FROM OPERATING ACTIVITIES</b>			
<b>3a</b>	<b>Other expenses from operating activities</b>			
Cost of sales	138,969	35,197	-	-
Administration	926,056	1,412,019	537,566	507,034
Product development	53,249	-	-	-
Carrying value of non-current assets disposed	263,737	704,460	263,737	815,397
	1,382,011	2,151,676	801,303	1,322,431
<b>3b</b>	<b>Expenses</b>			
Loss on disposal of investments	133,169	164,074	133,169	275,011
Depreciation – plant and equipment	53,734	89,187	34,517	89,187
Amortisation				
- Leased plant and equipment	-	93,011	-	93,011
- Intangible assets	-	467,699	-	-
- Goodwill	-	20,101	-	-
- ACElite development costs	154,000	154,000	154,000	154,000
	154,000	734,811	154,000	247,011
Recoverable amount write downs in value of intangible assets				
- Distribution rights fee	1,062,276	-	1,062,276	-
- Software license	172,002	-	172,002	-
- Option fee	20,000	-	20,000	-
- Goodwill on consolidation	55,698	-	55,698	-
	1,309,976	-	1,309,976	-
Remuneration of the auditor of the parent entity and other entities in the consolidated entity				
- audit and review of financial reports	28,000	20,000	16,000	14,000
- other services	15,000	11,000	12,000	7,000
	43,000	31,000	28,000	21,000
<b>3c</b>	<b>Revenues</b>			
Gain on disposal of investments	-	149,986	-	149,986

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2004**

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>4 INCOME TAX</b>				
No income tax is payable by the company or consolidated entity as they incurred losses for the year for income tax purposes.				
<b>4a Reconciliation</b>				
Prima facie tax benefit on loss from ordinary activities at 30% (2003: 30%)	(775,416)	(621,940)	(794,916)	(677,368)
Tax effect of permanent differences				
Non allowable expenses	502,953	266,452	610,300	485,875
Tax effect not previously brought to account				
Timing differences	(47,082)	-	-	-
Recoupment of tax losses	(1,224)	-	-	-
Future income tax benefit not brought to account	320,769	355,488	184,616	191,493
Income tax expense attributable to loss from ordinary activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4b Future income tax benefit</b>				
The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not virtually certain and recovery of timing differences is not assured beyond any reasonable doubt.				
Tax losses carried forward	1,439,240	1,123,959	643,784	467,008
Timing differences	9,337	-	7,840	-
	<u>1,448,577</u>	<u>1,123,959</u>	<u>651,624</u>	<u>467,008</u>
<b>5 CASH ASSETS</b>				
Cash at bank	182,288	345,355	115,901	310,977
Term deposits	-	279,000	-	279,000
	<u>182,288</u>	<u>624,355</u>	<u>115,901</u>	<u>589,977</u>
<b>6 RECEIVABLES</b>				
<b>6a Current</b>				
Trade debtors	<u>165,978</u>	<u>61,548</u>	<u>99,968</u>	<u>60,326</u>

Payment terms are 30 days from the date of recognition.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2004**

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
6 RECEIVABLES (Cont.)				
6b Non current				
Loans receivable from controlled entities				
Amounts due	-	-	5,441,499	5,308,169
Provision for non recovery	-	-	(5,441,499)	(3,983,482)
	-	-	-	1,324,687
7 OTHER FINANCIAL ASSETS				
Shares in controlled entities - cost	-	-	687,110	121,884
Provision for diminution in value	-	-	(234,095)	(55,986)
	-	-	453,015	65,898
Shares in listed securities - cost	25,499	74,000	25,499	74,000
Provision for diminution in value	(16,999)	-	(16,999)	-
	8,500	74,000	8,500	74,000
Total other financial assets	8,500	74,000	461,515	139,898
Market value of listed securities	8,566	66,600	8,566	66,600
8 PROPERTY, PLANT AND EQUIPMENT				
Plant and equipment				
Cost	571,133	711,175	204,298	711,175
Accumulated depreciation	(142,014)	(422,560)	(122,797)	(422,560)
	429,119	288,615	81,501	288,615
Reconciliations:				
<i>Plant and equipment owned</i>				
Carrying amount at beginning of the year	220,273	449,881	220,273	427,404
Additions	366,835	-	-	-
Disposals	(104,255)	(140,421)	(104,255)	(117,944)
Depreciation	(53,734)	(89,187)	(34,517)	(89,187)
	429,119	220,273	81,501	220,273
<i>Plant and equipment leased</i>				
Carrying amount at beginning of the year	68,342	161,353	68,342	161,353
Additions	-	-	-	-
Disposals	(68,342)	-	(68,342)	-
Amortisation	-	(93,011)	-	(93,011)
	-	68,342	-	68,342
	429,119	288,615	81,501	288,615

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2004

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
9 INTANGIBLES				
Distribution rights fee				
Cost	2,044,755	2,044,755	-	-
Provision for amortisation	(982,479)	(982,479)	-	-
Write down to recoverable amount	(1,062,276)	-	-	-
	-	1,062,276	-	-
Software license				
Cost	300,752	300,752	-	-
Provision for amortisation	(128,750)	(128,750)	-	-
Write down to recoverable amount	(172,002)	-	-	-
	-	172,002	-	-
Option fee				
Cost	20,000	20,000	-	-
Write down to recoverable amount	(20,000)	-	-	-
	-	-	-	-
Goodwill on consolidation				
Amount capitalised	219,507	100,507	-	-
Provision for amortisation	(44,809)	(44,809)	-	-
Write down to recoverable amount	(55,698)	-	-	-
	119,000	55,698	-	-
Software development costs				
Cost	308,000	308,000	308,000	308,000
Provision for amortisation	(308,000)	(154,000)	(308,000)	(154,000)
	-	154,000	-	154,000
	119,000	1,463,976	-	154,000

The consolidated entity is a party to distribution and license agreements with a Belgian corporation, ICSAT NV trading as International Computer Services and Advice for Travel (ICSAT), for a period of 5 years from 1 September 2000, that will enable it as an exclusive distributor, to resell or sublicense travel industry software in Australia and the Asia Pacific region, developed by ICSAT. The consideration paid by the consolidated entity to ICSAT NV for the distribution agreement was \$2,044,755, as disclosed above and was being amortised over the 5 year period of the agreements.

Pursuant to the license agreement with the ICSAT, the consolidated entity acquired a non-exclusive and non-transferable license to utilise the travel industry software. The license commences from 1 January 2001 and under the agreement, a license fee of \$300,752 has been paid as an initial sum as also disclosed above and is payable on a transactional basis. The license fee was being amortised from 1 January 2001 over the remaining period of the distribution agreement and the transaction fee component was expensed as incurred.

The consolidated entity paid an option fee of \$20,000 in the period to 30 June 2001, disclosed above, relative to the development for it of a website. This fee had been deferred at balance date, pending the execution of a formal option agreement for the development of the website, to be amortised in future over the period of expected economic benefits.

The carrying value of intangible assets, that comprise travel management software solutions, was reviewed at 31 December 2003 as discussed in Note 1g and write downs made to recoverable amounts as disclosed above and in Note 3.

Associated to the travel industry software referred to above, the development of a streamlined version of that software, for utilisation by retail travel agents, occurred during the year. The cost of that software development is being amortised over two years.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
10	PAYABLES			
	Trade creditors and accruals			
	125,960	260,559	59,448	207,413
	Payment terms are 30 days from receipt of goods and/or services rendered.			
11	INTEREST BEARING LIABILITIES			
11a	Current			
	Finance leases			
	17,321	201,577	17,321	201,577
	Bank loan			
	-	230,000	-	230,000
	17,321	431,577	17,321	431,577
11b	Non current			
	Finance leases			
	20,582	-	20,582	
	<i>Security:</i>			
	The bank loan was secured by a first charge debenture mortgage over the assets of the consolidated entity.			
12	PROVISIONS			
	Employee entitlements			
	-	6,358	-	-
13	CONTRIBUTED EQUITY			
13a	Issued and paid up capital			
	Fully paid 166,206,842 (2003 : 116,854,449) ordinary shares			
	11,080,254	9,687,513	11,080,254	9,687,513
13b	Movement in issued capital			
		<b>Number of shares</b>		<b>\$</b>
	Balance at 1 July 2003	116,854,449		9,687,513
	8 July 2003	2,225,100		44,502
	18 July 2003	5,499		110
	23 July 2003	1,000,000		27,000
	28 July 2003	333,394		6,668
	19 August 2003	6,900,750		138,015
	25 August 2003	9,400,000		188,000
	28 August 2003	8,487,650		172,446
	6 November 2003	21,000,000		816,000

Balance at the end of the year	166,206,842	11,080,254
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### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2004

13c Options on Issue

9,211,998 unlisted options expiring 30 June 2008 at an exercise price of 7.5 cents.

32,381,830 listed options expiring 30 June 2005 at an exercise price of 35 cents.

13d Terms and Conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up the Company, ordinary shares rank after all other shareholders and creditors and are fully entitled to any proceeds from liquidation.

Ordinary shares issued as a result of the exercise of options, will rank equally and on the same terms and conditions as all other shareholders.

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
<b>14 ACCUMULATED LOSSES</b>				
Balance at beginning of the year	(7,873,513)	(5,800,379)	(7,769,000)	(5,511,106)
Net loss attributable to members of the company	(2,547,863)	(2,073,134)	(2,649,720)	(2,257,894)
Balance at end of the year	(10,421,376)	(7,873,513)	(10,418,720)	(7,769,000)
<b>15 OUTSIDE EQUITY INTEREST</b>				
Issued share capital	119,000	-	-	-
Accumulated losses	(36,856)	-	-	-
Balance at end of the year	82,144	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2004**

	<b>CONSOLIDATED 2004</b>	<b>CONSOLIDATED 2003</b>
16 EARNINGS PER SHARE		
Loss from ordinary activities	2,547,863	2,073,134
Weighted average number of ordinary shares outstanding during the year used in the calculation of earnings per share.	155,478,392	107,946,836

16a Basic Earnings per Share

Basic earnings per share is determined by dividing the loss from ordinary activities after income tax attributable to members of Echo Technologies Limited by the weighted average number of ordinary shares outstanding during the financial period, adjusted for any bonus elements in ordinary shares issued during the year.

16b Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any change in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

#### 17. DIRECTOR AND EXECUTIVE DISCLOSURES

##### 17a. Names of Specified Directors

The persons holding positions as directors of the company during the financial year were:

- F Vanspeybroeck – Executive (Resigned 25 July 2003)
- M Vidovich – Non executive (Resigned 25 July 2003)
- S Surleff – Non executive (Resigned 21 August 2003)
- S Gunzburg – Non executive (Appointed 25 July 2003)
- P D'Sylva – Non executive (Appointed 28 November 2003)
- T Picton-Warlow – Non executive (Appointed 21 August 2003)
- B McLarty – Executive (Appointed 25 July 2003)

##### 17b. Remuneration of Specified Directors and Specified Executives

Details of the nature and amount of each element of remuneration of each Director of the Company for the financial year are as follows:

2004 Name	Consulting Fees \$	Directors Fee \$	Superannuation \$	Options \$	Salary \$	Total \$
F Vanspeybroeck	124,545	-	-	-	-	124,545
B McLarty	143,779	-	-	-	-	143,779
M Vidovich	489	2,600	-	-	-	3,089
S Gunzburg	24,238	-	-	-	-	24,238
S Surleff	8,773	-	-	-	-	8,773
P D'Sylva	112,500	-	-	-	-	112,500
T Picton-Warlow	21,854	-	-	-	-	21,854
Total remuneration for Specified Directors	436,178	2,600	-	-	-	438,778

2003 Name	Consulting Fees \$	Directors Fee \$	Superannuation \$	Options \$	Salary \$	Total \$
F Vanspeybroeck	175,000	-	-	-	-	175,000
M Vidovich	81,827	28,750	-	-	-	110,577
S Surleff	9,252	21,084	-	-	-	30,336
Total remuneration for Specified Directors	266,079	49,834	-	-	-	315,913

The company has no formal policy regarding the provision of Directors' remuneration. The elements of remuneration have been determined on the basis of cost to the company.

There were no specified executives employed by the company during the year for which disclosure of remuneration is required, apart from the executive directors remuneration disclosed above.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

17 RELATED PARTY INFORMATION (Cont.)

17c Specified directors' shareholdings

Name	Balance 1 July	Received as Remuneration	Options Exercised	Net change other	Balance 30 June
Mr B McLarty	-	-	-	9,797,891	9,797,891
Mr S Gunzburg	-	-	-	499,501	499,501
Mr T Picton-Warlow	-	-	-	205,000	205,000
Mr P D'Sylva	-	-	-	2,146,160	2,146,160
	-	-	-	12,648,552	12,648,552

Specified directors do not have any option holdings.

17d Transactions with specified directors and specified director related entities

- Mr Bryant McLarty (Appointed 25 July 2003) is a director of Ltex Pty Ltd with whom the company has entered into a contract for the supply of management services at a yearly rate of \$175,000 commencing on 1 October 2003. Ltex Pty Ltd also received a loan from the company of \$34,940 during the year, which was repaid on 5 August 2004 with interest at a commercial rate.
- Mr Stuart Gunzburg (Appointed 25 July 2003) is a director of Blue Bear Enterprises Pty Ltd with whom the company has entered into an arrangement for the supply of management services at a monthly rate of \$2,100.
- Mr Thomas Picton-Warlow (Appointed 21 August 2003) is a director of Kaptic Wealth Management Services Pty Ltd with whom the company has entered into an arrangement for the supply of management services at a monthly rate of \$2,100.
- Mr Frank Vanspeybroeck (Resigned 25 July 2003) is a director of IMMO Services (WA) Pty Ltd with whom the company has entered a contract for the supply of management services at a daily rate of \$500 and a monthly retainer of \$6,000 (which has ceased upon resignation).
- Mr Marinko Vidovich (Resigned 25 July 2003) is a Chartered Accountant and provides services to the company and is remunerated on an hourly basis.
- Mr Stephen Surleff (Resigned 21 August 2003) is a director of Stellar Systems Pty Ltd, with whom the company has entered into a consultancy agreement for the supply of IT Technical services for a yearly consultancy fee of \$30,000. Stellar Systems Pty Ltd, a company associated with Mr Surleff provides services to the company and is remunerated on an hourly basis.
- Mr Paul D'Sylva (Appointed 28 November 2003) has entered into a contract for the supply of management and advisory services for a period of twelve months from 1 October 2003 at a yearly rate of \$165,000 inclusive of GST.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2004**

18 FINANCIAL INSTRUMENTS

18a Credit Risk Exposures

The maximum exposure to credit risk on financial assets of the consolidated entity which have been recognised on the Statement of Financial Position, other than investments in shares, is the carrying amount, net of any provisions for doubtful debts.

18b Interest Rate Risk Exposures

The consolidated entity's exposure to interest rate risk which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below.

**2004**

	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate Within 1-5 Years	Non- Interest Bearing	Total
<b>Financial Assets</b>						
Cash	1.25%	182,288	-	-	-	182,288
Receivables	-	-	-	-	165,978	165,978
Other financial assets	-	-	-	-	8,500	8,500
<b>Total financial assets</b>		<b>182,288</b>	<b>-</b>	<b>-</b>	<b>174,478</b>	<b>356,766</b>
<b>Financial liabilities</b>						
Payables	-	-	-	-	125,958	125,958
Interest bearing liabilities	9.18%	-	17,321	20,582	-	37,903
<b>Total financial liabilities</b>		<b>-</b>	<b>17,321</b>	<b>20,582</b>	<b>125,958</b>	<b>163,861</b>

**2003**

	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate Within 1-5 Years	Non- Interest Bearing	Total
<b>Financial Assets</b>						
Cash	1.25%	345,355	279,000	-	-	624,355
Receivables	-	-	-	-	61,548	61,548
Other financial assets	-	-	-	-	74,000	74,000
<b>Total financial assets</b>		<b>345,355</b>	<b>279,000</b>	<b>-</b>	<b>135,548</b>	<b>759,903</b>
<b>Financial liabilities</b>						
Convertible note	-	-	-	-	260,559	260,559
Payables	-	-	-	-	-	-
Interest bearing liabilities	9.61%	-	431,577	-	-	431,577
<b>Total financial liabilities</b>		<b>-</b>	<b>431,577</b>	<b>-</b>	<b>260,559</b>	<b>692,136</b>

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

18 FINANCIAL INSTRUMENTS (Cont.)

18c Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying value.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

19 NOTES TO THE STATEMENT OF CASH FLOWS

19a Reconciliation of Cash

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
Cash at bank	182,288	345,355	115,901	310,977
Term deposits	-	279,000	-	279,000
	182,288	624,355	115,901	589,977

19b Reconciliation of net cash used in operating activities to loss from ordinary activities after income tax

Loss from ordinary activities after income tax	(2,584,719)	(2,073,134)	(2,649,720)	(2,257,894)
Amortisation	154,000	734,811	154,000	247,011
Depreciation	53,734	89,187	34,517	89,187
Gain on disposal of non-current assets	-	(149,986)	-	(149,986)
Loss on disposal of non-current assets	133,169	164,074	133,169	275,011
Write down of intangible assets	1,309,976	-	-	-
Provision for non-recovery of loans to controlled entities	-	-	1,684,070	1,329,304
Provision for diminution of other financial assets	16,999	-	-	-
Movement in assets and liabilities:				
Receivables	(104,430)	579,483	(39,642)	(38,841)
Payables	(134,599)	3,013	(134,915)	98,990
Provisions	(6,358)	(18,518)	-	-
Net cash used in operating activities	(1,162,228)	(671,070)	(818,521)	(407,218)

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2004**

19 NOTES TO THE STATEMENT OF CASH FLOWS (Cont.)

19c Non-cash investing and financing activities

1,000,000 ordinary shares were issued for payment of expenses to suppliers of \$27,000 in July 2003.

19d Acquisition of controlled entity

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
During the year, 80% of the controlled entity, Epichem Pty Ltd, was acquired. Details of the transaction are:				
Purchase consideration	595,000	-	595,000	-
Cash consideration	595,000	-	595,000	-
Assets and liabilities held at acquisition date				
Cash	595,000	-	-	-
Goodwill on consolidation	119,000	-	-	-
	714,000	-	-	-
Outside equity interest in acquisition	(119,000)	-	-	-
	595,000	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

#### 20. RELATED PARTY TRANSACTIONS

##### 20a Transactions with entities in the wholly owned group

Amounts receivable from wholly owned controlled entities that are disclosed in Note 6 were made during the year on an interest free basis.

##### 20b Ultimate parent

Echo Technologies Limited is the ultimate parent entity.

#### 21 SEGMENT REPORTING

##### Business segments

The consolidated entity has the following two business segments:

- Travel industry
- Pharmaceutical industry

	Travel		Pharmaceutical		Eliminations		Consolidated Entity	
	2004	2003	2004	2003	2004	2003	2004	2003
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>								
External sales revenue	176,630	67,971	129,830	-	-	-	306,460	67,971
Other external revenue	180,585	954,849	24,698	-	-	-	205,283	954,849
Total segment revenue	<u>357,215</u>	<u>1,022,820</u>	<u>154,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>511,743</u>	<u>1,022,820</u>
Unallocated revenue							-	-
Total revenue from ordinary activities							<u>511,743</u>	<u>1,022,820</u>
<b>RESULT</b>								
Total segment result	<u>(2,400,439)</u>	<u>(2,073,134)</u>	<u>(184,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,584,719)</u>	<u>(2,073,134)</u>
Unallocated expenses							-	-
Income tax expense							-	-
Profit from ordinary activities after income tax expense							<u>(2,584,719)</u>	<u>(2,073,134)</u>
<b>ASSETS</b>								
Segment assets	<u>448,879</u>	<u>2,512,494</u>	<u>456,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>904,885</u>	<u>2,512,494</u>
Unallocated assets								
Total assets							<u>904,885</u>	<u>2,512,494</u>
<b>LIABILITIES</b>								
Segment liabilities	<u>118,546</u>	<u>698,494</u>	<u>45,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,863</u>	<u>698,494</u>
Unallocated liabilities							-	-
Total liabilities							<u>163,863</u>	<u>698,494</u>
<b>OTHER</b>								
Acquisitions of non current segment assets	-	-	366,835	-	-	-	366,835	-
Depreciation and amortisation of segment assets	<u>188,517</u>	<u>823,998</u>	<u>19,217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,734</u>	<u>823,998</u>

##### Geographical segments

The consolidated entity operates in one geographical segment being Australasia.

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

#### 22 COMMITMENTS FOR EXPENDITURE

##### Finance leases

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$	\$	\$	\$
Not later than one year	21,112	203,776	21,112	203,776
Later than one year but not later than five years	22,119	-	22,119	-
	43,231	203,776	43,231	203,776
Less unexpired finance lease and hire purchase charges	(5,328)	(2,199)	(5,328)	(2,199)
	37,903	201,577	37,903	201,577
Represented by:				
Current liability	17,321	201,577	17,321	201,577
Non current liability	20,582	-	20,582	-
	37,903	201,577	37,903	201,577

## NOTES TO THE FINANCIAL STATEMENTS

### For the year ended 30 June 2004

#### 23 INVESTMENT IN CONTROLLED ENTITIES

	COUNTRY OF CORPORATION	CLASS OF SHARES	EQUITY HOLDING 2004 %	EQUITY HOLDING 2003 %
Parent Entity:				
Echo Technologies Limited	Australia	-	-	-
Name of Controlled Entity:				
Gulliver International Pty Ltd	Australia	Ordinary	100	100
Echo Technologies (WA) Pty Ltd	Australia	Ordinary	100	100
Tardis Travel Pty Ltd	Australia	Ordinary	100	100
GroundServices Limited	Australia	Ordinary	100	100
Galaxy Travel Distribution Systems Pty Ltd	Australia	Ordinary	100	100
Epichem Pty Ltd	Australia	Ordinary	80	-
Echo Technologies (Singapore) Pte Ltd	Singapore	Ordinary	100	100
Echo Technologies (Thailand) Ltd	Thailand	Ordinary	100	100
Echo Technologies (Hong Kong) Ltd	Hong Kong	Ordinary	100	100
Echo Travel Solutions Sdn Bhd	Malaysia	Ordinary	100	100

#### 24 AFTER BALANCE DATE EVENTS

##### 24a Purchase of Ramprie Laboratories (announced to the ASX 6 August 2004)

The Company executed a conditional Sale Agreement with Ramprie Laboratories, a generic pharmaceutical manufacturer, to acquire Ramprie's business assets and land and buildings. Echo is interested in the pharmaceutical manufacturing opportunity, as it will lead to vertical integration with Echo's 80%-owned business, Epichem Pty Ltd, which provides:

- Specialised chemistry services on a contract basis to international and Australian drug development and biotechnology companies
- Develops its own suite of IP-generating R&D in pre-clinical drug discovery Ramprie Laboratories is a generic pharmaceutical manufacturer located in Welshpool, Western Australia. The strategy for the new PharmAust business will be two fold:
  - PharmAust (a wholly owned subsidiary) will manufacture from its existing base of 95 products on the Australian Register of Therapeutic Goods and look to manufacture over 200 non-therapeutic products.
  - PharmAust will also develop, manufacture and market generic pharmaceutical products for the Australian market

Subject to shareholder approval, Echo will pay \$3,100,000 for Ramprie, consisting of \$2,300,000 for the land and buildings and \$800,000 for the business assets (subject to a stock valuation). Echo anticipates the transaction will be completed by November 2004. The purchase will be funded by a \$5,500,000 prospectus capital raising.

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2004

24 AFTER BALANCE DATE EVENT (Cont.)

24b MOU with Apex Healthcare (announced to the ASX 27 July 2004)

Echo has signed a Memorandum of Understanding (MOU) with Xepa-Soul Pattinson, a wholly owned subsidiary of Apex Healthcare, Malaysia's largest pharmaceutical and healthcare group. Details of the MOU are:

- Pharmaceutical manufacturer Xepa-Soul Pattinson (XSP) and Echo will establish an exclusive Distribution and Licensing Agreement for identified pharmaceutical products
- Echo will be appointed XSP's exclusive agent in Australia to market and distribute the products
- Echo will explore external markets such as New Zealand
- Subject to the establishment of the Licensing Agreement, may take an equity stake in Echo.

The proposed transaction will allow Echo to integrate the business of Epichem with Xepa-Soul Pattinson's well established pharmaceutical manufacturing business. Because of the difference in patent laws in Malaysia, a two-year lead-time will be available to formulate and produce patent-expired medicines, creating a faster route to the Australian market.

24c Private Placement

During July 2004, the Company completed a private placement of 24 million shares at an issue price of 2.5 cents per share to provide working capital of \$564,000 after costs.

25 COMPANY DETAILS

25a Registered office

The registered office of the Company is:

First Floor  
10 Stirling Highway  
Nedlands WA 6009

25b Principal place of business

The principal place of business is:

First Floor  
Level 1, 10 Stirling Highway  
Nedlands WA 6009

## SHAREHOLDER INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules, and not disclosed elsewhere in this report.

### SHAREHOLDINGS

The number of ordinary shares held by the substantial shareholders as at 23 August 2004 were:

Ltex Pty Ltd 7,487,891

### CLASS OF SHARES AND VOTING RIGHTS

At 23 September 2004 there were 1,060 holders of the ordinary shares of the Company. The voting rights attached to the shares are:

- (a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- (b) on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

#### DISTRIBUTION OF SHAREHOLDERS (as at 23 August 2004)

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	UNITS
1 – 1,000	36	23,224
1,001 – 5,000	152	470,803
5,001 – 10,000	145	1,146,176
10,001 – 100,000	528	24,165,120
100,001 – over	302	164,401,519
	<b>1,163</b>	<b>190,206,842</b>

There were no shareholders holding less than a marketable parcel at 23 August 2004.

Percentage held by 20 largest shareholders is 27.97%

#### DISTRIBUTION OF OPTIONHOLDERS (as at 23 August 2004)

SPREAD OF HOLDINGS	NUMBER OF OPTIONHOLDERS	UNITS
1 – 1,000	1	715
1,001 – 5,000	1	5,000
5,001 – 10,000	-	-
10,001 – 100,000	127	6,082,140
100,001 – over	69	26,293,975
	<b>198</b>	<b>32,381,830</b>

Percentage held by 20 largest optionholders is 54.53%

## SHAREHOLDER INFORMATION

### TWENTY LARGEST SHAREHOLDERS (as at 23 August 2004)

NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
Ltex Pty Ltd	7,487,891	3.94
Peter Howells	5,611,667	2.95
Paticoa Nominees Pty Ltd	4,697,537	2.47
Rathbone Trustees Jersey Limited	4,200,860	2.21
ICSA T NVPlantin & Meretuslei	4,000,000	2.10
Mr Peter Richard McLarty	3,214,000	1.69
Mr Satis Gooneratne Arnold	2,400,000	1.26
L Tex Pty Ltd	2,296,219	1.21
The Strategic Capital Superannuation Services Limited	2,120,000	1.11
Mr Satis Arnold	1,875,000	0.99
Mr Steven Howard Dunn	1,723,000	0.91
Comsec Nominees Pty Limited	1,670,000	0.88
Ms Christell Leyendecker	1,616,279	0.85
Nefco Nominees Pty Ltd	1,583,948	0.83
Primepoint Pty Ltd	1,526,000	0.80
Mr Adam Anderson	1,500,000	0.79
Mr Henry John De Burgh & Mrs Elizabeth Margaret De Burgh	1,500,000	0.79
Mr Victor Michael Parin & Mrs Fay Lynette Parin	1,500,000	0.79
Kesli Chemicals Pty Ltd	1,334,667	0.70
Mr Graham Bryant & Mrs Josephine Bryant	1,333,574	0.70
	<b>53,190,642</b>	<b>27.97</b>

## SHAREHOLDER INFORMATION

### TWENTY LARGEST OPTIONHOLDERS (as at 23 August 2004)

NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
Mr Kevin Percival Page & Mrs Mary Joan Page	2,000,000	6.18
York Heritage Pty Ltd	1,562,825	4.83
Strategic Capital Superannuation Services Pty Ltd	1,435,500	4.43
Intermin Resources Ltd	1,428,570	4.41
Mr Francis Alan Bradley	1,178,570	3.64
Tyro Pty Ltd	1,100,725	3.40
Rathbone Trustees Jersey Limited (The Mayfair Account)	1,004,300	3.10
Mr Peter Howells	900,000	2.78
Strategic Capital Superannuation Services Pty Ltd	871,110	2.69
Lost Beach Pty Ltd	785,715	2.43
Rollerblade Limited	782,130	2.42
Baracus Pty Ltd	650,000	2.01
Nicholls Nominees Pty Ltd	650,000	2.01
Ms Christine Adele Nowotny	575,000	1.78
Tyro Pty Ltd <Robert James Settlement A/c>	503,575	1.56
Ms Lee Shih Yuen	503,500	1.55
Mr Erwin Schlottmann	502,145	1.55
Mr Paul Lynton Bagshaw & Ms Cheryl Dawn Bagshaw <Bagshaw Super Fund A/c>	432,150	1.33
Mr Danny F Austin	428,570	1.32
PJ Marjoram Pty Ltd <Super Fund A/c>	358,575	1.11
	<b>17,652,960</b>	<b>54.53</b>