



WRIDGWAYS

2008 Annual Report

Fulfilling our customers' needs.

Contents

one

Year in Review

two

Company Profile

three

Chairman's Report

four

Managing Director's Report

six

Corporate Governance Statement

twelve

Directors' Report

seventeen

Directors

eighteen

Auditors' Independence Declaration

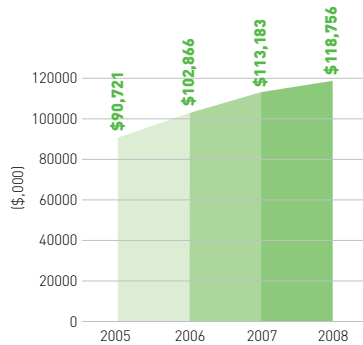
nineteen

Financial Report

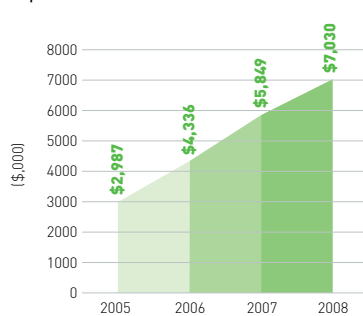


Year in Review

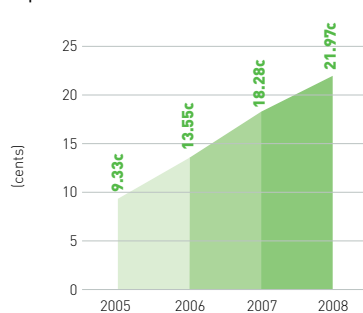
revenue increase



npat increase



eps increase



- Year ended June 2008 achieved record revenue and profits for the 5th year in a row.
- Final ordinary dividend increased to 11.0 cents per share.
- Earnings per share grew by 20.2% to 21.97 cents per share.
- Net profit after tax increased by 20.2% to \$7.030 million.
- Wridgways the Worldwide Movers was again awarded the OMNI Gold Overseas Moving Award as the largest shipper of household goods of all member companies in Australasia.
- Wridgways the Worldwide Movers was rated as the world's best international relocation company for the year 2007 by the prestigious USA based Graebel Relocation Alliance Network. The award scope included more than 100 countries and involved 130 of the world's leading international moving organisations. Wridgways the Worldwide Movers was also rated by Graebel as the number one Quality Mover in the Asia Pacific region. This is the first time any Australian company has been rated as such and to receive such peer recognition is a significant indication of the company's global status.
- Wridgways Project Management was appointed to manage and supply transportation services to the 2007 APEC heads of state event held in Sydney and other major locations throughout Australia. This eight month long project, requiring strict logistical and security control, was an outstanding success.
- A brand new state of the art warehouse and office facility was opened in Melbourne to house the expanding Melbourne operation. Located in Dandenong it replaces the Ringwood and Ferntree Gully sites.
- Wridgways continued to provide a diverse range of relocation products to its large corporate customer base including visa and immigration services, cultural transition training, travel and accommodation services and relocation policy development.

Company Profile

Wridgways is recognised internationally as a world-class relocation company. Established in 1892 the company has progressed significantly since the founder, Ernest Wridgway, managed its first domestic consignment in suburban Melbourne. Today we are the largest shipper of household goods in Australasia and offer innovative packaging, storage, relocation solutions and unrivalled customer service.

With over 30 office and storage facilities throughout Australia, Wridgways offers a comprehensive range of relocation products in all key cities, regional and rural areas. As well as conducting interstate, country and local removals and storage operations throughout Australia, the company operates with a network of over 600 professional agents in over 90 countries worldwide. All agents are selected carefully and must meet rigid quality and financial performance criteria. These local and international networks enable Wridgways to each year provide thousands of families, businesses and government organisations with high quality stress-free relocations. It is not by accident that Wridgways has achieved such growth and expertise in so many facets of the removals industry. Our commitment to service quality and improvement over 116 years is at the core of our success.

Our continued growth has once again been recognized by the 140 member London based Overseas Moving Network (OMNI) who in 2008 awarded Wridgways the WorldWide Movers the Gold Omni Award as the largest shipper of household goods in Australasia. We were also rated as the world's best International Relocation Company for the 2007 year by the prestigious USA based Graebel Relocation Alliance Network. The award scope included more than 100 countries and involved 130 of the world's leading international moving organisations. In addition, using the same criteria, we were rated as the number one Quality Mover in the Asia Pacific region. Such recognition by industry peers further highlights the company's global status.

Wridgways is a foundation member of the Australian Furniture Removers Association (AFRA), the Australian International Movers Association (AIMA) and the Federation of International Furniture Removals (FIDI), and holds membership in many offshore industry associations throughout Europe, the United Kingdom, USA and South Africa. Over our long history we have been credited with inventing and perfecting many of the standards our industry enjoys today.

Through our specialised relocation services business, Wridgways Move Solutions, we offer a range of services to corporate and government employees on transfer within Australia and overseas. Our services include visa and immigration services, cultural transition training, tenancy and home sale programs, travel and accommodation services, employment programs, expense management programs, cost of living differentials and relocation policy development.

The Company's highly regarded Project Management division provides transport and logistics services to the hotel and resort industry. Our teams provide total solutions to new hotels and resorts or existing organisations undergoing complete or partial refurbishment. Recent major projects have included:

- Skilled Stadium, Queensland
- Mantra Resort Hotel, Darwin
- Darwin Convention Centre

- Campbelltown Catholic Club, NSW
- Crown Resort, Torquay Victoria
- Gallery of Modern Art, Queensland State Library Brisbane
- Crest Hotel, Kings Cross Sydney
- HMAS Cairns Navy Base, North Queensland

In addition Wridgways Project Management was appointed to manage and supply transportation services to the 2007 APEC Heads of State event held in Sydney and other major locations throughout Australia. This eight month long project, requiring strict logistical and security control, was an outstanding success.

Each year, Federal and State governments rely on Wridgways brokering business, Wridgways Move Dynamics, for the outsourcing of transportation and specialist services through sophisticated internet technology to a network of over 100 approved service providers around Australia.

As the world's first publicly listed relocation company Wridgways is also proud to be the first removal company to hold accreditation to the following standards at the same time. These accreditations reflect our deep commitment to corporate compliance, our employees and the environment.

- ISO 9002: Quality Management Systems
- AS-NZ 4801: Occupational Health and Safety Management Systems
- ISO 14001: Environmental Management Systems

Our philosophy of teamwork, integrity, customer service and strict cost controls are supported by state-of-the-art computer systems that facilitate total project management via inventory itemization, consignment tracking, storage and relocation monitoring. This approach delivers a first class service that is reflected in the number of repeat customers and referrals that we receive each year.

Wridgways believes that good corporate governance, open communication with all its stakeholders and ongoing management of health and safety issues is vital for its employees, customers, shareholders and ultimate business success.

It is with pride in our performance, our achievements and our company ethos that we look forward to meeting the relocation needs of the future.

Chairman's Report

Wridgways fifth consecutive year of both revenue and earnings growth was very satisfying and enabled us to achieve compound growth of 26% in earnings per share and 30% in dividend for the five years to June 2008.

Earnings per share increased by 20.2% to 21.97 cents, compared to 18.28 cents last year.

Group Operating Revenue of \$118.756 million increased by 4.9% on last year's figure of \$113.183 million.

Operating Profit after tax increased by 20.2% to \$7.030 million, a solid increase on the \$5.849 million last year.

Operating Profit before tax increased by 20.1% to \$10.069 on last year's \$8.381 million.

The Company is in a sound financial position being debt free and with net cash of \$8.846 million at year end. This was after Capital expenditure of \$2.564 million and Dividend payments of \$5.12 million [last year \$3.84 million].

As we are all very well aware global economic conditions deteriorated in 2008. While the Australian economy was also adversely affected, the strength of our resources sector in Western Australia and Queensland continued to underpin demand for relocations services on both the domestic and international markets. We also continued to benefit from our corporate relocation activity.

Des Stickland has reviewed in detail the operational and divisional performers in his Managing Director's report. It is pleasing to note that Wridgways the Worldwide movers again received the Overseas Moving Network Incorporated (OMNI) award as the largest shipper of household goods and personnel effects of all member companies in Australasia. We were also rated as the world's best international relocation company for 2007 by the prestigious USA based Graebel Relocation Alliance Network. This was a significant indication of the company's global status as the award scope included more than 130 of the world's leading international moving organisations spread over more than 100 countries.

As previously announced, the Directors have resolved to declare a fully franked final dividend of 11.0 cents per share [2007 – 10.0 cents].

Shareholders will be aware that our interim dividend of 6.0 cents per share [previous year 5.0 cents] was paid on 14 March 2008 bringing the total dividend for the fiscal year to 17.0 cents per share [2007 – 15.0 cents].

Given the current economic global uncertainties it is more difficult than in previous years to forecast future results, however we remain committed to achieving a solid result this financial year.

On behalf of the Board of Directors I would like to thank and congratulate our Managing Director, Des Stickland and the Company's dedicated management team and employees for again achieving such an outstanding result.

I would again like to thank my fellow Directors for their continued support and contribution.



Managing Director's Report

It is very pleasing to report yet another record performance by the Wridgways group in the 2008 financial year.

Operating Performance

Demand for our services continued to be buoyant throughout the financial year and was driven by a number of factors including an ongoing shortage of skills in the general workforce, particularly in the mining sector and the many infrastructure support industries. The banking/finance and accounting markets also displayed strong mobility which led to high demand for relocation services within Australia as well as to and from overseas.

Group revenue increased to a record \$118.756 million, up 4.9% on the previous year and profit before interest and tax increased to \$7.030 million, an increase of 20.2% on the previous year.

In addition to world class moving and storage activities, the Wridgways group of business units provides a diverse range of relocation products to its large corporate and private user customer base. This unique suite of products positions Wridgways at the forefront of consumer choice.

Our costs have been well controlled and we have invested in recruitment, training and development of a new generation of management graduates to progress through the company, thus ensuring the necessary skills and experience are available to support succession planning and the company's growth strategies in the medium and long term.

WRIDGWAYS **The Removalists.**

This division conducts Interstate, Local and Country removals and storage operations throughout Australia and again performed extremely well with a 4.5% revenue increase on the previous financial year.

Operations in Queensland and Western Australia continue to reflect the strong resources led economy in those states and produced outstanding results. New South Wales also produced another record performance driven by high corporate relocation activity whilst Victoria recorded a significantly improved performance over the previous financial year.

WRIDGWAYS **The WorldWide Movers.**

This division comprises Export and Import sub-divisions specialising in providing international moving services to and from Australia and between countries throughout the world. Revenue for this division increased by 12.0% over the previous financial year.

The Import Division specialises in receiving household goods and personal effects by air and sea freight into Australia from its global agency network, providing Customs and Quarantine clearance through our own licensed Bond

facilities at all major Australian ports of entry and delivery and setting up services to client's homes and workplaces.

The Export Division specialises in the packing and forwarding of household goods and personal effects from Australia to world wide destinations by air and sea freight as well as arranging and coordinating country to country relocations through its worldwide agency network.

Once again, Wridgways The Worldwide Movers was recognised by the prestigious 140 member London based global relocation industry organisation, Overseas Moving Network Incorporated, by receiving an award as the largest shipper of household goods and personal effects of all member companies in Australasia.

move dynamics

Move Dynamics is a relocation management and removals brokerage business servicing the relocation procurement needs of State and Federal governments on a contract basis.

This division does not perform any physical moving activity – it is a management business that outsources transportation and specialist services, through sophisticated internet brokerage technology, to a network of over 100 approved removals and storage businesses throughout Australia.

Move Dynamics revenue decreased by 5% in a year that saw limited government tender opportunities and a reduction in annual expenditure by existing contracts.

WRIDGWAYS **Move Solutions.**

Wridgways Move Solutions is a specialist relocation services provider to newly recruited corporate employees or employees on transfer within Australia or overseas. Its extensive range of services include the provision of Visa and Migration programs, Home Search Assistance, School Search Assistance, Family Settlement programs, Relocation Expense Management programs, Property Rentals and Tenancy Management. A reduction in transactions of this nature from large corporate contracts resulted in revenue remaining at the same level as in the prior financial year.

WRIDGWAYS **Project Management.**

This is a highly specialised division providing transport, storage and logistics services to the hotel and resort industry. Wridgways Project Management teams facilitate complete project solutions to new hotel or resort enterprises or enterprises undergoing complete or partial refurbishment.

After a strong increase in revenue in the 2007 financial year this division recorded a creditable 11.0% increase in the 2008 financial year.

“I would like to express my deepest appreciation for the exemplary service provided. It was an outstanding moving experience. Please pass on my heartfelt thanks to all involved. They are a credit to themselves and to your organisation.”

In Conclusion

Again we are delighted to provide our shareholders with another outstanding financial and service delivery performance. Our considerable efforts over the past couple of years to bring targeted acquisitions to a successful conclusion, both in Australia and overseas, have met with disappointment due to a range of reasons and circumstances beyond our control. We will continue to explore any acquisition opportunities considered to be of strategic value as they arise, while paying close attention to prevailing economic conditions.

Wridgways people are the best in the business. Our world class services are delivered with a smile, consideration and respect in all sorts of climates, locations and physically demanding conditions. Thank you to the entire Wridgways team for their dedication and performance in producing another record breaking result.

The year ahead has a number of challenges looming with continued high fuel prices, a slowing house sale market, increasing interest rates, more restrictive lending policies by financial institutions, reducing consumer and business confidence in the economy, unknown fallout from the severe economic downturn in the United States and the introduction of a new, as yet unclear, industrial relations system.

On the brighter side is the federal government's announced increase in overseas migration to Australia in an effort to combat the ever present skills shortage as well as the ongoing global mobility of the mining sector in an environment of high mineral prices forecast to extend some years into the future.

We have faced and overcome many of these types of challenges in the past and are confident, subject to world events, of achieving another solid result in the 2009 financial year.



Corporate Governance Statement

The following statement outlines Wridgways compliance and adherence to the best practice principles for good corporate governance as outlined in the recommendations released by the ASX. During the year all policies have been reviewed and enhanced if appropriate. Details of the key aspects are set out below.

Board Charter and its Role

The Board working with senior management is responsible to shareholders for the overall corporate governance and business performance of the company.

This responsibility includes:

- determining and reviewing the company's strategic direction and operational policies;
- establishing goals for management and monitoring the achievement of these goals;
- reviewing and approving the company's annual budget and corporate strategy plan;
- ensuring management maintains a sound system of internal controls to safeguard the assets of the group;
- appointing, monitoring and rewarding the CEO;
- approving all significant business transactions, including acquisitions, divestments, and capital expenditure;
- monitoring internal compliance and control, business risk exposures and risk management systems;
- approving and monitoring financial and other reporting in the form required by the Corporations Act 2001;
- ensuring that a strategic balance is maintained between the responsibilities of the board and the CEO;
- reporting to shareholders, the market and the ASX;
- issues of the company's shares;
- declaration of dividends to shareholders; and
- major corporate or financial restructuring.

Structure of the board

The Wridgways Board is balanced in its composition. The Board comprises three non-executive directors (including the chairman) and two executive directors. The directors are accountable to shareholders for the proper management of Wridgways' business and delegate responsibility for day to day management to the Managing Director and senior executives.

All non-executive directors and the chairman are to be independent directors having no business or other relationship that could compromise their autonomy. They have no other interest or relationship that could interfere in their ability to act in the best interests of the company and independently of management. When a potential conflict of interest arises, the director concerned would not receive copies of the relevant Board papers and would withdraw from the Board meeting while such matters are considered. Particulars of the directors are set out on page 17.

Non executive directors are subject to re-election by rotation every three years. There are presently no maximum terms for non-executive director appointments. Newly appointed directors must seek election at the first general meeting of shareholders following their appointment.

The company's Chairman and CEO have separate roles and those roles are to be held by different people. The Chairman is responsible for leading the Board in the discharge of its duties.

To assist in the effective execution of its responsibilities the board has established an Audit Committee and Remuneration Committee. Refer to page 10.

Board Meetings

Meetings are usually held a minimum of seven times per year and, if required, ad hoc board meetings are convened to address issues when it is not practical to organise a full board meeting.

The executive directors and senior management meet regularly to review in detail the strategic direction of the company's business. Important decisions on the growth and future direction of the business result from these reviews. The non-executive directors are fully briefed on these meetings.

Because of the size of Wridgway's Board (ie: three non-executive directors and two executive directors), a separate nomination committee is not deemed necessary. The Board reviews and discusses the appointment of new directors.

Access to Information

New directors are provided with an orientation and are encouraged to visit the company operations to assist them in developing an understanding of Wridgways Australia Limited's businesses and key drivers.

Subject to prior consultation with the Chairman, directors may obtain independent professional advice at the company's expense on matters arising in the course of their board and committee duties. Directors also have access to senior company managers and company documents at all times.

The Company Secretary attends all Board meetings and is responsible for ensuring proper board procedures are observed. He is also responsible for ensuring that the company complies with the requirements of the Corporations Act, ASX Listing Rules and other applicable regulations.

Promote ethical and responsible decision-making

It is the policy of Wridgways to conduct business with honesty, integrity, respect and fairness when dealing with its customers and employees. Employees are also required to meet these high standards.

The company takes seriously its obligations to comply with all federal, state and local government laws and regulations, as well as common law obligations, and again, requires all employees to do the same.

Directors' Code of Conduct

The company has an established code of conduct to guide the directors, CEO, and senior employees in the performance of their duties. Details of this code are placed on the Company's website www.wridgways.com.au

Share Trading Guidance Note

Directors and employees of the company are subject to the Corporations Act 2001, which prohibits buying, selling or subscribing for shares in the Company if they are in possession of inside information. Inside information is that information which is not generally available and a reasonable person would expect it to have a material effect on the price or value of the shares in the Company.

The Company provides this Guidance Note for directors to assist them in complying with the Corporation Act 2001 when making a buy or sell decision.

Directors can engage in buying or selling of the company's shares in the six-week period after a major announcement by the company. This will usually ensure that the market is fully informed and minimize any risk of breach of the law. The CEO will advise Company employees when a major announcement has been made to the market.

Any director buying or selling shares in Wridgways Australia Limited is also required to advise the Chairman at the time of such transactions.

“When I was promoted I was thrilled, but my family was anxious about the big move. We shouldn't have worried. Wridgways organised everything from the packing, moving, valet maid service and even our dog. It was a pleasure moving with Wridgways and we will use you again.”



Corporate Governance Statement

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Safeguard integrity in financial reporting

Wridgways CEO and CFO report in writing to the Board that the financial statements of Wridgways Australia Limited for the full financial year present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with Australian Accounting Standards.

The board established an Audit Committee in 1999. The membership of the committee consists of the three independent non-executive directors. The CEO and the CFO are invited to attend meetings. Due to the size of the Board, and its composition, the Chairman of the Board is regarded as having the most financial expertise and is therefore more suited to be the Chairman of the Audit Committee. The CFO was previously on the Audit Committee but as this is not appropriate he no longer forms part of the committee. The committee, with the external auditors, meets two times each year, prior to the issue of profit announcements, to review half year and full year financial results, and on an ad-hoc basis to discuss any other issues which might arise. The external auditors have a clear line of direct communication at any time to the Chairman of the Board.

The principle functions and objectives of the Audit Committee are to:

- assist the board in the discharge of its responsibilities in respect of the preparation of the company's financial statements and the company's internal financial controls;
- recommend to the board nominees for appointment as external auditors, review the scope of the audit, the level of audit fees and the performance of the external auditors, provide a line of communication between the board and the external auditors and examine the external auditor's evaluation of internal controls and management's response;
- review interim and annual financial statements;
- review internal control systems to ensure integrity of financial reports;
- ensure the company's policies and procedures properly reflect compliance with current accounting pronouncements, legislation and regulations;
- review asset values to ensure they are appropriate and meet the requirements of the Corporations Act and Accounting Standards;
- review risk management procedures including insurance covers and disaster recovery procedures; and
- ensure adequacy of disclosure and treatment of any major or unusual transactions.

The external auditor is permitted to provide non-audit services that are not perceived to be in conflict with auditor independence, including tax advice services. The Board has the right to request

the external auditor to carry out a specific assignment, if it is determined by the Board that it would be in the best interests of the shareholders and the company.

Timely and balanced disclosure

The company conveys to its shareholders and the public relevant information in a detailed and timely manner. The board's policy is that shareholders are informed of all major developments that impact on the company.

There is a continuous disclosure policy in place, which is intended to maintain the market integrity and efficiency of the company's shares listed on the ASX. The disclosure policy is maintained through the board continually monitoring and identifying significant events and from ongoing reviews of business and financial reports.

All ASX releases to be made to the market by the company are approved by the board or by the CEO in consultation with the Chairman. The Company Secretary has a standing authority to approve releases that deal with changes in director share holdings, Annual General Meeting notifications, addresses and voting results, share issues and broker/analyst presentations.

Information is communicated to shareholders by the company through:

- Annual Reports;
- Disclosure to the ASX or ASIC;
- Notices and explanatory memorandum of Annual General Meetings; and
- Occasional letters from the CEO or Chairman to specifically inform shareholders of key matters of interest.

Respect the rights of shareholders

The company maintains communication with shareholders and other stakeholders in an open, regular and timely manner so that members have sufficient information to make informed decisions on the operations and results of the company.

The policy provides for the use of systems involving communications and technologies that ensure regular and timely release of information about the company to members. Mechanisms employed include:

- The annual financial report, circulated to all shareholders prior to the company's Annual General Meeting;
- Shareholders access to communications through the use of information technology such as the Wridgways Australia Website www.wridgways.com.au. All relevant



announcements made to the market and related information is placed on the website after they have been released to the ASX. Information about the last three years press releases / announcements and at least three years of financial data are available on the website; and

- Timely bulletins released to shareholders including market releases, Chairman's reports/letters and half yearly/annual financial data.

The board encourages full participation of shareholders at the company's Annual General Meeting to ensure a high level of accountability and understanding of the company's strategy and goals. Important issues are presented to shareholders as single resolutions. Shareholders are encouraged to appoint proxies to express their views at the Annual General Meeting by directing their proxies by marking the appropriate boxes on the proxy form.

The company's external auditor attends the Annual General Meeting and is available to answer shareholders questions.

Risk Management and Oversight

Management is ultimately responsible to the board for the system of internal control and risk management. The Audit Committee assists the board in fulfilling its responsibilities in this regard by reviewing the financial and reporting aspects of the company's risk management and control.

Major exposures for the company stem from Wridgways business risk profile, which covers areas including financial, operational, regulatory, contractual, reputation and strategic risk.

The company has policies, procedures and guidelines in place to ensure that the company's risks are identified

and that controls are adequate. These cover areas such as occupational health and safety (including vehicle and driver safety), environmental management, trade practices, ethical conduct and Information Technology disaster recovery and business continuity planning, interest rate risk, credit risk, liquidity risk, regulatory compliance risk, guidelines and limits for approval of capital expenditure and annual budgeting and weekly/monthly reporting systems for business units which enables the monitoring of progress and performance targets and the evaluation of trends.

Responsibility for control and risk management is delegated to the appropriate level of management within the company with the CEO and CFO having ultimate responsibility to the board for the risk management and control framework.

Arrangements in place for the board to monitor risk management include regular reporting to the board in respect of operations and the financial position of the company, circulation to the board of each meeting held by the audit committee.

The CEO and CFO report in writing to the directors annually that sound systems of risk management and internal compliance and controls have been and are in place during the year.

The primary objective of the risk management process is to maximize shareholder value. It therefore represents an integral part of the business management process. Eliminating all risk, however, adversely affects the ability of the company to take up opportunities for potential reward.

Corporate Governance Statement

(cont.)



Board performance review and disclosure

The Board keeps all areas of Wridgways Australia Limited's governance under ongoing review, in order to provide leadership by example in this crucial area of corporate responsibility and management. It particularly monitors any area of business risk that is identified and ensures appropriate control strategies are in place and properly managed.

The board carries out continuous reviews against its responsibilities and objectives. The purpose of this is to identify any areas of weakness or scope for improvement and to focus on specific performance objectives.

The non-executive directors are responsible for regularly evaluating the performance of the CEO. The performance is based on specific criteria, including the company's business performance and short and long term strategic objectives.

The chairman will also evaluate the performance of individual directors annually and for re-appointment. Performance criteria adopted will include the attendance and participation at meetings, other contributions, and achievement of any specific objectives and achievement of financial objectives in the case of executive directors.

The board is provided with information it needs to efficiently discharge its responsibilities, including access to the company secretary. Management supplies the board with information in a form, timeframe and quality that enables the board to effectively discharge its duties. Directors are entitled to request additional information where they consider that the information supplied by management is insufficient to support informed decision-making.

Arrangements in place to monitor the performance of the company's key executives include a review by the board of the company's financial performance and revised forecast results on a half-yearly and annual basis – as well as quarterly if required.

Remunerate fairly and responsibly

A program of regular performance appraisals and objective setting for senior management and other staff is in place. The Board established a Remuneration Committee in 1999.

The responsibilities of the Remuneration Committee are to review and make recommendations to the Board on:

- policies for executive employment, remuneration and incentives;
- the remuneration package of the Managing Director. The non-executive members of the Remuneration Committee determine this. The Managing Director receives no incremental remuneration as a Board member;
- the remuneration packages of the senior management after consultation with the Managing Director;
- recruitment, retention and termination policies and procedures for senior management;
- incentive schemes including bonuses and share options;
- superannuation arrangements;
- the remuneration framework for non-executive directors, within the limit approved by shareholders; and
- other matters as requested by the Board.

The Remuneration Committee comprises three non-executive directors and the Managing Director.

Meetings are to be held at least once a year as part of the annual remuneration review. The number of Remuneration Committee meetings and number of meetings attended by each of the members of the Remuneration Committee during the financial year are set out on page 13.

The Remuneration policy of Wridgways Australia 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 performance; and
- attract and maintain talented and motivated directors and employees so as to encourage and enhance the performance of the Company.

The remuneration of officers and employees is competitively set to attract and retain appropriately qualified and experienced employees. Remuneration packages include a mix of fixed remuneration and performance based remuneration. At this stage there is no equity-based remuneration.

“Who would have thought an overseas move could go so smoothly. From the moment the professional Wridgways crew arrived to pack our belongings, to the moment of delivery in London, everything was just so easy. Not a single scratch.”

A review of remuneration packages in comparative companies is undertaken to determine the appropriateness of the packages.

For details of remuneration paid to directors and officers for the financial year please refer to page 14.

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 directors' 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 while acting as a director of Wridgways Australia Ltd, other than conduct involving a wilful breach of duty in relation to Wridgways Australia Ltd.

Recognise the legitimate interests of stakeholders

The company has an established code of ethics to provide employees with guidance on what is acceptable behaviour. The company requires that all directors, managers and employees maintain high standards of integrity and honesty.

The key elements are:

- Fairness and honesty;
- Individually and collectively contributing to the well being of shareholders, customers, the economy and the community; and
- Being aware of obeying the law.

The company has policies and procedures dealing with the following:

- Occupational Health and Safety;
- Privacy;
- Insider trading and dealing in securities;
- Conflict of interest;
- Equal Opportunity and Harassment;
- Drugs and alcohol;
- Prevention of, and dealing with, fraud; and
- Trade Practices.

The Company considers the successful management of safety, health and environmental issues as vital for its employees, customers, shareholders and business success.

The company's commitment to Quality is reflected by its ISO9002 quality accreditation.



Directors' Report (30 June 2008)

The directors of Wridgways Australia Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2008. 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 17 of the annual report.

Principal activities

The consolidated entity'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 consolidated net profit for the year was \$7,030,286 (2007: \$5,848,707).

Changes in state of affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity.

Subsequent events

There has not been any matter or circumstance 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.



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.

Directors	Board of Directors		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
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	7	2	2	2	2

Dividends

In respect of the financial year ended 30 June 2007, as detailed in the directors' report for that financial year, a final dividend of 10.0 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 28 September 2007.

In respect of the financial year ended 30 June 2008, an interim dividend of 6.0 cents per share franked to 100% at 30% corporate income tax rate was paid to the holders of fully paid ordinary shares on 14 March 2008.

In respect of the financial year ended 30 June 2008, the directors recommend the payment of a final dividend of 11.0 cents per share franked to 100% at 30% corporate income tax rate to the holders of fully paid ordinary shares on 26 September 2008.

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' shareholdings

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

Directors	Fully Paid Ordinary Shares
A W Whatmore	215,000
B D Weir	84,000
J A Brown	60,000
D F Stickland	3,090,000
B C Clarke	1,210,626



Directors' Report (Cont.)

Remuneration report

This remuneration report, which forms part of the director's report, sets out information about the remuneration of Wridgways Australia Ltd's directors and its senior executives for the financial year ended 30 June 2008.

General remuneration policy

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.

Details of Directors and Senior Executives

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 (excluding Executive Directors) 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, Move Solutions)
- Grant C Harrang (State Manager, New South Wales)
- Rob E Sims (State Manager, Western Australia)

Persons listed above are defined as key management personnel of the group.

Executive Directors and Senior Executives remuneration

There are no employment contracts for executives. Upon commencement of employment, letters of appointment

are signed which detail the key management personnel's remuneration package on an annual basis. Any changes to their packages are communicated via written notification as directed by the remuneration committee.

Remuneration packages for all executive directors and senior executives include a mix of fixed remuneration and variable performance linked remuneration. The fixed component is not performance linked. It generally consists of salary and vehicle entitlement, as well as employer superannuation contributions. Fixed remuneration for senior executives is determined by the scope of their respective positions, knowledge, experience and skills required to perform their roles.

Variable performance linked remuneration encompasses short term incentive schemes that are cash based rewards schemes. Whilst primarily being a merit based system as determined by the remuneration committee it is dependent on the personal performance of each respective executive, performance of individual components of the executive's portfolio in comparison to the prior year financial result and compliance in abiding by company initiatives and operating procedures of the executive's direct reporting staff.

The remuneration committee conducts an annual review of all executive remuneration packages taking into account performance-related elements, comparative remuneration and independent advice.

At this stage there is no equity-based remuneration.

Non-Executive Directors remuneration

The remuneration of non-executive directors is competitive for the industry and reflects the demands made on and responsibilities of non-executive directors in discharging their duties. 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.

An overview of the elements of remuneration is set out in the table below.

	Elements of Remuneration	Directors		Senior
		Non-Executive	Executive	Executives
Fixed Remuneration	Fees	•		
	Salary		•	•
	Superannuation	•	•	•
	Other Benefits		•	•
At Risk Remuneration	Short-term Incentive		•	•

Group performance and shareholder wealth

Below is a table summarising key performance and shareholder wealth statistics for the Group over the last five years. As noted in the table, the Group has increased operating performance over the period, allowing increased cash dividend distributions to shareholders.

Whilst the performance of the Group's business can be partially attributed to the buoyancy of the resources sector and strong demand for skilled professionals driving high labour mobility activity within Australia, the results are also largely a reflection of the executive team's commitment to achieving sustained growth in profitability and distributions to shareholders.

The remuneration and incentive framework, which has been put in place by the remuneration committee, has ensured that executives are focused on maximising both short-term operating performance and long-term strategic growth. The remuneration committee will continue to review and monitor the remuneration and incentive framework to ensure that performance is fairly rewarded and encouraged, and to attract, motivate and retain a high level executive team.

No executive director or other senior executive participates in any decision making relating to his own salary.

Financial Year	Revenue (\$)	Profit before tax (\$)	Profit after tax (\$)	EPS Cents	Interim Dividend Cents ¹	Final Dividend Cents ^{1,2}	Share Price (\$)
30 June 2004	82,438,725	3,659,744	2,517,468	7.87	2.0	3.0	0.81
30 June 2005	90,721,294	4,214,738	2,986,584	9.33	2.0	3.5	0.87
30 June 2006	102,865,761	6,211,532	4,336,218	13.55	2.5	7.0	1.30
30 June 2007	113,183,315	8,381,458	5,848,707	18.28	5.0	10.0	2.40
30 June 2008	118,755,709	10,069,163	7,030,286	21.97	6.0	11.0	2.10

1. Franked to 100% at 30% corporate income tax rate.
2. Declared after the balance date and not reflected in the financial statements.
For the year ended 30 June 2006 the final dividend included a 2.0 cent special dividend.

Wridgways Australia Ltd adopted the Australian equivalents to International Financial Reporting Standards with effect from 1 July 2004, which resulted in various changes to its accounting policies from that date. These results for the year ended 30 June 2004 are reported in accordance with Wridgways Australia Ltd's previous accounting policies as permitted under Australian accounting standards as applicable at that time.

The following table discloses the remuneration of the directors of the company and the five highest remunerated executives of the company (excluding Executive Directors) and group executives of the consolidated entity.

2008	Short-term employee benefits			Post-employment	Total
	Salary & fees \$	Bonus ⁽ⁱ⁾ \$	Other \$	Superannuation \$	\$
Non-Executive Directors					
A W Whatmore	71,750	-	-	6,458	78,208
B D Weir	35,875	-	-	3,229	39,104
J A Brown	39,025	-	-	-	39,025
Executives					
D F Stickland	315,648	50,000	44,046	51,667	461,361
B C Clarke	222,400	30,000	25,001	32,688	310,089
G C Harrang	138,671	35,000	20,122	102,128	295,921
J V Ford	139,380	25,000	77,733	29,588	271,701
D P Sutton	186,700	20,000	6,252	23,012	235,964
R E Sims	209,590	35,000	13,553	33,413	291,556
S J Crowle	174,059	20,000	24,328	25,428	243,815

- (i) The cash bonuses were granted on 21 September 2007 and related to the 2007 financial year. The allocation of the amounts to individuals was at the discretion of the remuneration committee. As at 30 June 2008, a bonus provision of \$600,000 has been recognised in relation to the 2008 financial year. At the date of this report the allocation of the amounts to individuals in relation to the 2008 bonus is at the discretion of the remuneration committee and no amounts have been allocated to Non-Executives or Executives generally or individually.

Directors' Report (Cont.)

Group performance and shareholder wealth (continued...)

2007	Short-term employee benefits			Post-employment	Total
	Salary & fees \$	Bonus ⁽ⁱⁱⁱ⁾ \$	Other \$	Superannuation \$	\$
Non-Executive Directors					
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
Executives					
D F Stickland	279,442	49,200	56,857	37,293	422,792
B C Clarke	200,751	34,000	25,077	27,550	287,378
G C Harrang	160,734	35,000	20,430	40,937	257,101
J V Ford	124,668	25,000	69,218	22,440	241,326
D P Sutton	158,334	20,000	3,300	39,617	221,251
R E Sims	154,634	35,000	7,426	20,291	217,351
S J Crowle	162,334	5,000	19,566	20,350	207,250

(ii) The bonus relates to payment of 2006 entitlement. The allocation of the amounts to individuals was at the discretion of the remuneration committee. As at 30 June 2007, a bonus provision of \$600,000 was recognised for the year ended 30 June 2007. However at the date of the 2007 annual report no amounts had been allocated to key management personnel generally or individually.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 6 to the financial statements.

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.

The directors are of the opinion that the services as disclosed in note 6 to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Auditor's independence declaration

The auditor's independence declaration is included on page 18 of the annual 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
Melbourne

Date: 21 August 2008



Mr D F Stickland
Managing Director

Directors



Anthony W Whatmore

FCPA, FAIM, FAICD.
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.
Non-Executive Director

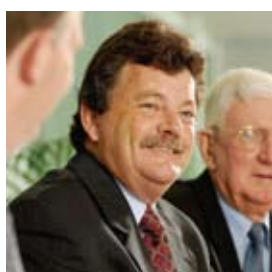
Mr Brown was previously Managing Director of Coates Hire Limited from 1996-2003. He has also been President Commissioner of P.T. Coates Hire Indonesia and Chairman of Coates Hire (UK). Prior to that he held many senior positions with Coates Hire including Chief Executive. He has been a Director of Wridgways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



Bryan D Weir

LLB BCom.
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

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.
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.

Auditors' Independence Declaration

Deloitte.

21 August 2008

Board of Directors
Wridgways Australia Limited
26-40 Nina Link
DANDENONG SOUTH VIC 3175

Dear Board Members

Auditor's Independence Declaration – Wridgways Australia Limited

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 Limited.

As lead audit partner for the audit of the financial statements of Wridgways Australia Limited for the financial year ended 30 June 2008, 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

D. A. Watson

D A WATSON
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

Financial Report

for the Financial Year Ended 30 June 2008

Contents

twenty

Income Statement

twenty one

Balance Sheet

twenty two

Consolidated Statement
of Changes in Equity

twenty three

Cash Flow Statement

twenty four

Notes to the Financial Statements

forty two

Directors' Declaration

forty three

Independent Audit Report

forty five

Additional Stock Exchange Information

Income Statement

for the Financial Year Ended 30 June 2008

	Note	Consolidated		Company	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue	4	118,755,709	113,183,315	10,756,380	8,890,266
Other income	4	-	27,560	11,198	21,230
Freight and direct expenses		(78,423,468)	(76,991,205)	(1,133,110)	-
Occupancy expenses		(5,352,518)	(4,909,402)	-	-
Administration expenses		(24,910,560)	(22,928,810)	(3,367,841)	(3,087,907)
Profit before tax	4	10,069,163	8,381,458	6,266,627	4,929,770
Income tax expense	5	(3,038,877)	(2,532,751)	(343,988)	(326,931)
Profit for the year		7,030,286	5,848,707	5,922,639	4,602,839
Profit attributable to members of the parent entity		7,030,286	5,848,707	5,922,639	4,602,839
Earnings per share:					
Basic (cents per share)	21	21.97	18.28		
Diluted (cents per share)	21	21.97	18.28		

Notes to the financial statements are included on pages 24 to 41.

Balance Sheet

As at 30 June 2008

	Note	Consolidated		Company	
		2008 \$	2007 \$	2008 \$	2007 \$
Current assets					
Cash	29	8,846,488	8,359,544	170,088	163,478
Trade and other receivables	7	10,374,320	9,422,633	2,813,861	2,201,721
Inventories	8	334,246	299,486	-	-
Other	9	989,171	996,041	9,535	8,591
Total current assets		<u>20,544,225</u>	<u>19,077,704</u>	<u>2,993,484</u>	<u>2,373,790</u>
Non-current assets					
Investments	10	-	-	11,688,898	11,688,898
Plant and equipment	11	6,391,449	5,387,981	4,909,270	4,372,829
Deferred tax assets	5	1,121,794	1,037,008	98,895	134,774
Goodwill	12	1,529,138	1,529,138	-	-
Brand name	13	8,000,000	8,000,000	-	-
Other intangible assets	14	500,363	61,894	-	-
Total non-current assets		<u>17,542,744</u>	<u>16,016,021</u>	<u>16,697,063</u>	<u>16,196,501</u>
Total assets		<u>38,086,969</u>	<u>35,093,725</u>	<u>19,690,547</u>	<u>18,570,291</u>
Current liabilities					
Trade and other payables	15	17,067,881	16,451,049	-	-
Current tax liabilities	5	1,234,609	1,064,200	1,234,609	1,064,200
Provisions	16	3,692,125	3,401,572	661,113	594,867
Total current liabilities		<u>21,994,615</u>	<u>20,916,821</u>	<u>1,895,722</u>	<u>1,659,067</u>
Non-current liabilities					
Trade and other payables	17	-	-	10,856,851	10,779,710
Provisions	18	140,347	135,183	28,837	25,016
Total non-current liabilities		<u>140,347</u>	<u>135,183</u>	<u>10,885,688</u>	<u>10,804,726</u>
Total liabilities		<u>22,134,962</u>	<u>21,052,004</u>	<u>12,781,410</u>	<u>12,463,793</u>
Net assets		<u>15,952,007</u>	<u>14,041,721</u>	<u>6,909,137</u>	<u>6,106,498</u>
Equity					
Issued capital	19	1,500,000	1,500,000	1,500,000	1,500,000
Retained earnings	20	14,452,007	12,541,721	5,409,137	4,606,498
Total equity		<u>15,952,007</u>	<u>14,041,721</u>	<u>6,909,137</u>	<u>6,106,498</u>

Notes to the financial statements are included on pages 24 to 41.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2008

Consolidated	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2006	1,500,000	10,533,014	12,033,014
Net income recognised directly in equity	-	-	-
Profit for the year	-	5,848,707	5,848,707
Total recognised income and expense	-	5,848,707	5,848,707
Payment of dividends (Note 22)	-	(3,840,000)	(3,840,000)
Balance at 30 June 2007	1,500,000	12,541,721	14,041,721
Balance at 1 July 2007	1,500,000	12,541,721	14,041,721
Net income recognised directly in equity	-	-	-
Profit for the year	-	7,030,286	7,030,286
Total recognised income and expense	-	7,030,286	7,030,286
Payment of dividends (Note 22)	-	(5,120,000)	(5,120,000)
Balance at 30 June 2008	1,500,000	14,452,007	15,952,007

Company	Issued Capital \$	Retained Earnings \$	Total \$
Net income recognised directly in equity	-	-	-
Profit for the year	-	4,602,839	4,602,839
Total recognised income and expense	-	4,602,839	4,602,839
Payment of dividends (Note 22)	-	(3,840,000)	(3,840,000)
Balance at 30 June 2007	1,500,000	4,606,498	6,106,498
Balance at 1 July 2007	1,500,000	4,606,498	6,106,498
Net income recognised directly in equity	-	-	-
Profit for the year	-	5,922,639	5,922,639
Total recognised income and expense	-	5,922,639	5,922,639
Payment of dividends (Note 22)	-	(5,120,000)	(5,120,000)
Balance at 30 June 2008	1,500,000	5,409,137	6,909,137

Notes to the financial statements are included on pages 24 to 41.

Cash Flow Statement

for the Financial Year Ended 30 June 2008

	Note	Consolidated		Company	
		2008 \$	2007 \$	2008 \$	2007 \$
Cash flows from operating activities					
Receipts from customers		117,417,508	111,453,846	5,636,381	5,050,267
Payments to suppliers and employees		(106,731,262)	(99,667,333)	(3,728,009)	(3,370,128)
Interest received		386,514	224,690	-	-
Dividends received		-	-	5,120,000	3,840,000
Income taxes paid		(2,953,255)	(2,238,687)	(749,812)	(543,132)
Net cash provided by operating activities	28(b)	<u>8,119,505</u>	<u>9,772,516</u>	<u>6,278,560</u>	<u>4,977,007</u>
Cash flows from investing activities					
Payment for software, plant and equipment		(2,564,670)	(3,051,599)	(1,275,172)	(2,788,674)
Proceeds from sale of software, plant and equipment		52,109	60,234	46,109	43,381
Net cash used in investing activities		<u>(2,512,561)</u>	<u>(2,991,365)</u>	<u>(1,229,063)</u>	<u>(2,745,293)</u>
Cash flows from financing activities					
Loans from subsidiaries		-	-	77,113	1,611,910
Dividends paid		(5,120,000)	(3,840,000)	(5,120,000)	(3,840,000)
Net cash used in financing activities		<u>(5,120,000)</u>	<u>(3,840,000)</u>	<u>(5,042,887)</u>	<u>(2,228,090)</u>
Net increase in cash		486,944	2,941,151	6,610	3,624
Cash at the beginning of the financial year		8,359,544	5,418,393	163,478	159,854
Cash at the end of the financial year	28(a)	<u>8,846,488</u>	<u>8,359,544</u>	<u>170,088</u>	<u>163,478</u>

Notes to the financial statements are included on pages 24 to 41.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2008

1. Adoption of new and revised Accounting Standards

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective:

• AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101'	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	Effective for annual reporting periods beginning on or after 1 January 2009
• AASB 3 'Business Combinations' (2008), AASB 127 'Consolidated and Separate Financial Statements' and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009), AASB 127 and AASB 2008-3 (1 July 2009)

The directors anticipate that the adoption of these Standards and Interpretations in the future periods will have no material financial impact on the financial statements of the company or the Group. The adoption will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the financial report.

These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning after the effective date of each pronouncement, which in all cases will be the Company's annual reporting period beginning on 1 July 2009. In addition to the standards issued above, other standards have been issued by the Australian Accounting Standards Board (the AASB), these standards are not relevant to the operations of the Group.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual reporting period. Details of the impact of the adoption of these new accounting standards are set out in the individual policy notes set out below. The Group has also adopted the following standards as listed below which only impacted on the Group's financial statements with respect to disclosure.

- AASB 101 'Presentation of Financial Statements' (revised October 2006)
- AASB 7 'Financial Instruments: Disclosures'
- AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments'
- AASB 2007-7 'Amendments to Australian Accounting Standards'
- AASB 2008-4 'Amendments to Australian Accounting Standard - Key Management Personnel Disclosures by Disclosing Entities'

2. Significant 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 Interpretations, and complies with other requirements of the law. The financial report includes the separate financial statements of the company and the consolidated financial statements of the Group.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with A-IFRS ensures that the consolidated financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 21 August 2008.

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. All amounts are presented in Australian dollars, unless otherwise noted.

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 (Group), 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 the income statement immediately.

2. Significant Accounting Policies (cont'd)

(a) Principles of consolidation (cont'd)

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.

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 based on the allocation specified in the tax funding arrangement.

The tax funding arrangement requires a notional current and deferred tax calculation for each entity as if it were a taxpayer in its own right, except that unrealised profits, distributions made and received and capital gains and losses and similar items arising on transactions within the tax-consolidated group are treated as having no consequence.

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).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

(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 net 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.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2008 (cont.)

2. Significant Accounting Policies (cont'd)

(e) Cash

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

(f) Financial Assets

Loans and Receivables

Trade receivables, loans 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.

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 the income statement and is not subsequently reversed. Refer also note 2(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.

2. Significant Accounting Policies (cont'd)

(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.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributed to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

(n) Impairment of long-lived assets excluding goodwill

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.

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.

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) Borrowing

Borrowing costs directly attributed to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2008 (cont.)

2. Significant Accounting Policies (cont'd)

(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

A liability is recognised 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.

Liabilities recognised 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.

Liabilities recognised 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.

(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 the income statement in the period in which they arise.

3. Critical Accounting Judgements

In the application of the entity's accounting policies, management is required to make judgements, 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 judgements. 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.

	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
4. Profit From Operations				
(a) Revenue				
Revenue from operations consisted of the following items:				
Revenue from the rendering of removal and storage services	118,356,425	112,946,865	-	-
Rental revenue	12,770	11,760	-	-
Interest revenue	386,514	224,690	-	-
Dividends – subsidiaries	-	-	5,120,000	3,840,000
Management fee – subsidiaries	-	-	5,636,380	5,050,266
	118,755,709	113,183,315	10,756,380	8,890,266
(b) Profit before income tax				
Profit before income tax has been arrived at after charging/(crediting) the following gains and losses from operations:				
Gain/(loss) on disposal of software, plant and equipment	(119,963)	27,560	11,198	21,230
Net foreign exchange gains / (losses)	(25,496)	(36,813)	-	-
Profit before income tax has been arrived at after charging/ (crediting) the following expenses.				
Net bad and doubtful debts	(4,906)	(110,234)	-	-
Operating lease rental expenses	7,455,544	7,108,845	429,291	410,342
Depreciation and amortisation of non-current assets:				
Transport fleet	703,819	483,477	703,819	483,477
Plant and equipment	209,636	202,350	-	-
Software	37,206	330,274	-	-
	950,661	1,016,101	703,819	483,477
Employee benefit expense:				
Defined contribution plans	2,871,172	2,314,540	-	-
Other employee benefits	24,678,124	22,527,735	3,261,595	2,916,912
	27,549,296	24,842,275	3,261,595	2,916,912

Notes to the Financial Statements

For the Financial Year Ended 30 June 2008 (cont.)

	Consolidated		Company		
	2008 \$	2007 \$	2008 \$	2007 \$	
5. 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	10,069,163	8,381,458	6,266,627	4,929,770	
Income tax expense calculated at 30%	3,020,749	2,514,437	1,879,988	1,478,931	
Non-deductible expenses	18,121	19,376	-	-	
Effect of transactions within the tax consolidated group that are exempt from taxation	-	-	(1,536,000)	(1,152,000)	
Under/(over) provision of income tax in previous year	7	(1,062)	-	-	
	3,038,877	2,532,751	343,988	326,931	
Tax expense comprises:					
Current tax expense	3,123,663	2,536,680	308,109	331,770	
	(84,786)	(3,929)	35,879	(4,839)	
	3,038,877	2,532,751	343,988	326,931	
(b) Current tax liabilities					
Income tax payable	1,234,609	1,064,200	1,234,609	1,064,200	
(c) Deferred tax balances					
Deferred tax assets comprises taxable and deductible temporary differences arising from the following:					
	Consolidated				
	Balance 30/06/06 \$	Charged to Income \$	Balance 30/06/07 \$	Charged to Income \$	Balance 30/06/08 \$
Provisions	919,791	141,237	1,061,028	85,227	1,146,255
Accruals	91,423	(49,456)	41,967	61,621	103,588
Plant, Equipment and Software	9,272	(32,962)	(23,690)	(71,548)	(95,238)
Other	12,593	(54,890)	(42,297)	9,486	(32,811)
	<u>1,033,079</u>	<u>3,929</u>	<u>1,037,008</u>	<u>84,786</u>	<u>1,121,794</u>
	Company				
	Balance 30/06/06 \$	Charged to Income \$	Balance 30/06/07 \$	Charged to Income \$	Balance 30/06/08 \$
Provisions	147,342	38,624	185,966	21,020	206,986
Plant and Equipment	(17,407)	(33,785)	(51,192)	(56,899)	(108,091)
	<u>129,935</u>	<u>4,839</u>	<u>134,774</u>	<u>(35,879)</u>	<u>98,895</u>
(d) Unrecognised deferred tax balances					
The company and consolidated entity has deferred tax assets relating to capital tax losses of \$98,875 (2007: \$98,875) which have not been brought to account as assets.					

5. Income Tax (cont'd)

(e) Tax consolidation

Relevance of tax consolidation to the Group

The company and its wholly owned Australian resident entities have formed a tax consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is Wridgways Australia Limited. The members of the tax consolidated group are identified in note 25.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax consolidated group have entered into a tax funding agreement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Wridgways Australia Limited and each of the entities in the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity based on the current tax liability or tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax consolidated group. The tax sharing arrangement entered into between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its payment obligations or if an entity should leave the tax consolidated group. The effect of the tax sharing arrangement is that each member's liability for tax payable by the tax consolidated group is limited to the amounts payable to the head entity under the tax funding arrangement.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$

6. Remuneration of Auditors

Auditor of the parent entity

Audit or review of the financial report	101,095	96,210	-	-
Taxation services	51,027	16,275	-	-
Corporate finance due diligence services	5,150	-	-	-
	157,272	112,485	-	-

The auditor of Wridgways Australia Limited is Deloitte Touche Tohmatsu.

7. Current Trade and Other Receivables

Trade receivables (i)	10,355,801	9,455,706	-	-
Allowance for doubtful debts	(146,871)	(158,497)	-	-
	10,208,930	9,297,209	-	-
Other	165,390	125,424	-	-
Subsidiary receivables	-	-	2,813,861	2,201,721
	10,374,320	9,422,633	2,813,861	2,201,721

(i) The average credit period on sales is 30 days. No interest is charged on trade receivables. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past rendering of services, determined by reference to past default experience. The Group had provided for 1% of total debtors plus any known doubtful debts.

Before accepting new customers, for all jobs over \$5,000, an external scoring system is used by the Group to assess the potential customer's credit quality. The screening of potential customers on jobs valued under \$5,000 is determined on a customer by customer basis, such procedures including the use of a less detailed external scoring system or obtaining company confirmations from ASIC. There are no customers who represent more than 5% of the total balance of trade receivables.

Ageing of past due but not impaired

30 - 60 days	2,495,676	2,356,085	-	-
60 - 90 days	1,535,446	1,122,494	-	-
90 + days	1,418,887	1,109,097	-	-
Total	5,450,009	4,587,676	-	-

Movement in the allowance for doubtful debts

Balance at the beginning of the year	158,496	282,364	-	-
Amounts recovered during the year	(11,625)	(123,868)	-	-
Balance at the end of the year	146,871	158,496	-	-

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

Included in the allowance for doubtful debts is one impaired trade receivable with a balance of \$21,792 (2007: \$21,792) which has been placed into receivership. The impairment recognised represents the amount charged to the customer for bringing their goods into the Groups storage facility. The Group still holds the customers goods in this storage facility.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2008 (cont.)

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
8. Inventories				
Consumables at cost	<u>334,246</u>	<u>299,486</u>	-	-
9. Other Current Assets				
Prepayments	<u>989,171</u>	<u>996,041</u>	<u>9,535</u>	<u>8,591</u>
10. Non-Current Investments				
Shares in subsidiaries (refer note 25)	-	-	<u>11,688,898</u>	<u>11,688,898</u>
11. Plant and Equipment				
Consolidated				
	Plant and equipment	Transport Fleet	Total	
	\$	\$	\$	
Gross carrying amount (at cost)				
Balance at 30 June 2006	3,767,642	4,592,094	8,359,736	
Additions	228,227	2,788,675	3,016,902	
Disposals	(31,561)	(62,397)	(93,958)	
Balance at 30 June 2007	<u>3,964,308</u>	<u>7,318,372</u>	<u>11,282,680</u>	
Additions	813,663	1,275,171	2,088,834	
Disposals	(763,679)	(86,327)	(850,006)	
Balance at 30 June 2008	<u>4,014,292</u>	<u>8,507,216</u>	<u>12,521,508</u>	
Accumulated depreciation				
Balance at 30 June 2006	2,774,729	2,502,311	5,277,040	
Depreciation expense	202,350	483,477	685,827	
Disposals	(27,923)	(40,245)	(68,168)	
Balance at 30 June 2007	<u>2,949,156</u>	<u>2,945,543</u>	<u>5,894,699</u>	
Depreciation expense	209,636	703,819	913,455	
Disposals	(626,679)	(51,416)	(678,095)	
Balance at 30 June 2008	<u>2,532,113</u>	<u>3,597,946</u>	<u>6,130,059</u>	
Net book value				
As at 30 June 2007	1,015,152	4,372,829	5,387,981	
As at 30 June 2008	<u>1,482,179</u>	<u>4,909,270</u>	<u>6,391,449</u>	
Company				
	Plant and equipment	Transport Fleet	Total	
	\$	\$	\$	
Gross carrying amount (at cost)				
Balance at 30 June 2006	211,893	4,592,094	4,803,987	
Additions	-	2,788,675	2,788,675	
Disposals	-	(62,397)	(62,397)	
Balance at 30 June 2007	<u>211,893</u>	<u>7,318,372</u>	<u>7,530,265</u>	
Additions	-	1,275,171	1,275,171	
Disposals	-	(86,327)	(86,327)	
Balance at 30 June 2008	<u>211,893</u>	<u>8,507,216</u>	<u>8,719,109</u>	
Accumulated depreciation				
Balance as 30 June 2006	211,893	2,502,311	2,714,204	
Depreciation expense	-	483,477	483,477	
Disposals	-	(40,245)	(40,245)	
Balance at 30 June 2007	<u>211,893</u>	<u>2,945,543</u>	<u>3,157,436</u>	
Depreciation expense	-	703,819	703,819	
Disposals	-	(51,416)	(51,416)	
Balance at 30 June 2008	<u>211,893</u>	<u>3,597,946</u>	<u>3,809,839</u>	
Net book value				
As at 30 June 2007	-	4,372,829	4,372,829	
As at 30 June 2008	-	<u>4,909,270</u>	<u>4,909,270</u>	

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
12. Goodwill				
Goodwill at cost	1,529,138	1,529,138	-	-

Goodwill and Brand name have 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% (2007: 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.

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
13. Brand name				
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 2(l). Refer to Note 12 for impairment assessment.

14. Other Intangible Assets

	Consolidated Software
	\$
Gross carrying amount	
Balance at 1 July 2006	946,640
Additions	34,698
Disposals	(19,500)
Balance at 1 July 2007	961,838
Additions	475,836
Disposals	(51,718)
Balance at 30 June 2008	1,385,956
Accumulated amortisation	
Balance at 1 July 2006	582,286
Amortisation expense (i)	330,274
Disposals	(12,616)
Balance at 1 July 2007	899,944
Amortisation expense (i)	37,206
Disposals	(51,557)
Balance at 30 June 2008	885,593
Net book value	
As at 30 June 2007	<u>61,894</u>
As at 30 June 2008	<u>500,363</u>

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2008 (cont.)

	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
15. Current Trade and Other Payables				
Trade payables (i)	16,878,580	16,232,237	-	-
Goods and services tax (GST) payable	189,301	218,812	-	-
	17,067,881	16,451,049	-	-
<p>(i) Terms of payment for trade payables range from 7 days from date of invoice to 30 days from end of month. The group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.</p>				
16. Current Provisions				
Employee benefits	3,692,125	3,401,572	661,113	594,867
<p>\$1,343,373 (company: \$248,597) has been reclassified from non-current provisions to current provisions to restate amounts incorrectly classified as non-current in the 30 June 2007 financial report.</p>				
17. Non-Current Trade and Other Payables				
Unsecured:				
Payable to subsidiaries	-	-	10,856,851	10,779,710
18. Non-Current Provisions				
Employee benefits	140,347	135,183	28,837	25,016
19. Issued Capital				
32,000,000 fully paid ordinary shares (2007: 32,000,000)	1,500,000	1,500,000	1,500,000	1,500,000
<p>Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised capital and issued shares do not have a par value.</p>				
20. Retained Earnings				
Balance at beginning of financial year	12,541,721	10,533,014	4,606,498	3,843,659
Net profit attributable to members of the parent entity	7,030,286	5,848,707	5,922,639	4,602,839
Dividends provided for or paid (note 22)	(5,120,000)	(3,840,000)	(5,120,000)	(3,840,000)
Balance at end of financial year	14,452,007	12,541,721	5,409,137	4,606,498

	2008 Cents per share	2007 Cents per share
21. Earnings Per Share		
Basic earnings per share:		
Total basic earnings per share	21.97¢	18.28¢

The earnings used in the calculation of basic earnings per share is \$7,030,286 (2007: \$5,848,707).

The weighted average number of ordinary shares used in the calculation of basic earnings per share is 32,000,000 (2007: 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.

	2008 Cents per share	Total \$	2007 Cents per share	Total \$
22. Dividends				
Recognised amounts				
Fully paid ordinary shares				
Final dividend in respect of the prior year:				
Franked to 30% (Prior year: 30%)	10.0	3,200,000	5.0	1,600,000
Special dividend in respect of the prior year:				
Franked to 30%	-	-	2.0	640,000
Interim dividend in respect of the current year:				
Franked to 30% (Prior year: 30%)	6.0	1,920,000	5.0	1,600,000
	16.0	5,120,000	12.0	3,840,000

Unrecognised amounts

Fully paid ordinary shares

Final dividend in respect of the current year:				
Franked to 30% (Prior year: 30%)	11.0	3,520,000	10.0	3,200,000

On 21 August 2008, the directors declared a fully franked final dividend of 11 cents per share to the holders of fully paid ordinary shares in respect of the financial year ended 30 June 2008, to be paid to shareholders on 26 September 2008. The dividend will be paid to all shareholders on the Register of Members on 19 September 2008. The total estimated dividend to be paid is \$3,520,000.

	Company & Consolidated	
	2008 \$	2007 \$
Franking account balance		
Adjusted franking account balance	7,233,353	6,474,705
Impact on franking account balance of dividends not recognized	<u>(1,508,571)</u>	<u>(1,371,429)</u>
	5,724,782	5,103,276

Notes to the Financial Statements

For the Financial Year Ended 30 June 2008 (cont.)

23. Contingent Liabilities

Performance guarantees of \$232,406 (2007: \$232,406) 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	
	2008 \$	2007 \$	2008 \$	2007 \$
Premises (i)				
Not longer than 1 year	5,224,518	5,125,980	-	-
Longer than 1 year and not longer than 5 years	14,577,563	14,158,706	-	-
Longer than 5 years	11,848,545	3,073,144	-	-
	31,650,626	22,357,830	-	-
Plant and equipment (ii)				
Not longer than 1 year	1,009,734	1,255,921	375,120	380,054
Longer than 1 year and not longer than 5 years	1,434,394	2,028,129	438,464	479,737
Longer than 5 years	558,450	717,298	-	-
	3,002,578	4,001,348	813,584	859,791

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 ranges from 5 to 10 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	
		2008 %	2007 %
Parent entity			
Wridgways Australia Limited (i)	Australia		
Subsidiaries			
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) Transactions within the wholly owned group

Details of dividend revenue derived by the parent entity from subsidiaries is disclosed in Note 4 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% (2007: 5% to 30%) and rental of the transport fleet at commercial rates, as disclosed in Note 4 to the financial statements.

Amounts payable to subsidiaries is disclosed in Note 17 to the financial statements.

(c) 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.

(d) 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, Move Solutions)
 Grant C Harrang (State Manager, New South Wales)
 Desmond P Sutton (General Manager, Move Dynamics)
 Rob E Sims (State Manager, Western Australia)

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

	Consolidated		Company	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short-term employee benefits	1,959,133	1,789,121	1,507,197	1,375,897
Post-employment employee benefits	307,611	217,928	172,070	156,700
	2,266,744	2,007,049	1,679,267	1,532,597

(e) Key management personnel equity holdings

2008	Balance at 1/07/07	Net Change (i)	Balance at 30/06/08
	No.	No.	No.
A W Whatmore	215,000	-	215,000
B D Weir	84,000	-	84,000
J A Brown	60,000	-	60,000
D F Stickland	3,090,000	-	3,090,000
B C Clarke	1,405,626	(195,000)	1,210,626
D P Sutton	1,200,000	(38,032)	1,161,968
S J Crowle	1,052,247	(50,000)	1,002,247
J V Ford	270,100	(118,698)	151,402
2007	Balance at 1/07/06	Net Change (ii)	Balance at 30/06/07
	No.	No.	No.
A W Whatmore	200,000	15,000	215,000
B D Weir	70,000	14,000	84,000
J A Brown	60,000	-	60,000
D F Stickland	3,690,000	(600,000)	3,090,000
B C Clarke	1,660,141	(254,515)	1,405,626
D P Sutton	1,376,000	(176,000)	1,200,000
S J Crowle	1,152,247	(100,000)	1,052,247
J V Ford	475,000	(204,900)	270,100

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

Notes to the Financial Statements

For the Financial Year Ended 30 June 2008 (cont.)

	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
28. Notes to the Cash Flow Statement				
(a) Reconciliation of cash				
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	8,846,488	8,359,544	170,088	163,478
(b) Reconciliation of profit for the year to net cash flows from operating activities				
Profit for the year	7,030,286	5,848,707	5,922,639	4,602,839
(Gain)/loss on sale or disposal of non-current assets	119,963	(27,560)	(11,198)	(21,230)
Depreciation and amortisation of non-current assets	950,661	1,016,101	703,819	483,477
Changes in net assets and liabilities:				
(Increase)/decrease in assets:				
Current receivables	(951,687)	(1,504,778)	-	-
Current inventories	(34,760)	(59,100)	-	-
Other current assets	6,870	380,147	(944)	(626)
Deferred tax assets	(84,786)	(3,929)	35,879	(4,839)
Increase/(decrease) in liabilities:				
Current payables	616,832	3,354,143	-	-
Current provisions	290,552	648,126	66,247	123,461
Current tax liabilities	170,409	297,994	(441,703)	(211,362)
Non-current payables	-	-	-	-
Non-current provisions	5,165	(177,335)	3,821	5,287
Net cash from operating activities	8,119,505	9,772,516	6,278,560	4,977,007
(c) Financing facilities				
Secured bill acceptance facility:				
Amount used	-	-	-	-
Amount unused	7,000,000	7,000,000	7,000,000	7,000,000
	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>	<u>7,000,000</u>
Secured bank overdraft facility:				
Amount used	-	-	-	-
Amount unused	1,000,000	1,000,000	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

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 2 to the financial statements.

(b) Categories of financial instruments

	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
Financial Assets				
Trade receivables	10,374,320	9,422,633	2,813,861	2,201,721
Cash and cash equivalents	8,846,488	8,359,544	170,088	163,478
Financial Liabilities				
Trade payables	17,067,881	16,451,049	10,856,851	10,779,710

(c) Foreign currency risk management

The group and the company undertake certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The majority of these foreign currency denominated transactions relate to freight related costs on our international removals and relocations.

The group 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.

This policy has been adopted by management on the basis that all foreign currency payments individually or collectively represent an insignificant proportion of total operating costs. In 2008, total foreign currency payments as a percentage of total operating costs equated to 6.7% (2007: 6.2%).

Foreign Currency sensitivity analysis

The group from a foreign currency perspective is mainly exposed to US Dollars and British Pounds.

The following table details the group's sensitivity to a 10% increase and decrease in the Australian Dollar against relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated payables and adjusts their translation at the period end for a 10% change in foreign currency rates. Strengthening of the Australian Dollar against relevant foreign currencies results in a gain to the income statement, whilst weakening of the Australian Dollar will result in a loss to the income statement.

Profit or Loss	Consolidated		Company	
	2008 \$	2007 \$	2008 \$	2007 \$
US Dollars	113,181	104,414	-	-
British Pounds	75,366	70,838	-	-

The group's sensitivity to foreign currency has increased during the current period mainly due to increased foreign currency denominated purchases for the financial year which has resulted in higher foreign currency denominated trade payables.

(d) Interest rate risk

The company and the group are exposed to interest rate risk on cash balances held. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate deposits.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates on financial instruments as at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

Notes to the Financial Statements

For the Financial Year Ended 30 June 2008 (cont.)

29. Financial Instruments (cont'd)

(d) Interest rate risk (cont'd)

An increase/decrease in interest rates of 1% is used when reporting interest rate risk internally to key management. At the reporting date, if interest rate had been 1% higher and all other variables were held constant, the group's net profit would have increased by \$44,684 (2007: increase by \$45,855) and the company's net profit would have increased by \$1,668 (2007: increase by \$1,617). This is mainly attributable to the group's and company's exposure to interest rates on variable rate deposits.

(e) 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 and company have 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 and company 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 and company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(f) 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.

(g) Liquidity risk management

Liquidity risk refers to the risk that the consolidated entity or the company will not be able to meet its financial obligations as they fall due. The consolidated entity and the company undertake the following activities to ensure that there are sufficient funds available to meet obligations:

- Prepare budgeted annual and monthly cashflows
- Monitoring of actual cashflows on a daily basis
- Maintenance of a committed borrowing facility in excess of budgeted usage levels

Liquidity risk table

The following tables detail the company's and the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Consolidated	Weighted average interest rate %	less than 1 year \$	1-5 years \$	5+ years \$
2008				
Trade payables	-	17,067,881	-	-
2007				
Trade payables	-	16,451,049	-	-

29. Financial Instruments (cont'd)

(g) Liquidity risk management (cont'd)

Company	Weighted average interest rate %	less than 1 year \$	1-5 years \$	5+ years \$
2008				
Trade payables	-	-	10,856,851	-
2007				
Trade payables	-	-	10,779,710	-

(h) Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as a going concern whilst maximising returns to stakeholders through maintaining a strong capital base.

Capital is defined as total equity of the consolidated entity. Group policy is to fund ongoing operations through equity. Debt will be taken out to meet short term liquidity needs or to finance non organic growth.

The company and consolidated entity are not subject to any externally imposed capital requirements.

Operating cash flows are used to maintain and expand the group's business as well as make routine outflows of tax and dividends.

There were no changes to the consolidated entity and the company's approach to capital management during the year.

30. Net Tangible Assets per Share

	2008 \$	2007 \$
Consolidated net tangible assets per share	0.19	0.14
Net tangible assets of \$5,922,506 [2007: \$4,450,689] consists of Net Assets of \$15,952,007 [2007: \$14,041,721] less Intangible Assets of \$10,029,501 [2007: \$9,591,032]		

31. Additional Company Information

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

Registered office

26-40 Nina Link, Dandenong South, Victoria 3175

Principal place of business

26-40 Nina Link, Dandenong South, Victoria 3175

Directors' Declaration

The directors declare that:

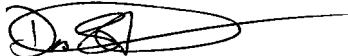
- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and 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: 21 August 2008

Independent Audit Report



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 LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Wridgways Australia Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 20 to 42.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Wridgways Australia Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Independent Audit Report *(cont.)*



Report on the Remuneration Report

We have audited the Remuneration Report included on pages 14 to 16 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Wridgways Australia Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D. A. Watson

D A WATSON

Partner
Chartered Accountants

Melbourne, 21 August 2008

Additional stock exchange information *as at 11 August 2008*

Number of holders of equity securities

32,000,000 fully paid ordinary shares are held by 2,142 individual shareholders.
All issued ordinary shares carry one vote per share.

Distribution of holders of equity securities

Fully paid	
Ordinary Shares	
1 - 1,000	268
1,001 - 5,000	875
5,001 - 10,000	491
10,001 - 100,000	479
100,001 and over	29
	<u>2,142</u>
Holding less than a marketable parcel	<u>23</u>

Substantial shareholders

Ordinary shareholders	Fully paid	
	Number	Percentage
D F & J Stickland	3,090,000	9.66

Twenty largest holders of quoted equity securities

	Fully paid	
	Number	Percentage
D F & J Stickland	3,090,000	9.66
B C & C A Clarke Investments Pty Ltd	1,210,626	3.78
HSBC Custody Nominees (Australia) Ltd	1,178,208	3.68
D P Sutton	1,144,468	3.58
S J & H N Crowle Pty Ltd	1,002,247	3.13
Questor Financial Services Ltd	872,127	2.73
Wilmar Enterprises Pty Ltd	571,642	1.79
W C Anderson	500,910	1.57
Starbrite Consultants Pty Ltd	500,000	1.56
Mandel Pty Ltd	355,000	1.11
A W Whatmore	215,000	0.67
N M Shugg	210,000	0.66
Milne Investments Pty Ltd	200,000	0.63
H Lee	178,200	0.56
Dawson Corporate Investments Pty Ltd	170,000	0.53
R T Francis	170,000	0.53
C Lovett	166,000	0.52
Mutual Trust Pty Ltd	165,759	0.52
G W Goode	163,958	0.51
Griffith Management Pty Ltd	162,670	0.51
	<u>12,226,815</u>	<u>38.23</u>

WRIDGWAYS

ABN 82 079 887 728

Company Secretary

Mr Brian C Clarke

Principal Registered Office

26-40 Nina Link, Dandenong South, Victoria 3175
Telephone: 03 9554 7300

Principal Administration Office

26-40 Nina Link, Dandenong South, Victoria 3175
Telephone: 03 9554 7300
Facsimile: 03 8768 7311
Email: moving@wridgways.com.au
Website: www.wridgways.com.au

Share Registry

C/- Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067
Telephone: 03 9415 5000
Facsimilie: 03 9473 2500

Stock Exchange Listings

Wridgways Australia Limited's ordinary shares are quoted by the Australian Stock Exchange Limited.



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