CENTRALEXCHANGE

ANNUAL REPORT 2005

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CORPORATE DIRECTORY

BOARD

William Johnson (Chairman)
Victor Ho (Director)
Yaqoob Khan (Director)

COMPANY SECRETARY

Victor Ho

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Facsimile: (08) 9389 7871
Email: admin@advancedshare.com.au
Website: www.asrshareholders.com

STOCK EXCHANGE

Australian Stock Exchange
Perth, Western Australia

ASX CODE

CXL

AUDITOR

BDO
Level 8
256 St Georges Terrace
Perth Western Australia 6000

BANKER

National Australia Bank
Level 1, 50 St Georges Terrace
Perth Western Australia 6000

COMPANY PROFILE

Central Exchange Limited has been listed on the Australian Stock Exchange (**ASX**) since November 1970.

Since 8 July 2004, the Company has been admitted to ASX as an investment entity (as defined under the ASX Listing Rules).

The Company's ASX code is "CXL", however, the Board proposes to seek shareholder approval for a change of name at the next Annual General Meeting of the Company expected to be held in November 2005.

At 30 June 2005, CXL had a market capitalisation of $8.83 million (at $0.525 per share), net assets of $18.8 million (at $1.12 NTA backing per share) 16,812,156 fully paid ordinary shares on issue, and 612 shareholders on its share register (30 June 2004: no market capitalisation as the Company was suspended on ASX, net assets of $18.1 million (at $1.05 NTA backing per share), 17,219,996 shares on issue, and 747 shareholders).

On 13 September 2005, the Company announced a maiden profit as a listed investment company for the financial year ending 30 June 2005 of $1,316,811 (before tax) and $985,889 (after tax).

On 7 October 2005, the Company paid a 1.50 cent per share fully franked dividend and the Directors expect that the Company will be in a position to pay a further dividend of 1.50 cents per share (fully franked) after the release of its December 2005 half year results in February 2006.

INVESTMENT OBJECTIVES

The Investment Objectives of the Company are to:

- Achieve a consistent high real rate of return, comprising both income and capital growth, whilst operating within acceptable risk parameters set by the Board;
- Deliver a regular income stream for shareholders in the form of franked dividends;
- Preserve and protect the capital of the Company.

COMPANY PROFILE

INVESTMENT STRATEGY

The Company will implement an actively managed investment strategy undertaking investments typically into one of two broad investment categories:

- Strategic Investments; and
- Non-strategic Investments.

The Company does not allocate a fixed proportion of funds into each or any of the above investment categories, since it believes that complete flexibility to invest across these categories is key to maximising long-term value growth for shareholders.

(a) Strategic Investments

The Company will seek to undertake investments in which it can reasonably expect to exert a degree of influence, including board representation or through playing an active role alongside management in order to enhance or realise shareholder value.

Investments will include those that have the potential for turnaround in profitability or capital appreciation through the introduction of new management, capital, improved business practices, industry rationalisation, and/or improved investor relations.

Strategic investments by their nature will rely heavily on the Company's ability to identify, attract and exploit unique opportunities.

(b) Non-Strategic Investments

The Company will seek to make non-strategic investments in entities where attractive investment opportunities develop due to market sentiment or mispricing or where the Company sees other potential for generating positive returns. In contrast to strategic investments, with non-strategic investments the Company does not envisage that it will take an active role in the management of the investment.

For each strategic and non-strategic investment, the Company will expect to receive a level of return that is commensurate with the level of risk associated with such investment. In each investment and for the investment Portfolio in aggregate, the Company will at least aim to achieve a return that is consistently in excess of an appropriate benchmark share index and or a return which could be earned from investments in cash, bills of exchange or negotiable instruments drawn or endorsed by a bank, non-bank financial institution or a government.

OVERVIEW OF PERFORMANCE

Consolidated Entity	2005 Year	2004 Year	% Change	Up / Down
Total revenues from ordinary activities	2,363,939	14,201,324	-83%	Down
Total expenses from ordinary activities	(1,047,127)	5,078,376	-121%	Down
Profit from ordinary activities before tax	1,316,811	19,279,700	-93%	Down
Income tax relating to ordinary activities	(330,922)	(1,003,436)	-58%	Down
Profit from ordinary activities after tax attributable to members	985,889	18,276,264	-95%	Down
Basic and diluted earnings per share	5.79	206.52	-97%	Down
Pre-tax NTA backing per share	1.139	1.108	3%	Up
Post-tax NTA backing per share	1.119	1.050	7%	Up

Brief Explanation of Results

Central Exchange has accounted for the following investments at Balance Date as investments in an Associate entity (on an equity accounting basis) pursuant to Accounting Standard AASB 1016 "Accounting for Investment in Associates":

(1) 25.5% interest in ASX listed Scarborough Equities Limited (**"SCB"**) (20.4% from 4 May 2005 to 30 June 2005; 26.6% from 15 July 2005);

(2) 19% interest in ASX listed Bentley International Limited (**"BEL"**) from 30 June 2005 (24.9% from 1 July 2005).

Revenues from ordinary activities comprise:

(1) $1,491,273 net profit from share trading portfolio (including dividend income of $98,766);

(2) $111,965 net profit from options portfolio;

(3) $512,069 interest income; and

(4) $167,225 share of Associate entities' net profits (being SCB from 4 May 2005 to 30 June 2005) and $81,407 dividends received from Associate entities (being SCB).

Expenses from ordinary activities include:

(1) $276,588 legal and professional fees (including $266,642 in relation to SCB);

(2) $261,180 personnel costs (including directors' fees);

(3) $150,149 costs incurred in relation to investment in SCB;

(4) $68,348 brokerage costs; and

(5) $60,759 for costs of consultants.

Please refer to the Directors' Report and Financial Report (at pages 10 to 39 of this Annual Report for further information on a review of the Consolidated Entity's operations and the financial position and performance of the Consolidated Entity and Company for the year ended 30 June 2005.

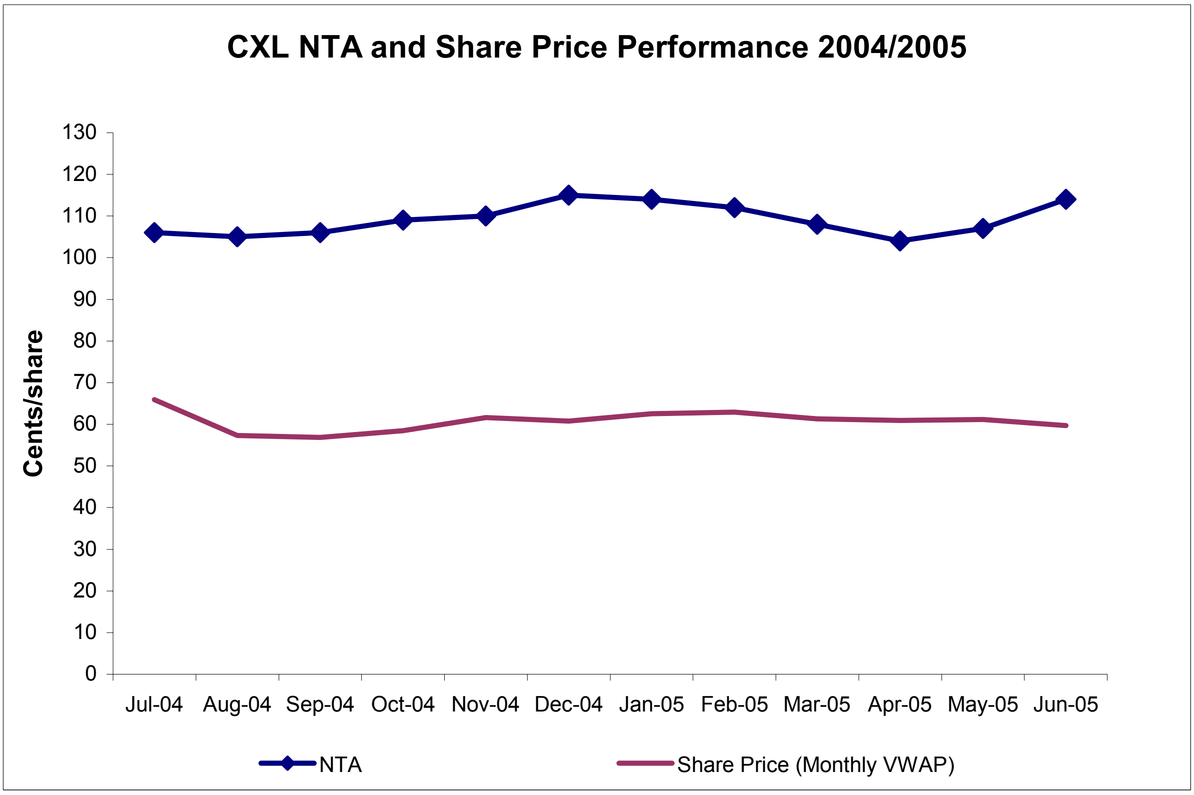
OVERVIEW OF PERFORMANCE

Dividends

On 13 September 2005, the Directors announced the declaration of a dividend in respect of the financial year ended 30 June 2005:

Dividend Rate	Record Date	Payment Date	Franking	Total Dividends Paid
1.50 cent per share	30 September 2005	7 October 2005	Fully franked	$267,216

The Directors expect that the Company will be in a position to pay a further dividend of 1.50 cents per share (fully franked) after the release of its December 2005 half year results in February 2006.



VWAP = volume weighted average CXL price for the month; **NTA** = net tangible asset backing at month end

CHAIRMAN'S REVIEW

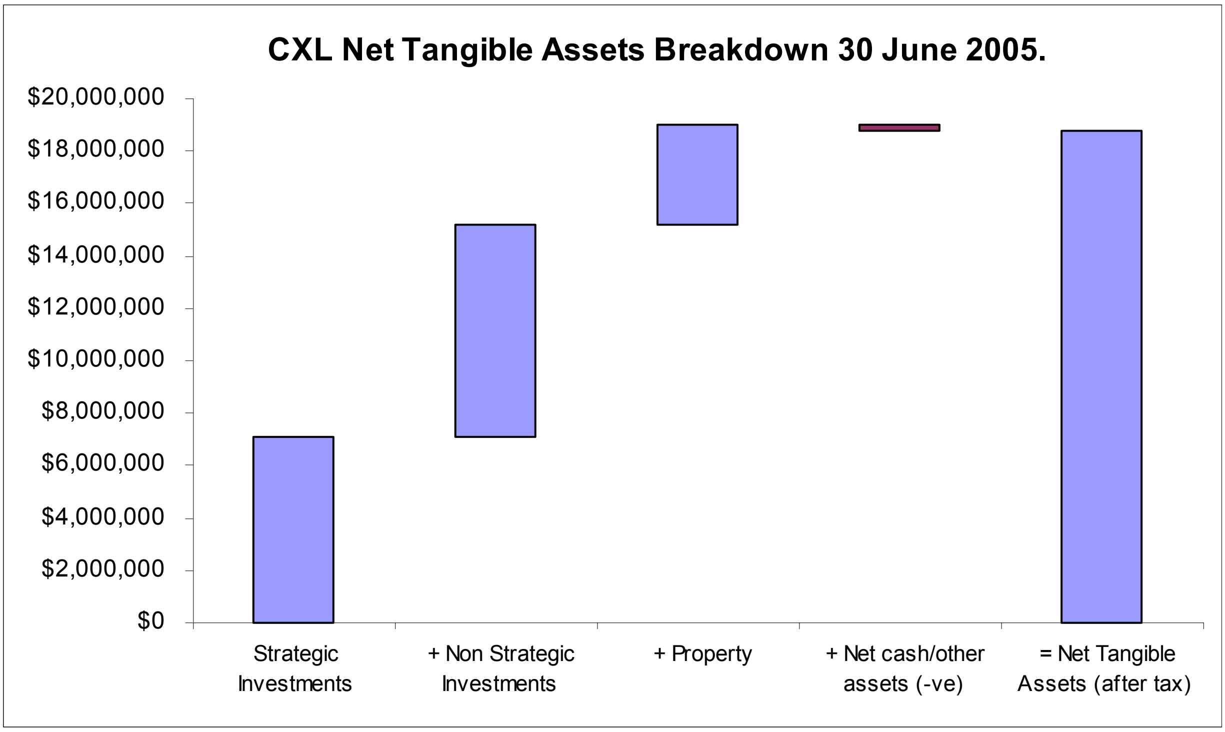
Dear Shareholders,

This has been a very pleasing year, with the Company making an after tax profit of $985,889 in its first year as a listed investment company.

The Company began the year with listed investments of approximately $2 million and cash of $18 million. During the year, the Company progressively became fully invested, choosing to make a range of carefully chosen strategic and non-strategic investments in listed securities as well as an investment in a development property in Western Australia.

Net Tangible Assets (NTA) 30 June 2005:

	$	% of NTA
Strategic Investments	$7,085,260	38%
Non Strategic Investments	$8,134,740	43%
Property	$3,796,552	20%
Net cash/other assets	($204,124)	(1%)
Net Tangible Assets (after tax)	**$18,812,428**	



CHAIRMAN'S REVIEW

The contribution to the Company's net profit figure is summarised in the table and chart below:

Net Profit after tax 2005:

	$
Gains and dividends from Strategic Investments	$248,632
Gains and dividends from Non Strategic Investments	$1,491,273
Options income	$111,965
Interest income	$512,069
Total Revenues	$2,363,939
Total Expenses	($1,047,128)
Net Profit before Tax	$1,316,811
Tax expense	($330,922)
Net Profit after tax	**$985,889**

Strategic Investments: The Company built up significant shareholdings in two listed companies, being Scarborough Equities Limited (**SCB**) and Bentley International Limited (**BEL**). During the year, I was invited to join the board of SCB. SCB and BEL are listed investment companies (**LICs**) with the majority of their assets invested in liquid securities managed by independent investment managers. The Company acquired its position in these companies close to or slightly below their respective NTA backing per share (as at 30 June 2005).

As at 30 June 2005, CXL had a carrying value of $7.1 million in these companies, equivalent to 37.7% of the Company's overall Net Tangible Assets.

The rationale for making these Strategic Investments is as follows:

- These investments give the Company a broad exposure to Australian and International markets managed by investment managers with established track records.
- The smaller end of the LIC market (where these companies are placed) is potentially ripe for industry consolidation; the Company is well placed to benefit from such activity.
- Significant influence over the management of these companies was able to be secured without the payment of any 'control premium' above the companies' respective NTA's.

Scarborough Equities Limited (SCB)

As at 30 June, the Company held 19.2 million shares in SCB equating to 25.5% of SCB's issued capital. The Company's holding in SCB has subsequently increased to 26.6%. Previously known as Rivkin Financial Services Limited (**RFS**), SCB is an LIC with the majority of its funds under the management of FSP Equities Management Limited (**FS**P). FSP holds an Australian Financial Services Licence to manage its FSP Equities Leaders' Fund (**FSP Fund**) – a wholesale fund not open to retail investors. During the course of the year SCB underwent significant corporate change but has now emerged with a clear strategy and future direction.

As investment manager, FSP invests SCB's funds directly in its FSP Fund. As the objective of the FSP Fund is to outperform the ASX 200 Accumulation Index over the medium term, FSP targets at least 75% of the investments of the fund in securities from the ASX/S&P 200 Index. The balance of the fund's investments are invested in securities drawn from outside the ASX/S&P 200 Index. The performance of SCB's investment fund is benchmarked against the ASX/S&P 200 Accumulation Index.

CHAIRMAN'S REVIEW

At the time of writing, SCB is trading at a 23% discount to its last published NTA backing. Whilst most LIC's trade at a discount to their NTA, SCB's discount is higher than most – probably in part as a consequence of the various corporate matters involving SCB which occurred during the year. The Company as a strategic investor is looking at a number of initiatives to address this issue and will provide input to SCB in this regard. CXL hopes that this year should see both the discount to NTA reduce substantially and some tangible value creation for shareholders from the investment decisions made by FSP.

Bentley International Limited (BEL)

As of 30 June 2005, the Company held 7.4 million shares in BEL, equivalent to 19% of the Company's issued capital. Subsequent to 30 June 2005 the Company has increased its holding to 24.9%.

Bentley International Limited is one of only a few listed investment companies on the Australian Stock Exchange (**ASX**) which invests solely in International equities. As such, the Company's investment in BEL gives it a direct exposure to a diversified portfolio of securities across a wide range of industry sectors in many recognised overseas stock markets.

Constellation Capital Management Limited (**Constellation**) was appointed manager in May 2004 to implement the International equities component of Constellation's HomeGlobal™ investment strategy. Constellation offers specialist investment management services on a wholesale basis to superannuation funds, retail financial service providers, corporations, charities, trusts and endowments, and Governments and related entities. Constellation is a fund manager, 50% owned by Qantas Superannuation Limited as trustee for the Qantas Superannuation Plan (which is one of Australia's largest corporate superannuation funds) and 50% by interests associated with Constellation's management. Constellation's management team has collectively many years experience in financial services.

The Company acquired its shares in BEL at an average price of 41 cents (including brokerage). At the time of writing, BEL's latest reported NTA was 46 cents/share and is trading at discount of 26% to NTA. Again, the Company as a strategic investor is looking at a number of initiatives to address this issue and will provide input to BEL in this regard.

Property Development: In February 2005 the Company's wholly owned property development subsidiary Silver Sands Developments Pty Ltd acquired a beachfront development property in Mandurah on the SW coast of Western Australia for $3.8 million. Less than 2 hours from Perth, Mandurah is one of Australia's fastest growing cities and is benefiting from the wave of affluent baby-boomers and retirees migrating to the coast. The Company currently plans to develop the property into an exclusive residential development to be completed in 2006/2007.

The Company continues to evaluate other property development opportunities as it sees investments in this sector as a natural hedge against potential future weakness in the sharemarket, as well as offering strong value growth potential in their own right.

Non-Strategic Investments: During the year the Company actively invested or held shares in approximately 53 Australian listed companies (including one minor investment in an internationally listed company) as part of its actively managed investment portfolio. A total of up to $10.1 million of the Company's funds were invested during the year in this portfolio, which generated realised and unrealised gains and options income of approximately $1.6 million for a return of 16% (pre–expenses and tax).

The Company's strategy relating to its Non-Strategic Investments was to identify specific investment opportunities that offered the potential for short to medium term superior returns.

CHAIRMAN'S REVIEW

The Company was invited as an institutional investor to participate in a number of capital raisings and new floats during the year. Of those which the Company chose to participate, the standout was IBT Education Limited (IBT). As part of this initial public offering, CXL acquired 1 million shares at $1.00, which were subsequently disposed of for an average price of $2.29, realising a pre-tax profit of $1.28m. Other floats and institutional capital raisings in which the Company participated included Babcock & Brown Limited (BNB), Golden Cross Resources Limited (GCR), Elixir Petroleum Limited (EXR) and QRSciences Holdings Limited (QRS).

Technology Investment Fund (TIF)

During the year the Company acquired an 11.5% unitholding in Technology Investment Fund, a total investment of approximately $4.1 million. For the 2005 year, TIF was a listed managed fund with a technology investment focus, with its funds managed by Gresham Technology Management Limited. The Company's units in TIF were acquired below TIF's NTA backing at an average price of 47.4 cents per unit. In July 2005 TIF unit holders voted to delist the fund and change the fund's constitution and responsible entity. As a result of these changes the Company is now able to redeem its units in TIF at NTA (minus a small transaction charge).

Since balance date, the Company has redeemed a total of 1,583,523 units in TIF at an average of 53.5 cents, realising a pre tax gain to date of approximately $103,000 on its original investment. Following these redemptions, the Company continues to retain 6,977,291 units in TIF which, if redeemed at TIF's latest published redemption price (19^{th} October 2005) of 52.30 cents per unit, would realise additional gains of approximately $370,000 for the Company.

Oilex NL (OEX)

During the year the Company acquired a major position in Oilex NL, a junior oil exploration company with activities in Australia and overseas. The Company is OEX's largest shareholder, currently holding approximately 3.98 million Oilex shares equivalent to 8.7% of the company's issued capital.

Oilex has experienced management and exploration opportunities with major potential upside opportunity. With the recent rise in the price of oil this investment gives the Company an exposure to further oil price rises in addition to any upside arising from exploration success.

Options: The Company also generated approximately $111,965 income from writing covered call (and some put) options on a number of blue chip stocks, including Lihir Gold (LHG), BHP Billiton (BHP), Rio Tinto (RIO) and Telstra Corporation(TLS). This strategy was successfully used as a means of generating additional income from stocks held.

Expenses: The Company continues to operate out of shared office accommodation and share administration services in order to minimise overhead expenses. One-off professional fees and costs relating to the Company's strategic investment in Scarborough Equities Limited (SCB) totalled $416,791 for the year which had a significant effect on company profits. These expenses were predominantly in relation to a meeting of SCB shareholders requisitioned by CXL to effect changes to the SCB board which were endorsed by SCB shareholders.

Hume Mining NL: During the year the Company, through its wholly owned subsidiary Hume Mining NL, made applications for the grant of a number of mining tenements in Australia prospective for mineral exploration.

CHAIRMAN'S REVIEW

As an LIC, the Company does not itself aspire to be a mineral exploration company: Direct mineral exploration and exploitation can be a very expensive and risky business that does not fit within the Company's present investment mandate. However, the Company recognises that a value creation opportunity exists in identifying and securing potentially valuable exploration rights that can subsequently be packaged and sold or securitised in such a way that the Company minimises (or eliminates completely) any ongoing potential expenditure commitments whilst retaining a meaningful interest in any potential exploration upside.

A successful example of this strategy was the sale in September 2005 to Fast Scout Limited (ASX Code: FSL) of a 75% interest in a suite of tenements previously applied/acquired by Hume Mining. Whilst the sale is still subject to certain conditions being fulfilled by Fast Scout, the Company will retain a 25% free carried interest in these potentially valuable tenements upon satisfaction of these conditions. This agreement with Fast Scout gives CXL a significant interest in, amongst others, a uranium exploration project in a prospective region in the Northern Territory adjacent to tenements surrounding the Bigrlyi Uranium Deposit (held by recent uranium float, Energy Metals Limited – ASX Code: "EME"). This project could involve a significant expenditure commitment in exploration and completion of a bankable feasibility study; yet on the terms of the sale agreement with Fast Scout, the Company retains a 25% interest in the project without having to contribute to any of this expenditure. The Company will also receive shares and options in FSL as consideration for the sale of these assets once the foregoing conditions are satisfied.

Looking Forward

During the coming year we will continue to focus on investigating, undertaking and managing investments to meet the investment objectives of the Company. As the Company's track record becomes further established we hope that the market will re-rate the share price closer to the true value of the Company's investments.

Your directors are however mindful of the discount of the Company's share price to NTA. At the Company's AGM we will therefore be seeking shareholder approval to allow the Company to buy back up to 20% of its own shares in any one year. Buying back the Company's shares on market, at a discount to NTA, adds value to the remaining shares on issue and increases the NTA backing of the Company.

However, buying back the Company's own shares reduces the overall size of the Company's investment funds. Your Directors will consider this and other factors before deciding to what extent (if at all) the Company undertakes a buy back of shares during the coming year.

Thank you for your continued support.

William Johnson
Chairman

Perth, Western Australia

21 October 2005

DIRECTORS' REPORT

The Directors present their report on Central Exchange and its controlled entities (the **"Consolidated Entity"**) for the year ended 30 June 2005 (**"Balance Date"**).

Central Exchange Limited (**"Company"** or **"Central Exchange"**) is a company limited by shares that is incorporated and domiciled in Australia and has been listed on the Australian Stock Exchange (**"ASX"**) since November 1970.

Central Exchange has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. Controlled entities are Silver Sands Developments Pty Ltd (formerly Central Exchange Operations Pty Ltd) ABN 16 094 097 122 (controlled throughout the financial year) and Hume Mining NL ABN 52 063 994 945 (controlled throughout the financial year).

Central Exchange has accounted for the following investments at Balance Date as investments in an Associate entity (on an equity accounting basis) pursuant to Accounting Standard AASB 1016 "Accounting for Investment in Associates":

(1) 25.5% interest in ASX listed Scarborough Equities Limited (**"SCB"**) (20.4% from 4 May 2005 to 30 June 2005; 26.6% from 15 July 2005);

(2) 19% interest in ASX listed Bentley International Limited (**"BEL"**) from 30 June 2005 (24.9% from 1 July 2005).

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year were the management of its investments, including investments in listed securities, property development and resource projects.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 8 July 2004, the Company was re-admitted to ASX as an investment entity (as defined under the ASX Listing Rules).

There was no other significant change in the state of affairs of the Consolidated Entity during the financial year other than that referred to in this Directors' Report or the financial statements or notes thereto.

OPERATING RESULTS

Consolidated	**2005** **$**	**2004** **$**
Total revenues from ordinary activities	2,363,939	14,201,324
Total expenses from ordinary activities	(1,047,127)	5,078,376
Profit from ordinary activities before tax	1,316,811	19,279,700
Income tax on ordinary activities	(330,922)	(1,003,436)
Profit from ordinary activities after income tax	985,889	18,276,264

Revenues from ordinary activities comprise:

(1) $1,491,273 net profit from share trading portfolio (including dividend income of $98,766);

(2) $111,965 net profit from options portfolio;

(3) $512,069 interest income; and

(4) $167,225 share of Associate entities' net profits (being SCB) and $81,407 dividend income received from Associate entities (being SCB).

DIRECTORS' REPORT

Expenses from ordinary activities include:

(1) $276,588 legal and professional fees (including $266,642 in relation to SCB);

(2) $261,180 personnel costs (including directors' fees);

(3) $150,149 costs incurred in relation to investment in SCB;

(4) $68,348 brokerage costs; and

(5) $60,759 for costs of consultants.

EARNINGS PER SHARE

Consolidated Entity	2005	2004
Basic and diluted earnings per share (cents)	5.79	206.52
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	17,030,960	8,849,761

FINANCIAL POSITION

Consolidated	2005 $	2004 $
Cash	69,092	18,107,239
Current investments - shares	8,134,740	1,985,295
Non-current investments - shares	-	-
Investments - listed Associate entities	7,085,260	-
Inventory	3,796,552	-
Receivables	374,817	19,781
Deferred tax assets	227,053	-
Other assets	43,001	55,630
	19,730,515	20,167,945
Tax liabilities	(569,911)	(1,003,436)
Other payables and liabilities	(348,176)	(1,082,315)
Net assets	18,812,428	18,082,194
Contributed Equity	28,717,469	28,973,124
Accumulated losses	(9,905,041)	(13,014,930)
Reserves	-	2,124,000
Total Equity	18,812,428	18,082,194

DIRECTORS' REPORT

NET TANGIBLE ASSET BACKING

Consolidated	2005 $	2004 $
Net tangible assets (before tax)	19,155,286	19,085,630
Pre-Tax NTA Backing per share (cents)	1.139	1.108
Less: Provision for tax	(342,858)	(1,003,436)
Net tangible assets (after tax)	18,812,428	18,082,194
Post-tax NTA Backing per share (cents)	1.119	1.050
Based on total issued share capital	16,812,156	17,219,996

Monthly Reporting of NTA Information

To assist shareholders to assess the value of the Company's shares, within 14 days after the end of each month the Company lodges an ASX market announcement detailing a statement of the NTA backing of its shares as at the end of the preceding month.

Such announcements are also emailed to shareholders who have registered their email addresses with the Company and posted on the Company's website.

DIVIDENDS

On 13 September 2005, the Directors announced the declaration of a dividend in respect of the financial year ended 30 June 2005:

Dividend Rate	Record Date	Payment Date	Franking	Total Dividends Paid
1.50 cent per share	30 September 2005	13 October 2005	Fully franked	$267,216

The Directors expect that the Company will be in a position to pay a further dividend of 1.50 cents per share (fully franked) after the release of its December 2005 half year results in February 2006.

During the financial year, the Company paid the following dividends in respect of the last financial year ended 30 June 2004:

Dividend Rate	Record Date	Payment Date	Franking	Total Dividends Paid
5 cent per share	6 July 2004	9 July 2004	60% franked	$861,000

Dividend Policy

It is the objective of the Company to provide a regular and stable dividend payment to shareholders after the announcement of its half year and full year operating results. These results are normally announced in February and August each year and the Company will endeavour to announce its dividend payments at this time.

The Company intends to distribute to shareholders at least 50% of the available net profits arising from the dividend, interest and other income it receives from its investments and the gains on its investments, to the extent permitted by law and prudent business practices. Dividends will be franked to the extent that available franking credits permit and in accordance with the stated objective of providing 2 dividend payments a year.

DIRECTORS' REPORT

The extent of future dividend payments cannot be quantified as they depend on the actual operating results and net profits of the Company for a relevant reporting period. There can be no guarantee that any profits or dividends will be made in any reporting period.

Dividend Reinvestment Plan

The Constitution of the Company authorises the Directors to establish and maintain a Dividend Reinvestment Plan ("**DRP"**) (whereby any member may elect that dividends payable by the Company be reinvested by way of subscription for shares in the Company). The Company does not presently have a DRP.

The Directors propose to develop and implement a DRP in the future, subject to there being a reduction in the current discount between the Company's share price and its Net Tangible Asset backing.

SECURITIES IN THE COMPANY

The current number of the Company's fully paid ordinary shares on issue is 17,814,389.

At Balance Date, the Company had 16,812,156 shares on issue (30 June 2004: 17,219,996)

The Company does not have other securities on issue at the date of this report.

A summary of changes in the share capital structure of the Company during and since the financial year are:

Date	Shares	Description
6-May-2005	(666,306)	Cancellation of shares bought-back as described below
12-May-2005	(133,694)	Cancellation of shares bought-back as described below
18-May-2005	(50,000)	Cancellation of shares bought-back as described below
22-Jun-2005	(370,650)	Cancellation of shares bought-back as described below
30-Jun-2005	812,810	Issue of shares (at $1.0343 per share, being CXL's reported NTA (post tax) backing as at 31 May 2005) as part consideration for the settlement of: (a) The acquisition of 3,167,152 shares in Scarborough Equities Limited **(SCB)** from Sofcom Limited (**SOF**) pursuant to CXL's exercise under an Option Deed between CXL and SOF dated 2 May 2005 (as amended by Deed of Variation dated 30 May 2005) – the total consideration was $669,219 (based on SCB's last published NTA backing (post tax) as at 31 May 2005 of $0.2113 per share) satisfied by the payment of $200,000 cash and the issue of 453,659 fully paid ordinary shares in CXL to SOF; (b) The acquisition of 2,100,000 shares in Bentley International Limited **(BEL)** from SOF pursuant to a First Tranche BEL Share Sale Agreement between SOF and CXL (dated 30 May 2005) – the total consideration was $946,470 (based on BEL's last published NTA backing (post tax) as at 31 May 2005 of $0.4507 per share) satisfied by the payment of $575,000 cash and the issue of 359,151 fully paid ordinary shares in CXL to SOF, as approved by SOF shareholders on 30 June 2005.
1-Jul-2005	1,002,233	Issue of shares (at $1.0343 per share, being CXL's reported NTA (post tax) backing as at 31 May 2005) as consideration for the settlement of the acquisition of 2,300,000 shares in BEL from SOF pursuant to a Second Tranche BEL Share Sale Agreement between SOF and CXL (dated 30 May 2005) – the total consideration was $1,036,610 (based on BEL's last published NTA backing (post tax) as at 31 May 2005 of $0.4507 per share) satisfied by the issue of 1,002,233 fully paid ordinary shares in CXL to SOF, as approved by SOF shareholders on 30 June 2005 and BEL shareholders on 1 July 2005.

DIRECTORS' REPORT

On-Market Share Buy-Back

On 30 March 2005, the Company announced an intention to undertake an on-market within "10%/12 month limit" share buy-back (pursuant to Part 2J.1 Division 2 of Corporations Act 2001) of up to 1,699,852 shares for capital management purposes, as the Company's share price was trading at a significant discount to its NTA backing.

As at Balance Date and the date of this report, the Company has bought back 1,220,650 shares at an average price of $0.609 per share and at a total cost of $743,448 (excluding brokerage costs of $3,106). The Company has the capacity to buy-back a further 479,202 shares until 30 March 2006.

Capital Management Policy

The Company will seek to actively manage its capital to maximise the capital return to shareholders, including, as is appropriate (having regard to the Company's future capital requirements for proposed investments and the financial position generally of the Company):

- A dividend re-investment plan;
- Buy-back of shares when the Company's shares are trading at a discount to NTA;
- The issue of shares through options, bonus or rights issues to shareholders;
- Other distributions of capital (capital returns).

REVIEW OF OPERATIONS

1. Portfolio Details As At 30 June 2005

Asset Weighting

	% of Net Assets
Australian equities	
- Investments in Associate entities	38%
- Other Australian equities	43%
Property	20%
International equities	- +
Net cash/other assets	(1%)
TOTAL	100%

\+ BEL is an ASX listed investment company wholly invested in securities listed on overseas markets

DIRECTORS' REPORT

Top 15 Equity Holdings

Equities	% of Net Assets	ASX Code	Industry Sector Exposures
1. Scarborough Equities Limited *	22.8%	SCB	Diversified Financials
2. Technology Investment Fund	21.2%	TIF	Diversified Financials
3. Bentley International Limited *+	14.9%	BEL	Diversified Financials
4. Oilex NL	5.0%	OEX	Energy
5. Rio Tinto Limited	2.4%	RIO	Diversified Metals & Mining
6. Flight Centre Limited	1.9%	FLT	Hotels, Resorts & Cruise Lines
7. MMC Contrarian Limited	1.7%	MMA	Diversified Financials
8. Independence Group NL	1.4%	IGO	Metals & Mining - Gold
9. Global Mining Investments Limited	1.4%	GMI	Diversified Financials
10. CMA Corporation Limited	1.3%	CMV	Capital Goods
11. Fleetwood Corporation Limited	1.3%	FWD	Automobile Manufacturers
12. Telstra Corporation Limited	1.1%	TLS	Diversified Telecommunication Services
13. PMP Limited	1.1%	PMP	Commercial Services & Supplies
14. Hunter Hall Global Value Limited	1.0%	HHV	Diversified Financials
15. Golden Cross Resources Ltd	0.5%	GCR	Metals & Mining
TOTAL	**78.9%**		

* BEL and SCB have been accounted for as Associate entities

\+ BEL is an ASX listed investment company wholly invested in securities listed on overseas markets

2. Reinstatement To ASX

On 8 July 2004, the Company was re-admitted to ASX as an investment entity (as defined under the ASX Listing Rules) following shareholder approvals at a general meeting on 4 June 2004 and the completion of a prospectus (dated 11 June 2004) on 28 June 2004.

The Company's ASX code remains as "CXL." The Board proposes to seek shareholder approval for a change of name at the next Annual General Meeting of the Company.

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 REGULATION AND PERFORMANCE

To the extent that any aspect of the activities of the Consolidated Entity are subject to any environmental regulation under either Commonwealth or State legislation, the Directors are not aware of any breach by the Consolidated Entity of such regulations during or since the financial year.

DIRECTORS' REPORT

DIRECTORS AND COMPANY SECRETARY

Information concerning Directors in office during or since the financial year are:

William M. Johnson	—	**Executive Chairman**
Appointed	—	Executive Chairman since 3 July 2003; Director since 28 February 2003.
Qualifications	—	MA (Oxon), MBA
Experience	—	Mr Johnson commenced his career in resource exploration and has most recently held senior management and executive roles in a number of public companies in Australia, New Zealand and Asia. As Regional Director Asia Pacific for Telecom New Zealand Ltd, Mr Johnson was responsible for identifying, evaluating and implementing investment strategies that included start-up technology ventures, a technology focussed venture capital fund and strategic investments and acquisitions in Asia and Australia. As Executive Chairman of Central Exchange Limited, Mr Johnson is part of the Investment Committee of the Company and has been actively involved in the strategic analysis of a diverse range of business and investment opportunities and the execution of a number of corporate transactions. Mr Johnson brings a considerable depth of experience in business strategy and investment analysis and execution
Relevant interest in shares	—	None
Special Responsibilities	—	Chairman of the Board and Chairman of the Investment Committee
Other current directorships in listed entities	—	Current Director of: (1) Scarborough Equities Limited (since 29 November 2004)
Former directorships in other listed entities in past 3 years	—	None

Victor P. H. Ho	—	**Executive Director and Company Secretary**
Appointed	—	Executive Director since 4 July 2003; Company Secretary since 2 August 2000
Qualifications	—	BCom, LLB (*Western Australia*)
Experience	—	Mr Ho has been in company secretarial/executive roles with a number of public listed companies since early 2000. Previously, Mr Ho had 9 years experience in the taxation profession with the Australian Tax Office and in a specialist tax law firm. Mr Ho has been actively involved in the structuring and execution of a number of corporate transactions, capital raisings and capital management matters and has extensive experience in public company administration, corporations law and stock exchange compliance and shareholder relations
Relevant interest in shares	—	None
Special Responsibilities	—	Member of Investment Committee
Other positions held in listed entities	—	Current Executive Director and Company Secretary of: (1) Queste Communications Limited (Secretary since 30 August 2000) (2) Fast Scout Limited (Secretary since 9 March 2000 and Director since 12 October 2000) (3) Sofcom Limited (Director since 3 July 2002 and Company Secretary since 23 July 2003) (4) Altera Capital Limited (Director since 9 November 2001 and Secretary since 26 November 2001) Current Company Secretary of: (5) Bentley International Limited (since 5 February 2004) (6) Scarborough Equities Limited (since 29 November 2004)
Former directorships in other listed entities in past 3 years	—	None

DIRECTORS' REPORT

Yaqoob Khan	—	**Non-Executive Director**
Appointed	—	5 November 1999
Qualifications	—	BCom (*Western Australia*), Master of Science in Industrial Administration (*Carnegie Mellon*)
Experience	—	After working for several years in the Australian Taxation Office, Mr Khan completed his postgraduate Masters degree and commenced work as a senior executive responsible for product marketing, costing systems and production management. Mr Khan has been founding Executive Director of 2 ASX floats – Queste Communications Limited in 1998 and Fast Scout Limited in 2000. He was an integral member of the team responsible for the pre-IPO structuring and IPO promotion and has been actively involved in the executive management of such companies since their floats. Mr Khan brings considerable international experience in key aspects of corporate finance and the strategic analysis of listed investments
Relevant interest in shares	—	None
Special Responsibilities		None
Other current directorships in listed entities	—	Current Director of: (1) Queste Communications Limited (since 10 March 1998) (2) Fast Scout Limited (since 9 September 1999)
Former directorships in other listed entities in past 3 years	—	None

DIRECTORS' MEETINGS

The following table sets out the numbers of meetings of the Company's Directors held during the financial year (including Directors' circulatory resolutions), and the numbers of meetings attended by each Director of the Company, including meetings of the Investment Committee:

Name of Director	Meetings Attended	Maximum Possible Meetings
William Johnson	13	13
Victor Ho	13	13
Yaqoob Khan	12	13

Board Committees

During the financial year and as at the date of this Directors' Report, the Company did not have separate designated Audit or Remuneration Committees. In the opinion of the Directors, in view of the size of the Board and nature and scale of the Consolidated Entity's activities, matters typically dealt with by an Audit or Remuneration Committee are dealt with by the full Board.

Investment Committee

On 8 July 2004, the Board determined to establish an Investment Committee comprising Executive Chairman, William Johnson and Executive Director and Company Secretary, Victor Ho and Farooq Khan (a nominee of the Company's controlling shareholder, Queste Communications Limited). Farooq Khan was Chairman and Managing Director of the Company from 4 October 1999 until his resignation on 1 July 2003. Mr Khan is Chairman and Managing Director of Queste Communications Limited.

DIRECTORS' REPORT

REMUNERATION REPORT

This report details the nature and amount of remuneration for each Director of the Company and Executive Officer of the Consolidated Entity.

(1) Remuneration Policy

The Board determines the remuneration structure of all Directors and Executive Officers having regard to the Consolidated Entity's nature, scale and scope of operations and other relevant factors, including the frequency of Board meetings, length of service, particular experience and qualifications.

The Executive and Non-Executive Directors of the Company are paid a fixed amount per annum plus employer superannuation contributions.

Pursuant to the Company's Constitution, each Director is also entitled to receive:

(1) Payment for the performance of extra services or the undertaking of any executive or other work for the Company beyond his or her general duties.

(2) Payment for travelling and other expenses properly incurred by a Director in attending meetings of the Company or the Board or in connection with the Company's business.

The Company does not presently have any equity (shares or options) based remuneration arrangements pursuant to any executive or employee share or option plan or otherwise.

The Company does not presently provide retirement benefits or incentive/performance based benefits to Directors or the sole Executive Officer.

The Company does not presently have formal service agreements or employment contracts with the Directors or the current sole Executive Officer.

The Company has not had during the financial year and does not currently have a directors' and officers' liability insurance policy which covers all Directors and officers of the Company and its wholly-owned subsidiaries.

(2) Details of Remuneration of Directors

Details of the nature and amount of each element of remuneration of each Director of the Company paid or payable by the Consolidated Entity during the financial year are as follows:

Name of Director	Office Held	Salary / Fees	Employer Superannuation	Other Benefits	Total
		$	$	$	$
William Johnson	Executive Chairman	138,461	12,462	-	150,923
Victor Ho	Executive Director and Company Secretary	57,692	5,192	-	62,884
Yaqoob Khan	Non-Executive Director	25,398	-	-	25,398

(3) No Executive Officers

The Company did not have any Executive Officers (other than Executive Directors) during the financial year.

DIRECTORS' REPORT

(4) Directors' Deeds

In addition to the rights of indemnity provided under the Company's Constitution (to the extent permitted by the Corporations Act), the Company has also entered into a deed with each of the Directors to regulate certain matters between the Company and each Director, both during the time the Directors holds office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries), including the following matters:

(i) The Company's retention of and the Director's access to Board papers and company books (subject to confidentiality and privilege) both while the Director is a director of the Company and after the Director ceases to hold office, for the purposes expressly permitted by the deed.

(ii) The Company's obligation to use its best efforts to ensure that so far as practical (having regard to the cost of coverage and its availability), that there is an appropriate directors' and officers' insurance cover (as permitted by the Corporations Act) for the period that each Director is a director of the Company and for 7 years after that Director ceases to hold office;

(iii) The Company's obligation to indemnify a Director for liabilities or legal costs incurred as an officer of the Company (to the extent permitted by the Corporations Act);

(iv) Subject to the terms of the deed and the Corporations Act, the Company may, at the request of the Director and on such terms as it thinks fit, advance monies to the Director to meet any costs or expenses of the Director incurred in circumstances relating to the indemnities provided under the deed and prior to the outcome of a legal proceeding. The Company cannot make such an advance to a Director in respect of legal costs incurred in a legal proceeding initiated by the Company against the Director. Advances must be repaid by the Director once the outcome of the legal proceeding is known, but may be set-off by indemnities from the Company (where permitted by the deed and the Corporations Act); and

(v) the Company's and Director's rights and obligations in respect of confidential information, legal proceedings against the Director, disclosure of Director's benefits and notifiable interests, costs of independent advice and related party benefits.

(5) Other Directors' Benefits

No Director of the Company has, since the end of the previous financial year, received or become entitled to receive a benefit, other than a remuneration benefit as disclosed above, by reason of a contract made by the Company or a related entity with the Director or with a firm of which he is a member, or with a Company in which he has a substantial interest.

DIRECTORS' REPORT

AUDITOR

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the financial year are set our below:

Audit & Review Fees $	Fees for Other Services $	Total $
11,833	6,520	18,353

The Board is satisfied that the provision of non-audit services by a related practice of the auditor during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Board is satisfied that the nature of the non-audit services disclosed above did not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1: Professional Independence, 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 risk and rewards.

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 forms part of this Directors Report and is set out on page 21. This relates to the Audit Report, where the Auditors state that they have issued an independence declaration.

EVENTS SUBSEQUENT TO BALANCE DATE

The Directors are not aware of any matters or circumstances at the date of this Directors' Report, other than those referred to in this Directors' Report (in particular, in Review of Operations) or the financial statements or notes thereto (in particular Subsequent Events Note 30), that have significantly affected or may significantly affect the operations, the results of operations or the state of affairs of the Company in subsequent financial years.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.

William Johnson
Chairman

Victor Ho
Director

Perth, Western Australia

13 September 2005

Chartered Accountants
& Advisers

Level 8, 256 St George's Terrace Perth WA 6000
PO Box 7426 Cloisters Square Perth WA 6850
Tel: (61-8) 9360 4200
Fax: (61-8) 9481 2524
Email: bdo@bdowa.com.au
www.bdo.com.au

13 September 2005

The Directors
Central Exchange Ltd
Level 14, The Forrest Centre
221 St Georges Terrace
PERTH WA 6000

Dear Sirs

DECLARATION OF INDEPENDENCE BY BDO CHARTERED ACCOUNTANTS TO THE DIRECTORS OF CENTRAL EXCHANGE LTD

To the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of this Act in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to this audit.

Yours faithfully
BDO
Chartered Accountants & Advisers

B. McVeigh

BG McVeigh
Partner

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2005

		Consolidated Entity		Company	
		2005	2004	2005	2004
	Note	$	$	$	$
Income from ordinary activities					
Net income from trading portfolio		1,491,273	-	1,491,273	-
Net income from options portfolio		111,965	-	111,965	-
Net income from Associate entities		248,632	-	248,632	-
Other income		512,069	14,201,324	512,069	14,200,665
	2(a)	2,363,939	14,201,324	2,363,939	14,200,665
Expenses from ordinary activities:	2(b)				
Cost of services		-	(13,013)	-	(10,085)
Personnel		(261,180)	(48,907)	(261,180)	(48,907)
Communications		(22,627)	(15,033)	(22,627)	(15,033)
Occupancy		(18,826)	(26,428)	(18,826)	(26,428)
Corporate		(56,544)	(30,645)	(56,544)	(30,645)
Financing		(4,652)	(1,316)	(4,470)	(990)
Borrowing cost		(1,791)	(148)	(1,791)	(148)
Costs in relation to investments		(218,497)	-	(218,497)	-
Administration expenses					
– consultants		(60,759)	(95,039)	(60,759)	(95,039)
– professional fees		(276,588)	(28,679)	(276,588)	(28,679)
– diminution of investments / (write-back of previous diminution)		-	5,384,934	-	5,384,934
– exploration expenditure (expensed)		(37,988)	(1,301)	(18,813)	(1,301)
– provision for doubtful debts		-	-	(36,928)	(1,772)
– other		(87,676)	(46,049)	(87,677)	(45,298)
Profit from ordinary activities before income tax expense		1,316,811	19,279,700	1,299,239	19,281,274
Income tax relating to ordinary activities		(330,922)	(1,003,436)	(341,415)	(1,003,436)
Net profit attributable to members of the parent entity		985,889	18,276,264	957,824	18,277,838
Total revenues, expenses and valuation adjustments attributable to members of the parent entity recognised directly in equity		-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners		985,889	18,276,264	957,824	18,277,838
Basic earnings per share (cents)	23	5.79	206.52	5.62	206.51
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	23	17,030,960	8,849,761	17,030,960	8,849,761

The statements of financial performance should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005

		Consolidated Entity		Company	
		2005	2004	2005	2004
	Note	$	$	$	$
CURRENT ASSETS					
Cash	26	69,092	18,107,239	68,037	18,107,239
Receivables	6	341,994	5,675	340,284	5,591
Investments in trading portfolio	7	8,134,740	1,985,295	8,134,740	1,985,295
Other	8	843	-	843	-
TOTAL CURRENT ASSETS		8,546,669	20,098,209	8,543,904	20,098,125
NON CURRENT ASSETS					
Receivables	9	32,823	14,106	3,830,106	14,106
Investments	10	-	-	-	-
Investments in Associate entities					
- equity accounted	11	7,085,260	-	7,085,260	-
Inventory	12	3,796,552	-	-	-
Plant and equipment	13	26,536	31,599	26,536	31,599
Non current tax assets	14	227,053	-	227,053	-
Other	15	15,622	24,031	-	24,031
TOTAL NON CURRENT ASSETS		11,183,846	69,736	11,168,955	69,736
TOTAL ASSETS		19,730,515	20,167,945	19,712,859	20,167,861
CURRENT LIABILITIES					
Payables	16	328,751	209,164	328,751	209,164
Provisions	17	-	861,000	-	861,000
Current tax liabilities	18	569,911	1,003,436	580,404	1,003,436
TOTAL CURRENT LIABILITIES		898,662	2,073,600	909,155	2,073,600
NON CURRENT LIABILITIES					
Provisions	19	19,425	12,151	19,425	12,151
TOTAL NON CURRENT LIABILITIES		19,425	12,151	19,425	12,151
TOTAL LIABILITIES		918,087	2,085,751	928,580	2,085,751
NET ASSETS		18,812,428	18,082,194	18,784,279	18,082,110
EQUITY					
Contributed equity	20	28,717,469	28,973,124	28,717,469	28,973,124
Reserves	21	-	2,124,000	-	2,124,000
Accumulated losses	22	(9,905,041)	(13,014,930)	(9,933,190)	(13,015,014)
TOTAL EQUITY		18,812,428	18,082,194	18,784,279	18,082,110

The statements of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2005

		Consolidated Entity		Company	
		2005	2004	2005	2004
	Note	$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		-	659	-	-
Sale proceeds from trading portfolio		11,910,799	-	11,910,799	-
Payments for trading portfolio		(16,464,611)	-	(16,258,717)	-
Proceeds from options portfolio		240,140	-	240,140	-
Payments for options portfolio		(81,794)	-	(81,794)	-
Settlement deed payment		-	19,051,014	-	19,051,014
Payments to suppliers and employees		(1,032,258)	(294,122)	(1,245,807)	(288,909)
Payments for exploration and evaluation		(10,404)	(24,031)	(3,074)	(24,031)
Interest received		512,069	477,762	512,069	477,762
Interest paid		(1,792)	(148)	(1,791)	(148)
Income tax paid		(991,500)	-	(991,500)	-
Dividends received		180,173	2,234	180,173	2,234
NET CASH (OUT)/ INFLOW FROM OPERATING ACTIVITIES		(5,739,178)	19,213,368	(5,739,502)	19,217,922
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for investments		(6,918,035)	(2,071,672)	(6,918,035)	(2,071,672)
Payments for purchase of inventory		(3,797,109)	(878)	(557)	(878)
Proceeds from sale of investments		-	359,748	-	359,748
Loans to subsidiaries		-	-	(3,797,283)	(1,772)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(10,715,144)	(1,712,802)	(10,715,875)	(1,714,574)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payments to unmarketable parcel shareholders		(1,548)	-	(1,548)	-
Payments for share buy back		(746,554)	-	(746,554)	-
Payments for dividends		(835,723)	-	(835,723)	-
Proceeds from share issue		-	199,327	-	199,327
Payment for share issue costs		-	(6,810)	-	(6,810)
NET CASH (OUT)/ INFLOW FROM FINANCING ACTIVITIES		(1,583,825)	192,517	(1,583,825)	192,517
NET DECREASE IN CASH ASSETS HELD		(18,038,147)	17,693,083	(18,039,202)	17,695,865
Cash at beginning of the financial year		18,107,239	414,156	18,107,239	411,374
CASH AT THE END OF THE FINANCIAL YEAR	26	69,092	18,107,239	68,037	18,107,239

The statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

1. SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

The Financial Report is a general purpose Financial Report, which has been prepared and is based on historical costs in accordance with the Corporations Act 2001, applicable Accounting Standards and Urgent Issues Group Consensus Views, and complies with other requirements of the law.

The Financial Report has been prepared on an accrual basis and 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. Cost is based on the fair values of the consideration given in exchange for assets.

Significant Accounting Policies

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

The following significant accounting policies have been adopted in the preparation and presentation of the Financial Report. The accounting policies have been consistently applied unless otherwise stated.

1.1. Principles of Consolidation

The consolidated Financial Statements are prepared by combining the Financial Statements of all the entities that comprise the Consolidated Entity, being the Company (the Company) and its controlled entities. Control exists where the Company has the capacity to dominate the decision making in relation to the financial and operating policies of another entity so that the other entity operates with the Company to achieve the objectives of the Company. A list of controlled entities is contained in Note 11 to the Financial Statements.

All inter-company balances and transactions between entities in the Consolidated Entity, including any unrealised profits or losses, have been eliminated on consolidation. Outside interest in the equity and results of the entity that are controlled are shown as a separate item in the consolidated financial report.

1.2. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

i. Sale of Goods and Disposal of Assets

Revenue is recognised when the Consolidated Entity has passed control of the goods or other assets to the buyer. Control of goods or assets is considered to be passed to buyer upon delivery of asset to buyer or their agents.

ii. Contributions of Assets

Revenue arising from the contribution of assets is recognised when the Consolidated Entity gains control of the contribution or the right to receive the contribution.

iii. Interest Revenue

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

iv. Other Revenue

Other revenue is recognised on a receipts basis.

1.3. Income Tax

The Consolidated Entity adopts the liability method of tax-effect accounting whereby the income tax expense shown in the statement of financial performance is based on the operating profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of operating profit before income tax and taxable income are brought to account as either a provision for deferred income tax or an asset described as future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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

1.4. 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 statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

1.5. Employee Entitlements
Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave ("employee entitlements") when it is probable that settlement will be required and they are capable of being measured reliably. Employee entitlements are expected to be settled within one year and have been measured at their nominal amount. Other employee entitlements expected to be payable later than one year have been measured at the present value of the estimated cash flows to be made of those entitlements. Superannuation contributions are made by the Consolidated Entity in accordance with statutory obligations and are charged as expenses when incurred.

1.6. Receivables
Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

1.7. Holdings of Securities

i. Balance Sheet Classification
The Company has three portfolios of investments in securities, the investments portfolio, the options portfolio and the trading portfolio. The investment portfolio relates to holdings of securities which the Directors intend to retain on a long-term basis, which is classified as a "non-current asset". The options portfolio contains exchange traded options contracts that are entered into in relation to underlying listed securities. The trading portfolio comprises securities held for trading purposes, which is classified as a "current asset".

ii. Valuation of Options Portfolio
Options written against underlying listed securities are initially brought to account at the amount received upfront for entering into the options contract (the option premium), which are included in Net Profit.

iii. Valuation of Trading Portfolio
Securities, including listed and unlisted shares, units and notes, are initially brought to account at cost and are revalued to market values at each balance date.

Any unrealised gains or losses at balance date are included in the Net Profit of the Company.

Where disposals are made from the trading portfolio the gain or loss arising from the difference between the proceeds and the carrying value is included in the Net Profit of the Company.

iv. Determination of Market Value
Market value for the purpose of valuing securities is determined by reference to market prices prevailing at balance date, where the securities are traded on an organised market. Where a security is unlisted or suspended, its fair value is determined by its net tangible asset value.

v. Income from Holdings of Securities
Distributions relating to listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Distributions relating to unlisted securities are recognised as income when received. The premium received on options written against underlying listed securities (the options portfolio) is offset against these underlying listed securities until the option expires, is exercised or is repurchased from the holder. When one of these events occurs, the net gain or loss arising on the option contract is included in Net Profit.

1.8. Investments in Controlled Entities
Investments in controlled entities are recorded at Directors' valuation.

1.9. Investments in Associate Companies
Investments in associates are accounted for under the equity method in the consolidated and company financial statements.

1.10. Property held for Resale
Property held for development and resale is valued at the lower of cost and net realisable value. The cost includes the cost of acquisition, development and holding costs until completion of development. Any borrowing costs and holding charges incurred after development are expensed. Profits are brought to account on the signing of an unconditional contract of sale.

1.11. Property, Plant and Equipment
Property, plant & equipment are brought to account at cost, independently or Directors' valuation, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed bi-annually by Directors to ensure it is not in excess of the recoverable amount from these assets. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of such improvements. The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their expected useful lives to the Consolidated Entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate	Depreciation Method
Plant and Equipment	15%-33.3%	Diminishing Value
Office Furniture and Equipment	15%-20%	Diminishing Value
Leasehold Improvements	15%	Diminishing Value

1.12. Valuation of Other Non Current Assets
The carrying amount of other non-current assets are reviewed annually to determine whether they are in excess of the recoverable amount. Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

1.13. Acquisition of Assets
Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

1.14. Exploration, Evaluation and Development Expenditure
Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward only if they relate to an area of interest for which rights of tenure are current and in respect of which:

i. such costs are expected to be recouped through successful development and exploitation or from sale of the area; or

ii. exploration and evaluation activities in the area have not, at balance date, reached a stage which permit a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations in, or relating to, the area are continuing.

Accumulated costs in respect of areas of interest, which are abandoned, are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

1.15. 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.

1.16. Provision for dividends
In accordance with *AASB 1044: Provisions, Contingent Liabilities and Contingent Assets*, a provision can only be made for the amount of any dividend declared, determined or publicly recommended by the Directors on or before the end of the financial year, but not distributed at balance date.

1.17. Contributed Equity
Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

1.18. Financial Instruments Issued by the Company

i. 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.

ii. Transaction Costs on the Issue of Equity Instruments
Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

1.19. Earnings Per Share

i. Basic Earnings per Share
Basic earnings per share is determined by dividing the operating result after income tax by the weighted average number of ordinary shares on issue during the financial year.

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

1.20. Segment Reporting
Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1 and *AASB 1005: Segment Reporting*.
Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, property, plant and equipment and other assets, net of related provisions. Segment liabilities consist primarily of trade and other creditors, employee benefits and provisions.

The Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

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

The Consolidated Entity's management, with the assistance of external consultants, have assessed the significance of the expected changes and have prepared for their implementation. The impact of the alternative treatments and elections under *AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards* has been considered where applicable.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2005

The Directors are of the opinion that the key material differences in the Consolidated Entity's accounting policies on conversion to AIFRS and the financial effect of these differences where known, are as follows. Users of the financial statements should note, however that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS or interpretation of the AIFRS requirements changes.

i. Income Tax

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

Under the *AASB112: Income Taxes*, the Consolidated Entity will be required to adopt a "balance sheet approach" under which temporary differences are identified for each asset and liability rather than the effects of timing and permanent differences between taxable income and accounting profit.

The effect of this change in the accounting policy gives rise to a potential change in the net profit result.

	$
Movement in Tax Expense	
Opening balance	330,922
Increase in tax expense	36,116
Closing balance	367,038
Movement in Tax Provision	
Opening balance	573,195
Increase in tax provision	23,082
Closing balance	596,277
Movement in Deferred Tax Asset	
Opening balance	227,053
Decrease in deferred tax asset	(11,609)
Closing balance	215,444
Movement in Deferred Tax Liability	
Opening balance	7,209
Increase in deferred tax liability	-
Closing balance	7,209
Total movement in income tax expense	
Increase in tax expense	36,116
Increase in tax provision	(23,082)
Decrease in deferred tax asset	(11,609)
	1,425

ii. Inventories

Property held for resale falls under the definition of inventory based on *AASB 102: Inventory*. As the requirements of *AASB 102: Inventory* has remained the same to the superseded standard, there is no impact to its first time adoption and will not require restatement of its comparative information.

iii. Non-Current Investments

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

- Held to maturity, measured at amortised cost;
- Held for trading (or designated "as at fair value through profit and loss" upon initial recognition), measured at fair value with unrealised gains or losses charged to the profit and loss;
- Loans and receivables, measured at amortised cost; and
- Available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

The Consolidated Entity's "Current" financial assets (trading portfolio) will be classified as "trading securities" and are recognised in the Statement of Financial Position at fair value. "Non-current" financial assets will be classified as "at fair value through profit and loss" upon initial recognition and are recognised in the Statement of Financial Position at fair value. During the period changes in the fair value of all such financial assets will be recognised in the Statement of Financial Performance. The fair value of financial assets will be measured at bid price (where available) and last sale price (where bid price is not available) and will exclude disposal costs.

On transition to AIFRS this change will not impact net assets.

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

	Consolidated Entity	Company
Reconciliation of Net Profit	$	$
Net profit under Australian Accounting Standards	985,889	957,824
key transitional adjustments:		
- income tax expense (Note 1.21 (i))	(1,425)	(1,425)
Net profit under AIFRS	984,464	956,399
Reconciliation of Equity		
Total equity reported under Australian Accounting Standards	18,812,428	18,784,279
Decrease in current year profit resulting from transition to AIFRS	(1,425)	(1,425)
Total equity under AIFRS	18,811,003	18,782,854

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

2. PROFIT FROM ORDINARY ACTIVITIES

The operating profit from ordinary activities before income tax includes the following items of revenue and expense:

	Consolidated Entity		Company	
	2005	2004	2005	2004
(a) Income	$	$	$	$
Trading portfolio				
Sales proceeds from sales of securities	12,152,191	-	12,152,191	-
Cost of securities sold	(10,033,175)	-	(10,033,175)	-
Unrealised losses on securities	(726,509)	-	(726,509)	-
Dividend received from securities	98,766	-	98,766	-
	1,491,273	-	1,491,273	-
Options portfolio				
Sales proceeds from sales of options	240,140	-	240,140	-
Cost of options sold	(87,155)	-	(87,155)	-
Cost of lapsed options	(41,020)	-	(41,020)	-
	111,965	-	111,965	-
Associate entities				
Share of Associate entities profit (SCB)	167,225	-	167,225	-
Dividend received from Associate (SCB)	81,407	-	81,407	-
	248,632	-	248,632	-
Other Income				
Dividends received	-	2,234	-	2,234
Sales proceeds from investments	-	359,748	-	359,748
Cost of investments sold	-	(5,730,214)	-	(5,730,214)
Unrealised gains on investments	-	40,120	-	40,120
Interest received - other	512,069	477,763	512,069	477,763
Settlement deed payment	-	19,051,014	-	19,051,014
Other income	-	659	-	-
	512,069	14,201,324	512,069	14,200,665
Total revenue	2,363,939	14,201,324	2,363,939	14,200,665
(b) Expenses				
Cost of services	-	13,013	-	10,085
Occupancy expenses	18,826	26,428	18,826	26,428
Finance expenses	4,652	1,316	4,470	990
Borrowing cost	1,791	148	1,791	148
Corporate expenses	56,544	30,645	56,544	30,645
Administration expenses				
- Communications	22,627	15,033	22,627	15,033
- Consultants	60,759	95,039	60,759	95,039
- Personnel - employee entitlements	7,274	10,806	7,274	10,806
- other	253,906	38,101	253,906	38,101
- Professional fees - in relation to SCB	266,642	-	266,642	-
- other	9,946	28,679	9,946	28,679
- Costs in relation to investments (in SCB)	150,149	-	150,149	-
- Brokerage fees	68,348	2,161	68,348	2,161
- Cost of intangibles	-	2,322,839	-	2,322,839
- Write back of amortisation of intangibles	-	(2,322,839)	-	(2,322,839)
- Write back of diminution of investments	-	(5,384,934)	-	(5,384,934)
- Provision of doubtful debts	-	-	36,928	1,772
- Write off receivables	-	92	-	-
- Write back of provision for non-recovery of loans to subsidiary	-	-	-	(444,817)
- Write off loans to subsidiaries	-	-	-	448,194
- Exploration expenses	37,988	1,301	18,813	1,301
- Depreciation expenses	5,619	6,959	5,619	6,959
- Write down investment in subsidiary	-	-	-	100
- Other expenses	82,057	36,837	82,058	34,862
	1,047,128	(5,078,376)	1,064,700	(5,078,448)

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

3. INCOME TAX EXPENSE

	Consolidated Entity		Company	
(a) The prima facie income tax on operating profit is reconciled to the income tax provided in the accounts as follows:	**2005** **$**	**2004** **$**	**2005** **$**	**2004** **$**
Profit/ (Loss) from ordinary activities	1,316,811	19,279,700	1,299,239	19,279,113
Income tax expense calculated at 30% (2004:30%) of operating losses.	395,044	5,783,910	389,772	5,783,734
Permanent differences				
Other non-deductible items	26,850	1,606	26,850	1,606
Other deductible items	-	(1,501)	-	(1,501)
Share of Associates' profits	(50,168)	-	(50,168)	-
Timing differences				
Other non-deductible items	892	14,508	892	14,508
Provision for doubtful debts	-	-	11,078	532
Other deductible items	-	(10,007)	-	(10,007)
Exploration expenditure	(4,687)	(7,209)	-	(7,209)
Diminution of investments (revaluation)	217,953	(1,627,516)	217,953	(1,627,516)
Prior year revenue losses brought to account	-	(2,296,594)	-	(2,296,594)
Prior year capital losses brought to account	-	(941)	-	(941)
Prior year revenue losses of controlled entitie brought to account on tax consolidation	-	(161,000)	-	(161,000)
Capital losses of controlled entities brought to account on tax consolidation	-	(241)	-	(241)
Capital loss on termination of licence	-	(690,000)	-	(690,000)
Capital loss on share investments	-	(829)	-	(829)
Tax effect of timing differences not brought to account	-	-	-	-
Tax losses not brought to account	-	-	-	-
Income tax expense attributable to operating profit	585,884	1,004,186	596,377	1,004,542
Provision for deferred income tax	(229,923)	12,036	(229,923)	12,036
Overprovision of income tax payable	(1,957)	(12,786)	(1,957)	(13,142)
Rebateable franking credits	(23,082)	-	(23,082)	-
Net income tax	330,922	1,003,436	341,415	1,003,436

Aggregate income tax expense comprises:

Current income tax provision	562,702	991,400	573,195	991,400
Deferred income tax provision	(12,036)	12,036	(12,036)	12,036
Future income tax benefit	(227,053)	-	(227,053)	-
Underprovision in previous years	7,309	-	7,309	-
	330,922	1,003,436	341,415	1,003,436

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

4. DIRECTORS' AND EXECUTIVES' DISCLOSURES

(a) Names and positions held of parent entity directors in office at any time during the financial year are:

William M Johnson	Executive Chairman
Victor P H Ho	Executive Director and Company Secretary
Yaqoob Khan	Non-Executive Director

(b) Specified Directors' Remuneration

2005	Primary Salaries & Fees	Primary Superannuation	Primary Other Benefits	Total
Specified Directors	**$**	**$**	**$**	**$**
William M Johnson	138,461	12,462	-	150,923
Victor P H Ho	57,692	5,192	-	62,884
Yaqoob Khan	25,398	-	-	25,398
2004				
Specified Directors				
William M Johnson	52,885	4,759	-	57,644
Victor P H Ho	-	-	-	-
Yaqoob Khan	-	-	-	-

(c) Specified Executives' Remuneration
The parent entity does not have any specified executives (other than executive directors).

(d) Number of fully paid shares held by Parent Entity Directors

Specified Directors	Balance at 1 July 2004	Net Change Other	Balance at 30 June 2005
William M Johnson	-	-	-
Yaqoob Khan	8,407,334	(15,555)	8,391,779
Victor P H Ho	-	-	-

The above disclosures of equity holdings are in accordance with Accounting Standard AASB 1046 (Director and Executive Disclosure by Disclosing Entities) which includes disclosure of direct and indirect holdings of spouses, relatives, spouses of relatives and entities under the control or significant influence of each of the same.

(e) Remuneration Practices
The Company's policy for determining the nature and amount of emoluments to directors of the Company is as follows: The Board determines the remuneration structure of all Directors and Executive Officers having regard to the Consolidated Entity's nature, scale and scope of operations and other relevant factors, including the frequency of Board meetings, length of service, particular experience and qualifications.

5. AUDITORS' REMUNERATION

	Consolidated Entity 2005	Consolidated Entity 2004	Company 2005	Company 2004
Amounts received or due and receivable by:	$	$	$	$
(a) Auditor of the Consolidated Entity				
Auditing of the financial report	11,833	14,615	11,833	14,615
(b) Related practice of the Consolidated Entity Auditor				
Other services	6,520	3,250	6,520	3,250
	18,353	17,865	18,353	17,865

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

	Consolidated Entity		Company	
6. CURRENT RECEIVABLES	**2005**	**2004**	**2005**	**2004**
	$	**$**	**$**	**$**
Receivables on sale of investments	241,392	-	241,392	-
Amounts receivable from Director related entities	75,355	-	75,355	-
Other receivables	17,877	-	17,877	-
GST receivable	7,370	5,675	5,660	5,591
	341,994	5,675	340,284	5,591

7. INVESTMENTS IN TRADING PORTFOLIO

Investments in trading portfolio comprise:				
Listed securities	8,803,761	1,927,806	8,803,761	1,927,806
Unrealised gains / (losses)	(669,021)	-	(669,021)	-
Revaluation/ (Devaluation) from cost	-	57,489	-	57,489
	8,134,740	1,985,295	8,134,740	1,985,295
Market value of listed securities	8,134,740	1,979,934	8,134,740	1,979,934

8. OTHER CURRENT ASSETS

Prepayments	843	-	843	-

9. NON-CURRENT RECEIVABLES

Amounts receivable from controlled entities	-	-	3,835,983	1,772
Less provision for non-recovery	-	-	(38,700)	(1,772)
	-	-	3,797,283	-
Bonds and guarantees	32,823	14,106	32,823	14,106
	32,823	14,106	3,830,106	14,106

10. NON-CURRENT INVESTMENTS

Shares in controlled entities at cost	-	-	225,100	225,100
Less: Provision for diminution	-	-	(225,100)	(225,100)
	-	-	-	-

Investment in Controlled Entities:	**Ownership interest**	
	2005	**2004**
Hume Mining NL (ACN 064 994 945)		
Incorporated in Australia on 29 March 1994	100%	100%
This company is currently engaged in resource related activities.		
Silver Sands Developments Pty Limited (ACN 094 097 122)		
(formerly Central Exchange Operations Pty Ltd)		
Incorporated in Australia on 10 August 2000	100%	100%
This company is currently engaged in property development activities and holds the Inventory.		

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

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name of Associate	Principal Activity	Ownership Interest 2005	Ownership Interest 2004	Carrying Amount 2005 $
Scarborough Equities Limited (formerly Rivkin Financial Services Limited)	Investments	25.49%	n/a	4,285,489
Bentley International Limited	Investments	19.03%	n/a	2,799,771
				7,085,260

Movement in Investments in Associates

Shares in listed Associate entities - at cost	6,918,035
Share of losses from ordinary activities before income tax expense	80,411
Share of income tax expense related to ordinary activities	86,814
Equity accounted amount of investment at the end of the financial year	7,085,260
Market value of listed Associate entities	4,844,808
Net tangible asset backing (post tax) value of listed Associate entities	7,419,711

On 4 May 2005, Scarborough Equities Limited ("SCB") bought back and cancelled 24,999,314 shares, resulting in the Company's shareholding in SCB increasing to 20.36%. On 30 June 2005, the Company settled on the acquisition of 3,865,870 SCB shares, increasing the Company's shareholding to 25.49%. The Company has accounted for its investment in SCB on an equity accounting basis as an Associate entity from 4 May 2005.

On 30 June 2005, the Company settled on the acquisition of 2,100,000 shares in Bentley International Limited ("BEL"), increasing the Company's shareholding in BEL to 19.03%. On 1 July 2005, the Company settled on the acquisition of a further 2,300,000 shares in BEL (refer Note 30), increasing its shareholding in BEL to 24.9%. The Company has accounted for its investment in BEL on an equity accounting basis as an Associate entity from 30 June 2005.

Summarised Financial Position of Associates	**2005**
Current assets:	
Cash	1,664,228
Receivables	646,949
Investments	18,331,397
Other	6,979
Non-current assets:	
Property, plant and equipment	11,774
Investments	13,444,034
Deferred tax asset	7,230
Current liabilities:	
Payables	(271,005)
Provisions	(225,427)
Net assets	33,616,159
Share of net assets at 30 June 2005	7,435,385
Net profit after tax	2,483,662

Expenditure Commitments

Bentley International Limited

(i) On 18 May 2004, BEL entered into an investment management agreement with Constellation Capital Management Limited for an initial term of 2 years, with following management fees (exclusive of goods and services tax) payable to Constellation:

(a) A base fee of $69,000 per annum; and

(b) A variable fee of:
- 0.5% per annum of portfolio value up to $15m; and
- 0.4% per annum of portfolio value in excess of $15m.

No performance related fees are payable to Constellation. Management fees accrues daily and are paid quarterly.

(ii) On 20 August 2004, BEL entered into a custody agreement with National Australia Bank Limited for NAB to provide custodian services for an initial term of 2 years. Various fees are payable by BEL for the provision of custodial and reporting services by NAB. The minimum fees payable are $26,400 (exclusive of GST) per annum.

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

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

Expenditure Commitments
Scarborough Equities Limited

On 9 December 2004, FSP Equities Management Limited ("FSP") was appointed to manage SCB's investment funds for an initial two-year term, pursuant to an investment management agreement. FSP holds an Australian Financial Services Licence to manage its FSP Equities Leaders' Fund ("FSP Fund"). The management fees normally payable by participants in the FSP Fund are a 1% per annum base management fee and a performance fee of 20% of the performance of the fund in excess of the S&P/ASX 200 Accumulation Index benchmark. The board of SCB has advised that they have negotiated a variable fee structure that represents a favourable rebate to the normal fees charged by the FSP Fund, whilst still providing a material incentive to the Investment Manager for investment out performance of the benchmark.

Contingent Liabilities
Scarborough Equities Limited

SCB has provided indemnity to IWL Ltd ("IWL") and IWL Broking Solutions Ltd ("IWLB") with respect to the acquisition by IWLB of SCB's shareholding in Avcol Stockbroking Pty Ltd ("Avcol") on 29 April 2005. This indemnity covers contingent claims in relation to the operations of Avcol. The directors of SCB have stated that they believe that these contingent claims are not material (not exceeding $100,000 in aggregate) in terms of its potential negative effect on its net asset position.

	Consolidated Entity		Company	
	2005	2004	2005	2004
12. INVENTORY	$	$	$	$
Property held for development and resale - at cost	3,796,552	-	-	-

13. PLANT AND EQUIPMENT

Consolidated Entity	Plant & Equipment	Leasehold Improve-ments	Total
Gross Carrying Amount	$	$	$
Balance at 30 June 2004	183,139	21,788	204,927
Additions	557	-	557
Balance at 30 June 2005	183,696	21,788	205,484
Accumulated Depreciation			
Balance at 30 June 2004	(162,359)	(10,969)	(173,328)
Depreciation expense	(3,997)	(1,623)	(5,620)
Balance at 30 June 2005	(166,356)	(12,592)	(178,948)
Net Book Value			
As at 30 June 2004	20,780	10,819	31,599
As at 30 June 2005	17,340	9,196	26,536

Company	Plant & Equipment	Leasehold Improve-ments	Total
Gross Carrying Amount			
Balance at 30 June 2004	55,808	21,788	77,596
Additions	557	-	557
Balance at 30 June 2005	56,365	21,788	78,153
Accumulated Depreciation			
Balance at 30 June 2004	(35,028)	(10,969)	(45,997)
Depreciation expense	(3,997)	(1,623)	(5,620)
Balance at 30 June 2005	(39,025)	(12,592)	(51,617)
Net Book Value			
As at 30 June 2004	20,780	10,819	31,599
As at 30 June 2005	17,340	9,196	26,536

14. TAX ASSETS	Consolidated Entity		Company	
	2005	2004	2005	2004
Future income tax benefit is made up of the following estimated tax benefits:	$	$	$	$
- timing differences	227,053	-	227,053	-
	227,053	-	227,053	-

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

15. OTHER NON-CURRENT ASSETS

	Consolidated Entity		Company	
	2005	2004	2005	2004
Deferred Exploration Expenditure	$	$	$	$
Balance at beginning of the year	24,031	-	24,031	-
Direct expenditure	10,404	24,031	3,074	24,031
Direct expenditure written off	(18,813)	-	(18,813)	-
Transfer asset to subsidiary	-	-	(8,292)	-
Balance at end of the year	15,622	24,031	-	24,031

16. CURRENT PAYABLES

Trade creditors	16,836	5,256	16,836	5,256
Pending settlements on share investment purchases	205,894	152,933	205,894	152,933
Other creditors and accruals	80,744	50,975	80,744	50,975
Dividend payable	25,277	861,000	25,277	861,000
	328,751	209,164	328,751	209,164

17. CURRENT PROVISIONS

Dividend payable	-	861,000	-	861,000

18. CURRENT TAX LIABILITIES

Provision for income tax payable	562,702	991,400	573,195	991,400
Deferred tax liabilities	7,209	12,036	7,209	12,036
	569,911	1,003,436	580,404	1,003,436

19. NON-CURRENT PROVISIONS

Provision for annual leave	19,425	12,151	19,425	12,151
Number of employees (including Executive Directors and Officers but excluding Non-Executive Directors) at balance date	2	2	2	2

20. CONTRIBUTED EQUITY

	Consolidated Entity		Company	
	2005	2004	2005	2004
	$	$	$	$
16,812,156 (2004: 17,219,996) fully paid ordinary shares	28,717,469	28,973,124	28,717,469	28,973,124

a) Movement in Ordinary Share Capital

Balance at beginning of financial period	28,973,124	28,780,607	28,973,124	28,780,607
Issue of shares	490,899	199,327	490,899	199,327
Share issue costs	-	(6,810)	-	(6,810)
Share buy back	(746,554)		(746,554)	
Balance at end of financial period	28,717,469	28,973,124	28,717,469	28,973,124

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

21. RESERVES

	Consolidated Entity		Company	
	2005	2004	2005	2004
	$	$	$	$
Option Application Reserve (i)	-	124,000	-	124,000
Asset Realisation Reserve (ii)	-	2,000,000	-	2,000,000
	-	2,124,000	-	2,124,000

(i) The Option Application Reserve has been transferred to Accumulated Losses. The Option Application Reserve comprised consideration received on the issue of options in prior years which have lapsed.
(ii) The Asset Realisation Reserve has been transferred to Accumulated Losses. The Asset Realisation Reserve pertains to tenements which have been realised in prior years.

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

22. ACCUMULATED LOSSES	**Consolidated Entity 2005**	**Consolidated Entity 2004**	**Company 2005**	**Company 2004**
	$	**$**	**$**	**$**
Balance at beginning of the year	13,014,930	30,430,194	13,015,014	30,429,691
Transfer from Option Application Reserve	(124,000)	-	(124,000)	-
Transfer from Asset Realisation Reserve	(2,000,000)	-	(2,000,000)	-
Net profit	(985,889)	(18,276,264)	(957,824)	(18,275,677)
Provision for dividends	-	861,000	-	861,000
Balance at end of financial year	9,905,041	13,014,930	9,933,190	13,015,014

23. EARNINGS PER SHARE	**Consolidated Entity 2005**	**Consolidated Entity 2004**	**Company 2005**	**Company 2004**
Basic earnings per share (cents)	5.79	206.52	5.62	206.51
Net profit for the year	985,889	18,276,264	957,824	18,275,677
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	17,030,960	8,849,761	17,030,960	8,849,761

There are no dilutive potential ordinary shares therefore dilutive earnings per share has not been disclosed.

24. RELATED PARTY DISCLOSURES

The names of each person holding or having held the position of Director of the Company during the financial period are Messrs William Johnson (Chairman), Victor Ho (Executive Director and Company Secretary) and Yaqoob Khan (Non-Executive Director).

Receivables

(i) Transactions with Director Related Entities

During the financial year, there were transactions between the Company, Queste Communications Limited (a controlling entity of the Company) Fast Scout Limited, Sofcom Limited and Altera Capital Limited (being entities in which some of the Company's Directors are also directors), pursuant to shared office and administration expense arrangements on a cost recovery basis. Interest is not charged on such outstanding amount.

Entity	**Amounts Outstanding $**
Queste Communications Limited	17,998
Fast Scout Ltd	18,112
Altera Capital Ltd	21,165
Sofcom Ltd	18,080
	75,355

(ii) Transactions with Controlled Entities

During the financial year, the Company incurred operating expenses on behalf of wholly owned subsidiaries of the Company. The following amounts remain outstanding at balance date. Interest is not charged on such outstanding amounts.

Entity	**Amounts Outstanding $**
Hume Mining NL	38,700
Silver Sands Developments Pty Limited	3,797,283
	3,835,983

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

25. SEGMENT REPORTING

The Consolidated Entity operates in one geographical segment (Australia) in the investments and resources sectors.

	External Revenue		Operating Results	
	2005	2004	2005	2004
	$	$	$	$
Investments	1,851,870	402,102	1,366,731	56,822
Resources	-	19,051,014	(39,638)	19,049,713
	1,851,870	19,453,116	1,327,093	19,106,535
Unallocated	512,069	478,422	(10,282)	173,165
	2,363,939	19,931,538		
Profit from ordinary activities before income tax			1,316,811	19,279,700
Income tax expense relating to ordinary activities			(330,922)	(1,003,436)
Profit from ordinary activities after income tax			985,889	18,276,264

	Assets		Liabilities	
	2005	2004	2005	2004
	$	$	$	$
Investments	19,257,944	1,985,295	(205,894)	(152,933)
Resources	15,622	24,031	(2,838)	-
	19,273,566	2,009,326	(208,732)	(152,933)
Unallocated	456,949	18,158,619	(709,355)	(1,932,818)
	19,730,515	20,167,945	(918,087)	(2,085,751)

	Resources		Investments	
Other Segment Information	2005	2004	2005	2004
	$	$	$	$
Acquisition of segment assets	10,404	24,031	23,873,546	2,219,244
Other non-cash expenses				
(Revaluation)/ diminution of investments	-	-	-	(5,425,054)

26. STATEMENT TO CASH FLOWS

(a) Reconciliation of Loss from Ordinary Activities after Tax to Net Cash Flows from Operations

	Consolidated Entity		Company	
	2005	2004	2005	2004
Operating profit/(loss) from	$	$	$	$
ordinary activities after tax	985,889	18,276,264	957,824	18,275,677
Depreciation - plant & equipment	5,619	6,959	5,619	6,959
Write down investment in subsidiary	-	-	-	100
Provision for doubtful debts	-	-	-	1,772
Write off receivables	-	92	-	-
Revaluation of investments	726,509	(40,120)	726,509	(40,120)
Diminution of investments written back	-	(5,384,934)	-	(5,384,934)
Gain on sale of investments	-	5,370,466	-	5,370,466
Cost of intangibles	-	2,322,839	-	2,322,839
Write back of amortisation of intangibles	-	(2,322,839)	-	(2,322,839)
Share of Associate Companies' profits	(167,225)	-	(167,225)	-
Increase in income tax payable	(433,525)	991,400	(423,032)	991,400
Increase in deferred income tax	(227,053)	12,036	(227,053)	12,036
(Increase)/decrease in assets:				
Receivables	(113,643)	(573)	(112,018)	(2,257)
Trading portfolio	(6,631,808)	-	(6,425,914)	-
Options portfolio	5,361	-	5,361	-
Current assets	(843)	5,212	(843)	5,304
Exploration expenditure	8,409	(24,031)	24,031	(24,031)
Increase/(decrease) in liabilities:				
Payables	95,858	(11,554)	(110,035)	(6,601)
Provisions	7,274	12,151	7,274	12,151
Net cash flows from operating activities	(5,739,178)	19,213,368	(5,739,502)	19,217,922

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

26. STATEMENT TO CASH FLOWS (continued)

(b) Reconciliation of Cash

For the purposes of the statement of cash flows, 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 statements of cash flows is reconciled to the related items in the balance sheet as follows:

	Consolidated Entity		Company	
	2005	2004	2005	2004
	$	$	$	$
Cash at bank	69,092	1,668,094	68,037	1,668,094
Bank bills	-	16,439,145	-	16,439,145
	69,092	18,107,239	68,037	18,107,239

(c) Non-cash Financing and Investing Activities

On 30 June 2005, Central Exchange Limited (CXL) issued 812,810 fully paid ordinary shares (at $1.0343 per share, being CXL's reported NTA (post tax) backing as at 31 May 2005) as part consideration for the settlement of:

(i) The acquisition of 3,167,152 shares in Scarborough Equities Limited (SCB) from Sofcom Limited (SOF) pursuant to CXL's exercise under an Option Deed between CXL and SOF dated 2 May 2005 (as amended by Deed of Variation dated 30 May 2005) – the total consideration was $669,219 (based on SCB's last published NTA backing (post tax) as at 31 May 2005 of $0.2113 per share) satisfied by the payment of $200,000 cash and the issue of 453,659 fully paid ordinary shares in CXL to SOF;

(ii) The acquisition of 2,100,000 shares in Bentley International Limited (BEL) from SOF pursuant to a First Tranche BEL Share Sale Agreement between SOF and CXL (dated 30 May 2005) – the total consideration was $946,470 (based on BEL's last published NTA backing (post tax) as at 31 May 2005 of $0.4507 per share) satisfied by the payment of $575,000 cash and the issue of 359,151 fully paid ordinary shares in CXL to SOF,

as approved by SOF shareholders on 30 June 2005.

On 1 July 2005, the Company acquired a further 2,300,000 shares in BEL in consideration for the issue of 1,002,233 shares to SOF. Please refer to Note 30 for further details.

27. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk Exposure

	Average Interest Rate	Variable Interest Rate	Fixed Interest Rate (less than 1 year)	Non-Interest Bearing	Total
		$	$	$	$
2005					
Financial assets					
Cash	5.63%	69,092	-	-	69,092
Receivables		-	-	374,817	374,817
Investments		-	-	8,134,740	8,134,740
		69,092	-	8,509,557	8,578,649
Financial liabilities					
Payables		-	-	(328,751)	(328,751)
Net financial assets		69,092	-	8,180,806	8,249,898
2004					
Financial assets					
Cash	5.16%	18,107,239	-	-	18,107,239
Receivables		-	-	19,781	19,781
Investments		-	-	1,985,295	1,985,295
		18,107,239	-	2,005,076	20,112,315
Financial liabilities					
Payables		-	-	(209,164)	(209,164)
Net financial assets		18,107,239	-	1,795,912	19,903,151

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

27. FINANCIAL INSTRUMENTS (continued)

Reconciliation of net financial assets to net assets	**2005**	**2004**
Net financial assets as above	8,249,898	19,903,151
Non-financial assets and liabilities		
Inventory	3,796,552	-
Investments in Associated companies	7,085,260	-
Property, plant and equipment	26,536	31,599
Other current assets	843	-
Other non-current assets	15,622	24,031
Net tax liabilities	(342,858)	(1,003,436)
Provisions	(19,425)	(873,151)
Net Assets per Statements of Financial Position	18,812,428	18,082,194

(b) Credit Risk Exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Consolidated Entity does not have any significant credit risk exposure to any single counterparty or any group counterparties having similar characteristics. The carrying amount of financial assets recorded in the Financial Statements, net of any provisions for losses, represents the Consolidated Entity's maximum exposure to credit risk.

(c) Net Fair Value of Financial Assets and Liabilities

The net fair value of the financial assets and financial liabilities approximates their carrying value except for investments in securities, details of which are set out in Note 7.

28. LEASE COMMITMENTS	**Consolidated Entity**		**Company**	
	2005	**2004**	**2005**	**2004**
	$	**$**	**$**	**$**
Non-cancellable operating lease commitments:				
Not longer than one year	124,033	129,972	124,033	129,972

The lease is in relation to the office premises of the Company and includes all outgoings. Such expenditure is shared with other companies, including Queste Communications Limited (a controlling entity) pursuant to shared office and administration expense arrangements.

29. CONTINGENT LIABILITIES AND ASSETS

The Consolidated Entity does not have any material contingent assets or liabilities at Balance Date.

30. SUBSEQUENT EVENTS

On 1 July 2005, the Company issued 1,002,233 shares (at $1.0343 per share, being CXL's reported NTA (post tax) backing as at 31 May 2005) as consideration for the settlement of the acquisition of 2,300,000 shares in Bentley International Limited (BEL) from Sofcom Limited (SOF) pursuant to a Second Tranche BEL Share Sale Agreement between SOF and CXL (dated 30 May 2005) – the total consideration was $1,036,610 (based on BEL's last published NTA backing (post tax) as at 31 May 2005 of $0.4507 per share) satisfied by the issue of 1,002,233 fully paid ordinary shares in CXL to SOF, as approved by SOF shareholders on 30 June 2005 and BEL shareholders on 1 July 2005.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements, comprising the Statements of Financial Performance, Position and Cash Flows, and accompanying notes as set out on pages 22 to 39, are in accordance with the *Corporations Act 2001* and:
   (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   (b) give a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2005 and of their performance for the year ended on that date;

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.

3. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* by the Executive Chairman, the person who performs the chief executive function, and by the Company Secretary, the person who performs the chief financial officer function, for the purposes of section 295A, who have each declared that:
   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   (b) the financial statements are in accordance with the *Corporations Act 2001,* comply with Accounting Standards and the Corporations Regulations 2001 and give a true and fair view of the Company's financial position as at 30 June 2005 and of its performance for the year ended on that date; and
   (c) the financial statements are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. The Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

William Johnson
Chairman

Victor Ho
Director

Perth, Western Australia

13 September 2005

Chartered Accountants
& Advisers

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CENTRAL EXCHANGE LIMITED

Scope

The Financial Report and Directors' Responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Central Exchange Limited (the company) and the consolidated entity, for the year ended 30 June 2005. The consolidated entity comprises both the company and the entities it controlled during that year.

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

Audit Approach

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

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

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

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

The independence declaration given to the directors in accordance with section 307C.

Audit Opinion

In our opinion, the financial report of Central Exchange 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 2005 and of its performance for the year ended on that date; and

   (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

BDO
Chartered Accountants

B G McVeigh
Partner

Perth
13 September 2005

CORPORATE GOVERNANCE STATEMENT

1. Framework and Approach to Corporate Governance and Responsibility

The Board is committed to maintaining the highest standards of Corporate Governance. Corporate Governance is about having a set of core values and behaviours that underpin the Company's activities and ensure transparency, fair dealing and protection of the interests of stakeholders.

The Board of Directors supports the Principles of Good Corporate Governance and Best Practice Recommendations developed by the ASX Corporate Governance Council (**"Council"**). The Company's practices are largely consistent with the Council's guidelines - the Board considers that the implementation of some recommendations are not appropriate having regard to the nature and scale of the Company's activities and size of the Board. The Board uses its best endeavours to ensure exceptions to the Council's guidelines do not have a negative impact on the Company and the best interests of shareholders as a whole.

Details of all of the Council's recommendations can be found on the ASX website at http://www.asx.com.au/about/CorporateGovernance_AA2.shtm.

2. Board of Directors - Role and responsibilities

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. The Board is also responsible for the overall corporate governance of the Company, and recognises the need for the highest standards of behaviour and accountability in acting in the best interests of the Company as a whole. The Board also ensures that the Company complies with all of its contractual, statutory and any other legal or regulatory obligations. The Board has the final responsibility for the successful operations of the Company.

Where the Board considers that particular expertise or information is required, which is not available from within their number, appropriate external advice may be taken and reviewed prior to a final decision being made by the Board.

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

(1) formulation and approval of the strategic direction, objectives and goals of the Company;

(2) the prudential control of the Company's finances and operations and monitoring the financial performance of the Company;

(3) the resourcing, review and monitoring of executive management;

(4) ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;

(5) the identification of significant business risks and ensuring that such risks are adequately managed;

(6) the timeliness, accuracy and effectiveness of communications and reporting to shareholders and the market;

(7) the establishment and maintenance of appropriate ethical standards;

(8) responsibilities typically assumed by an audit committee including:

   (a) reviewing and approving the audited annual and reviewed half yearly financial reports;

   (b) reviewing the appointment of the external auditor, their independence, the audit fee, and any questions of resignation or dismissal;

(9) responsibilities typically assumed by a remuneration committee including:

   (a) reviewing the remuneration and performance of both Executive and Non-Executive Directors;

   (b) setting policies for Executives' remuneration, setting the terms and conditions of employment for Executives, undertaking reviews of Executive's performance, including, setting goals and reviewing progress in achieving those goals;

   (c) reviewing the Company's Executive and employee incentive schemes and making recommendations on any proposed changes.

(10) responsibilities typically assumed by a nomination committee including:

   (a) devising criteria for Board membership, regularly reviewing the need for various skills and experience on the Board and identifying specific individuals for nomination as Directors;

   (b) oversight of Board and Executive succession plans.

3. Board of Directors – Composition, Structure and Process

The Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties given its current size and the scale and nature of the Company's activities. The names of the Directors and their qualifications and experience are stated in the Directors' Report for the year ended 30 June 2005.

3.1. Skills, knowledge and experience

Directors are appointed based on the specific corporate and governance skills and experience required by the Company. The Board should contain Directors with a relevant blend of personal experience in accounting and finance, law, financial and investment markets, financial management and public company administration, and Director-level business or corporate experience, having regard to the scale and nature of activities of the Company.

CORPORATE GOVERNANCE STATEMENT

3.2. Non-Executive Directors

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. One of the current Board's three Directors is a Non-Executive Director – Mr Yaqoob Khan, whose qualifications and experience are stated in the Directors' Report for the year ended 30 June 2005

3.3. Chairman

The Chairman leads the Board and has responsibility for ensuring the Board receives accurate, timely and clear information to enable Directors to perform their duties as a Board. The Company's Executive Chairman is Mr William Johnson, whose qualifications and experience are stated in the Directors' Report for the year ended 30 June 2005.

3.4. Company Secretary

The Company Secretary is appointed by the Board and is responsible for developing and maintaining the information systems and processes that are appropriate for the Board to fulfil its role and is responsible to the Board for ensuring compliance with Board procedures and governance matters. The Company Secretary is also responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. The Company Secretary is currently Mr Victor Ho (also an Executive Director), whose qualifications and experience are stated in the Directors' Report for the year ended 30 June 2005.

3.5. Independence

An independent Director, in the view of the Company, is a Non-Executive Director who:

(1) is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;

(2) within the last 3 years has not been employed in an Executive capacity by the Company , or been a Director after ceasing to hold any such employment;

(3) within the last 3 years has not been a principal of a material professional adviser or a material consultant to the Company , or an employee materially associated with a service provider;

(4) is not a material supplier or customer of the Company , or an officer of or otherwise associated directly or indirectly with a material supplier or customer;

(5) has no material contractual relationship with the Company other than as a Director of the Company;

(6) has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and

(7) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

Mr William Johnson (Executive Chairman) and Mr Victor Ho are not regarded as independent Directors, being Executive Officers of the Company (Mr Ho is also Company Secretary of the controlling shareholder of the Company – Queste Communications Limited). Mr Yaqoob Khan is not regarded as an independent Director, being a Director of the controlling shareholder of the Company, Queste Communications Limited.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the appointment and further expense of a majority of independent Non-Executive Directors. The Board believes that the individuals on the Board can make, and do make, quality and independent judgments in the best interests of the Company on all relevant issues.

If the Company's activities increase in size, nature and scope the size of the Board will be reviewed periodically and the optimum number of Directors required for the Board to properly perform its responsibilities and functions.

3.6. Conflicts of Interest

To ensure that Directors are at all times acting in the interests of the Company, Directors must:

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

(2) if requested by the Board, within 7 days or such further period as may be permitted, take such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the Corporations Act, absent himself from the room when Board discussion and/or voting occurs on matters about which the conflict relates (save with the approval of the remaining Directors and subject to the Corporations Act).

3.7. Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company as defined in the Corporations Act or the ASX Listing Rules. Unless there is an exemption under the Corporations Act from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction. The Company also discloses related party transactions in its financial report as required under relevant Accounting Standards.

CORPORATE GOVERNANCE STATEMENT

3.8. Share Dealings and Disclosures

The Company's policy regarding Directors, Executives and employees dealing in its securities, is set by the Board. The Board restricts Directors, Executives and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices. Executives and employees and Directors are required to consult the Chairman and the Board respectively, prior to dealing in securities in the Company or other companies in which the Company has a relationship.

Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act prohibits the purchase or sale of securities whilst a person is in possession of inside information.

3.9. Board Nominations

The Board will consider nominations for appointment or election of Directors that may arise from time to time having regard to the corporate and governance skills required by the Company and procedures outlined in the Constitution and the Corporations Act.

3.10. Terms of Appointment as a Director

The current Directors of the Company have not been appointed for fixed terms. The constitution of the Company provides that a Director other than the Managing Director may not retain office for more than three calendar years or beyond the third annual general meeting following his election, whichever is longer, without submitting himself for re-election. One third of the Directors (save for a Managing Director) must retire each year and are eligible for re-election. The Directors who retire by rotation at each annual general meeting are those with the longest length of time in office since their appointment or last election.

3.11. Performance Review and Evaluation

It is the policy of the Board to ensure that the Directors and Executives of the Company be equipped with the knowledge and information they need to discharge their responsibilities effectively, and that individual and collective performance is regularly and fairly reviewed. Although the Company is not of a size to warrant the development of formal processes for evaluating the performance of its Board, individual Directors and Executives, there is on-going monitoring by the Chairman and the Board. The Chairman also speaks to Directors individually regarding their role as a Director.

3.12. Meetings of the Board

The Chairman and Company Secretary generally schedules monthly formal Board meetings. In addition, the Board meets whenever necessary to deal with specific matters requiring attention between scheduled monthly meetings. Circulatory Resolutions are also utilised where appropriate either in place or in addition formal Board meetings. Board meetings are held predominantly by telephone conferencing as not all Directors are resident in the one city. However, the Board will convene face to face meetings from time to time as is appropriate based on the particular items of business for consideration.

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

It is recognised and accepted that Board members may also concurrently serve on other boards, either in an executive or non-executive capacity.

3.13. Independent Professional Advice

Subject to prior consultation with the Chairman, each Director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors.

3.14. Access to Company Information and Confidentiality

All Directors have the right of access to all relevant Company books and to the Company's Executive Management. In accordance with legal requirements and agreed ethical standards, Directors and Executives of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.

3.15. Directors' Deeds

The Company has also entered into a deed with each of the current Directors to regulate certain matters between the Company and each Director, both during the time the Directors holds office and after the Director ceases to be an officer of the Company (or wholly owned subsidiaries). A summary of the terms of such deed is contained within the Remuneration Report in the Director's Report for the year ended 30 June 2005.

4. Management

4.1. Executives

The Company does not presently have a Managing Director, Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**"). The Company's executive team comprise the Executive Chairman and an Executive Director (also the Company Secretary). The Board has determined that the Executive Chairman and the Company Secretary are the appropriate persons to make the chief executive and CFO declarations required under section 295A and recommended by the Council.

CORPORATE GOVERNANCE STATEMENT

4.2. Board and Management Committees

In view of the current composition of the Board (which comprises two Executive and one Non-Executive Directors) and the nature and scale of the Company's activities, the Board has considered that establishing formally constituted committees for audit, board nominations and remuneration would contribute little to its effective management.

Accordingly audit matters, the nomination of new Directors and the setting, or review, of remuneration levels of Directors and Executives are reviewed by the Board as a whole and approved by resolution of the Board (with abstentions from relevant Directors where there is a conflict of interest). That is, matters typically dealt with by an audit, nominations and remuneration committee are dealt with by the full Board.

4.3. Investment Committee

The Company's implementation of its investment strategies in accordance with its investment objectives will be carried out by the Board of Directors and the Investment Committee (in conjunction with external consultants and advisers where appropriate).

The Investment Committee comprises Executive Chairman, William Johnson and Executive Director and Company Secretary, Victor Ho and Farooq Khan (a nominee of the Company's controlling shareholder, Queste Communications Limited).

Where necessary, the Investment Committee will engage additional specialist resource(s) to assist with the identification, evaluation and management of particular investment opportunities. This includes specialist consultants and advisers, analysts and brokers.

5. Remuneration Policy

Please refer to the Remuneration Report in the Director's Report for the year ended 30 June 2005.

6. Code of Conduct and Ethical Standards

The Company is not of a size that warrants the establishment of a formal code of conduct that guides compliance with all levels of legal and other obligations to stakeholders. However, the Company's policies are focussed on ensuring that all Directors, Executives, and employees act with the utmost integrity and objectivity in carrying out their duties and responsibilities, striving at all times to enhance the reputation and performance of the Company.

7. Internal Control and Risk Management

The Board is responsible for the identification, monitoring and management of significant business risks and the implementation of appropriate levels of internal control, recognising however that no cost effective internal control system will preclude all errors and irregularities. The Board regularly reviews and monitors areas of significant business risk.

The Board has determined that the Executive Chairman and the Company Secretary are the appropriate persons to make the chief executive and CFO declarations on the risk management and internal compliance and control systems recommended by the Council.

8. Communications

8.1. Communications to Market and Shareholders

The Board recognises its duty to ensure that its shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders and the market through:

(1) Monthly NTA Backing announcements released to ASX;

(2) The Annual Report which is distributed to shareholders (usually with the Notice of Annual General Meeting);

(3) The Annual General Meeting and other general meetings called to obtain shareholder approvals as appropriate;

(4) The Half-Yearly Directors' and Financial Reports;

(5) Other announcements released to ASX as required under the continuous disclosure requirements of the ASX Listing Rules and other information that may be mailed to shareholders.

The Company actively promotes communication with shareholders through a variety of measures, including the use of the Company's website and email. The Company's reports and ASX announcements may be viewed and downloaded from its website: www.centralexchange.com.au or the ASX website: www.asx.com.au under ASX code "CXL". The Company also maintains an email list for the distribution of the Company's announcements via email in a timelier manner.

8.2. Continuous Disclosure to ASX

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the ASX as well as communicating with the ASX. In accordance with the ASX Listing Rules the Company immediately notifies the ASX of information:

(1) concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and

(2) that would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

INVESTMENT ACTIVITIES

Central Exchange Limited (**"Company"** or **"Central Exchange"**) has been listed on the Australian Stock Exchange (**"ASX"**) since November 1970.

Since 8 July 2004, the Company has been admitted to ASX as an investment entity (as defined under the ASX Listing Rules).

The Company's ASX code is "CXL", however, the Board proposes to seek shareholder approval for a change of name at the next Annual General Meeting of the Company expected to be held in November 2005.

1. INVESTMENT OBJECTIVES

The Investment Objectives of the Company are to:

- Achieve a consistent high real rate of return, comprising both income and capital growth, whilst operating within acceptable risk parameters set by the Board;
- Deliver a regular income stream for shareholders in the form of franked dividends;
- Preserve and protect the capital of the Company.

The Company's investment activities are subject to compliance with the Company's status as an investment entity under the ASX Listing Rules - an investment entity is an entity, in ASX's opinion, whose activities, or the principal part of whose activities, consist of investing (directly or through a child entity) in listed or unlisted securities or future contracts, and whose objectives do not include exercising control over or managing any entity, or the business of any entity, in which it invests.

2. INVESTMENT STRATEGY

The Company will implement an actively managed investment strategy undertaking investments typically into one of two broad investment categories:

- Strategic Investments; and
- Non-strategic Investments.

The Company does not allocate a fixed proportion of funds into each or any of the above investment categories, since it believes that complete flexibility to invest across these categories is key to maximising long-term value growth for shareholders.

(a) Strategic Investments

The Company will seek to undertake investments in which it can reasonably expect to exert a degree of influence, including board representation or through playing an active role alongside management in order to enhance or realise shareholder value.

Investments will include those that have the potential for turnaround in profitability or capital appreciation through the introduction of new management, capital, improved business practices, industry rationalisation, and/or improved investor relations.

Strategic investments by their nature will rely heavily on the Company's ability to identify, attract and exploit unique opportunities.

(b) Non-Strategic Investments

The Company will seek to make non-strategic investments in entities where attractive investment opportunities develop due to market sentiment or mispricing or where the Company sees other potential for generating positive returns. In contrast to strategic investments, with non-strategic investments the Company does not envisage that it will take an active role in the management of the investment.

For each strategic and non-strategic investment, the Company will expect to receive a level of return that is commensurate with the level of risk associated with such investment. In each investment and for the investment Portfolio in aggregate, the Company will at least aim to achieve a return that is consistently in excess of an appropriate benchmark share index and or a return which could be earned from investments in cash, bills of exchange or negotiable instruments drawn or endorsed by a bank, non-bank financial institution or a government.

3. PORTFOLIO ALLOCATION

In executing its Investment Strategy, the Company may, from time to time, hold a high proportion of net assets in cash, preferring to be patient and selective rather than filling its Investment Portfolio with mediocre or underperforming investments for the sake of becoming "fully-invested".

The Company will not be limited to the principles of broad diversification; in other words, the Company may invest a significant proportion of funds in any single investment that represents an exceptional opportunity.

Every investment made by the Company will be continuously monitored and formally reviewed on a periodic basis. The Company will be willing to move quickly to realise investments when a view is formed that an investment is overvalued or there has been a material adverse change in an investment's circumstances or prospects – the Company recognises the importance of being nimble and responsive to material changes affecting its investments.

The Company recognises that in some cases, investments take significant periods of time to provide acceptable returns. As such investments may be relatively illiquid, the Company will seek to minimise potential loss in the investment's value where a rapid or unplanned exit from that investment is sought.

INVESTMENT ACTIVITIES

The Company may also decide to dispose of shares in an entity if in the Company's view, maintaining the investment is not in the best long-term interests of the Company or an alternative, superior investment opportunity arises.

The Company's investment decisions in this regard will be carried out by the Board of Directors and the Investment Committee (in conjunction with external consultants and advisers where appropriate) and not an external investment manager. Further information about the management of the Company's investment activities are disclosed below.

4. INVESTMENT SECTORS

Investments may be made by the Company in Australia or an overseas market and into any underlying industry, business or sector, in accordance with the Company's stated Investment Objectives and Strategies.

In this regard, the Company has a history of activity in the resource sector. Investments undertaken in this sector will continue to provide the Company with a window into the highly prospective resources sector domestically and globally. This sector will provide the initial focus for the Company, in part due to current market conditions and opportunities. Such opportunities can provide the possibility for exceptional growth and returns for relatively small levels of investment.

Resource investments may span large mining companies that produce base metals and precious metals, industrial minerals and bulk commodities to junior explorers with exposure to highly prospective projects or tenements. From time to time the Portfolio may have exposure to oil and gas opportunities.

Investments in the resources sector component of the Portfolio may be undertaken:

- Directly – through pegging of tenements, entering into joint ventures, taking options over and acquiring tenements, projects and joint venture interests;
- Indirectly – through placements and initial public offerings in existing companies (private, listed, or those seeking admission to ASX); or
- Actively – the Company recognises funding of exploration and resources development can be a problem for small and medium-sized resource companies (in Australia and overseas) and will seek to assist carefully selected companies in this sector to optimise their opportunities through the provision of funds and a range of financial and management expertise or services as required.

The Company will also seek to engage geological consultants and other relevant advisers from time to time to assist the Directors and Executives in their assessment of investment opportunities in this sector.

5. INVESTMENT CLASSES

In pursuit of the Investment Objectives and Strategies outlined above, the Company will have absolute discretion in applying its equity and any debt funds to a universe or range of potential investments in assets, businesses, securities, hybrid securities, cash, bills of exchange, other negotiable investments, debentures and other investments and structures including but not limited to those identified below:

(a) Listed securities (being any security quoted on ASX or another domestic or international financial market) or unlisted securities (whether expected to be quoted on a recognised stock exchange or not) including, without limitation, shares, units or notes which are redeemable, preference or deferred, fully or partly paid, with or without any right, title or interest thereto or therein (including a right to subscribe for or convert to any such security whether listed on or not), and any security of whatsoever nature;

(b) Warrants and options to sell or purchase any investment;

(c) Discount or purchase of bills of exchange, promissory notes or other negotiable instruments accepted, drawn or endorsed by any bank or by the Commonwealth of Australia, any State or Territory of Australia, or by any corporation of at least an investment grade credit rating granted by a recognised credit rating agency;

(d) Deposits with any bank or corporation declared to be an authorised dealer in the short-term money market;

(e) Debentures, bonds and unsecured notes of a corporation of at least an investment grade credit rating granted by a recognised credit rating agency;

(f) Units or other interests in cash management trusts;

(g) Units or other interests in property trusts;

(h) Managed investment schemes or other similar financial products;

(i) Derivatives - both exchange-traded and over-the-counter (OTC) (including options, futures, contracts for commodity futures and commodity options) for hedging and other purposes;

(j) Participation in underwriting and sub-underwriting of securities and units in which the Company is otherwise able to invest;

(k) Debt, hybrid debt or quasi-equity/debt, mezzanine debt, or debt funding of whatsoever nature;

(l) Investments in assets of any type, whether they be generally known as "real", "financial" "operating' or "non-operating" including without limitation, interests in tenements, projects, real estate, business enterprises, and the carrying on of business or operations or any means of commercial exploitation of the same;

INVESTMENT ACTIVITIES

(m) Investments into (and the carrying on of business or operations or any means of commercial exploitation within) any underlying industry, business or resource sector;

(n) Investments through trusts, partnerships, joint ventures;

(o) Any other investments consistent with the Company's investment objectives.

6. MANAGEMENT OF INVESTMENTS

The Company's implementation of its Investment Strategies in accordance with its Investment Objectives will be carried out by the Board of Directors and the Investment Committee (in conjunction with external consultants and advisers where appropriate).

The Investment Committee comprises Executive Chairman, William Johnson and Executive Director and Company Secretary, Victor Ho and Farooq Khan (a nominee of the Company's controlling shareholder, Queste Communications Limited). Farooq Khan was Chairman and Managing Director of the Company from 4 October 1999 until his resignation on 1 July 2003 and is Chairman and Managing Director of Queste Communications Limited.

Where necessary, the Investment Committee will engage additional specialist resource(s) to assist with the identification, evaluation and management of particular investment opportunities. This includes specialist consultants and advisers, analysts and brokers.

The Investment Committee's collective recent experiences in public listed companies has involved:

- identification and assessment of strategic opportunities;
- strategic review of business operations and prospects of potential investee companies;
- accumulation of strategic stakes within investee companies;
- campaigning for change to unlock strategic value and seeking Board representation to implement the same;
- strategic review of business models and operations and their subsequent rationalisation to preserve capital or endeavour to unlock value within investee companies;
- corporate restructuring, including buy-backs and capital raisings, including rights issues and public offerings by prospectus;
- the identification, assessment, construction and management of share investment portfolios;
- tenement acquisitions and joint venture arrangements;
- assessment of resource projects and transaction structuring;
- pre-IPO corporate restructuring and capital raising;
- strategic business and financial modelling;
- strategic technical development and project management;
- strategic sales and marketing;
- evaluation of investment opportunities in a diverse range of sectors, including biotechnology, agribusiness, technology, telecommunications, property and resources;
- Strategic review of corporate and business restructuring of proposed acquisitions;
- Complex transactional structuring associated with acquisitions or pursuant to deeds of company arrangements.

At some time in the future, if it believes that it is in the best interests of the Company, the Board may chose to delegate part or all of the responsibility for making investment decisions to an investment manager, subject to the investment manager having appropriate capabilities, experience and the necessary Australian Financial Services licences(s).

LIST OF SHARE INVESTMENTS
as at 30 June 2005

Equities	% of Net Assets	Stock Exchange Code	Industry Sector Exposures
1. Scarborough Equities Limited (1)	22.8%	SCB	Diversified Financials
2. Technology Investment Fund (2)	21.2%	-	Diversified Financials
3. Bentley International Limited (1), (3)	14.9%	BEL	Diversified Financials
4. Oilex NL	5.0%	OEX	Energy
5. Rio Tinto Limited	2.4%	RIO	Diversified Metals & Mining
6. Flight Centre Limited	1.9%	FLT	Hotels, Resorts & Cruise Lines
7. MMC Contrarian Limited	1.7%	MMA	Diversified Financials
8. Independence Group NL	1.4%	IGO	Metals & Mining - Gold
9. Global Mining Investments Limited	1.4%	GMI	Diversified Financials
10. CMA Corporation Limited	1.3%	CMV	Capital Goods
11. Fleetwood Corporation Limited	1.3%	FWD	Automobile Manufacturers
12. Telstra Corporation Limited	1.1%	TLS	Diversified Telecommunication Services
13. PMP Limited	1.1%	PMP	Commercial Services & Supplies
14. Hunter Hall Global Value Limited	1.0%	HHV	Diversified Financials
15. Golden Cross Resources Ltd	0.5%	GCR	Metals & Mining
16. Antares Energy Limited	0.5%	AZZ	Oil & Gas Exploration & Production
17. Macarthur Coal Limited	0.4%	MCC	Diversified Metals & Mining
18. Elixir Petroleum Limited	0.4%	EXR	Energy
19. International Goldfields Limited	0.4%	IGL	Materials
20. Orion Telecommunications Limited	0.2%	OTL	Telecommunication Services
21. Great Western Exploration Limited	0.1%	GWE	Materials
22. European Goldfields Limited (4)	0.1%	EGU	Materials
23. Northern Star Resources Ltd	0.04%	NST	Materials
24. Great Western Exploration Limited - Options	0.03%	GWEO	Materials
TOTAL	**81%**		

Notes:

(1) BEL and SCB have been accounted for as Associate entities

(2) Technology Investment Fund is an unlisted managed fund (delisted with shareholder approval from ASX in July 2005 – former ASX Code: TIF)

(3) BEL is an ASX listed investment company wholly invested in securities listed on overseas markets

(4) EGU's common shares are listed on the AIM Market of the London Stock Exchange and on the Toronto Stock Exchange (TSX)

ADDITIONAL ASX INFORMATION
as at 12 October 2005

DISTRIBUTION OF FULLY PAID ORDINARY SHARES

Spread of Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1 – 1000	903	316,322	1.775%
1,001- 5000	312	779,887	4.377%
5,001- 10,000	111	861,479	4.835%
10,001 – 100,000	125	3,855,875	21.644%
100,001 and over	13	12,000,826	67.365%
Total	**1,464**	**17,814,389**	**100%**

Marketable Parcel

Spread of Holdings	Number of Holders	Number of Shares	% of Total Issue Capital
1 – 877	856	270,978	1.521
888 and over	608	17,543,411	98.479
TOTAL	**1,464**	**17,814,389**	**100%**

An unmarketable parcel is considered, for the purposes of the above table, to be a shareholding of 877 shares or less (being a value of $500 or less in total, based upon the Company's closing share price on 12 October 2005 of $0.57 per share).

VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none), at meetings of shareholders of the Company:

- Each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- On a show of hands, every person present who is a shareholder or a proxy, attorney or corporate representative of a shareholder has one vote;
- On a poll, every person present who is a shareholder or a proxy, attorney or corporate representative of a shareholder shall, in respect of each fully paid share held by such person, or in respect of which such person is appointed a proxy, attorney or corporate representative, have one vote for that share; and

TRANSACTIONS AND BROKERAGE

A total 394 buy contract notes, 99 sell contracts notes and 51options contracts were entered into by the consolidated entity during the year, incurring total brokerage fees of $68,348. The Company also lodge 8 applications under IPO's and share placements (at no brokerage costs).

ON-MARKET SHARE BUY-BACK

On 30 March 2005, the Company announced an intention to undertake an on-market within "10%/12 month limit" share buy-back (pursuant to section 257B(4) of the Corporations Act 2001) of up to 1,699,852 shares for capital management purposes, as the Company's share price was trading at a significant discount to its NTA backing. As at Balance Date and the date of this annual report, the Company has bought back 1,220,650 shares at an average price of $0.609 per share and at a total cost of $743,448 (excluding brokerage costs of $3,106). The Company has the capacity to buy-back a further 479,202 shares until 30 March 2006. The Company is seeking approval at the 2005 Annual General Meeting for the implementation of an on-market buy back scheme to extend this buy-back ability to a potential buy-back of up to 20% of its issued capital between any 2 consecutive AGMs, in accordance with section 257C(1) of the Corporations Act.

ADDITIONAL ASX INFORMATION
as at 12 October 2005

TOP TWENTY ORDINARY FULLY PAID SHAREHOLDERS

RANK	SHAREHOLDER	TOTAL SHARES	% ISSUED CAPITAL
1	QUESTE COMMUNICATIONS LTD *	8,558,127	48.040
2	DR ABE ZELWER <ZELWER SUPER FUND A/C>	701,914	3.940
3	UBS NOMINEES PTY LTD <PRIME BROKING A/C>	533,685	2.995
4	FAST SCOUT LIMITED	505,026	2.834
5	MR DONALD GORDON MACKENZIE & MRS GWENNETH EDNA MACKENZIE	308,290	1.730
6	BLACKMORT NOMINEES PTY LTD <37403 A/C>	305,000	1.712
7	REDSUMMER PTY LTD	225,000	1.263
8	ANZ NOMINEES LIMITED <CASH INCOME A/C>	209,864	1.178
9	RIALC PTY LIMITED	159,550	0.895
10	MR JOHN DAVID SERGEANT	150,000	0.842
11	MANAR NOMINEES PTY LTD	125,455	0.704
12	PADDLEBOARDS PTY LTD	109,915	0.617
13	MS JANET BACKHOUSE	109,000	0.611
14	MR BRUCE DAVIS & & MRS TRISNAWATI DAVIS <DAVIS S/F A/C>	100,000	0.561
15	MR RODNEY MALCOLM JONES & MRS CAROL ROBIN JONES <HOPERIDGE ENT P/L SUPER A/C>	100,000	0.561
16	MR JAU-TSAI WU & MRS DIJAH SUTONO	98,134	0.550
17	MR MARK JAMES CASEY	87,400	0.490
18	AGO PTY LTD <SUPERANNUATION FUND A/C>	80,000	0.449
19	MR JOHN GORDON KELLAS	80,000	0.449
20	MR KING CHONG CHAI	76,164	0.427
	TOTAL	**12,622,524**	**70.848%**

* Substantial shareholder of the Company

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