

Preliminary Final Report Of  
Wridgways Australia Limited  
for the Financial Year Ended 30 June 2006

ACN 079 887 728

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period: Financial Year ending 30 June 2006

Previous Corresponding Period: Financial Year ending 30 June 2005

**Wridgways Australia Ltd**  
**Preliminary Final Report**  
**For the Financial Year Ended 30 June 2006**

<i>Contents</i>	<b>Section</b>
Results for Announcement to the Market	A
Commentary on Results	B
Annual Financial Report	C

**Wridgways Australia Ltd**  
**Preliminary Final Report**  
**For the Financial Year Ended 30 June 2006**

**Results For Announcement to the Market**

Revenue and Net Profit

		<b>Percentage Change %</b>		<b>Amount \$'000</b>
Revenue from operations	up/down	13.4%	To	102,866
Profit after tax attributable to members	up/down	45.2%	To	4,336
Profit attributable to members	up/down	45.2%	To	4,336

Dividends (Distributions)

	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend – payable 29 September 2006	5.0¢	5.0¢ (at 30% tax)
Special Dividend – payable 29 September 2006	2.0¢	2.0¢ (at 30% tax)
Interim dividend – paid 17 March 2006	2.5¢	2.5¢ (at 30% tax)

Record date for determining entitlements to the final dividend is

22 September 2006
-------------------

**Brief Explanation of Revenue, Net Profit and Dividends**

Revenue from operations increased by 13.4% from \$90.721m to \$102.866m.

Profit after Tax increased by 45.2% to \$4.336m.

Final Dividend of 5.0cents per share and Special Dividend of 2.0cents per share fully franked bringing total paid for the year to 9.5cents per share fully franked. (2005: 5.5 cents)

See commentary attached.

The attached Financial Statements and Directors Declaration have been audited.

**Wridgways Australia Ltd**  
**Preliminary Final Report**  
**For the Financial Year Ended 30 June 2006**

**COMMENTARY ON RESULTS**

It is extremely pleasing to once again be able to report an exceptional result for the year, with record Revenue and Profits. This resulted in earnings per share of 13.55 cents (last years 9.33); our highest since listing in 1999.

Sales Revenue from Operations exceeded \$100 million (\$102.866M) for the first time and increased by 13.4% on last year's figure of \$90.721 million.

Operating Profit after tax was also a record and increased by 45.2% to \$4.336 million, a very substantial increase on the \$2.987 million last year. Operating Profit before tax increased by 47.4%, to \$6.211 million on last year's \$4.215 million.

At year end Wridgways was debt free with Cash at Bank of \$5.418 million, after Capital Expenditure of \$1.430 million Dividend payment of \$1.920 million, and repayment of borrowings \$3.000 million.

The strong Australian economy, coupled with the continued strength of the resources sector in Western Australia and Queensland, contributed to buoyant demand for relocation services in both the domestic and international markets.

Dividend

The Directors have resolved to declare a fully franked final dividend of 5.0 cents per share (2005 – 3.5 cents). In addition the Directors declared a fully franked special dividend of 2.0 cents per share. The combined total final dividend for the year will be 7.0 cents per share. Shareholders will be aware that our interim dividend of 2.5 cents per share (previous year 2.0 cents) was paid on 17 March, 2006, bringing the total Dividend for the fiscal year to 9.5 cents per share, a 73% increase on the previous year (2005 – 5.5 cents).

The Dividend will be payable on 29 September, 2006 to Shareholders registered as such on 22 September, 2006, and transfers will be received by the company until 5.00pm on that later date.

Outlook

The outlook for our business remains positive and we expect continued strong performance in revenue and earnings, driven by our domestic and international operations.

We have identified a number of opportunities in the government and corporate sector to augment our existing business and we are actively examining acquisitions opportunities both in Australia and internationally.

Annual General Meeting

Shareholders will receive the Annual Report in mid September and should note that the Annual General meeting will be held on Thursday, 19 October 2006. Full details will be in the Notice of Meeting accompanying the Annual Report.

***Wridgways Australia Limited***

***ABN 82 079 887 728***

**Financial report for the financial year ended 30 June  
2006**

# Annual Financial Report for the Financial Year Ended 30 June 2006

## *Page No*

Directors' Report	1
Auditors' Independence Declaration	5
Independent Audit Report	6
Directors' Declaration	7
Income Statement	8
Balance Sheet	9
Statement of Recognised Income and Expense	10
Cash Flow Statement	11
Notes to the Financial Statements	12
Additional Stock Exchange Information	35
Particulars of Directors	36

## **Directors' Report - 30 June 2006**

*The directors of Wridgways Australia Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2006. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:*

*The names and particulars of the directors of the company during or since the end of the financial year are:*

### *Directors*

#### *Name*

*Anthony W Whatmore*

*Bryan D Weir*

*Desmond F Stickland*

*Brian C Clarke [Company Secretary]*

*James A Brown*

*The above named directors held office during and since the end of the financial year. Particulars of the Directors are set out on page 36 of the annual report.*

### *Principal activities*

*The company's principal activities in the course of the financial year was the provision of removal and storage services.*

*During the financial year there was no significant change in the nature of those activities.*

### *Review of operations*

*The net profit for the year was \$4,336,218 (2005: \$2,986,584).*

### *Changes in state of affairs*

*During the financial year there was no significant change in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.*

### *Subsequent events*

*There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.*

### *Future developments*

*Disclosure of information regarding likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the consolidated entity. Accordingly, this information has not been disclosed in this report.*

### *Environmental issues*

*The consolidated entity operates within the transport industry and conducts its business activities with respect for the environment while continuing to meet the expectations of shareholders, customers, employees and suppliers. During the current period under review, the directors are not aware of any particular or significant environmental issues which have been raised in relation to the consolidated entity's operations.*

**Dividends**

*In respect of the financial year ended 30 June 2005, as detailed in the directors' report for that financial year, a final dividend of 3.5 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 30 September 2005.*

*In respect of the financial year ended 30 June 2006, an interim dividend of 2.5 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 17 March 2006.*

*In respect of the financial year ended 30 June 2006, the directors recommend the payment of a final dividend of 5.0 cents per share and a special dividend of 2.0 cents per share both franked to 100% at 30% corporate income tax rate to the holders of fully paid ordinary shares on 29 September 2006.*

**Share options**

*During and since the end of the financial year no share options were granted and none are on issue.*

**Indemnification of officers and auditors**

*During the financial year, the company paid a premium in respect of a contract insuring the directors of the company, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.*

*Wridgways, to the extent permitted by law, indemnifies each Director or Secretary against any liability which results from their service as an officer of Wridgways or a subsidiary of Wridgways which does not arise out of conduct involving a lack of good faith and for costs incurred in defending proceedings in which judgment is given in favour of the director.*

*The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.*

**Directors' meetings**

*The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year, 7 board meetings, 2 audit committee meetings and 2 remuneration committee meetings were held.*

<b>Directors</b>	<b>Board of directors</b>		<b>Audit committee</b>		<b>Remuneration committee</b>	
	<b>Held</b>	<b>Attended</b>	<b>Held</b>	<b>Attended</b>	<b>Held</b>	<b>Attended</b>
A W Whatmore	7	7	2	2	2	2
B D Weir	7	7	2	2	2	2
J A Brown	7	7	2	2	2	2
D F Stickland	7	7	2	2	2	2
B C Clarke	7	6	2	2	-	-

**Directors' shareholdings**

*The following table sets out each director's relevant interest in shares of the company as at the date of this report:*

<b>Directors</b>	<b>Fully Paid Ordinary Shares</b>
A W Whatmore	200,000
B D Weir	70,000
J A Brown	60,000
D F Stickland	3,690,000
B C Clarke	1,660,141

## **Remuneration report**

*General remuneration policy for directors and executives:*

The Remuneration policy of Wridgways Australia Limited is to establish remuneration practices that:

- *are consistent with the Company's goals and objectives;*
- *motivate directors and management to pursue the long-term growth and success of the company within an appropriate control framework;*
- *deliver a level and composition of remuneration that is sufficient and reasonable and compares favourably with other employers in the industry;*
- *clearly define the relationship of remuneration to corporate and individual performances;*
- *attract and maintain talented and motivated directors and employees so as to encourage and enhance the performance of the Company; and*
- *are competitively set to attract and retain appropriately qualified and experienced employees.*

### **Executive Remuneration:**

*There are no employment contracts for executives.*

*Remuneration packages for executives include a mix of fixed remuneration and performance based remuneration, which is based on the performance of the respective executive's division or operating branch compared to budget. At this stage there is no equity-based remuneration. A review of remuneration packages in comparative companies is undertaken to determine the appropriateness of the packages.*

### **Director Remuneration:**

*The remuneration of non-executive directors is competitive for the industry and in keeping with the responsibilities of public company directors. Remuneration for non-executive directors comprises fixed fees, which may be in the form of cash, non-cash benefits and superannuation.*

*No part of the remuneration is incentive-based, for example, bonuses and share options. Also, no retirement benefits will be provided other than statutory superannuation. Total salary and fees for all non-executive directors are not to exceed \$200,000 per annum.*

*Along with their fees non-executive directors are entitled to be paid all travelling and other expenses properly incurred in connection with the affairs of the company. Wridgways Australia Ltd pays a premium to insure directors' liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct with acting as a director of Wridgways Australia Ltd, other than conduct involving a willful breach of duty in relation to Wridgways Australia Ltd.*

### **Details of Executive and Director Remuneration:**

*The directors of Wridgways Australia Limited during the year were:*

- *Anthony W Whatmore (Chairman, Non-Executive)*
- *Bryan D Weir (Non-Executive)*
- *James A Brown (Non-Executive)*
- *Desmond F Stickland (Managing Director)*
- *Brian C Clarke (Finance Director)*

*The five highest remunerated executives of Wridgways Australia Limited (both company and group executives) during the year were:*

- *Des P Sutton (General Manager, Move Dynamics)*
- *John V Ford (State Manager, Queensland)*
- *Steven J Crowle (General Manager, Corporate Services)*
- *Grant C Harrang (State Manager, New South Wales)*
- *Rob E Sims (State Manager, Western Australia)*

*Elements of director and executive remuneration*

*Remuneration packages contain the following key elements:*

- (a) Short-term employee benefits – salary/fees, bonuses and other benefits including the provision of motor vehicles and fringe benefits*
- (b) Post-employment employee benefits – including superannuation and prescribed retirement benefits*

*The following table discloses the remuneration of the directors of the company and the five highest remunerated executives of the company and group executives of the consolidated entity.*

2006	Short-term employee benefits			Post-employment	Total
	Salary & fees \$	Bonus \$	Other \$	Superannuation \$	\$
<b>Directors</b>					
A W Whatmore	70,000	-	-	6,300	76,300
B D Weir	35,000	-	-	3,150	38,150
J A Brown	38,150	-	-	-	38,150
D F Stickland	239,530	50,000	63,815	35,142	388,487
B C Clarke	174,667	30,000	35,110	24,560	264,337
<b>Executives</b>					
J V Ford	108,000	10,000	77,061	17,670	212,731
D P Sutton	168,333	10,000	5,224	18,150	201,707
G C Harrang	147,000	-	21,717	27,509	196,226
S J Crowle	142,983	-	28,261	17,158	188,402
R E Sims	134,634	15,000	6,863	17,922	174,419

**Non-audit services**

*The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.*

*Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 5 to the financial statements.*

**Auditor's independence declaration**

*The auditor's independence declaration is included on page 5 of the financial report.*

*Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.*

*On behalf of the Directors*



*Mr A W Whatmore*

*Chairman*



*Mr D F Stickland*

*Managing Director*

*Melbourne*

*Date: 24 August 2006*



Deloitte Touche Tohmatsu  
A.C.N. 74 490 121 060

180 Lonsdale Street  
Melbourne VIC 3000  
GPO Box 78B  
Melbourne VIC 3001 Australia

24 August 2006

DX 111  
Tel: +61 (0) 3 9208 7000  
Fax: +61 (0) 3 9208 7001  
www.deloitte.com.au

Board of Directors  
Wridgways Australia Ltd  
93 Heatherdale Road  
RINGWOOD VIC 3134

Dear Board Members

**Wridgways Australia Ltd**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Wridgways Australia Ltd.

As lead audit partner for the audit of the financial statements of Wridgways Australia Ltd for the financial year ended 30 June 2006, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU

*SP*

S PELUSI  
Partner  
Chartered Accountants



Deloitte Touche Tohmatsu  
A.C.N. 74 490 121 060

180 Lonsdale Street  
Melbourne VIC 3000  
GPO Box 78B  
Melbourne VIC 3001 Australia

DX 111  
Tel: +61 (0) 3 9208 7000  
Fax: +61 (0) 3 9208 7001  
www.deloitte.com.au

*INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
WRIDGWAYS AUSTRALIA LTD*

*Scope*

**The financial report and directors' responsibility**

The financial report comprises the income statement, balance sheet, cash flow statement, statement of recognised income and expense, a summary of significant accounting policies and other explanatory notes and the directors' declaration for both Wridgways Australia Ltd (the company) and the consolidated entity, for the financial year ended 30 June 2006 as set out on pages 7 to 34. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with Accounting Standards in Australia and the Corporations Act 2001. This includes responsibility for the maintenance of adequate financial 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 have conducted an independent audit of the 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. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls, 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 form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards in Australia and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and performance as represented by the results of their operations, their changes in equity and their cash flows.

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 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.

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

*Audit Opinion*

In our opinion, the financial report of Wridgways Australia Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2006 and of their performance for the year ended on that date; and
- (b) complying with Accounting Standards in Australia and the Corporations Regulations 2001.

*Deloitte Touche Tohmatsu*  
DELOITTE TOUCHE TOHMATSU

*SP*

S PELUSI  
Partner  
Chartered Accountants

24 August 2006

## Directors' Declaration

*The directors declare that:*

- (a) 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;*
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and*
- (c) the directors have been given the declarations required by s.295A of the Corporations Act 2001.*

*Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.*

*On behalf of the Directors*



*Mr A W Whatmore  
Chairman*



*Mr D F Stickland  
Managing Director*

*Melbourne  
Date: 24 August 2006*

# Income Statement for the Financial Year Ended 30 June 2006

	Note	Consolidated		Company	
		2006 \$	2005 \$	2006 \$	2005 \$
Revenue	2	102,865,761	90,721,294	6,360,669	5,771,008
Other income	2	66,438	110,587	49,752	50,648
Freight and direct expenses		(70,562,224)	(61,704,051)	(668,617)	(576,836)
Occupancy expenses		(4,733,954)	(4,715,178)	-	-
Administration expenses		(21,319,624)	(19,918,677)	(2,648,101)	(2,465,836)
Finance costs		(104,865)	(279,237)	(104,865)	(279,224)
<b>Profit before income tax expense</b>	2	6,211,532	4,214,738	2,988,838	2,499,760
Income tax expense	3	(1,875,314)	(1,228,154)	(320,651)	(219,821)
<b>Profit for the year</b>		4,336,218	2,986,584	2,668,187	2,279,939
<b>Profit attributable to members of the parent entity</b>		4,336,218	2,986,584	2,668,187	2,279,939
<b>Earnings per share:</b>					
Basic (cents per share)	21	13.55	9.33		
Diluted (cents per share)	21	13.55	9.33		

Notes to the financial statements are included on pages 12 to 34.

# Balance Sheet

## As at 30 June 2006

	Note	Consolidated		Company	
		2006 \$	2005 \$	2006 \$	2005 \$
<b>Current assets</b>					
Cash	28	5,418,393	4,075,038	159,854	188,536
Trade and other receivables	6	7,917,855	7,627,865	-	1,618
Inventories	7	240,386	245,886	-	-
Other	8	1,376,188	1,331,766	7,965	24,547
<b>Total current assets</b>		<b>14,952,822</b>	<b>13,280,555</b>	<b>167,819</b>	<b>214,701</b>
<b>Non-current assets</b>					
Investments	9	-	-	11,688,898	11,688,898
Plant and equipment	10	3,082,696	2,425,567	2,089,783	1,463,860
Deferred tax assets	3	1,033,079	857,200	129,935	101,376
Goodwill	11	1,529,138	1,529,138	-	-
Brand name	12	8,000,000	8,000,000	-	-
Other intangible assets	13	364,354	386,656	-	-
<b>Total non-current assets</b>		<b>14,009,267</b>	<b>13,198,561</b>	<b>13,908,616</b>	<b>13,254,134</b>
<b>Total assets</b>		<b>28,962,089</b>	<b>26,479,116</b>	<b>14,076,435</b>	<b>13,468,835</b>
<b>Current liabilities</b>					
Trade and other payables	14	13,096,905	10,790,433	-	-
Current tax payables	3	766,206	370,308	766,206	370,308
Provisions	15	1,792,211	1,569,811	275,347	236,741
<b>Total current liabilities</b>		<b>15,655,322</b>	<b>12,730,552</b>	<b>1,041,553</b>	<b>607,049</b>
<b>Non-current liabilities</b>					
Trade and other payables	16	-	-	7,475,435	5,065,114
Borrowings	17	-	3,000,000	-	3,000,000
Provisions	18	1,273,753	1,131,767	215,788	201,199
<b>Total non-current liabilities</b>		<b>1,273,753</b>	<b>4,131,767</b>	<b>7,691,223</b>	<b>8,266,313</b>
<b>Total liabilities</b>		<b>16,929,075</b>	<b>16,862,319</b>	<b>8,732,776</b>	<b>8,873,362</b>
<b>Net assets</b>		<b>12,033,014</b>	<b>9,616,797</b>	<b>5,343,659</b>	<b>4,595,473</b>
<b>Equity</b>					
Issued capital	19	1,500,000	1,500,000	1,500,000	1,500,000
Retained earnings	20	10,533,014	8,116,797	3,843,659	3,095,473
<b>Total equity</b>		<b>12,033,014</b>	<b>9,616,797</b>	<b>5,343,659</b>	<b>4,595,473</b>

Notes to the financial statements are included on pages 12 to 34.

## Statement of Recognised Income and Expense for the Financial Year Ended 30 June 2006

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
Profit for the year	4,336,218	2,986,584	2,668,187	2,279,939
Net income recognised directly in equity	-	-	-	-
<b>Total recognised income and expense for the year</b>	<b>4,336,218</b>	<b>2,986,584</b>	<b>2,668,187</b>	<b>2,279,939</b>
Total attributable to members of the parent entity	4,336,218	2,986,584	2,668,187	2,279,939

Notes to the financial statements are included on pages 12 to 34.

## Cash Flow Statement for the Financial Year Ended 30 June 2006

	Note	Consolidated		Company	
		2006 \$	2005 \$	2006 \$	2005 \$
<b>Cash flows from operating activities</b>					
Receipts from customers		102,451,576	90,806,697	6,360,669	5,811,090
Payments to suppliers and employees		(93,199,829)	(84,711,412)	(2,892,636)	(2,731,884)
Interest received		124,194	82,471	-	-
Interest and other costs of finance paid		(104,865)	(279,237)	(104,865)	(279,224)
Income tax paid		(1,655,294)	(1,368,299)	(1,430,944)	(222,576)
Net cash provided by operating activities	28(b)	7,615,782	4,530,220	1,932,224	2,577,406
<b>Cash flows from investing activities</b>					
Payment for software, plant and equipment		(1,431,705)	(1,160,786)	(999,956)	(646,278)
Proceeds from sale of plant and equipment		79,279	165,010	71,098	90,727
Net cash used in investing activities		(1,352,426)	(995,776)	(928,858)	(555,551)
<b>Cash flows from financing activities</b>					
Repayment of borrowings		(3,000,000)	-	(3,000,000)	-
Loans from/(to) subsidiaries		-	-	3,887,953	(142,644)
Dividends paid		(1,920,001)	(1,600,000)	(1,920,001)	(1,600,000)
Net cash used in financing activities		(4,920,001)	(1,600,000)	(1,032,048)	(1,742,644)
<b>Net increase in cash and cash equivalents</b>		1,343,355	1,934,444	(28,682)	279,211
<b>Cash at the beginning of the financial year</b>		4,075,038	2,140,594	188,536	(90,675)
<b>Cash at the end of the financial year</b>	28(a)	5,418,393	4,075,038	159,854	188,536

Notes to the financial statements are included on pages 12 to 34.

# Notes to the Financial Statements for the Financial Year Ended 30 June 2006

## 1. Summary of Accounting Policies

### Statement of Compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards ('IFRS'). The parent entity financial statements and notes also comply with IFRS except for the disclosure requirements in IAS 32 'Financial Instruments: Disclosure and Presentation' as the Australian equivalent Accounting Standard, AASB 132 'Financial Instruments: Disclosure and Presentation' does not require such disclosures to be presented by the parent entity where its separate financial statements are presented together with the consolidated financial statements of the consolidated entity.

The financial statements were authorised for issue by the directors on 24 August 2006.

### Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The consolidated entity changed its accounting policies on 1 July 2005 to comply with A-IFRS. The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition. An explanation of how the transition from superseded policies to A-IFRS has affected the company's and consolidated entity's financial position, financial performance and cash flows is discussed in Note 30.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2006, the comparative information presented in these financial statements for the year ended 30 June 2005, and in the preparation of the opening A-IFRS balance sheet at 1 July 2004 (as disclosed in Note 30), the consolidated entity's date of transition.

## 1. Summary of Accounting Policies (cont'd)

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

### (a) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. A list of subsidiaries appears in Note 25 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the company obtains control and until such time as the company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity are eliminated in full.

### (b) Revenue recognition

Revenue from the provision of removal services is recognised when the freight is delivered.

Revenue from the provision of storage services is recognised over the period of storage.

Dividend revenue is recognised on a receivable basis. Interest and rental revenue is recognised on an accrual basis.

### (c) Income tax

#### Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

#### Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

#### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

## 1. Summary of Accounting Policies (cont'd)

### (c) **Income tax (cont'd)**

#### Tax consolidation

The company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law. Wridgways Australia Ltd is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'group allocation' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

### (d) **Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

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

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

### (e) **Cash**

Cash comprises cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts.

### (f) **Trade and other receivables**

Trade receivables and other receivables are recorded at amortised cost less impairment.

### (g) **Inventories**

Inventories are valued at the lower of cost and net realisable value.

### (h) **Investments**

Investments in subsidiaries are recorded at cost.

### (i) **Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

- Transport Fleet 5 – 7 years
- Plant and Equipment 3 – 10 years

### (j) **Leased assets**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income. Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

## 1. Summary of Accounting Policies (cont'd)

**(j) Leased assets (cont'd)**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**(k) Goodwill**

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired (in respect of the business of Wridgways Limited) is recognised as an asset and not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Refer also note 1(n).

**(l) Brand name**

The consolidated entity's brand name, Wridgways, is recorded at cost of acquisition. In the opinion of the Directors, the brand name does not have a finite useful life. Accordingly, the brand name is not amortised but tested for impairment annually and whenever there is an indication that the brand name may be impaired. The following factors support the Directors' opinion of indefinite useful life:

- There is no legal (either by way of statute or contract) limitation on the life of the Wridgways brand name. The ownership is absolute and therefore not limited as to term;
- The Wridgways brand name value derives from the market recognition of the quality of the Wridgways' removal and storage services. Such services are not adversely impacted by changes in technology and regulatory frameworks or a dependence on key industries or customers. Therefore, there is no expectation that the usefulness of the brand name will diminish over time due to technical or commercial obsolescence;
- For over 100 years the brand name has been actively promoted and is prominent across the market place;
- The Wridgways name has continued to be used throughout various changes in ownership of the company. The business had its origins in a business started by Mr Ernest Wridgway in Melbourne in 1892. The business then conducted under the Wridgways name was acquired by Ansett in 1972 and sold to TNT in 1994. In 1997, Wridgways was acquired by its management team and two management buy-out funds where it was finally listed on the Australian Stock Exchange in 1999;
- History of strong earnings in the business under the brand name.

The longevity of the brand name is sound evidence that it is resilient to changes in the economy, consumer needs, competitive activity, management strategy and ownership.

The brand name was recognised at its fair value on the acquisition of the business of Wridgways Limited on the basis of an independent valuation prepared by Grant Thornton Corporate (NSW) Pty Limited dated 27 October 1998. The basis of the valuation was the relief from franchise fee method.

**(m) Intangible assets**

Software

Software is recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives of 2 – 5 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

**(n) Impairment of assets**

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

## 1. Summary of Accounting Policies (cont'd)

### (n) Impairment of assets (cont'd)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

### (o) Payables

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

### (p) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

### (q) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

### (r) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave, when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

#### Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

### (s) Financial instruments issued by the company

#### Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

#### Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

**1. Summary of Accounting Policies (cont'd)**

**(t) Foreign currency**

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise.

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>2. Profit From Operations</b>				
<b>(a) Revenue</b>				
Revenue from operations consisted of the following items:				
Revenue from the rendering of removal and storage services	102,732,724	90,629,817	-	-
Rental revenue	8,550	9,006	-	-
Interest revenue	124,487	82,471	2	3
Dividends - subsidiaries	-	-	1,920,001	1,600,000
Management fee - subsidiaries	-	-	4,440,375	4,170,651
	102,865,761	90,721,294	6,360,669	5,771,008
<b>(b) Profit before income tax</b>				
Profit before income tax has been arrived at after crediting/ (charging) the following gains and losses from operations:				
Gain on disposal of plant and equipment	57,220	110,587	49,752	50,648
Net foreign exchange gains /(losses)	9,218	(21,462)	-	-
Profit before income tax has been arrived at after charging the following expenses.				
Net bad and doubtful debts	171,671	162,207	-	-
Operating lease rental expenses	7,542,874	7,417,130	315,930	270,897
Finance costs:				
Interest on loans	78,591	244,237	78,591	244,244
Other finance costs	26,274	35,000	26,274	35,000
	104,865	279,237	104,865	279,224
Depreciation and amortisation of non-current assets:				
Transport fleet	352,688	305,940	352,688	305,940
Plant and equipment	227,583	277,171	-	-
Software	194,549	126,802	-	-
	774,820	709,913	352,688	305,940
Employee benefit expense:				
Defined contribution plans	2,043,299	1,871,149	-	-
Other employee benefits	20,919,368	18,415,859	2,576,330	2,424,584
	22,962,667	20,287,008	2,576,330	2,424,584

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$

### 3. Income Taxes

#### (a) Income tax recognised in profit

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

Profit before income tax expense	6,211,532	4,214,738	2,988,838	2,499,760
Income tax expense calculated at 30%	1,863,460	1,264,422	896,651	749,928
Non-deductible expenses	11,678	11,418	-	-
Rebateable dividends	-	-	(576,000)	(480,000)
Impact of adopting tax consolidation during the prior period	-	(50,107)	-	(50,107)
Under provision of income tax in previous year	176	2,421	-	-
	1,875,314	1,228,154	320,651	219,821

#### Tax expense comprises:

Current tax expense	2,051,193	1,462,522	349,210	272,517
Deferred tax income (refer 3c)	(175,879)	(234,368)	(28,559)	(52,696)
	1,875,314	1,228,154	320,651	219,821

#### (b) Current tax liabilities

Income tax payable	766,206	370,308	766,206	370,308
--------------------	---------	---------	---------	---------

#### (c) Deferred tax balances

Deferred tax assets comprises taxable and deductible temporary differences arising from the following:

	Consolidated				
	Balance 30/06/04	Charged to Income	Balance 30/06/05	Charged to Income	Balance 30/06/06
Provisions	692,888	117,585	810,473	109,318	919,791
Accruals	67,010	10,806	77,816	13,607	91,423
Plant, Equipment and Software	(98,722)	61,504	(37,218)	46,490	9,272
Other	(38,344)	44,473	6,129	6,464	12,593
	622,832	234,368	857,200	175,879	1,033,079
	Company				
	Balance 30/06/04	Charged to Income	Balance 30/06/05	Charged to Income	Balance 30/06/06
Provisions	118,292	13,092	131,384	15,958	147,342
Plant, Equipment and Software	(69,612)	39,604	(30,008)	12,601	(17,407)
	48,680	52,696	101,376	28,559	129,935

#### (d) Unrecognised deferred tax balances

The company and consolidated entity has deferred tax assets relating to capital tax losses of \$98,875 (2005: \$98,875) which have not been brought to account as assets.

#### 4. Key Management Personnel Compensation

The key management personnel of Wridgways Australia Limited during the year were:

- Anthony W Whatmore (Chairman, Non-Executive)
- Bryan D Weir (Director, Non-Executive)
- James A Brown (Director, Non-Executive)
- Desmond F Stickland (Managing Director)
- Brian C Clarke (Finance Director)
- John V Ford (State Manager, Queensland)
- Steven J Crowle (General Manager, Corporate Services)
- Grant C Harrang (State Manager, New South Wales)
- Desmond P Sutton (General Manager, Move Dynamics)
- Rob E Sims (State Manager, Western Australia)
- John L Clayton (National Import Manager), resigned 16 December 2005

##### **Key management personnel compensation policy**

The remuneration committee reviews the compensation policies applicable to all directors and executives on an annual basis and makes recommendations on remuneration packages to the board. Remuneration packages are reviewed and determined with due regard to current market rates and are benchmarked against comparable industry salaries, adjusted by a performance factor to reflect changes in the performance of the consolidated entity.

Remuneration packages which consist of base salary, incentive schemes, (including performance related bonuses based on the performance of the respective executive's division compared to budget), other benefits (provision of motor vehicles and fringe benefits), superannuation and entitlements upon retirement and termination are reviewed with due regard to performance and other relevant factors.

The aggregate compensation of the key management personnel of the consolidated entity and the company is set out below:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Short-term employee benefits	1,710,419	1,376,149	1,385,205	1,221,442
Post-employment employee benefits	175,479	149,374	130,048	125,326
	<b>1,885,898</b>	<b>1,525,523</b>	<b>1,515,253</b>	<b>1,346,768</b>

#### 4. Key Management Personnel Compensation (cont'd)

The compensation of each member of the key management personnel of the consolidated entity is set out below:

2006	Short-term employee benefits			Post-employment	Total
	Salary & fees	Bonus (i)	Other	Superannuation	
	\$	\$	\$	\$	
A W Whatmore	70,000	-	-	6,300	76,300
B D Weir	35,000	-	-	3,150	38,150
J A Brown	38,150	-	-	-	38,150
D F Stickland	239,530	50,000	63,815	35,142	388,487
B C Clarke	174,667	30,000	35,110	24,560	264,337
J V Ford	108,000	10,000	77,061	17,670	212,731
D P Sutton	168,333	10,000	5,224	18,150	201,707
G C Harrang	147,000	-	21,717	27,509	196,226
S J Crowle	142,983	-	28,261	17,158	188,402
R E Sims	134,634	15,000	6,863	17,922	174,419
J L Clayton	66,946	5,000	27,125	7,918	106,989
<b>Total</b>	<b>1,325,243</b>	<b>120,000</b>	<b>265,176</b>	<b>175,479</b>	<b>1,885,898</b>

(i) The cash bonuses were granted on 2 September 2005. Bonuses were given based on the performance of the specified executive's division compared to budget.

2005	Short-term employee benefits			Post-employment	Total
	Salary & fees	Bonus (i)	Other	Superannuation	
	\$	\$	\$	\$	
A W Whatmore	63,333	-	-	5,700	69,033
B D Weir	31,667	-	-	2,850	34,517
J A Brown	34,637	-	-	-	34,637
D F Stickland	217,857	-	42,086	28,321	288,264
B C Clarke	159,333	-	33,762	20,153	213,248
J V Ford	99,667	-	67,034	17,973	184,674
S J Crowle	131,167	-	34,908	17,810	183,885
D P Sutton	158,333	-	3,146	17,350	178,829
G C Harrang	138,333	-	16,374	24,048	178,755
J L Clayton	105,857	8,000	30,655	15,169	159,681
<b>Total</b>	<b>1,140,184</b>	<b>8,000</b>	<b>227,965</b>	<b>149,374</b>	<b>1,525,523</b>

(i) J Clayton was granted a cash bonus on 11 March 2005. The bonus was given based on the performance of the specified executive's division compared to budget.

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>5. Remuneration of Auditors</b>				
<b>Auditor of the parent entity</b>				
Audit or review of the financial report	98,550	86,500	-	-
Taxation services	48,510	40,125	-	-
	147,060	126,625	-	-
The auditor of Wridgways Australia Limited is Deloitte Touche Tohmatsu.				
<b>6. Current Trade and Other Receivables</b>				
Trade receivables	8,130,540	7,771,541	-	-
Allowance for doubtful debts	(282,364)	(266,316)	-	-
	7,848,176	7,505,225	-	-
Other	69,679	122,640	-	1,618
	7,917,855	7,627,865	-	1,618
<b>7. Current Inventories</b>				
Consumables at cost	240,386	245,886	-	-
<b>8. Other Current Assets</b>				
Prepayments	1,376,188	1,331,766	7,965	24,547
<b>9. Non-Current Investments</b>				
Shares in subsidiaries	-	-	11,688,898	11,688,898

**10. Plant and Equipment**

	Consolidated		
	Plant and equipment	Transport Fleet	Total
<b>Gross carrying amount (at cost)</b>			
Balance at 30 June 2004	3,298,039	3,150,264	6,448,303
Additions	324,537	646,278	970,815
Disposals	(95,021)	(136,058)	(231,079)
Balance at 30 June 2005	<u>3,527,555</u>	<u>3,660,484</u>	<u>7,188,039</u>
Additions	259,502	999,959	1,259,461
Disposals	(19,415)	(68,349)	(87,764)
Balance at 30 June 2006	<u>3,767,642</u>	<u>4,592,094</u>	<u>8,359,736</u>
<b>Accumulated depreciation</b>			
Balance at 30 June 2004	2,369,354	1,986,663	4,356,017
Depreciation expense	277,171	305,940	583,111
Disposals	(80,677)	(95,979)	(176,656)
Balance at 30 June 2005	<u>2,565,848</u>	<u>2,196,624</u>	<u>4,762,472</u>
Depreciation expense	227,583	352,688	580,271
Disposals	(18,702)	(47,001)	(65,703)
Balance at 30 June 2006	<u>2,774,729</u>	<u>2,502,311</u>	<u>5,277,040</u>
<b>Net book value</b>			
As at 30 June 2005	<u>961,707</u>	<u>1,463,860</u>	<u>2,425,567</u>
As at 30 June 2006	<u>992,913</u>	<u>2,089,783</u>	<u>3,082,696</u>

	Company		
	Plant and equipment	Transport Fleet	Total
<b>Gross carrying amount (at cost)</b>			
Balance at 30 June 2004	211,893	3,150,264	3,362,157
Additions	-	646,278	646,278
Disposals	-	(136,058)	(136,058)
Balance at 30 June 2005	<u>211,893</u>	<u>3,660,484</u>	<u>3,872,377</u>
Additions	-	999,959	999,959
Disposals	-	(68,349)	(68,349)
Balance at 30 June 2006	<u>211,893</u>	<u>4,592,094</u>	<u>4,803,987</u>
<b>Accumulated depreciation</b>			
Balance as 30 June 2004	211,893	1,986,663	2,198,556
Depreciation expense	-	305,940	305,940
Disposals	-	(95,979)	(95,979)
Balance at 30 June 2005	<u>211,893</u>	<u>2,196,624</u>	<u>2,408,517</u>
Depreciation expense	-	352,688	352,688
Disposals	-	(47,001)	(47,001)
Balance at 30 June 2006	<u>211,893</u>	<u>2,502,311</u>	<u>2,714,204</u>
<b>Net book value</b>			
As at 30 June 2005	<u>-</u>	<u>1,463,860</u>	<u>1,463,860</u>
As at 30 June 2006	<u>-</u>	<u>2,089,783</u>	<u>2,089,783</u>

	<b>Consolidated</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	\$	\$	\$	\$
<b>11. Goodwill</b>				
Goodwill at cost	1,529,138	1,529,138	-	-

Goodwill and brand name has been allocated for impairment testing purposes to one individual cash-generating unit being the Removalist and Storage business.

The recoverable amount of this cash-generating unit was assessed by reference to the cash-generating unit's value in use. A discount factor of 10% (2005: 10%) was applied in the value in use model. This model uses cash flow projections based on the budget, approved by management for the coming year and an extrapolation for the next four years based on historical operating margins. Cash flows beyond that have been extrapolated using a steady 3% growth rate. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	\$	\$	\$	\$
<b>12. Brand name</b>				
Brand name at cost	8,000,000	8,000,000	-	-

The consolidated entity's brand name, Wridgways is assessed as having an indefinite useful life. Refer to Note 1(i). Refer to Note 11 for impairment assessment.

**13. Other Intangible Assets**

	<b>Consolidated Software</b>
<b>Gross carrying amount</b>	
<b>Balance at 1 July 2004</b>	584,422
Additions	189,971
<b>Balance at 1 July 2005</b>	774,393
Additions	172,247
<b>Balance at 30 June 2006</b>	946,640
<b>Accumulated amortisation</b>	
<b>Balance at 1 July 2004</b>	260,935
Amortisation expense (i)	126,802
<b>Balance at 1 July 2005</b>	387,737
Amortisation expense (i)	194,549
<b>Balance at 30 June 2006</b>	582,286
<b>Net book value</b>	
As at 30 June 2005	386,656
As at 30 June 2006	364,354

(i) Amortisation expense is included in the line item administration expenses in the income statement.

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>14. Current Trade and Other Payables</b>				
Trade payables	12,906,781	10,646,982	-	-
Goods and services tax (GST) payable	190,124	143,451	-	-
	13,096,905	10,790,433	-	-
<b>15. Current Provisions</b>				
Employee benefits	1,792,211	1,569,811	275,347	236,741
<b>16. Non-Current Trade and Other Payables</b>				
Unsecured:				
Payable to subsidiaries	-	-	7,475,435	5,065,114
<b>17. Non-Current Borrowings</b>				
Secured:				
Bills of Exchange (i)	-	3,000,000	-	3,000,000
(i) Secured by a fixed and floating charge and guarantees over the assets of the company and its wholly-owned controlled entities.				
<b>18. Non-Current Provisions</b>				
Employee benefits	1,273,753	1,131,767	215,788	201,199
<b>19. Issued Capital</b>				
32,000,000 fully paid ordinary shares (2005: 32,000,000)	1,500,000	1,500,000	1,500,000	1,500,000
<b>20. Retained Earnings</b>				
Balance at beginning of financial year	8,116,797	6,730,213	3,095,473	2,415,534
Net profit attributable to members of the parent entity	4,336,218	2,986,584	2,668,187	2,279,939
Dividends provided for or paid (note 22)	(1,920,001)	(1,600,000)	(1,920,001)	(1,600,000)
Balance at end of financial year	10,533,014	8,116,797	3,843,659	3,095,473

## 21. Earnings Per Share

	<b>Consolidated</b>	
	<b>2006</b>	<b>2005</b>
	<b>Cents per share</b>	<b>Cents per share</b>
<b>Basic earnings per share:</b>		
Total basic earnings per share	13.55	9.33

The earnings used in the calculation of basic earnings per share is \$4,336,218 (2005: \$2,986,584).

The weighted average number of ordinary shares used in the calculation of basic earnings per share is 32,000,000 (2005: 32,000,000).

### Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share. The consolidated entity has not issued any potential ordinary shares during the financial year and has no potential ordinary shares on issue.

## 22. Dividends

### Recognised amounts

#### Fully paid ordinary shares

Final dividend in respect of the prior year:

	<b>2006</b>		<b>2005</b>	
	<b>Cents per share</b>	<b>Total \$'000</b>	<b>Cents per share</b>	<b>Total \$'000</b>
Franked to 30% (Prior year: 30%)	3.5	1,120,000	3.0	960,000

Interim dividend in respect of the current year:

Franked to 30% (Prior year: 30%)	2.5	800,001	2.0	640,000
----------------------------------	-----	---------	-----	---------

	6.0	1,920,001	5.0	1,600,000
--	-----	-----------	-----	-----------

### Unrecognised amounts

#### Fully paid ordinary shares

Final dividend in respect of the current year:

Franked to 30% (Prior year: 30%)	5.0	1,600,000	3.5	1,120,000
----------------------------------	-----	-----------	-----	-----------

Special dividend in respect of the current year:

Franked to 30%	2.0	640,000	-	-
----------------	-----	---------	---	---

	7.0	2,240,000	3.5	1,120,000
--	-----	-----------	-----	-----------

### Franking account balance

Adjusted franking account balance

Impact on franking account balance of dividends not recognised

### Company & Consolidated

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Adjusted franking account balance	5,881,089	5,444,616
Impact on franking account balance of dividends not recognised	(960,000)	(480,000)
	4,921,089	4,964,616

### 23. Contingent Liabilities

Performance guarantees of \$252,353 (2005: \$325,114) are held by Westpac Banking Corporation on behalf of Wridgways Limited and Wridgways Australia Limited.

### 24. Leases

#### Operating leases

Commitments under non-cancellable operating leases contracted for:

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
Premises (i)				
Not longer than 1 year	4,784,336	4,553,614	-	-
Longer than 1 year and not longer than 5 years	11,847,417	13,472,108	-	-
Longer than 5 years	2,746,077	4,471,651	-	-
	19,377,830	22,497,373	-	-
Plant and equipment (ii)				
Not longer than 1 year	863,081	636,774	363,542	319,169
Longer than 1 year and not longer than 5 years	1,307,918	1,597,508	700,007	739,265
Longer than 5 years	64,084	64,084	64,084	64,084
	2,235,083	2,298,366	1,127,633	1,122,518

#### Leasing arrangements

- (i) The consolidated entity leases a number of premises throughout Australia. The rental period of each individual lease agreement varies between 1 and 10 years with renewal options ranging from 2 to 5 years. The majority of lease agreements are subject to rental adjustments in line with movements in the Consumer Price Index or Market Rentals.
- (ii) Consists of agreements for the leasing of containers, IT equipment, transport fleet and motor vehicles. The lease agreement for containers is for 5 years. At the expiration of the lease agreement, the consolidated entity has the option to renew the lease for a further 2 year term or purchase the containers. The lease agreements for the transport fleet and motor vehicles are for periods ranging from 4 to 7 years. These lease agreements do not include renewal options.

### 25. Subsidiaries

Name of entity	Country of incorporation	Ownership interest	
		2006 %	2005 %
<b>Parent entity</b>			
Wridgways Australia Limited (i)	Australia		
<b>Subsidiaries</b>			
Wridgways Limited (ii)	Australia	100%	100%
Wridgways Business Relocations Pty Limited (ii)	Australia	100%	100%

- (i) Head entity of tax-consolidated group and ultimate parent entity in the wholly owned group.  
(ii) Members of tax-consolidated group.

### 26. Segment Information

The consolidated entity operates in the transport industry (through the provision of removal and storage services) and operates only in Australia.

## 27. Related party disclosures

### (a) Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 25 to the financial statements.

### (b) Key management personnel remuneration

Details of key management personnel remuneration are disclosed in note 4 to the financial statements.

### (c) Transactions within the wholly owned group

Details of dividend revenue derived by the parent entity from subsidiaries is disclosed in Note 2 to the financial statements.

During the financial year Wridgways Australia Limited derived management fee income from its subsidiaries, through the provision of administrative services at cost plus 5% to 30% (2005: 5% to 30%) and rental of the transport fleet at commercial rates, as disclosed in Note 2 to the financial statements.

Amounts payable to subsidiaries are disclosed in Note 16 to the financial statements.

### (d) Transactions with key management personnel of the wholly owned group

During the financial year, the consolidated entity provided removal and storage services to key management personnel which were domestic or trivial in nature, on the same terms and conditions available to other employees and customers.

### (e) Key management personnel equity holdings

2006	Balance at 1/07/05 No.	Net Change (i) No.	Balance at 30/06/06 No.
A W Whatmore	140,000	60,000	200,000
B D Weir	67,000	3,000	70,000
J A Brown	30,000	30,000	60,000
D F Stickland	3,690,000	-	3,690,000
B C Clarke	1,817,041	(156,900)	1,660,141
D P Sutton	1,500,000	(124,000)	1,376,000
S J Crowle	1,390,165	(237,918)	1,152,247
J V Ford	654,000	(179,000)	475,000
G C Harrang	122,729	(122,729)	-
J L Clayton	2,133,332	(2,133,332)	-

2005	Balance at 1/07/04 No.	Net Change (i) No.	Balance at 30/06/05 No.
A W Whatmore	130,000	10,000	140,000
B D Weir	47,000	20,000	67,000
J A Brown	30,000	-	30,000
D F Stickland	3,690,000	-	3,690,000
B C Clarke	1,904,145	(87,104)	1,817,041
D P Sutton	1,535,275	(35,275)	1,500,000
S J Crowle	1,440,165	(50,000)	1,390,165
J V Ford	780,000	(126,000)	654,000
G C Harrang	-	122,729	122,729
J L Clayton	2,133,332	-	2,133,332

(i) No shares were granted as remuneration by the company.

	Consolidated		Company	
	2006	2005	2006	2005
	\$	\$	\$	\$
<b>28. Notes to the Cash Flow Statement</b>				
<b>(a) Reconciliation of cash</b>				
For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:				
Cash	5,418,393	4,075,038	159,854	188,536
<b>(b) Reconciliation of profit for the year to net cash flows from operating activities</b>				
Profit for the year	4,336,218	2,986,584	2,668,187	2,279,939
(Gain)/loss on sale or disposal of non-current assets	(57,220)	(110,587)	(49,752)	(50,648)
Depreciation and amortisation of non-current assets	774,820	709,913	352,688	305,940
Changes in net assets and liabilities:				
(Increase)/decrease in assets:				
Current receivables	(289,990)	(887,906)	1,618	2,214
Current inventories	5,500	13,699	-	-
Other current assets	(44,422)	(140,382)	16,581	(918)
Deferred tax assets	(175,879)	(234,366)	(28,559)	(52,695)
Increase/(decrease) in liabilities:				
Current payables	2,306,471	1,707,091	-	-
Current provisions	222,400	252,575	38,605	9,647
Current tax payables	395,898	94,222	395,898	49,939
Non-current payables	-	-	(1,477,632)	-
Non-current provisions	141,986	139,377	14,590	33,988
Net cash from operating activities	7,615,782	4,530,220	1,932,224	2,577,406
<b>(c) Financing facilities</b>				
<b>Secured bill acceptance facility:</b>				
Amount used	-	3,000,000	-	3,000,000
Amount unused	7,000,000	4,000,000	7,000,000	4,000,000
	7,000,000	7,000,000	7,000,000	7,000,000
<b>Secured bank overdraft facility:</b>				
Amount used	-	-	-	-
Amount unused	1,000,000	1,000,000	1,000,000	1,000,000
	1,000,000	1,000,000	1,000,000	1,000,000

## 29. Financial Instruments

### (a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

### (b) Foreign currency risk management

The group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The consolidated entity does not enter into derivative financial instruments to manage its exposure to foreign exchange rate risk and does not enter into or trade in financial instruments for speculative purposes.

### (c) Interest rate risk

The following table details the consolidated entity's exposure to interest rate risk.

	Average interest rate	Variable interest rate	Fixed maturity dates		Non interest bearing	Total
			Less than 1 year	1 to 5 years		
	%	\$	\$	\$	\$	\$
<b>2006</b>						
<b>Financial assets:</b>						
Cash	3.7	5,418,393	-	-	-	5,418,393
Trade receivables	-	-	-	-	7,917,855	7,917,855
		<u>5,418,393</u>	<u>-</u>	<u>-</u>	<u>7,917,855</u>	<u>13,336,248</u>
<b>Financial liabilities:</b>						
Trade payables	-	-	-	-	13,096,905	13,096,905
Current provisions	-	-	-	-	1,792,211	1,792,211
Non-current provisions	-	-	-	-	1,273,753	1,273,753
		<u>-</u>	<u>-</u>	<u>-</u>	<u>16,162,869</u>	<u>16,162,869</u>
<b>2005</b>						
<b>Financial assets:</b>						
Cash	3.9	4,075,038	-	-	-	4,075,038
Trade receivables	-	-	-	-	7,627,865	7,627,865
		<u>4,075,038</u>	<u>-</u>	<u>-</u>	<u>7,627,865</u>	<u>11,702,903</u>
<b>Financial liabilities:</b>						
Trade payables	-	-	-	-	10,790,433	10,790,433
Current provisions	-	-	-	-	1,569,811	1,569,811
Non-current provisions	-	-	-	-	1,131,767	1,131,767
Bills of exchange	5.5	3,000,000	-	-	-	3,000,000
		<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>13,492,011</u>	<u>16,492,011</u>

### (d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity measures credit risk on a fair value basis.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated entity's maximum exposure to credit risk without taking account of the value of any collateral obtained.

**(e) Fair value**

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Transaction costs are included in the determination of net fair value.

### 30. Impacts of the Adoption of Australian Equivalents to International Financial Reporting Standards

The consolidated entity changed its accounting policies on 1 July 2005 to comply with Australian equivalents to International Financial Reporting Standards ('A-IFRS'). The transition to A-IFRS is accounted for in accordance with Accounting Standard AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards', with 1 July 2004 as the date of transition.

An explanation of how the transition from superseded policies to A-IFRS has affected the company and consolidated entity's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

#### Effect of A-IFRS on the balance sheet as at 1 July 2004

	Note	Consolidated			Company		
		Super-seded policies* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000	Super-seded policies* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000
<b>Current assets</b>							
Cash		2,141	-	2,141	-	-	-
Trade & other receivables		6,740	-	6,740	4	-	4
Inventories		260	-	260	-	-	-
Other		1,191	-	1,191	23	-	23
<b>Total current assets</b>		<b>10,332</b>	<b>-</b>	<b>10,332</b>	<b>27</b>	<b>-</b>	<b>27</b>
<b>Non-current assets</b>							
Investments		-	-	-	11,689	-	11,689
Plant and equipment	c	2,416	(324)	2,092	1,164	-	1,164
Deferred tax assets	e	799	(177)	622	118	(70)	48
Goodwill		1,529	-	1,529	-	-	-
Brand name		8,000	-	8,000	-	-	-
Other intangible assets	c	-	324	324	-	-	-
<b>Total non-current assets</b>		<b>12,744</b>	<b>(177)</b>	<b>12,567</b>	<b>12,971</b>	<b>(70)</b>	<b>12,901</b>
<b>Total assets</b>		<b>23,076</b>	<b>(177)</b>	<b>22,899</b>	<b>12,998</b>	<b>(70)</b>	<b>12,928</b>
<b>Current liabilities</b>							
Trade & other payables		9,084	-	9,084	-	-	-
Borrowings		-	-	-	90	-	90
Current tax payables		276	-	276	87	-	87
Provisions		1,317	-	1,317	227	-	227
<b>Total current liabilities</b>		<b>10,677</b>	<b>-</b>	<b>10,677</b>	<b>404</b>	<b>-</b>	<b>404</b>
<b>Non-current liabilities</b>							
Trade and other payables		-	-	-	5,441	-	5,441
Borrowings		3,000	-	3,000	3,000	-	3,000
Deferred tax liabilities	e	177	(177)	-	70	(70)	-
Provisions		992	-	992	167	-	167
<b>Total non-current liabilities</b>		<b>4,169</b>	<b>(177)</b>	<b>3,992</b>	<b>8,678</b>	<b>(70)</b>	<b>8,608</b>
<b>Total liabilities</b>		<b>14,846</b>	<b>(177)</b>	<b>14,669</b>	<b>9,082</b>	<b>(70)</b>	<b>9,012</b>
<b>Net assets</b>		<b>8,230</b>	<b>-</b>	<b>8,230</b>	<b>3,916</b>	<b>-</b>	<b>3,916</b>
<b>Equity</b>							
Share capital		1,500	-	1,500	1,500	-	1,500
Retained earnings		6,730	-	6,730	2,416	-	2,416
<b>Total equity</b>		<b>8,230</b>	<b>-</b>	<b>8,230</b>	<b>3,916</b>	<b>-</b>	<b>3,916</b>

\* Reported financial position for the year ended 30 June 2004.

### 30. Impacts of the Adoption of Australian Equivalents to International Financial Reporting Standards

#### Effect of A-IFRS on the income statement for the financial year ended 30 June 2005

Note	Consolidated			Company			
	Super-seded policies* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000	Super-seded policies* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000	
	90,721	-	90,721	5,771	-	5,771	
Revenue							
Other income	b	165	(55)	110	91	(40)	51
Freight and direct expenses		(61,704)	-	(61,704)	(577)	-	(577)
Occupancy expenses		(4,715)	-	(4,715)	-	-	-
Administration expenses	a,b	(20,089)	170	(19,919)	(2,506)	40	(2,466)
Finance costs		(279)	-	(279)	(279)	-	(279)
<b>Profit before income tax expense</b>		<b>4,099</b>	<b>115</b>	<b>4,214</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>
Income tax expense		(1,228)	-	(1,228)	(220)	-	(220)
<b>Profit for the year</b>		<b>2,871</b>	<b>115</b>	<b>2,986</b>	<b>2,280</b>	<b>-</b>	<b>2,280</b>
<b>Profit attributable to members of the parent entity</b>		<b>2,871</b>	<b>115</b>	<b>2,986</b>	<b>2,280</b>	<b>-</b>	<b>2,280</b>

\* Reported financial results for the year ended 30 June 2005.

#### Effect of A-IFRS on the balance sheet as at 30 June 2005

Note	Consolidated			Company			
	Super-seded policies* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000	Super-seded policies* \$'000	Effect of transition to A-IFRS \$'000	A-IFRS \$'000	
<b>Current assets</b>							
Cash	4,075	-	4,075	188	-	188	
Trade & other receivables	7,628	-	7,628	2	-	2	
Inventories	246	-	246	-	-	-	
Other	1,332	-	1,332	24	-	24	
<b>Total current assets</b>	<b>13,281</b>	<b>-</b>	<b>13,281</b>	<b>214</b>	<b>-</b>	<b>214</b>	
<b>Non-current assets</b>							
Investments	-	-	-	11,689	-	11,689	
Plant and equipment	c	2,812	(387)	2,425	1,464	-	1,464
Deferred tax assets	e,d	968	(111)	857	968	(867)	101
Goodwill	a	1,414	115	1,529	-	-	-
Brand name		8,000	-	8,000	-	-	-
Other intangible assets	c	-	387	387	-	-	-
<b>Total non-current assets</b>		<b>13,194</b>	<b>4</b>	<b>13,198</b>	<b>14,121</b>	<b>(867)</b>	<b>13,254</b>
<b>Total assets</b>		<b>26,475</b>	<b>4</b>	<b>26,479</b>	<b>14,335</b>	<b>(867)</b>	<b>13,468</b>
<b>Current liabilities</b>							
Trade & other payables		10,791	-	10,791	-	-	-
Current tax payables		370	-	370	370	-	370
Provisions		1,570	-	1,570	237	-	237
<b>Total current liabilities</b>		<b>12,731</b>	<b>-</b>	<b>12,731</b>	<b>607</b>	<b>-</b>	<b>607</b>
<b>Non-current liabilities</b>							
Trade and other payables	d	-	-	-	5,821	(756)	5,065
Borrowings		3,000	-	3,000	3,000	-	3,000
Deferred tax liabilities	e	111	(111)	-	111	(111)	-
Provisions		1,132	-	1,132	201	-	201
<b>Total non-current liabilities</b>		<b>4,243</b>	<b>(111)</b>	<b>4,132</b>	<b>9,133</b>	<b>(867)</b>	<b>8,266</b>
<b>Total liabilities</b>		<b>16,974</b>	<b>(111)</b>	<b>16,863</b>	<b>9,740</b>	<b>(867)</b>	<b>8,873</b>
<b>Net assets</b>		<b>9,501</b>	<b>115</b>	<b>9,616</b>	<b>4,595</b>	<b>-</b>	<b>4,595</b>
<b>Equity</b>							
Share capital		1,500	-	1,500	1,500	-	1,500
Retained earnings	f	8,001	115	8,116	3,095	-	3,095
<b>Total equity</b>		<b>9,501</b>	<b>115</b>	<b>9,616</b>	<b>4,595</b>	<b>-</b>	<b>4,595</b>

\* Reported financial position for the year ended 30 June 2005.

### 30. Impacts of the Adoption of Australian Equivalents to International Financial Reporting Standards (cont'd)

#### Effect of A-IFRS on the cash flow statement for the financial year ended 30 June 2005

There are no material differences between the cash flow statement presented under A-IFRS and the cash flow statement presented under the superseded policies.

#### Notes to the reconciliations of income and equity

(a) Goodwill

The consolidated entity has elected not to restate business combinations that occurred prior to the date of transition to A-IFRS, and accordingly, the carrying amount of goodwill at the date of transition has not changed.

However, goodwill, which was amortised under superseded policies, is not amortised under A-IFRS from the date of transition. The effect of the change is an increase in the carrying amount of goodwill by \$115 thousand (company: nil) and an increase in net profit before tax of \$115 thousand for the financial year ended 30 June 2005. There is no tax effect as deferred taxes are not recognised for temporary differences arising from goodwill for which amortisation is not deductible for tax purposes.

(b) Revenue

Under superseded policies, the consolidated entity recognised the gain or loss on disposal of property, plant and equipment on a 'gross' basis by recognising the proceeds from sale as revenue, and the carrying amount of the property, plant and equipment disposed as an expense. Under A-IFRS, the gain or loss on disposal is recognised on a 'net' basis, and is classified as other income, rather than revenue. Accordingly, the 'gross' amounts have been reclassified within the income statement for A-IFRS reporting purposes.

(c) Other intangible assets

1.1.1. Adjustment represents the reclassification of software from plant and equipment.

(d) Tax consolidation accounting

Under A-IFRS, deferred tax balances of wholly-owned subsidiaries in a tax-consolidated group are not recognised by the head entity. These balances were recognised under superseded policies.

(e) Offsetting of deferred tax balances

Under A-IFRS, deferred tax assets and liabilities relating to income taxes levied by the same taxation authority are offset.

(f) Retained earnings

The increase in retained earnings in the consolidated entity as at 30 June 2005 is due to goodwill no longer being amortised.

### 31. Net Tangible Assets per Share

	2006 \$	2005 \$
Consolidated net tangible assets per share	0.07	(0.01)

Net tangible assets of \$2,139,522 [2005: (\$298,997)] consists of Net Assets of \$12,033,014 [2005: \$9,616,797] less Intangible Assets of \$9,893,492 [2005: \$9,915,794]

### 32. Additional Company Information

Wridgways Australia Limited is a listed public company, incorporated and operating in Australia.

**Registered office**

93 Heatherdale Road, Ringwood, Victoria 3134

**Principal place of business**

93 Heatherdale Road, Ringwood, Victoria 3134

## Additional stock exchange information as at 8 August 2006

### *Number of holders of equity securities*

32,000,000 fully paid ordinary shares are held by 1723 individual shareholders.  
All issued ordinary shares carry one vote per share.

### *Distribution of holders of equity securities*

	Fully Paid Ordinary Shares
1 - 1,000	115
1,001 - 5,000	678
5,001 - 10,000	457
10,001 - 100,000	447
100,001 and over	26
	1723
Holding less than a marketable parcel	13

### *Substantial shareholders*

Ordinary shareholders	Fully paid	
	Number	Percentage
D F & J Stickland	3,690,000	11.53
B C & C A Clarke Investments Pty Ltd	1,660,141	5.19
	5,350,141	16.72

### *Twenty largest holders of quoted equity securities*

	Fully paid	
	Number	Percentage
D F & J Stickland	3,690,000	11.53
B C & C A Clarke Investments Pty Ltd	1,660,141	5.19
D P Sutton	1,376,000	4.30
ANZ Nominees Ltd	1,175,832	3.67
S J & H N Crowle Pty Ltd	1,152,247	3.60
Questor Financial Services Ltd	1,001,234	3.13
Starbrite Consultants Pty Ltd	1,000,000	3.13
W C Anderson	500,910	1.57
Pook Investments Pty Ltd	475,000	1.48
Trust Company Superannuation Services Ltd	245,000	0.77
Milne Investments Pty Ltd	200,000	0.63
A W Whatmore	200,000	0.63
Dawson Corporate Investments Pty Ltd	170,000	0.53
Serendipity Investments Pty Ltd	170,000	0.53
R T Francis	163,000	0.51
H Lee	162,200	0.51
C Lovett	160,000	0.50
Wilmar Enterprises Pty Ltd	150,000	0.47
Griffith Management Pty Ltd	145,000	0.45
M M Horsfield	140,000	0.44
	13,936,564	43.57

## Particulars of Directors

**Anthony W Whatmore** FCPA, FAIM, FAICD. Age 71  
*Chairman*

Mr Whatmore is Chairman and non-executive Director of Nestle Australia Limited and Chairman of Carter and Spencer Group Advisory Board. He has had significant commercial experience including previous appointments as the Deputy Managing Director, Petersville Australia Limited, Managing Director of George Weston Foods Limited and a Director of the Australian Wool Corporation, Morgan & Banks Limited, Walker Corporation Limited, Rebel Sports Limited and BRL Hardy Limited. He has been a Director and Chairman of Wridgways Australia Limited since May 1999.

**J A Brown** FAIM. Age 68  
*Non-Executive Director*

Mr Brown was previously Managing Director of Coates Hire Limited from 1996-2003. He has also been President Commissioner of P.T. Coates Hire Indonesia and Chairman of Coates Hire (UK). Prior to that he held many senior positions with Coates Hire including Chief Executive. He has been a Director of Wridgways Australia Limited since February 2003.

**Brian D Weir** LLB BCom. Age 53  
*Non-Executive Director*

Mr Weir is a Director of Walker Douglas & Company, a private investment and advisory group. He was formerly a partner of Freehill Hollingdale & Page and a Director of Macquarie Corporate Finance Limited. He has been a Director of Wridgways Australia Limited since May 1999.

**Desmond F Stickland** Age 53  
*Managing Director*

Mr Stickland has held various senior positions with Wridgways including Branch Manager, Sales Manager and Group International Manager. He was appointed Chief Executive in 1991 and assumed the role of Managing Director in 1997.

**Brian C Clarke** BEc, ACIS, MAICD. Age 48  
*Finance Director & Company Secretary*

Mr Clarke has held a number of senior administrative positions within the Group including Group Accountant and IT Manager. A member of the Chartered Institute of Company Secretaries in Australia, he has been Company Secretary since 1997 and a Director since May 1999.