GARRATT'S LIMITED

ACN 000 003 725

ANNUAL REPORT
2003

CHAIRMAN'S REPORT

When we announced our preliminary final results earlier this week I wrote to all shareholders and noteholders about the substantial write-offs that we made. May I again assure you that, notwithstanding the decision to write off the debt, your Board intends to continue to aggressively pursue the collection of the debt owed to the Company by the estate of the late Thanga Thangathurai. That debt and related costs amounted to $3,916,723.

The other write-off was our decision to decrease the value of the stock in the books of our fastening operations by $320,000. Again, strenuous attempts will be made to recover the maximum level of recovery of the stock involved.

Both these decisions were taken as a matter of prudence. Regrettably, they had a severe impact on the performance of the Group resulting in a loss of $2,969,619 after tax and exceptional items for the year ended 30 June 2003.

While the acquisition of the business and assets of two colleges in August 2002 brought an increase in student fees, the increased overheads as a result of the doubling in premises, rent increases and the cost of additional staff ate into the higher revenues. The result was a lower contribution to profitability than in the previous financial year. We are nevertheless confident that we have built up a well structured group of colleges from which to expand both within Australia and overseas.

Premier Fasteners Pty Limited's sales reached record levels – about 5.7% higher than in the previous year. However, the contribution to profitability was about 30% lower, mainly because of the once-off adjustment to stock values which I referred to earlier.

In my letter of 8 September 2003, I also advised shareholders and noteholders that the Company is engaged in various courses of action to ensure that its obligations in respect of its Convertible Notes can be met. Your Board is currently satisfied that there are reasonable grounds to assume that a satisfactory commercial outcome from these negotiations will be forthcoming, which will allow the Company to meet its obligations in regard to the redemption of the Convertible Notes in February 2004.

Since the commencement of the Convertible Note buy-back in October 2001, the Company has bought back and cancelled a total of 1,040,153 Convertible Notes, representing nearly 20% of the original 1999 issue. The Notes bought back have been at an average price of 96 cents each (Lowest price paid: 82 cents; Highest price paid: $1.00) – resulting in a saving of about $45,000 on the cost of the February 2004 redemption debt and a saving of about $202,000 in interest payments – together a saving of some $247,000.

There is no escaping the fact that this result is a major set back for the Company. However, the Board is positive concerning the future prospects of the Company, particularly the potential of the Education assets.

I would like to thank the management team for their efforts during a trying year and the Company's shareholders and noteholders for their support.

Neville Cleary
Chairman
11 September 2003

GROUP MANAGING DIRECTOR'S REVIEW

The financial year ended 30 June 2003 was very difficult, notwithstanding the commitment and best efforts of the staff – mainly for reasons beyond their control.

The action to pursue the debt owed by the late Mr. Thanga Thangathurai became more complex with his passing in December 2002.

The Education Group had to contend with several external factors that affected student numbers, the most serious being the war in the Middle East, the sharp rise in the value of the Australian Dollar and Severe Acute Respiratory Syndrome (SARS) – the latter continuing to have an impact on enrolments into this financial year.

During the year particular attention was focused on three areas. The first was to obtain a favourable decision in the Supreme Court of New South Wales in regard to the substantial debt owed by Thangathurai. This was achieved in May 2003. We were also awarded costs. Steps are now being taken in regard to 'collection'.

The second was to reduce the outstanding on the convertible note debt. During the year, 878,375 notes (with a face value of $878,375) were bought back for $848,427 (at an average price of 97 cents), and cancelled. Since the end of the year a further 2,500 notes were bought back for $2,250 (90 cents each) and cancelled, leaving the principal monies outstanding now at $4,190,781 (ie. 4,190,781 notes @ $1.00 each).

The third area was the building up of a strong platform in education from which to expand in Australia and the region, especially in the People's Republic of China, Vietnam, Indonesia and the Indian subcontinent. The interest we have received from overseas parties suggests that we are now well positioned in this regard.

The Education Group made a small profit. That profit figure was arrived at after taking into account $279,000 in rent for the additional premises at Level 4, 83-85 Castlereagh Street as well as the costs of additional management, administration and academic staff for the new businesses acquired in August 2002.

We continue to be confident about the international student education business. The business in Australia already exceeds $5 billion per annum. Australia is the third most popular country for international students (after USA and UK). It should, for a host of reasons, be the first choice. Australia only has a 3% share of the worldwide business - so the upside could be spectacular. Our operations currently account for a very small percentage of the international education business in Australia.

Sales in our fastening business were higher than they were in the previous year, though margins were lower. We thought it prudent to make a substantial provision against older trading stock. Notwithstanding the provision, steps are being taken to dispose of this stock on the best terms possible.

I would like to thank all our business associates and customers, as well as my colleagues and my fellow directors, for their support during what was a trying year.

Christopher Campbell
Group Managing Director
11 September 2003

95th ANNUAL REPORT OF THE DIRECTORS

Your directors present their report together with the financial report of Garratt's Limited ("the Company") and the consolidated financial report of the economic entity, being the Company and its controlled entities, for the financial year ended 30 June 2003 and the auditors' report thereon.

PRINCIPAL ACTIVITIES

The principal activities of the economic entity during the course of the financial year were the provision of training and education services and the manufacture, import and sale of fasteners.

CONSOLIDATED RESULT

The consolidated loss from operations after exceptional item and income tax was $2,969,619 (2002: $211,282), equal to 25.1 cents per share (2002: 1.9 cents per share).

The consolidated loss from operations before exceptional item and income tax was $257,875.

The result is after payment of $521,529 as interest on the Convertible Notes on issue (2002: $615,905) and after the provision of $320,000 against trading stock in Premier Fasteners Pty Limited.

The exceptional item referred to in paragraphs 1 & 2 is the writing off of the debt owed by the late Mr. Thanga Thangathurai and related costs. That write off amounted to $3,916,723.

The consolidated net asset backing per share at balance date was 38.3 cents (2002: 63.8 cents). The consolidated net tangible asset backing per share at balance date was 10.6 cents (2002: 41.5 cents).

REVIEW AND RESULTS OF OPERATIONS

Education

In August 2002, the Education Group acquired the business and assets of Excelsior College Pty Limited and Australian College of Technology Pty Limited (Administrators Appointed).

With these acquisitions, the Education Group now offers a wide range of courses under the 'Academies Australasia' banner – English Language Studies, Senior High School and Vocational courses (in subjects such as Information Technology, Accounting, Business Management, Travel & Tourism and Marketing) ranging from Certificate II to Advanced Diploma and Graduate Certificate levels.

The Education Group is made up of: Academy of English, Academy of Social Sciences, Australian College of Technology, Australian International High School, Clarendon Business College and Supreme Business College.

Dr. David Wheeler, previously Assistant Professor of Physics and Head of the Department of Physics at Mahanakorn University of Technology, Bangkok, Thailand, was appointed to the position of Academic Principal of the Education Group in January 2003. Dr. Wheeler was subsequently appointed to the Boards of all companies in the Education Group.

The steps taken to expand and strengthen the infrastructure of the Education Group, especially in respect of additional CBD premises and senior staff, eroded profitability. In addition there were external factors that affected the international education market, namely the war in the Middle East, the substantial increase in the value of the Australian dollar and Severe Acute Respiratory Syndrome (SARS). The inordinate delays on the part of the New South Wales Vocational Education and Training Accreditation Board in respect to lifting the embargo on recruitment of new students by Australian College of Technology (imposed as a result of operations prior to our acquisition) adversely affected student enrolment levels. The embargo has since been lifted.

Fasteners

Although sales from our fastening business were 5.7% higher than in the previous corresponding period, contribution to profitability was down 29.6% on that for the previous period. The substantially lower contribution was because of a provision of $320,000 against trading stock and, to a lesser extent, lower margins.

The acquisition of new plant has opened new markets.

Recovery of US Dollar Debt

On 5 May 2003, in the Supreme Court of New South Wales, Justice Bryson made an order for Judgement for US$1,887,422.30 in favour of the Company. This amount is in respect to the cash consideration for the sale by the Company of its interest in IC & Count Technologies Limited to (the late) Mr. Thanga Thangathurai in January 2001. The amount is made up of the cash consideration that was due to the Company on 31 March 2001, plus interest.

Justice Bryson also ordered:

a. Specific performance of the January 2001 agreement to transfer to the Company 2.5% of the issued capital in IC & Count Technologies Limited;
b. That the Company be awarded costs; and
c. That the late Mr. Thangathurai's cross claim be dismissed with costs.

The Company has written off the debt, together with related expenses. The write off amounted to $3,916,723.

This decision was taken as a matter of prudence. The Company intends to take all available steps to enforce the Judgements against all surviving Thangathurai interests. Steps have been taken in respect of legal action in Singapore and the United States of America. The Company is planning legal proceedings in which it will be seeking to enforce the Judgements or recover the debt.

Dividend

No dividend has been declared for the financial year ended 30 June 2003.

Convertible Notes

On 26 October 2001 the Company announced that it was commencing an on market buy-back of its Convertible Notes. By 30 June 2003, 1,037,653 Notes were bought back and cancelled, representing 19.8% of the total Notes issued in 1999. Since the end of the year a further 2,500 notes were bought back for $2,250 (90 cents each) and cancelled, leaving the principal monies outstanding now at $4,190,781 (ie. 4,190,781 notes @ $1.00 each).

Noteholders were paid the ninth interest payment of 6 cents in June 2003. The next payment, also for 6 cents per Convertible Note, is due in December 2003.

Options

In December 2002, the Company agreed to offer Dr. David Wheeler (as part of his employment package) options to acquire 225,000 new fully paid ordinary shares in the Company on the following basis:

No. Shares	Price / Share	Option Expiry Date
75,000	50 cents	30 June 2003
75,000	75 cents	31 December 2003
75,000	$1.00	30 June 2004
225,000		

At the date of this report, Dr. Wheeler had not exercised any of his options. The options in regard to 75,000 shares expired on 30 June 2003.

Share Issues

The issued capital of the Company was increased by 500,000 shares – from 11,395,281 shares to 11,895,281 shares – in August 2002. The shares were issued at 50 cents each as part payment for the acquisition of the business and assets of Excelsior College Pty Limited and were held in voluntary escrow until close of business 15 August 2003.

Shareholders at the 2002 Annual General Meeting subsequently approved this issue of 500,000 shares. That approval "refreshed" the Board's discretion to issue new shares under Australian Stock Exchange Listing Rule 7.1.

STATE OF AFFAIRS

The only significant changes in the state of affairs of the consolidated entity during the reporting period were the purchases of the business and assets of Excelsior College Pty Limited and Australian College of Technology Pty Limited (Administrators Appointed). *(Please refer to "Education".)*

LIKELY DEVELOPMENTS

The Company will, wherever appropriate, continue to grow the operations of its subsidiary companies and to explore opportunities for other long-term investments.

EVENTS SUBSEQUENT TO BALANCE DATE

The only matter or circumstance that has arisen since the end of the financial year which 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 subsequent financial years, is that, in August 2003 the Company was served summonses by Keith Franklin Kennett, K.F. Kennett Nominees Pty Ltd and Myong Ho Pak seeking relief from the contract entered into between the Company and those parties in August 2002. The action will be defended vigorously. The Company's solicitors are confident that the defence will be successful.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Mr. Neville Thomas Cleary - Chairman (Non-Executive). Fellow of the Finance and Treasury Association Limited and a Fellow of the Australian Institute of Banking and Finance. Retired as a senior banker in 1992 after 43 years with the Commonwealth Bank of Australia. Was, until July 2003, Non-Executive Director & Deputy Chairman of Ipoh Limited. Also sits on the boards of a number of other companies. Mr. Cleary was appointed a Non-Executive Director and then Chairman of Garratt's Limited in April 2001. Also Chairman of the Audit and Remuneration Committees.

Mr. Christopher Elmore Campbell, B.Soc.Sci. (Hons), FAIBF, FAICD, FCIS - Group Managing Director. Previous positions include senior appointments with the Monetary Authority of Singapore and an international bank in Australia. Appointed Group Managing Director and Chief Executive Officer of Garratt's Limited in July 1996. Chairman and Director of each of the subsidiary companies in the Garratt's Group. Member of Audit and Remuneration Committees. Elected to the Board of Australian Council of Independent Vocational Colleges Limited in April 2003.

Mr. Chiang Meng Heng - Director (Non-Executive). Executive Director of LKN-Primefield Limited, a company listed on the Singapore Exchange. Also on the Board of three other companies listed in Singapore. Mr. Heng was appointed Director of Garratt's and a member of the Audit and Remuneration Committees in February 2000.

Ms. Petah Anne Fitzsimmons – Alternate Director for Mr. Neville Cleary & Group Company Secretary. Joined Garratt's in September 1996. Also an Executive Director of the Academies Australasia Group of Colleges and a Director of a number of other subsidiary companies in the Garratt's Group.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

Director	Directors' Meetings		Audit Committee		Remuneration Committee	
	A	B	A	B	A	B
Mr. N. Cleary	4	4	2	2	1	1
Mr. C. Campbell	4	4	2	2	1	1
Mr. C. M. Heng	4	4	2	2	1	1

A - Number of meetings held during the time the director held office during the period
B - Number of meetings attended

DIRECTORS' INTERESTS

The relevant interest of each director in the share capital of the Company, as notified by the directors to the Australian Stock Exchange in accordance with listing rule 3.19A for the purposes of section 205G of the Corporations Act, at the date of this report, is as follows:

	Relevant Interest - Direct		Relevant Interest – Indirect	
Director	Ordinary Shares	Convertible Notes	Ordinary Shares	Convertible Notes
Mr. N. Cleary	30,000	-	50,000	-
Mr. C. Campbell	2,000	-	1,198,000	332,000
Mr. C.M. Heng	1,162,760	20,000	209,364	581,380
Ms. P. Fitzsimmons[a]	3,000	12,000	-	3,750

[a] Alternate director

DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

	Base Emolument	Bonus/ Allowance/ Commission	Super Contribution	Non-Cash Benefit	Total
Directors					
Mr. C. Campbell	$235,000	-	$65,000	-	$300,000
Ms. P. Fitzsimmons[a]	$66,667	$12,000	$7,080	-	$85,747
Mr. N. Cleary	$1,508	-	$136	$33,492	$35,136
Mr. C.M. Heng	$20,000	-	$1,800	-	$21,800
Highest Paid Officers (Economic Entity)					
Mr. I. Mikkelsen	$135,871	$17,760	$4,128	-	$157,759
Mr. I. Bloodworth	$97,221	-	$8,750	-	$105,971
Ms. S. Crisp	$52,000	$8,500	$4,932	$8,000	$73,432
Mr. D. Wheeler[b]	$10,235	$5,347	$3,415	-	$18,997

[a] Alternate director
[b] Officer for part of year only

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company's Articles of Association provides an indemnity to officers of the Company. The Company is required to pay all costs, losses and expenses that an officer may incur by reason of any contract entered into or act or thing done by them in the discharge of their duties except where they act dishonestly.

The Company has also paid an insurance premium in respect of a directors and officers liability insurance policy covering the directors and officers liabilities as officers of the Company and taken out "key man" insurance policies. The premium and nature of the liabilities covered by the policies are not to be disclosed under the terms of the policies.

CORPORATE GOVERNANCE STATEMENT

The Company follows the best practice recommendations set by the ASX Corporate Governance Council. The Board is responsible for the overall corporate governance of the economic entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals. At the date of this report the Board comprised three directors, namely, the Chairman (Non-Executive), the Group Managing Director (Executive) and the Non-Executive Director. (*See "Directors" for details of the Directors*)

To assist in the execution of its responsibilities, the Board has established an Audit Committee and a Remuneration Committee.

Audit Committee

The role of the Audit Committee is documented in a Charter which is approved by the Board of Directors. The role of the Committee is to advise on the establishment and maintenance of a framework of internal controls and appropriate ethical standards for the management of the economic entity. It also gives the Board of Directors additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report. During the year all the Directors were members of the Audit Committee.

The Audit Committee reviews the performance of the external auditors on an annual basis and meets with them during the year to discuss the audit plan, to review any significant issues that have arisen during the period and to review the nature and impact of changes in accounting policies. Prior to the announcement of results, the Audit Committee meets with the external auditors to review the draft financial report and the audit and make the necessary recommendation to the Board for the approval of the financial report.

Remuneration Committee

The role of the Remuneration Committee is to review and make recommendations to the Board on remuneration packages and policies applicable to the Chief Executive Officer, senior executives and directors themselves. This role also includes responsibility for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefit policies and professional indemnity and liability insurance policies. Remuneration levels are competitively set to attract the most qualified and experienced directors and senior executives. All the members of the Board constitute the Remuneration Committee.

Independent Professional Advice

Each director has the right to seek independent professional advice at the economic entity's expense. However, prior approval of the Chairman is required, which will not be unreasonably withheld. A copy of the advice received by the director is made available to all other members of the Board.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework but recognises that no cost effective internal control system will preclude all errors and irregularities. The economic entity's system of internal control is based upon procedures, policies and guidelines, division of responsibility and the careful selection and training of qualified personnel.

Ethical Standards

All directors, managers, employees and consultants are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the economic entity.

Shareholder Communication & Participation

The Board also aims to ensure that the shareholders are informed of all major developments affecting the economic entity's state of affairs. Information is communicated to shareholders on a regular basis by means of continuous reporting and half yearly and annual reports. The Board ensures that these reports include all relevant information about the operations of the economic entity, changes in the state of affairs of the economic entity and details of future developments. All documents that are released publicly are made available on the economic entity's Internet web site (www.garratts.com.au).

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the economic entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.

Signed in accordance with a resolution of the Board of Directors.

Neville Cleary
Director

Christopher Campbell
Director

Sydney
11 September 2003

GARRATT'S LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL PERFORMANCE
For the year ended 30 June 2003

	Note	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Revenues from ordinary activities	2	**10,711,402**	9,344,826	**1,779,272**	1,961,776
Borrowing costs expense	3	**(645,553)**	(696,086)	**(627,041)**	(691,493)
Depreciation and amortisation expense	3	**(525,375)**	(469,782)	**(16,168)**	(17,245)
Cost of sales	3	**(4,874,808)**	(4,085,207)	**-**	-
Cost of services		**(741,847)**	(350,964)	**-**	-
Employee benefit expense		**(2,028,704)**	(1,963,272)	**(545,194)**	(519,541)
Insurance		**(199,036)**	(159,637)	**(42,679)**	(42,316)
Lease rental expense – operating leases	3	**(899,383)**	(549,876)	**(29,343)**	(22,939)
Loss on foreign exchange	3	**-**	(304,888)	**-**	(304,888)
Non-executive directors fees		**(56,936)**	(57,006)	**(56,936)**	(57,006)
Provision for loan to subsidiary		**-**	-	**(4,181)**	(20,697)
Other expenses from ordinary activities		**(997,635)**	(946,542)	**(84,417)**	(70,891)
Profit/(loss) from ordinary activities before exceptional items and income tax expense		**(257,875)**	(238,434)	**373,313**	214,760
Loss from exceptional items before related Income tax benefit	4	**(3,916,723)**	-	**(2,274,316)**	-
Profit/(loss) from ordinary activities before income tax expense		**(4,174,598)**	(238,434)	**(1,901,003)**	214,760
Income tax (expense)/benefit relating to ordinary activities	5	**1,204,979**	27,152	**28,470**	126,451
Profit/(loss) from ordinary activities after related income tax expense		**(2,969,619)**	(211,282)	**(1,872,533)**	341,211
Basic earnings per share (dollars)	9	**(0.251)**	(0.019)		

The accompanying notes form part of these financial statements.

GARRATT'S LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
As at 30 June 2003

	Note	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Current Assets					
Cash assets	11	**440,709**	1,651,414	**121,905**	1,186,480
Receivables	12	**2,083,153**	5,333,575	**314,323**	331,500
Inventories	13	**3,127,233**	3,050,053	**-**	-
Other	14	**243,578**	303,308	**82,735**	40,922
Total Current Assets		**5,894,673**	10,338,350	**518,963**	1,558,902
Non-Current Assets					
Receivables	12	**-**	-	**9,079,315**	9,820,207
Other financial assets	15	**-**	1,712	**3,000,006**	3,000,006
Plant and equipment	16	**1,605,941**	1,785,283	**46,142**	59,479
Deferred tax assets	17	**1,368,241**	421,461	**69,890**	65,282
Intangible assets	18	**3,299,608**	2,548,368	**25,020**	75,060
Total Non-Current Assets		**6,273,790**	4,756,824	**12,220,373**	13,020,034
Total Assets		**12,168,463**	15,095,174	**12,739,336**	14,578,936
Current Liabilities					
Payables	19	**1,849,217**	1,685,627	**420,692**	498,430
Interest-bearing liabilities	20	**5,442,306**	486,907	**5,393,281**	450,000
Provisions	21	**139,525**	116,156	**102,363**	89,455
Total Current Liabilities		**7,431,048**	2,288,690	**5,916,336**	1,037,885
Non-Current Liabilities					
Interest-bearing liabilities	20	**159,898**	5,244,349	**-**	5,071,656
Deferred tax liabilities	22	**-**	258,199	**-**	23,862
Provisions	21	**21,420**	28,220	**-**	-
Total Non-Current Liabilities		**181,318**	5,530,768	**-**	5,095,518
Total Liabilities		**7,612,366**	7,819,458	**5,916,336**	6,133,403
Net Assets		**4,556,097**	7,275,716	**6,823,000**	8,445,533
Equity					
Contributed equity	23	**10,811,895**	10,561,895	**10,811,895**	10,561,895
Accumulated Losses	33	**(6,255,798)**	(3,286,179)	**(3,988,895)**	(2,116,362)
Total Equity		**4,556,097**	7,275,716	**6,823,000**	8,445,533

The accompanying notes form part of these financial statements.

GARRATT'S LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
For the year ended 30 June 2003

	Note	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Cash Flows from Operating Activities					
Cash receipts in the course of operations		**10,193,499**	8,771,813	**807,344**	768,284
Cash payments in the course of operations		**(10,225,072)**	(7,849,257)	**(709,139)**	(687,493)
Interest received		**11,537**	11,041	**3,884**	174
Borrowing costs		**(788,804)**	(330,697)	**(770,292)**	(326,105)
Net cash provided by/(used in) operating activities	32a	**(808,840)**	602,900	**(668,203)**	(245,140)
Cash Flows from Investing Activities					
Proceeds from sale of plant & equipment		**7,273**	15,496	**-**	-
Payment for plant & equipment		**(84,013)**	(232,531)	**(2,831)**	(60,910)
Loans to controlled entities – repaid/(advanced)		**-**	-	**(288,061)**	592,085
Loans advanced to other entities		**-**	-	**-**	-
Loans to other entities - repaid		**-**	1,000,000	**-**	1,000,000
Payments for businesses, assets and goodwill		**(184,272)**	(78,667)	**-**	-
Net cash provided by/(used in) investing activities		**(261,012)**	704,298	**(290,892)**	1,531,175
Cash Flows from Financing Activities					
Proceeds from borrowings		**754,086**	453,856	**750,000**	450,000
Repayment of borrowings		**(894,939)**	(596,009)	**(855,480)**	(596,009)
Net cash provided by/(used in) financing activities		**(140,853)**	(142,153)	**(105,480)**	(146,009)
Net increase/(decrease) in cash held		**(1,210,705)**	1,165,045	**(1,064,575)**	1,140,026
Cash at the beginning of the financial year		**1,651,414**	486,369	**1,186,480**	46,454
Cash at the end of the financial year	11	**440,709**	1,651,414	**121,905**	1,186,480

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act. The financial report has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets. These accounting policies have been consistently applied by each entity in the economic entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report.

a. Principles of consolidation

The consolidated financial statements of the economic entity include the financial statements of the Company, being the parent entity, and its controlled entities ("the economic entity"). The balances, and effects of transactions, between controlled entities have been eliminated. Where controlled entities have entered or left the economic entity during the year, their operating results have been included from the date control was obtained or until the date control ceased.

b. Revenue recognition – Note 2

Sales revenue: Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of products or services to entities outside the economic entity. Sales revenue is recognised when the goods are provided, or when the fee in respect of services provided is receivable.

Interest income: Interest income is recognised as it accrues.

Government grants: Monies receivable under various government grants are recognised on an accrual basis.

Asset sales: The gross proceeds of assets sales are included as revenue of the economic entity. The profit or loss on disposal of assets is brought to account at the date a contract of sale is signed.

c. Taxation – Note 5

The economic entity adopts the income statement liability method of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income.

The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the balance sheet as a future income tax benefit or a provision for deferred income tax. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effect of capital losses is not recorded unless realisation is virtually certain.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d. Foreign currency

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currency at balance date are translated at the rates of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currency are brought to account as exchange gains or losses in the profit and loss statement in the financial year in which the exchange rates change.

e. Receivables – Note 12

The recoverability of debts is assessed at balance date and general provision is made for any doubtful accounts.

f. Inventories – Note 13

Inventories are carried at the lower of cost and net realisable value. Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition. The cost of manufactured products include direct materials, direct labour and an appropriate portion of variable and fixed overheads. Fixed costs have been allocated on the basis of normal operating capacity.

Where the book value of stock items exceeds the net realisable value, a provision for diminution in value is raised.

g. Financial assets – Note 15

Controlled entities: Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount. Dividends are brought to account in the profit and loss statement when they are provided for by the controlled entities.

h. Plant and equipment – Note 16

Plant and equipment are brought to account at cost. They are then depreciated using the straight line method over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of asset are as follows:

- Plant & Equipment	5 – 40%
- Leasehold improvements	12.5 – 22.5%

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

i. Intangible assets – Note 18

Goodwill, representing the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on the acquisition of a controlled entity or business, is amortised over the period of time during which benefits are expected to arise. Goodwill is amortised on a straight line basis over 20 years. The unamortised balance of goodwill is reviewed at least at each reporting date. Where the balance exceeds the value of expected future benefits, the difference is charged to the profit and loss statement.

Business names are amortised on a straight line basis over 20 years. The unamortised balance is reviewed at least at each reporting date. Where the balance exceeds the value of expected future benefits, the difference is charged to the profit and loss statement.

j. Non current assets

The carrying amounts of non-current assets are reviewed to determine whether they are in excess of their recoverable amounts at the balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value.

k. Payables – Note 19

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company or economic entity.

l. Employee entitlements – Note 21

Provision is made for the economic entity's liability for employee entitlements to wages, salaries, annual leave and long service leave. The provisions represent the amount which the economic entity has an obligation to pay resulting from employees' services provided up to the balance date and includes related on-costs. The liability for long service leave entitlements represents the present value of the estimated future cash outflows.

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

m. Convertible notes – Note 34

Convertible notes are recognised when issued at the amount of net proceeds received, with the premium or discount on issuance amortised over the period to maturity. Interest on the notes is recognised in the statement of financial performance as an expense. Convertible notes are treated as compound financial instruments where there is an obligation to make scheduled payments of interest and principal as long as the instrument is not converted, and there is also an option, held by the holder, to convert the note into equity. The present value of the interest and principal payable discounted at the market rate is classified as debt. The difference, if any, between the net proceeds received and the value of the debt is assigned to the component of the option to convert the liability into equity and is classified as equity.

Convertible notes bought back on the market are cancelled and the difference, if any, between the total cost of acquisition and the value of the debt cancelled is recognised in the statement of financial performance.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

n. Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and finance lease charges. Borrowing costs are expensed as incurred unless they relate to qualifying assets.

o. Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

p. Going concern

These financial statements have been prepared on the going concern assumption, which contemplates the orderly realisation of assets and payment of liabilities in the ordinary course of business.

The Company is engaged in various courses of action to ensure that the Company's obligations in respect of the Convertible Notes (*See Note 34*) can be met on maturity in February 2004. The Board of Directors is currently satisfied that there are reasonable grounds to assume that a satisfactory commercial outcome from these negotiations will be forthcoming, which will allow the Company to meet its future financial obligations as and when they fall due.

	Note	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
2. REVENUE					
Operating activities					
- Sales of goods		**8,214,421**	7,769,279	**-**	-
- Services revenue	2a	**2,322,197**	1,206,938	**807,343**	768,284
- Dividends received	2b	**-**	-	**4,181**	20,697
- Interest received	2c	**139,453**	308,698	**961,388**	1,172,795
		10,676,071	9,284,915	**1,772,912**	1,961,776
Non-operating activities					
- Proceeds on disposal of plant and equipment		**7,273**	15,496	**-**	-
- Other		**28,058**	44,415	**6,360**	-
		35,331	59,911	**6,360**	-
Total Revenue		**10,711,402**	9,344,826	**1,779,272**	1,961,776
a. Services revenue					
- Wholly-owned controlled entities		**-**	-	**807,343**	768,284
- Other persons		**2,322,197**	1,206,938	**-**	-
		2,322,197	1,206,938	**807,343**	768,284
b. Dividends received					
- Wholly-owned controlled entities		**-**	-	**4,181**	20,697
c. Interest revenue					
- Wholly-owned controlled entities		**-**	-	**957,504**	1,172,621
- Other persons		**139,453**	308,698	**3,884**	174
		139,453	308,698	**961,388**	1,172,795

3. PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before tax has been determined after

	Note	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
a. Expenses:					
Cost of sales		**4,874,808**	4,085,207	**-**	-
Borrowing costs – other parties		**645,553**	696,086	**627,041**	691,493
Depreciation of plant and equipment		**341,338**	310,088	**14,900**	15,343
Amortisation of leasehold improvements		**5,936**	17,562	**1,268**	1,902
Amortisation of goodwill		**176,601**	140,632	**-**	-
Amortisation of business names		**1,500**	1,500	**-**	-
Bad and doubtful debts		**3,925,723**	-	**2,278,497**	20,697
Lease rental expense – operating leases		**899,383**	549,876	**25,704**	22,939
Loss on disposal of plant and equipment		**37,392**	13,830	**-**	-
b. Revenue and Net Gains:					
Gain on cancellation of convertible notes	34	**22,895**	13,269	**22,895**	13,269
Net foreign exchange gains		**6,360**	-	**6,360**	-

	ECONOMIC ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$

3. PROFIT FROM ORDINARY ACTIVITIES (continued)

c. Significant Revenues and Expenses
The following significant revenue and expense items are relevant in explaining the financial performance:

Net foreign exchange losses	**-**	304,888	**-**	304,888

4. EXCEPTIONAL ITEMS

Loss sustained as a result of writing off of a receivable and related costs. The receivable related to the sale of an investment.	**(3,916,723)**	-	**-**	-
Loan to subsidiary forgiven	**-**	-	**(2,274,316)**	-
	(3,916,723)	-	**(2,274,316)**	-

5. INCOME TAX EXPENSE

a. The prima facie tax on profit/(loss) from ordinary activities before tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before tax at 30%	**(1,252,379)**	(71,530)	**(570,301)**	64,428
Add:				
Goodwill written off/amortised	**53,430**	42,640	**-**	-
Provision for loss on loans to wholly owned controlled entities	**-**	-	**4,181**	6,209
Partial write off of loan to wholly owned controlled entity	**-**	-	**682,295**	-
Other items	**839**	5,718	**-**	772
	(1,198,110)	(23,172)	**116,175**	71,409
Less:				
Rebatable dividend income	**-**	-	**(4,181)**	(6,209)
Tax Benefit of losses transferred from controlled entities	**-**	-	**(140,464)**	(191,651)
Tax benefit due to recoupment of tax losses of previous years not previously brought to account	**(6,869)**	(3,980)	**-**	-
Income tax expense/(benefit) attributable to profit/(loss) from ordinary items.	**(1,204,979)**	(27,152)	**(28,470)**	(126,451)

	ECONOMIC ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$

6. REMUNERATION AND RETIREMENT BENEFITS

a. Directors

The names of each person holding the position of director of Garratt's Limited during the financial year were Mr. C. Campbell, Mr. N. Cleary, Mr. C.M. Heng and Ms. P. Fitzsimmons (Alternate).

b. Directors' Remuneration

The number of parent entity directors whose income from the parent entity and any related parties was within the following bands:

			Number	Number
$ 0 - 9,999			**-**	-
$ 20,000 - 29,999			**1**	1
$ 30,000 - 39,999			**1**	1
$ 60,000 - 69,999			**-**	-
$ 80,000 - 89,999			**1**	1
$ 250,000 - 259,999			**-**	-
$ 300,000 - 309,999			**1**	1
Income paid or payable to all directors of the parent entity and entities in the economic entity from the parent entity or any related party.	**725,410**	612,146	**442,683**	438,364

c. Executives' Remuneration

The number of executive officers whose remuneration was within the following bands:

	Number	Number	Number	Number
$ 100,000 - 109,999	**1**	-	**1**	-
$ 150,000 - 159,999	**1**	1	**-**	-
$ 300,000 - 309,999	**1**	1	**1**	1
Income received, or due and receivable, by executive officers, from the parent entity, entities in the economic entity or related parties whose income is $100,000 or more.	**563,730**	454,720	**405,971**	300,000

7. AUDITORS' REMUNERATION

Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	**46,000**	37,000	**14,000**	14,000
- Other services	**84,878**	23,906	**5,500**	5,500

8. DIVIDENDS

Dividends paid	**-**	-	**-**	-
Balance of franking account at year end	**404,771**	336,742	**24,878**	20,697

9. EARNINGS PER SHARE

	ECONOMIC ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
Basic earnings per share (dollars per share)	**(0.251)**	(0.019)		
Weighted average number of ordinary shares used in calculation of basic earnings per share	**11,832,267**	11,395,281		

Diluted earnings per share are not materially different from basic earnings per share.

GARRATT'S LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2003

10. SEGMENT REPORTING

Primary reporting – Business segments

	FASTENERS		EDUCATION		MULTIMEDIA		ELIMINATIONS		CONSOLIDATED	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	$	$	$	$	$	$	$	$	$	$
Sales to outside customers	**8,214,421**	7,769,279	**2,322,197**	1,206,938	**0**	0	-	-	**10,536,618**	8,976,217
Other revenue	**20,443**	26,713	**16,182**	44,065	**127,915**	297,657	-	-	**164,540**	368,435
	8,234,864	7,795,992	**2,338,379**	1,251,003	**127,915**	297,657	-	-	**10,701,158**	9,344,652
Unallocated revenue									**10,244**	174
Total revenue from ordinary activities									**10,711,402**	9,344,826
Segment operating profit/(loss)	**804,580**	1,143,308	**22,082**	81,805	**(3,792,458)**	293,007	**(30,412)**	(30,408)	**(2,996,208)**	1,487,712
Unallocated expenses net of unallocated revenue									**(1,178,390)**	-1,726,146
Profit/(loss) from ordinary operations before income tax									**(4,174,598)**	-238,434
Segment assets	**7,902,803**	8,425,017	**2,606,364**	1,642,174	**930**	3,244,581	-	-	**10,510,097**	13,311,772
Unallocated									**1,658,366**	1,783,402
Total assets									**12,168,463**	15,095,174
Segment liabilities	**1,193,074**	1,204,353	**499,806**	243,715	**3,150**	3,650	-	-	**1,696,030**	1,451,718
Unallocated									**5,916,336**	6,367,740
Total liabilities									**7,612,366**	7,819,458
Acquisition of non-current segment assets	**171,635**	426,260	**1,012,705**	29,771	**0**	0	-	-	**1,184,340**	456,031
Depreciation and amortisation of segment assets	**328,032**	314,034	**150,763**	138,503	**0**	0	-	-	**478,795**	452,537
Other non-cash segment expenses	-	14,411	-	-	**3,254,078**	0	-	-	**3,254,078**	14,411

10. SEGMENT REPORTING (continued)

Primary reporting – Business segments

Major products/services of business segments:

Fasteners	Manufacture and importation of fasteners
Education	Training and education services
Multimedia	Point of purchase technology (Investment sold 2001, interest on receivable)

Secondary reporting – Geographical segments

The economic entity's business segments operate predominantly in Australia.

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments.

Segment assets and liabilities include all assets used in and all liabilities generated by the segments. Deferred tax assets and liabilities are not allocated to segments.

The receivable resulting from the sale of the multimedia investment was written off during the period. *(See Note 4)*

11. CASH

	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Cash at bank	**440,709**	1,651,414	**121,905**	1,186,480

12. RECEIVABLES

	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
CURRENT				
Trade debtors	**1,997,112**	2,206,200	**-**	-
Less: Provision for doubtful debts	**(11,944)**	(16,687)	**-**	-
	1,985,168	2,189,513	**-**	-
Other Debtors	**78,085**	2,260	**14,323**	-
Government grants receivable	**19,900**	22,000	**-**	-
Amounts receivable from:				
- Wholly owned subsidiaries	**-**	-	**300,000**	331,500
- Other entities	**-**	3,119,802	**-**	-
	2,083,153	5,333,575	**314,323**	331,500
NON-CURRENT				
Amounts receivable from:				
- Wholly owned subsidiaries	**-**	-	**9,079,315**	15,952,415
- Provision for doubtful debts wholly owned subsidiaries	**-**	-	**-**	(6,132,208)
	-	-	**9,079,315**	9,820,207

	ECONOMIC ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$

13. INVENTORIES

CURRENT				
Raw materials and stores at cost	**752,340**	397,253	**-**	-
Work in progress at cost	**27,413**	18,257	**-**	-
Finished goods at cost	**2,347,480**	2,634,543	**-**	-
	3,127,233	3,050,053	**-**	-

14. OTHER ASSETS

CURRENT				
Deferred Expenses	**55,468**	135,267	**38,500**	-
Prepayments	**185,530**	139,645	**44,235**	40,922
Security Deposits	**2,580**	28,396	**-**	-
	243,578	303,308	**82,735**	40,922

15. OTHER FINANCIAL ASSETS

NON-CURRENT				
Unlisted investments at cost				
- Shares in controlled entities	**-**	-	**3,200,006**	3,200,006
Less: Provision for write-down to recoverable amount	**-**	-	**(200,000)**	(200,000)
	-	-	**3,000,006**	3,000,006
- Shares in other corporations	**-**	1,712	**-**	-
	-	1,712	**3,000,006**	3,000,006

16. PLANT AND EQUIPMENT

Plant and equipment at cost	**2,729,082**	2,748,682	**76,921**	74,090
Accumulated depreciation	**(1,144,545)**	(990,739)	**(33,315)**	(18,415)
	1,584,537	1,757,943	**43,606**	55,675
Leasehold improvements at cost	**63,007**	63,007	**8,465**	8,465
Accumulated amortisation	**(41,603)**	(35,667)	**(5,929)**	(4,661)
	21,404	27,340	**2,536**	3,804
Total plant & equipment	**1,605,941**	1,785,283	**46,142**	59,479

	ECONOMIC ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$

16. PLANT AND EQUIPMENT (continued)

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant and equipment $	Leasehold improve-ments $	Total $
Economic entity:			
Balance at the beginning of the year	**1,757,943**	**27,340**	**1,785,283**
Additions	**349,857**	**-**	**349,857**
Disposals	**(181,925)**	**-**	**(181,925)**
Depreciation expense	**(341,338)**	**(5,936)**	**(347,274)**
Carrying amount at the end of the year	**1,584,537**	**21,404**	**1,605,941**
Parent entity:			
Balance at the beginning of the year	55,675	3,804	59,479
Additions	2,831	-	2,831
Disposals	-	-	-
Depreciation expense	(14,900)	(1,268)	(16,168)
Carrying amount at the end of the year	43,606	2,536	46,142

17. DEFERRED TAX ASSETS

	Economic 2003	Economic 2002	Parent 2003	Parent 2002
Future income tax benefit	**1,368,241**	421,461	**69,890**	65,282
a. The future income tax benefit is made up of the following estimated tax benefits:				
Timing differences	**959,269**	135,631	**69,890**	65,282
Tax losses	**408,972**	285,830	**-**	-
	1,368,241	421,461	**69,890**	65,282
b. Future income tax benefit not brought to account. The potential future income tax benefit arising from tax losses that have not been recognised as an asset:				
Capital losses	**6,356**	13,224	-	-

c. The potential future income tax benefit will only be obtained if:

(i) the relevant entities derive future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another entity in the economic entity in accordance with the law;

(ii) the relevant entities comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the entities in realising the benefit.

	Note	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $

18. INTANGIBLE ASSETS

	Note	Economic 2003	Economic 2002	Parent 2003	Parent 2002
Goodwill at cost		**3,821,967**	2,847,395	**-**	-
Accumulated amortisation		**(579,865)**	(403,093)	**-**	-
		3,242,102	2,444,302	**-**	-
Business names at cost		**30,000**	30,000	**-**	-
Accumulated amortisation		**(6,004)**	(4,504)	**-**	-
		23,996	25,496	**-**	-
Deferred borrowing costs		**25,020**	75,060	**25,020**	75,060
Other		**8,490**	3,510	**-**	-
		3,299,608	2,548,368	**25,020**	75,060

19. PAYABLES

	Note	Economic 2003	Economic 2002	Parent 2003	Parent 2002
CURRENT					
Trade creditors	19a	**1,049,427**	896,707	**-**	-
Sundry creditors and accrued expenses		**799,790**	788,920	**420,692**	498,430
		1,849,217	1,685,627	**420,692**	498,430

a. Includes $314,697 (2002: $163,892) tuition fees paid in advance by college students.

20. INTEREST BEARING LIABILITIES

	Note	Economic 2003	Economic 2002	Parent 2003	Parent 2002
CURRENT					
Unsecured					
Convertible notes	20c	**4,193,281**	-	**4,193,281**	-
Secured					
Bank bills	20a	**1,200,000**	450,000	**1,200,000**	450,000
Lease purchase agreements	20a	**49,025**	36,907	**-**	-
		1,249,025	486,907	**1,200,000**	450,000
		5,442,306	486,907	**5,393,281**	450,000
NON-CURRENT					
Unsecured					
Convertible notes	20c	**-**	5,071,656	**-**	5,071,656
Secured					
Lease purchase agreements	20a	**159,898**	172,693	**-**	-
		159,898	5,244,349	**-**	5,071,656

a. Total current and non current secured liabilities:

	Note	Economic 2003	Economic 2002	Parent 2003	Parent 2002
Bank bills	31	**1,200,000**	450,000	**1,200,000**	450,000
Lease purchase agreements	24	**208,923**	209,600	**-**	-
		1,408,923	659,600	**1,200,000**	450,000

	Note	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
20. INTEREST BEARING LIABILITIES (continued)					
b. Carrying amount of non current assets pledged as security:					
Floating charge over assets		**12,127,343**	15,228,722	**12,739,336**	14,578,936
Plant and equipment		**226,299**	203,744	**-**	-
		12,353,642	15,432,466	**12,739,336**	14,578,936
c. The convertible notes 4,193,281 (2002: 5,071,656) at $1.00 each, 12% interest	34				
21. PROVISIONS					
CURRENT					
Employee entitlements	21a	**139,525**	116,156	**102,363**	89,455
NON CURRENT					
Employee entitlements	21a	**21,420**	28,220	-	-
a. Aggregate employee entitlements		**160,945**	144,376	**102,363**	89,455
b. Number of employees at year end		**47**	34	**4**	4
22. TAX LIABILITIES					
NON CURRENT					
Provision for deferred income tax		565,133	258,199	**-**	23,862
Future income tax benefits attributable to:					
Timing differences		(533,764)	-	**-**	-
Tax losses		(31,369)	-	**-**	-
		-	258,199	**-**	23,862
23. CONTRIBUTED EQUITY					
Issued and Paid-up Capital					
11,895,281 ordinary shares fully paid (2002: 11,395,281)		**10,811,895**	10,561,895	**10,811,895**	10,561,895
Movements in ordinary share capital					
Balance at the beginning of the financial year		**10,561,895**	10,561,895	**10,561,895**	10,561,895
500,000 shares issued		**250,000**	-	**250,000**	-
		10,811,895	10,561,895	**10,811,895**	10,561,895

On 16 August 2002, 500,000 ordinary shares (being an increase of 4.4%) were issued, at 50cents per share, as part consideration for the acquisition of the business and assets of Excelsior College Pty Limited. The shares were held in voluntary escrow for 12 months.

	ECONOMIC ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$

24. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

Interest rate risk

Cash at bank

The economic entity deposits cash into premium business accounts at variable rates and at call.

Premium business accounts	**440,709**	1,651,414	**121,905**	1,186,480

The economic entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Weighted average interest rate	Floating interest rate	Fixed interest maturing in: 1 year or less	1 to 5 years	More than 5 years	Non-Interest bearing	Total
2003								
Financial assets								
Cash		3.65%	440,709	-	-	-	-	440,709
Receivables	12		-				2,083,153	2,083,153
			440,709	-	-	-	2,083,153	2,523,862
Financial liabilities								
Convertible notes	20	12.00%	-	4,193,281	-	-	-	4,193,281
Lease purchase agreements	20	7.47%	-	49,025	159,898	-	-	208,923
Bank bills	20	5.26%	-	1,200,000	-	-	-	1,200,000
Payables	19	-	-	-	-	-	1,849,217	1,849,217
Employee entitlements	21	-	-	-	-	-	160,945	160,945
			-	5,442,306	159,898	-	2,010,162	7,612,366
2002								
Financial assets								
Cash		0.50%	1,651,414	-	-	-	-	1,651,414
Receivables	12	9.67%	-	3,119,802			2,213,773	5,333,575
			1,651,414	3,119,802	-	-	2,213,773	6,984,989
Financial liabilities								
Convertible notes	20	12.00%	-	-	5,071,656	-	-	5,071,656
Lease purchase agreements	20	7.92%	-	36,907	172,693	-	-	209,600
Bank bills	20	5.21%	-	450,000	-	-	-	450,000
Payables	19	-	-	-	-	-	1,685,627	1,685,627
Employee entitlements	21	-	-	-	-	-	144,376	144,376
			-	486,907	5,244,349	-	1,830,003	7,561,259

24. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (continued)

Credit risk exposures

The credit risk on financial assets of the economic entity, which have been recognised on the balance sheet, is the carrying amount, net of any provision for doubtful debts.

The economic entity minimises concentration of risk by holding cash with major banks and undertaking transactions with either high profile or a large number of customers.

Foreign exchange risk

The economic entity is exposed to foreign currency risk on its purchase of products and in the prior period in regard to the proceeds from the sale of its interest in IC & Count Technologies Limited *(See Note 26)*. The economic entity has not hedged foreign currency transactions as at 30 June 2003. The Directors continue to evaluate this risk on an ongoing basis.

Net fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities approximate their net fair value.

25. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

a. Controlled entities	Interest held	
	2003	2002
	%	%
Academies Australasia (Management) Pty Limited	100	100
Academies Australasia Pty Limited	100	100
Academy of English Pty Limited	100	-
Academy of Social Sciences Pty Limited	100	-
Australian Institute of Professional Studies Pty Limited	100	-
Australian International High School Pty Limited	100	-
Australian College of Technology Pty Limited	100	-
Clarendon Business College Pty Limited	100	100
Electrodata (Sales) Pty Limited	100	100
Hanstock Voice Systems Pty Limited	100	100
Multimedia Investments Pty Limited	100	100
Overland Sydney Pty Limited	100	100
Premier Fasteners Pty Limited	100	100
Sandomir Pty Limited	100	100
Supreme Business College Pty Limited	100	100

Notes:
(i) All companies are small proprietary companies as defined by the Corporations Act and are not required to prepare and lodge audited statutory financial statements.
(ii) All controlled entities are incorporated in Australia.

25. PARTICULARS IN RELATION TO CONTROLLED ENTITIES (continued)

b. Acquisition of controlled entities

	Date Acquired	Consideration $	The economic entity's interest %
The following controlled entities were acquired during the financial year:			
Australian College of Technology Pty Limited	9 July 2002	2	100
Academy of Social Sciences Pty Limited	16 July 2002	2	100
Australian International High School Pty Limited	1 August 2002	2	100
Academy of English Pty Limited	1 August 2002	2	100
The above entities were acquired as newly incorporated (shelf) companies. The operating results from the date of acquisition have been included in consolidated operating profit.			
Australian Institute of Professional Studies Pty Limited	9 August 2002	1,000	100
Although not newly incorporated this company has not traded either prior to or since acquisition.			

See Note 32c for details of acquisition costs.

	ECONOMIC ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$

26. AMOUNTS PAYABLE/RECEIVABLE IN FOREIGN CURRENCIES

The Australian dollar equivalents of unhedged amounts payable or receivable in foreign currencies calculated at year end exchange rates, are as follows:

	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
United States Dollars				
Amounts receivable	**-**	3,119,802	**-**	-
Amounts payable	**106,997**	177,572	**-**	-

27. LEASING COMMITMENTS

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Not later than one year	**836,714**	349,093	**3,911**	3,911
Later than one year but not later than five years	**2,645,325**	29,426	**4,563**	8,474
	3,482,039	378,519	**8,474**	12,385

The economic entity leases property under operating leases expiring from 3 years 5½ months to 5 years. Lease payments comprise a base amount plus an incremental rental, based on either movements in the Consumer Price Index or minimum percentage increase criteria.

Non-cancellable lease purchase agreements for plant and equipment:

	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Not later than one year	**49,025**	36,907	**-**	-
Later than one year but not later than five years	**159,897**	172,693	**-**	-
	208,922	209,600	**-**	-

At the end of the lease periods the lessor's charges over the plant and equipment cease, leaving the assets the unencumbered property of the economic entity.

28. CONTINGENT LIABILITIES

Employment Contracts

	ECONOMIC ENTITY 2003 $	ECONOMIC ENTITY 2002 $	PARENT ENTITY 2003 $	PARENT ENTITY 2002 $
Payable to Executive Directors under service agreements on termination in certain circumstances:	**779,817**	656,443	**275,229**	550,459

Guarantees

The following group companies have issued guarantees in respect of the parent entity as security for its multi option facility. *(See Note 31.)*

Academies Australasia Pty Limited
Academies Australasia Management Pty Limited
Clarendon Business College Pty Limited
Multimedia Investments Pty Limited
Premier Fasteners Pty Limited
Supreme Business College Pty Limited

29. RELATED PARTIES

Directors' holdings of shares

	2003 Number held	2002 Number held
The aggregate interests of directors of the reporting entity and director-related entities in shares of entities within the economic entity at year end are as set out below:		
Garratt's Limited	2,581,124	2,059,189

Directors' transactions in shares and share options

During the year one director acquired 346,935 shares, one director acquired 125,000 shares and one director acquired 50,000 shares.

Directors' transactions with the Company and the economic entity

Details of directors' remuneration are set out in Note 6(b). Directors are also reimbursed for expenses incurred by them on behalf of the economic entity.

Directors' holdings of convertible notes

	2003 Number held	2002 Number held
The aggregate interests of directors of the reporting entity and director-related entities in convertible notes of entities within the economic entity at year end are as set out below:		
Garratt's Limited	949,130	949,130

Directors' transactions in convertible notes

During the year there were no directors' transactions in convertible notes.

Other related party transactions

Transactions between the Company and controlled entities include loans, dividends, management fees and interest. Details of these transactions and the amounts owing at balance date are included in Notes 2, 3, 4 and 12.

30. SUPERANNUATION

The Company and certain controlled entities contribute to defined contribution employee superannuation funds. The funds are managed by independent fund managers.

	ECONOMIC ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$

31. FINANCING ARRANGEMENTS

The economic entity has access to the following lines of credit:

	2003	2002	2003	2002
Total facilities available:				
Multi option facility	**1,300,000**	1,300,000	**1,300,000**	1,300,000
Facilities utilised at balance date:				
Multi option facility	**1,200,000**	450,000	**1,200,000**	450,000
Facilities not utilised at balance date:				
Multi option facility	**100,000**	850,000	**100,000**	850,000

The facility is secured by registered mortgage debentures over the assets of the parent entity and certain controlled entities. The facility is subject to annual review.

32. NOTES TO THE STATEMENT OF CASH FLOWS

a. Reconciliation of profit from ordinary operations after income tax to net cash provided by/(used in) operating activities

	2003	2002	2003	2002
Profit from ordinary activities after income tax	**(2,969,619)**	(211,282)	**(1,872,533)**	341,211
Non-cash items:				
Amortisation	**184,037**	159,693	**1,268**	1,902
Depreciation	**341,341**	310,088	**14,900**	15,343
Deferred finance charges written off	**-**	14,411	**-**	-
Investment in other entity written off	**1,712**	-	**-**	-
Loan to controlled entity forgiven	**-**	-	**2,274,316**	-
Loan to other entity written off	**3,254,078**	-	**-**	-
Provision for loan to controlled entity	**-**	-	**4,181**	20,697
Provision against trading stock	**320,000**	-	**-**	-
Unrealised foreign exchange movement	**(6,360)**	304,889	**(6,360)**	304,889
Net gain on convertible notes cancelled	**(22,895)**	(13,269)	**(22,895)**	(13,269)
Net loss on disposal of plant and equipment	**37,392**	13,830	**-**	-
Changes in assets and liabilities:				
(Increase)/decrease in receivables	**51,198**	(492,199)	**(976,007)**	(1,182,067)
(Increase)/decrease in inventories	**(397,180)**	(126,887)	**-**	-
(Increase)/decrease in other assets	**59,730**	(137,469)	**(41,813)**	(8,293)
(Increase)/decrease in deferred tax assets	**(946,780)**	25,430	**(4,608)**	(35,012)
(Increase)/decrease in intangibles	**50,040**	49,890	**50,040**	49,890
Increase/(decrease) in payables	**(523,904)**	791,357	**(77,738)**	349,666
Increase/(decrease) in deferred tax liabilities	**(258,199)**	(52,582)	**(23,862)**	(91,439)
Increase/(decrease) in provisions	**16,569**	(33,000)	**12,908**	1,342
Net cash provided by/(used in) operating activities	**(808,840)**	602,900	**(668,203)**	(245,140)

32. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

b. Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and at bank. *(See Note 11.)*

c. Acquisition of controlled entities

During the financial year the economic entity purchased 100% of the ordinary shares in the following, newly incorporated (shelf), companies:

	Purchase consideration	Consideration paid in cash	Cash held at acquisition	Other assets: Formation expenses	Other liabilities: Creditors
Australian College of Technology Pty Limited	2	2	2	995	995
Academy of Social Sciences Pty Limited	2	2	2	995	995
Australian International High School Pty Limited	2	2	2	995	995
Academy of English Pty Limited	2	2	2	995	995

100% of the ordinary shares in the following company were also acquired. Although not newly incorporated this company has not traded either prior to or since acquisition.

	Purchase consideration	Consideration paid in cash	Cash held at acquisition	Other assets: Formation expenses	Other liabilities: Creditors
Australian Institute of Professional Studies Pty Limited	1,000	1,000	-	1,000	-

d. Non-cash investing activities

During the financial year the economic entity acquired plant and equipment with an aggregate value of $34,696 (2002: $205,744) by means of lease purchase agreements. These acquisitions are not reflected in the statement of cash flows.

In August 2002 the businesses and assets of two colleges were acquired. The consideration given comprised of net cash of $90,000, the issue of 500,000 Garratt's Limited shares and taking on of the liabilities to teach students where fees were paid in advance. Of these only the cash component is included in the statement of cash flows above.

33. ACCUMULATED LOSSES

	ECONOMIC ENTITY		PARENT ENTITY	
	2003	2002	2003	2002
	$	$	$	$
Accumulated losses at the beginning of the financial year	**(3,286,179)**	(3,074,897)	**(2,116,362)**	(2,457,573)
Net profit/(loss) attributable to the members of the parent entity	**(2,969,619)**	(211,282)	**(1,872,533)**	341,211
Accumulated losses at the end of the financial year	**(6,255,798)**	(3,286,179)	**(3,988,895)**	(2,116,362)

34. CONVERTIBLE NOTES

On 29 January 1999, the Company issued 5,230,934 convertible notes at a principal value of $1.00 each. Interest is payable every six months in arrears at 12% per annum. The notes are convertible at the option of the holder, on 30 June and 31 December each year from 1999 to 2003, into ordinary shares of the Company on the basis of 1 share for each note of $1.00 principal value, and have been accounted for as compound instruments in accordance with AASB 1033 *Presentation and Disclosure of Financial Instruments. (See Note 1m.)* Any note not converted by 31 December 2003 will be redeemed at the principal value.

On 26 October 2001 the Company announced that it was commencing an on market buy-back of its Convertible Notes. By 30 June 2003, 1,037,653 Notes were bought back and cancelled, representing 19.8% of the total Notes issued in 1999. Since the end of the year a further 2,500 notes were bought back for $2,250 (90 cents each) and cancelled, leaving the principal monies outstanding now at $4,190,781 (ie. 4,190,781 notes @ $1.00 each).

35. EVENTS SUBSEQUENT TO BALANCE DATE

The only matter or circumstance that has arisen since the end of the financial year which 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 subsequent financial years, is that, in August 2003 the Company was served summonses by Keith Franklin Kennett, K.F. Kennett Nominees Pty Ltd and Myong Ho Pak seeking relief from the contract entered into between the Company and those parties in August 2002. The action will be defended vigorously. The Company's solicitors are confident that the defence will be successful.

* * *

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, set out on pages 9 to 33:

(i) comply with Accounting Standards and the Corporations Act; and

(ii) give a true and fair view of the financial position as at 30 June 2003 and performance for the year ended on that date of the Company and economic entity.

2. 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.

Signed in accordance with a resolution of the Board of Directors.

Neville Cleary Director	Christopher Campbell Director

Sydney
11 September 2003

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF GARRATT'S LIMITED

Scope

We have audited the financial report of Garratt's Limited and controlled entities for the financial year ended 30 June 2003 as set out on pages 9 to 34.

The financial report includes the consolidated financial statements 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. The company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the company.

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

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

Audit Opinion

In our opinion, the financial report of Garratt's Limited is in accordance with:

a. 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 2003 and of their performance for the year ended on that date; and

   ii. complying with Accounting Standards and the *Corporations Regulations 2001*; and

b. other mandatory professional reporting requirements.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter. With reference to Note 1(p), there is an inherent uncertainty as to whether Garratt's Limited will be able to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Calabro Partners

Michael Traynor
Partner

Signed this day of September 2003

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GARRATT'S LIMITED
AND CONTROLLED ENTITIES
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows.

SUBSTANTIAL HOLDERS

Ordinary Shares

The relevant interests of substantial Shareholders as at 29 August 2003 were:

Shareholder	No. of Shares Held	%
Vasek Fasteners P/L <Pobje Imputation A/C>	1,603,529	13.48
Mr Chiang Meng Heng	1,372,124	11.54
Junorma Holdings P/L	1,252,242	10.53
Mr Christopher Campbell	1,200,000	10.09
	5,427,895	45.64

Convertible Notes

The relevant interests of substantial Noteholders as at 29 August 2003 were:

Noteholder	No. of Notes Held	%
Vasek Fasteners P/L <Pobje Imputation A/C>	842,106	20.08
Mr Chiang Meng Heng	601,380	14.34
Reach Out P/L	485,000	11.57
Mr Christopher Campbell	332,000	7.92
Mr Lim Sen Yap	241,591	5.76
Trafalgar Custodians P/L	219,840	5.24
	2,721,917	64.91

VOTING RIGHTS

Ordinary Shares

At 29 August 2003 there were 413 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in Article 69 and 70 of the Company's Articles of Association, are:

Article 69
"Subject to these Articles and any rights or restrictions for the time being attached to any class or classes of shares:
(a) at meetings of members or classes of members each member entitled to attend and vote may attend and vote in person or by proxy, or attorney and (where the member is a body corporate) by representative;
(b) on a show of hands, every Member present has 1 vote;
(c) on a poll, every Member present has:
(i) 1 vote for each fully paid share; ……."

Article 70
"Where more than 1 joint holder votes, the vote of the holder, whose name appears first in the register of members shall be accepted to the exclusion of the others."

VOTING RIGHTS (continued)

Convertible Notes

At 29 August 2003 there were 162 holders of the convertible notes of the Company.

The convertible notes do not carry a right to vote at general meetings of the Company unless provided by the Listing Rules or the Corporations Act. Noteholders do have the right to convene a meeting of noteholders for certain purposes.

20 LARGEST SHAREHOLDERS AS AT 29 AUGUST 2003

	Registered Name	No. Shares	%
1	Vasek Fasteners P/L <Pobje Imputation A/C>	1,603,529	13.48
2	Mr Chiang Meng Heng	1,162,760	9.77
3	Junorma Holdings P/L	888,951	7.47
4	Jilcy P/L <Jilcy Super Fund A/C>	622,240	5.23
5	Jilcy P/L <Cazzylou Unit A/C>	575,760	4.84
6	Citicorp Nominees P/L	500,000	4.20
7	Frank Kwong-Shing Wong	380,000	3.19
8	Bowes & Brown P/L	300,000	2.52
9	Reach Out P/L	233,000	1.96
10	Diacaf Holdings P/L <Duncan Superannuation A/C>	232,248	1.95
11	Villaricci P/L <Helron Super Fund A/C>	228,300	1.92
12	Eng Kim Low	209,364	1.76
13	Ms Gail Lesley Storey	207,200	1.74
14	Mr Myong Ho Pak	200,000	1.68
15	Perpetual Trustee Company Limited	175,484	1.48
16	Mrs Anthea Judith Drescher	153,515	1.29
17	Overseas Investments P/L	136,800	1.15
18	Dr John Lewis & Mrs Barbara Anne Schlederer	125,263	1.05
19	European Trust Company Ltd <Share Invest A/C>	100,000	0.84
20	Ee Seng Lim	100,000	0.84
		8,134,414	68.36

HOLDING RANGE (SHAREHOLDERS) AS AT 29 AUGUST 2003

Range	No. Holders	Total No. Shares	%
1 - 1,000	98	76,195	0.64
1,001 - 5,000	167	483,746	4.07
5,001 - 10,000	53	431,566	3.63
10,001 - 100,000	77	2,969,360	24.96
100,001 +	18	7,934,414	66.70
	413	11,895,281	100.00

The number of shareholders holding less than a marketable parcel as at 29 August 2003 was 122.

20 LARGEST NOTEHOLDERS AS AT 29 AUGUST 2003

	Registered Name	No. Notes	%
1	Vasek Fasteners P/L <Pobje Imputation A/C>	842,106	20.08
2	Eng Kim Low	581,380	13.86
3	Reach Out P/L	485,000	11.57
4	Jilcy P/L <Jilcy Super Fund A/C>	332,000	7.92
5	Mr Lim Sen Yap	241,591	5.76
6	Trafalgar Custodians P/L	219,840	5.24
7	Dato Tan Chin Nam	200,000	4.77
8	Australian Better Business Bureau P/L <Waters Unit Fund A/C>	99,000	2.36
9	Drumworth Properties P/L <DP Superfund A/C>	56,580	1.35
10	Mr Trevor Bruce Winston Ward	50,000	1.19
11	J & H Singh P/L	45,900	1.09
12	Doniman P/L	40,000	0.95
13	Mr James Crosthwaite	38,400	0.92
14	Mr Bastine Augustine D'Cruz	37,500	0.89
15	Mrs Tracy Fraser	30,900	0.74
16	Evenpen P/L <Superannuation Fund A/C>	30,000	0.72
17	Mr David James Hordern	27,000	0.64
18	Dr Ronald Leslie & Mrs Ann Dolton <R&A Dolton Super Fund A/C>	25,000	0.60
19	Mr Roderick Patterson <Merryfields Super Fund A/C>	22,000	0.52
20	ACN 051 645 295 P/L	20,000	0.48
		3,424,197	81.65

HOLDING RANGE (NOTEHOLDERS) AS AT 29 AUGUST 2003

Range	No. Holders	Total No. Notes	%
1 - 1,000	26	19,532	0.47
1,001 - 5,000	67	204,067	4.87
5,001 - 10,000	26	223,330	5.32
10,001 - 100,000	35	844,435	20.14
100,001 +	8	2,901,917	69.20
	162	4,193,281	100.00

* * *

OFFICES AND OFFICERS

DIRECTORS	Mr. N. Cleary	Chairman (Non-Executive)
	Mr. C. Campbell	Group Managing Director
	Mr. C.M. Heng	Director (Non-Executive)
	Ms. P. Fitzsimmons	Alternate Director for Mr. N. Cleary

COMPANY SECRETARY Ms. P. Fitzsimmons

REGISTERED OFFICE

Garratt's Limited
Suite 1401, Level 14
33 Bligh Street
Sydney NSW 2000

Telephone: (02) 9224 5555
Facsimile: (02) 9224 5550

SHARE REGISTRAR

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000

Telephone: (02) 8216 5700
Facsimile: (02) 8216 5500

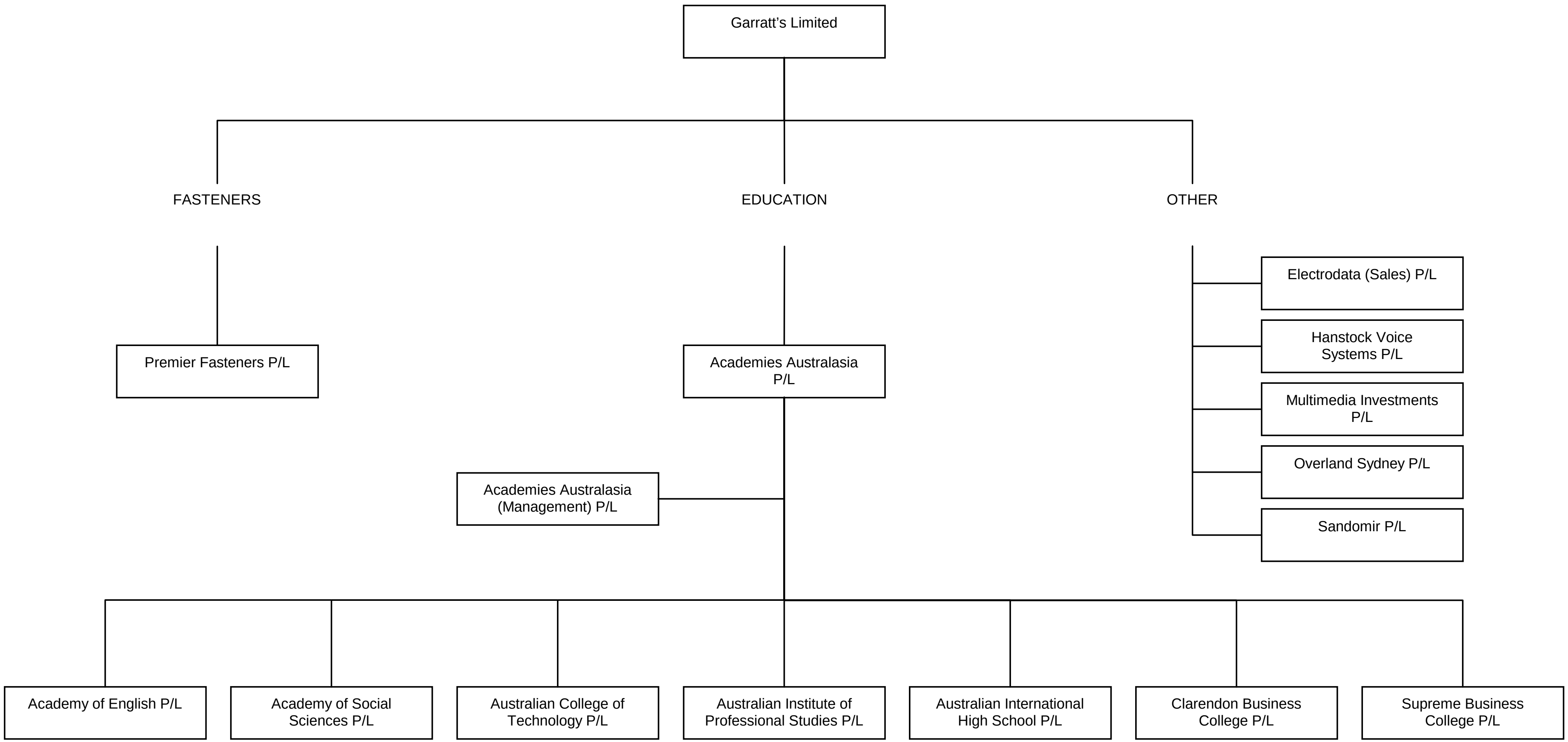
STOCK EXCHANGE

The Company is listed on the Australian Stock Exchange. The Home Exchange is Sydney.

The ASX Codes are:

Shares	GRT
Convertible Notes	GRTG

GARRATT'S GROUP



Note: All companies are, directly or indirectly, wholly owned by Garratt's Limited.

09.03