

Adtrans Group Limited

ABN 28 008 129 477

ANNUAL REPORT
2003-2004

Adtrans

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Chairman's Report



It is pleasing to be able to report another lift in dividend to a record 21.0 cents per share for the 2003/04 financial year.

With automotive markets running at record levels for both cars and trucks, sales revenue was up by 9.9% but disappointingly profit was down 4.8% to \$10.4 million before tax and \$7.1 million net.

While some of our subsidiaries performed at optimal levels during the year there were several that for a variety of reasons produced lower than expected net results and during the second half the Group made some senior management changes to address these deficiencies.

In December 2003 we acquired the ex-Iveco Trucks factory store at Laverton, Victoria, purchasing the land, plant and equipment but with no goodwill factor involved. While this dealership contributed significantly to sales and overheads, as we had predicted for the start-up period it did not contribute to profits. We expect a positive contribution from Adtrans Truck Centre Laverton in this current financial year, and indeed the outlook for trucks generally is exceptionally bright.

You will recall that our long-serving Managing Director resigned in June 2003 and was replaced by Shaun Swift on 1st August 2003. Shaun joined us already exceptionally well-versed in the car industry and has now settled into the Group remarkably smoothly. My three months' absence due to illness and recuperation was also a contributing factor, particularly because in recent years I have been concentrating on our truck businesses. The Group advertised nationally for a senior person to oversee our Sydney and Adelaide operations and we believe we have recruited one of the best truck experts in Australia.

Current forecasts for the Australian automotive market show the industry continuing to run at all-time record rates and road freight in Australia is expected to have massive increases during the next decade.

We believe we have the right team in place and are confident of at least maintaining dividends at current rates.

A handwritten signature in blue ink, appearing to read 'Graeme Bignell'. The signature is fluid and cursive, with a long horizontal stroke at the end.

GRAEME BIGNELL
Chairman

Year at a Glance

	2002/03 \$'000		2003/04 \$'000
Sales revenue	524,648	up 9.9% to	576,740
Total revenue from ordinary activities	526,255	up 10.1% to	579,431
Profit from ordinary activities before income tax	10,956	down 4.8% to	10,429
Income tax expense relating to ordinary activities	(3,466)		(3,273)
Profit from ordinary activities after related income tax expense	7,490		7,156
Minority interests	(85)		(84)
Net profit due to shareholders of the company	7,405	down 4.5% to	7,072
Dividends per share	20.5 ¢	up 2.4% to	21.0¢
Net tangible asset backing per share	145.3 ¢	up 17.4 % to	170.6¢

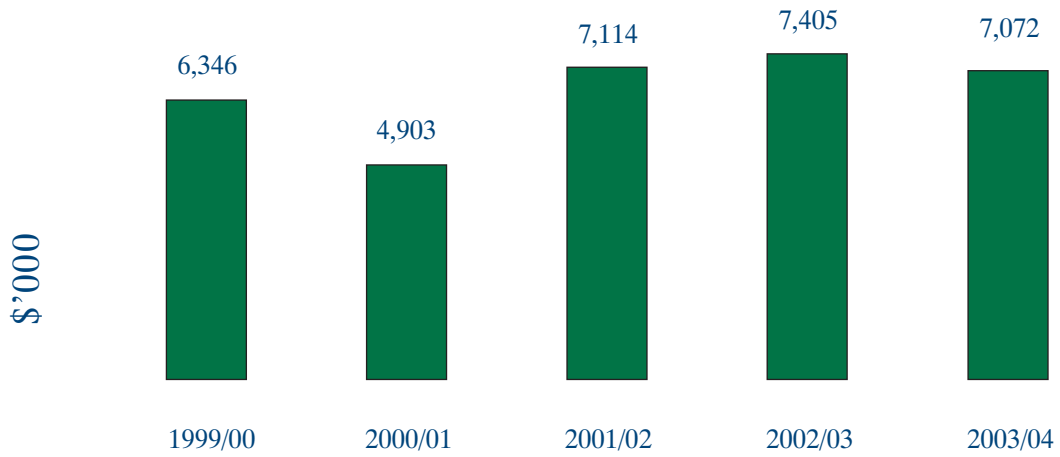
Five Year Review

	1999/00*	2000/01	2001/02	2002/03	2003/04
Total revenue from ordinary activities - \$'000	364,649	398,591	470,496	526,255	579,431
Operating profit before tax - \$'000	10,101	8,024	10,549	10,956	10,429
Operating profit after tax before abnormals - \$'000	6,239	4,925	7,169	7,490	7,156
Operating profit after tax - \$'000	6,358	4,925	7,169	7,490	7,156
Profit after tax and minorities -\$'000	6,346	4,903	7,114	7,405	7,072
Earnings per share, basic – cents	28.7	21.9	31.2	32.4	30.9
Earnings per share, diluted – cents	27.9	21.5	29.9	31.2	30.2
Dividends per share – cents	18.0	18.0	19.5	20.5	21.0
Total tangible assets - \$'000	90,566	111,310	128,519	132,145	145,149
Net tangible assets - \$'000	23,094	22,188	27,314	33,232	39,021
Net tangible asset backing per share – cents	103.9	98.5	119.4	145.3	170.6

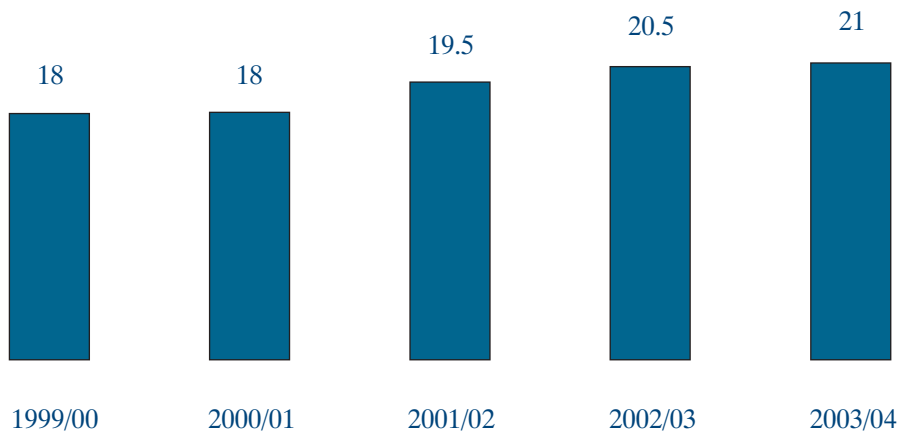
*Sales revenue was restated to eliminate the sales tax component of revenue to conform with the 2000/2001 tax-exclusive basis of accounting since the introduction of the Goods & Services Tax for comparative purposes in that financial year.

Five Year Review

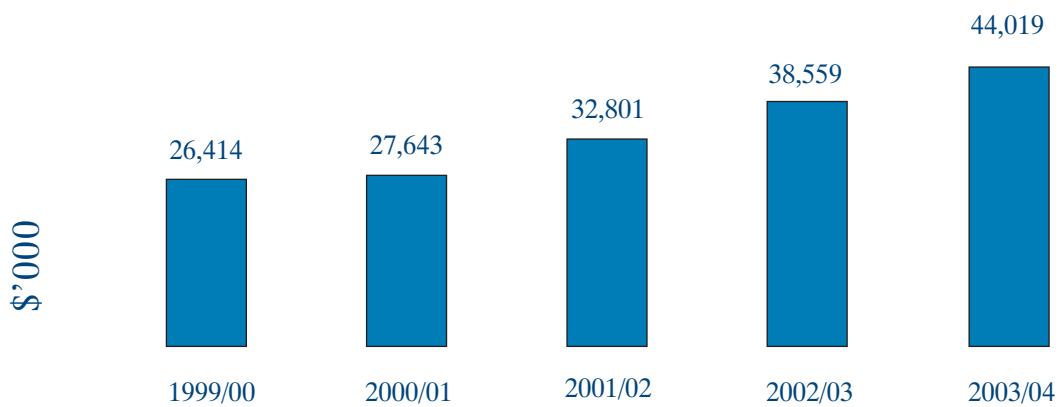
OPERATING PROFIT after tax and minorities



DIVIDENDS PAID (cents per share)



SHAREHOLDERS' EQUITY



Directors' Report

Adtrans Group Limited is a company limited by shares that is incorporated and domiciled in Australia.

The Board of Directors of Adtrans Group Limited has pleasure in submitting the annual financial report for the financial year ended 30 June 2004 and report as follows:

Directors' qualifications:

The names and relevant particulars of the Directors in office during the financial year and until the date of this report are:



Graeme D Bignell, F.A.I.C.D.

Mr Bignell established Stillwell Ford in Adelaide in 1971. He was elected Chairman of Adtrans Group Limited when it was formed in 1987 and is Chairman of the Remuneration and Nomination Committees and a member of the Corporate Governance Committee.



John H Heard, F.C.A.

Mr Heard was appointed a non-executive Director in 1990. He is a Chartered Accountant in private practice and is a Director or consultant for a number of companies, including Chairman of Bank SA Advisory Board, Salvation Army Advisory Board and Penrice Soda Products Group and a Director of S. Kidman & Co. Limited and CEDA. He is Deputy Chairman of the Board, Chairman of the Audit and Corporate Governance Committees and a member of the Remuneration and Nomination Committees.



Shaun A Swift, B.Ec., MBA

Mr Swift was appointed Managing Director on 1 August 2003. Mr Swift had previously been employed for 15 years with the Ford Motor Company, both in Australia and Detroit, US.



G M (Mark) Kelly

Mr Kelly was appointed a non-executive Director in 1999. He is a senior partner of the legal firm Phillips Fox in Adelaide and Deputy Chairman of Retail Energy Market Company Limited. He is also a member of the Audit, Remuneration and Corporate Governance Committees.



David L Holst

Mr Holst was appointed a Director in 2001. He is currently Dealer Principal of Stillwell Ford and a Director of Adtrans Automotive Group Pty. Ltd.



Chris Stillwell, F.A.I.C.D.

Mr Stillwell was appointed a non-executive Director in 2000. He is currently CEO of B. S. Stillwell Motor Group Pty. Ltd., Dealer Principal of Knox Ford and Managing Director of Silverstone Jaguar, Silverstone Volvo, Bilia Volvo and Aston Martin at Bilia. He is a member of the Corporate Governance and Remuneration Committees.



Antimo Spagnuolo, B.Ec., M.A.I.C.D. Dip., F.C.I.S.

Mr Spagnuolo joined the Group in 1990, following a ten-year career with a major trading bank. He has been a Director of Adtrans Group Limited since 1994. He is Dealer Principal and a Director of Graham Cornes Motors Pty. Ltd.

The above-named Directors held office during the financial year unless otherwise stated.

Directors' Report

DIRECTORS' SHAREHOLDING INTERESTS

At the date of this report, the interests of Directors in shares of the company and related entities were:

	<u>Number of Ordinary Shares</u>		<u>No. of Options</u>
	<u>Company</u>	<u>Related Entity</u>	<u>Company</u>
G D Bignell	7,975,632		
C Stillwell	558,116		
A Spagnuolo	250,000	60,000*	
D L Holst	300,000		525,000

* Being 10% of the capital of Graham Cornes Motors Pty Ltd.

DIRECTORS' MEETINGS

During the year the company held, or would have held if a quorum had been present, six meetings of Directors. The names of Directors and members of Committees of the Board are outlined above. The attendances of the Directors at meetings of the Board and of its Committees were:

	Directors' meetings	Meetings of committees			Corporate Governance
		Audit	Remuneration	Nomination	
Number of meetings held	6	3	2	1	2
Number of meetings attended					
G D Bignell	6	-	2	1	2
J H Heard	6	3	2	1	2
S A Swift	6	-	-	-	-
A Spagnuolo	6	-	-	-	-
G M Kelly	6	3	2	-	2
C Stillwell	6	-	2	-	2
D L Holst	6	-	-	-	-

CORPORATE MEMBERSHIPS

At the date of this report the company had Audit, Remuneration, Nomination and Corporate Governance Committees. Members of the Committees of the Board during the year were:

Audit	Remuneration	Nomination	Corporate Governance
J H Heard (C)	G D Bignell (C)	G D Bignell (C)	J H Heard (C)
G M Kelly	J H Heard	J H Heard	G D Bignell
S J Officer (resigned 1/8/03)	G M Kelly		G M Kelly
	C Stillwell		C Stillwell
			S J Officer (resigned 1/8/03)

(C) denotes Chairman of the Committee

Directors' Report

PRINCIPAL ACTIVITIES

The principal activity of the company and its subsidiaries was operating franchised vehicle dealerships.

GROUP RESULT

The operating profit after income tax for the financial period attributable to the members of Adtrans Group Ltd was \$7,071,617 (2003: \$7,405,249).

DIVIDENDS

Details of dividends paid or declared are as follows:-

	2004 \$	2003 \$
Interim ordinary dividend of 8.0 cents per share paid 14 April 2004 (2003: 7.5 cents)	1,830,036	1,715,659
Final ordinary dividend of 13.0 cents per share declared by the Directors and payable on 29th October 2004 (2003: 13.0 cents)	2,973,809	2,973,809
Total dividends in respect of the year	4,803,845	4,689,468
Cents per share	21.0	20.5

REVIEW OF OPERATIONS

The total Australian new vehicle market for 2003/04 continued to run at record levels and was up by 9.2% from the previous year to 940,124 units. Once again the performance of the industry was better in the second half versus the corresponding period in 2002/03. During the second half the industry grew at 13.5% versus 5.3% for the first half. This strong market led the Group to a total revenue increase of 10.1%, to \$579.4 million.

With the market so strong, our Group's total new vehicle sales were a record 7,736, or 12.3% above the previous year. With regard to used vehicle sales, the Group sold marginally more to record a lift of 0.9% to 7,412 units. Parts sales continue to underpin the Group's profitability and amounted to \$57.9 million, up 6.6%. Service sales for the year were \$22.7 million.

We are very confident of good results in 2004/05.

Directors' Report

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial period there was no significant change in the state of affairs of the consolidated entity, other than that referred to in this report, accounts or notes thereto.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

The Directors have excluded from this report any further information on the likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years, as the Directors have reasonable grounds to believe that it would be likely to result in unreasonable prejudice to the consolidated entity.

SUBSEQUENT EVENTS

Since the end of the financial year the Directors are not aware of any matter or circumstance not otherwise dealt with in this report or the consolidated financial statements that has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

ENVIRONMENTAL REGULATION PERFORMANCE

The consolidated entity's environmental obligations and waste discharge quotas are regulated under both State and Federal Law. All environmental performance obligations are monitored by the consolidated entity and subjected from time to time to Government agency audits and site inspections. The consolidated entity has a policy of at least complying with, but in most cases exceeding, its environmental performance obligations.

No environmental breaches have been notified by any Government agency during the year to 30 June 2004.

SHARE OPTIONS

Details of share options are set out in Note 27 of the financial statements and form part of this report. No new share options were issued in the current financial year and to the date of this report.

INDEMNIFICATION OF OFFICERS

During the financial year a wholly-owned entity paid an insurance premium in respect of a contract insuring the parent entity's Directors against liability arising as a result of work performed in their capacity as a Director. The terms of the insurance brokerage contract prohibit the disclosure of the insurance cover and premium.

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The remuneration committee reviews the remuneration packages of all Directors and executive officers on an annual basis and makes recommendations to the Board. Remuneration packages are reviewed with due regard to performance and other relevant factors.

Directors' Report

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION (cont'd)

The following table discloses the remuneration of the Directors of the company for the financial year to 30 June 2004. Apart from those listed below, there are no other executive officers of the company for the purpose of this disclosure requirement.

Name	Office	Salary/ Fee \$	Annual remuneration	
			Benefits (1) \$	Incentive Schemes (2) \$
G D Bignell	Exec Director	222,080	10,122	-
J H Heard	Non-Exec Director	40,000	6,522	-
G M Kelly	Non-Exec Director	40,000	2,922	-
C Stillwell	Non-Exec Director	40,000	6,522	-
S A Swift	Exec Director	225,000	79,125	100,490
	Appointed 1/8/03			
A Spagnuolo	Exec Director	115,293	59,523	153,398
D L Holst	Exec Director	117,144	125,525	307,589
S J Officer	Exec Director	(3) 271,224	26,002	66,616
	Resigned 1/8/03			

- (1) Benefits include the provision of motor vehicles, superannuation and Directors' and Officers' insurance premiums.
- (2) Incentive schemes include performance-related bonuses.
- (3) Inclusive of payment of accrued leave entitlements on resignation.

Options issued under the Share Option agreement are valued using the Black-Scholes option valuation methodology at the date of issue and included as remuneration for the relevant Director. These options have not as yet vested at 30 June 2004. The portion of the option valuation attributable to the current financial year is \$29,766 for Mr D L Holst. This amount is not currently being expensed in the Statement of Financial Performance.

ROUNDING OF AMOUNTS

The parent entity is a company of the kind specified in Australian Securities and Investments Commission Class Order 98/0100. In accordance with that Class Order, amounts in the financial statements have been rounded to the nearest thousand dollars, unless specifically stated to be otherwise.

Signed in accordance with a resolution of the Directors.



G D Bignell
Director



S A Swift
Director

ADELAIDE
24 August 2004

Statement of Corporate Governance Practices

The Board of Directors of Adtrans Group is responsible for the corporate governance of the consolidated entity. The Board has agreed to adopt the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations and is pleased to report that its practices are largely consistent with those of the ASX guidelines. Where the Adtrans corporate governance practices do not correlate with the practices recommended by the Council details are disclosed in this statement.

Structure of the Board

The names of the Directors and their qualifications and experience are stated on page 5 of the Directors' Report.

Adtrans has adopted the definition of "independent Director" as outlined in recommendation 2.1 of the ASX Corporate Governance Best Practice Guidelines.

In the context of Director independence, "materiality" is determined based on quantitative and qualitative elements. An item is material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

In accordance with the definition of independence and the materiality thresholds the following Directors of Adtrans Group are considered to be independent:

J. H. Heard
G. M. Kelly
C. Stillwell

The majority of the Board is not made up of independent Directors. Adtrans is unique in some ways in that vehicle inventories, including heavy-duty trucks, represent the largest portion of shareholders' funds. Additionally, in common with all automotive retail companies, Adtrans has very high revenue for comparatively very low net returns. The Board has adopted a policy of having representation by experienced, knowledgeable and competent automotive retail executive Directors, along with a minimum of three (3) independent non-executive Directors.

The Chairman is an executive Director, not an independent Director. The current Chairman is the founder of Adtrans Group and still has a substantial shareholding. The Board believes that Mr. Bignell is the most appropriate person to lead the Board and that he is able to and does bring quality and independent judgment to all relevant issues falling within the scope of the role of Chairman.

There are procedures in place, which have been agreed by the Board, to enable Directors to seek independent professional advice at the company's expense.

The term of each Director in office at the date of this report is as follows:

Name	Term
G. D. Bignell	17 years
J. H. Heard	13 years
G. M. Kelly	5 years
C. Stillwell	4 years
S. A. Swift	1 year
A. Spagnuolo	10 years
D. L. Holst	3 years

Statement of Corporate Governance Practices

Nomination Committee

During the year the Board established a Nomination Committee, which meets at least annually to ensure that the Board continues to operate within the established guidelines including, where necessary, selecting candidates for the position of Director.

The Nomination Committee comprises the following members:

G. D. Bignell (Chair)
J. H. Heard

For details of Directors' attendance at meetings of the Nomination Committee refer to page 6 of the Directors' Report.

Audit Committee

The Audit Committee operates under a charter approved by the Board. The committee provides assistance to the Board in fulfilling its corporate governance and oversight responsibilities in relation to the company's financial reporting and internal control structure, and the internal and external audit functions.

The committee will assist the Board with its responsibility for the oversight of risk management. The committee is currently reviewing the company's risk management and control framework for all risks, not limited to financial reporting risks.

The members of the Audit Committee during the year were:

J. H. Heard (Chair)
S. J. Officer (resigned 1 August 2003)
G. M. Kelly

The Audit Committee comprises only two members, both of whom are independent Directors. While the Board considers the current membership number adequate to discharge the committee's obligations, it will endeavour to appoint a third independent Director to the Audit Committee sometime in the future.

For details of Directors' attendance at meetings of the Audit Committee refer to page 6 of the Directors' Report. Refer also to page 5 of the Directors' Report for details of the qualifications of Mr. Heard and Mr. Kelly as members of the Audit Committee.

Remuneration Committee

The Board is responsible for determining and reviewing compensation arrangements for the Directors and the executive team. The Board has established a Remuneration Committee, comprising at least three Directors, the majority of whom shall be independent. Members of the Remuneration Committee during the year were:

G. D. Bignell (Chair)
J. H. Heard
G. M. Kelly
C. Stillwell

For details of the Directors' attendance at meetings of the Remuneration Committee held during the year refer to page 6 of the Directors' Report.

Statement of Corporate Governance Practices

Adtrans Group is committed to remunerating its executive Directors in a manner that is market-competitive and consistent with best practice. To assist with achieving this, the nature and amount of executive Directors' emoluments is linked to the company's financial and operational performance. For details of the amount of remuneration, including any options, refer to page 9 of the Directors' Report.

A retirement allowance exists for non-executive Directors. For details refer to note 24 (b) in the financial statements.

Continuous disclosure

During the year Adtrans Group established written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to enforce accountability at senior management level for that compliance. The Board has endorsed these policies.

Communication with shareholders

During the year Adtrans Group designed a communications policy to promote communication with shareholders. The Adtrans Group Website (www.adtrans.com.au) is currently under construction and will be operational in the near future.

Performance

During the year the Board adopted a performance evaluation policy. Each year the Chairman meets separately with each non-executive Director to discuss individual performance and ideas for improvement. The Board as a whole discusses and analyses its own performance during the year, including suggestions for change or improvement.

Code of conduct

During the year Adtrans Group adopted a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.

Director and employee share trading policy

All information obtained or obtainable as a Director or employee of the company is the property of the company and may not be used for any purpose other than in the conduct of the affairs of the company.

All information of the company is strictly confidential and must not be disclosed to any entity, except as required in the ordinary course of the operations of the company, or used by Directors or employees for personal benefit or gain.

As a matter of law, Directors and company employees may not buy or sell shares in the company if they possess information that, if disclosed publicly, might have a material effect on the price or value of the company's shares.

The procedure for Directors and employees trading company shares is as follows:

- All dealings by Directors and General Managers are to be previously advised (in advance of trade) to the Chairman for clearance, with all other employees advising the Managing Director or the Company Secretary.
- All completed trades with reference to the above approvals must be notified to the Company Secretary, who must keep all relative details of such dealings and ensure that appropriate notification, signed by the relevant Director, is given to the Australian Stock Exchange.

General share trading is prohibited during periods of account preparation and audit preceding the preliminary announcement of the company's annual and half-yearly results. The specific dates are recorded in the company's internal staff policy manual.

Adtrans Group policies and charters are available upon request to the Company Secretary.

Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2004

	Note	CONSOLIDATED		PARENT ENTITY	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
Sales revenue	2	576,740	524,648	-	-
Cost of sales	3	(492,358)	(444,815)	-	-
Gross profit		84,382	79,833	-	-
Other revenues from ordinary activities	2	2,691	1,607	5,814	2,451
Occupancy expenses		(4,465)	(3,966)	-	-
Depreciation and amortisation	3	(1,874)	(1,709)	(22)	(22)
Employee expenses		(39,983)	(36,460)	-	-
Other expenses		(26,655)	(23,578)	(422)	(385)
Legal settlement and expenses	3	-	(1,516)	-	-
Borrowing expenses	3	(3,667)	(3,255)	(177)	(209)
Profit from ordinary activities before income tax expense		10,429	10,956	5,193	1,835
Income tax expense relating to ordinary activities	4	(3,273)	(3,466)	(57)	(34)
Profit from ordinary activities after related income tax expense		7,156	7,490	5,136	1,801
Net profit attributable to outside equity interests		(84)	(85)	-	-
Net profit attributable to members of the parent entity	19	7,072	7,405	5,136	1,801
Net increase in asset revaluation reserve	18	3,165	-	2,194	-
Total revenues, expenses and valuation adjustments attributable to members recognised directly in equity		3,165	-	2,194	-
Total changes in equity other than those resulting from transactions with owners as owners		10,237	7,405	7,330	1,801
Earnings per share:					
Basic (cents per share)	5	30.9	32.4	-	-
Diluted (cents per share)	5	30.2	31.2	-	-

The accompanying notes form an integral part of this statement of financial performance.

Statement of Financial Position

AS AT 30 JUNE 2004

	Note	CONSOLIDATED		PARENT ENTITY	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
CURRENT ASSETS					
Cash assets	22	13,871	10,315	-	44
Receivables	7	26,185	25,886	18,135	8,447
Inventories – Bailment	8	47,278	49,223	-	-
Inventories – Other	8	32,869	30,093	-	-
TOTAL CURRENT ASSETS		120,203	115,517	18,135	8,491
NON-CURRENT ASSETS					
Other financial assets	9	-	-	8,235	8,235
Property, plant and equipment	10	24,946	17,020	7,100	4,928
Intangibles	11	2,793	3,103	-	-
Deferred tax assets		2,018	2,048	1,784	15
TOTAL NON-CURRENT ASSETS		29,757	22,171	17,119	13,178
TOTAL ASSETS		149,960	137,688	35,254	21,669
CURRENT LIABILITIES					
Payables	12	18,174	16,405	16,390	3,437
Interest-bearing liabilities – Bailment	13	63,568	63,113	-	-
Interest-bearing liabilities – Other	13	6,568	4,478	41	38
Tax liabilities		598	1,182	516	27
Provisions	14	5,170	4,892	-	-
TOTAL CURRENT LIABILITIES		94,078	90,070	16,947	3,502
NON-CURRENT LIABILITIES					
Interest-bearing liabilities – Other	15	10,652	7,967	-	2,500
Deferred tax liabilities		218	460	114	-
Provisions	16	993	632	-	-
TOTAL NON-CURRENT LIABILITIES		11,863	9,059	114	2,500
TOTAL LIABILITIES		105,941	99,129	17,061	6,002
NET ASSETS		44,019	38,559	18,193	15,667
EQUITY					
Contributed equity	17	13,576	13,576	13,576	13,576
Reserves	18	5,840	2,675	4,159	1,965
Retained profits	19	24,389	22,121	458	126
Total parent entity interest in equity		43,805	38,372	18,193	15,667
Total outside equity interest		214	187	-	-
TOTAL EQUITY		44,019	38,559	18,193	15,667

The accompanying notes form an integral part of this statement of financial position.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2004

	Note	CONSOLIDATED		PARENT ENTITY	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	(i)	634,486	574,957	464	450
Payments to suppliers and employees	(i)	(611,496)	(557,690)	(429)	(373)
Borrowing costs paid		(3,611)	(3,130)	(177)	(209)
Interest received		598	526	326	257
Dividends received		-	-	5,023	4,337
Income tax paid		(3,967)	(3,545)	(65)	(79)
GST (paid)/received		(6,299)	(5,979)	29	34
Net cash provided by operating activities	22(c)	9,711	5,139	5,171	4,417
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment for property, plant and equipment		(7,172)	(2,882)	-	-
Proceeds from sale of property, plant and equipment		1,713	1,081	-	-
Net cash (used) by investing activities		(5,459)	(1,801)	-	--
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings		12,293	955	2,086	282
Repayments of borrowings		(8,185)	(673)	(2,500)	-
Dividends paid		(4,804)	(4,592)	(4,804)	(4,575)
Net cash (used) by financing activities		(696)	(4,310)	(5,218)	(4,293)
Net (decrease) / increase in cash held		3,556	(972)	(47)	124
Cash/(overdraft) at beginning of financial year		10,315	11,287	6	(118)
Cash/(overdraft) at end of financial year	22(a)	13,871	10,315	(41)	6

(i) Inclusive of GST.

The accompanying notes form an integral part of this statement of cash flows.

Notes to and Forming Part of the Accounts

1. Statement of significant accounting policies

Basis of accounting

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act, which includes applicable Accounting Standards. Other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) have also been complied with. These policies are consistent with those adopted in the previous year, unless otherwise disclosed. Further, they do not take account of changes in either the general purchasing power of the dollar or in the prices of specific assets, except for land and buildings, which are subject to valuation as described below.

The carrying amounts of all non-current assets at cost are reviewed at least annually to determine whether they exceed their recoverable amount. The recoverable amounts of all non-current assets at cost have been determined using net cash flows that have been discounted to their present values.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous year.

Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Adtrans Group Limited, the parent company, and all entities controlled from time to time during the year and at reporting date.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

Bank overdrafts are carried at the principal amount. Interest is recognised as an expense as it accrues.

Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible 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. Receivables from related parties are recognised and carried at the nominal amount due.

Property, plant and equipment

Cost and valuation

Freehold land and buildings are measured on a fair value basis. Revaluations are made in accordance with a regular policy whereby independent valuations are obtained at least every two years and carrying amounts are adjusted accordingly. All other classes of property, plant and equipment are measured at cost.

Where assets have been revalued, the potential effect of the capital gains tax on disposal has not been taken into account in the determination of the revalued carrying amount, on the basis that the items are integral to operating the business and are not expected to be sold.

Notes to and Forming Part of the Accounts

1. Statement of significant accounting policies (continued)

Depreciation

Property, plant and equipment, excluding freehold land, are depreciated over their useful economic lives as follows:-

	2004		2003	
	Life	Method	Life	Method
Buildings	50 years	Straight line	50 years	Straight line
Leasehold improvements	Term of lease	Straight line	Term of lease	Straight line
Plant and equipment	3 to 13 years	Straight line & diminishing	3 to 13 years	Straight line & diminishing
Motor vehicles	4 to 6 years	Straight line & diminishing	4 to 6 years	Straight line & diminishing

Leases

Leases are classified at their inception as either operating or hire purchase finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

Hire purchase finance leases

Leases which effectively transfer substantially all risks and benefits incidental to ownership of the leased item to the consolidated entity are capitalised at the present value of the minimum lease payments and a lease liability of equal value is also recognised. Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and recognised directly in net profit.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity.

Purchased goodwill is amortised on a straight-line basis over the period during which the benefits are expected to arise, currently over twenty years. The unamortised balance of goodwill is reviewed at each balance date and charged to the profit and loss for the period to the extent that applicable future benefits are no longer probable.

Finished goods

Inventory comprising vehicles purchased and spare parts is included at the lower of cost and net realisable value. Cost is assigned on a specific identification basis per item.

Notes to and Forming Part of the Accounts

1. Statement of significant accounting policies (continued)

Bailment inventory and related bailment liability

Motor vehicles secured under bailment plans are provided to the consolidated entity under bailment agreements between the bailment financier and entities within the consolidated entity. While the bailment financier retains legal ownership of the inventory until immediately prior to the sale to the customer, the consolidated entity assumes all the risks and benefits obtainable from the use of the asset from the date of receipt of the inventory from the financier. Motor vehicles financed under bailment held by the consolidated entity are treated as inventory, with the corresponding bailment liability shown as owing to the financier.

Cost of sales

Cost of sales includes the carrying amount of inventories sold in the reporting period in which the related revenue is recognised and includes the cost of purchase of new and used vehicles, spare parts and direct mechanical labour incurred in the preparation of vehicles for sale and vehicle servicing.

Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. Payables to related parties are carried at the principal amount.

Interest-bearing liability

All loans are measured at the principal amount. Interest is recognised as an expense as it accrues.

Provisions

Provisions are recognised when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits and a reliable estimate can be made of the amount of the obligation. A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Contributed equity

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

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity, control of the goods has passed to the buyer and the revenue can be reliably measured. Control of the goods is considered to pass to the buyer when delivery has occurred. Interest revenue is recorded when control is obtained of the right to receive the interest payment.

Tax

Income taxes

Tax-effect accounting is applied using the liability method whereby income tax is regarded as an expense and is calculated on the accounting profit after allowing for permanent differences. To the extent timing differences occur between when items are recognised in the financial statements and when items are taken into account in determining taxable income, the net related taxation benefits or liability, calculated at current rates, is disclosed as a future income tax benefit or a provision for deferred income tax. The net future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised.

Notes to and Forming Part of the Accounts

1. Statement of significant accounting policies (continued)

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

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

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

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave. Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, is used.

Employee expenses of a direct nature are capitalised into work in progress and recorded as cost of sales at time of sale. The employee expenses in the statement of financial performance are net of employee expenses included in cost of sales.

The value of the equity-based compensation scheme described in note 27 is not being recognised as an employee benefits expense. Certain employees are entitled to participate in a share and option ownership scheme. The details of the scheme are described in Note 27.

Financial instruments included in assets

Trade receivables are initially recorded at the amount of contracted sales proceeds.

Financial instruments included in liabilities

Loans are recognised when issued at the amount of the net proceeds received. Interest is charged as an expense when it accrues. Liabilities for trade creditors and accruals are carried at cost, which is the fair value of the consideration to be paid in the future for the goods and services received.

Set-off of assets and liabilities

Assets and liabilities are set-off where the consolidated entity intends to exercise a legal or equitable right of set-off.

Comparative figures

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

Notes to and Forming Part of the Accounts

	Note	CONSOLIDATED		PARENT ENTITY	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
2. Revenue from ordinary activities					
Revenues from sale of goods		576,740	524,648	-	-
Total revenues from operating activities		576,740	524,648	-	-
Revenues from non-operating activities					
Interest					
- partly owned controlled entity		-	-	101	106
- other persons		598	526	226	151
Total interest		598	526	327	257
Dividends received from related corporations					
- wholly owned group		-	-	4,966	1,600
- partly owned controlled entity		-	-	57	144
Total dividends		-	-	5,023	1,744
Net proceeds from insurance settlement		380	-	-	-
Proceeds from the disposal of property, plant and equipment	(a)	1,713	1,081	-	-
(a) Net gain on disposal of \$250,508 (2003: \$63,000)					
Rent received – wholly owned group		-	-	464	450
Total revenues from non-operating activities		2,691	1,607	5,814	2,451
Total revenues from ordinary activities		579,431	526,255	5,814	2,451

Notes to and Forming Part of the Accounts

	Note	CONSOLIDATED		PARENT ENTITY	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
3. Expenses					
Cost of goods sold		492,358	444,815	-	-
Borrowing costs expensed					
Interest expense					
- bailment plan vehicles		2,690	2,373	-	-
- Director related entities	26(g)	250	150	-	-
- other persons		727	732	177	209
- wholly owned entities		-	-	-	-
Total borrowings costs		3,667	3,255	177	209
Depreciation and amortisation of non-current assets					
Depreciation					
- buildings		77	58	22	22
- leasehold improvements		351	300	-	-
- plant and equipment		752	693	-	-
- motor vehicles		383	347	-	-
Amortisation					
- goodwill		311	311	-	-
Total depreciation and amortisation		1,874	1,709	22	22
Transfers to provisions					
- employee benefits		5,635	4,705	-	-
- inventory obsolescence		148	83	-	-
Operating lease rental expense					
- other persons		2,438	2,124	-	-
- related parties	26(d)	944	901	-	-
Bad and doubtful debts		42	78	-	-
Significant items					
Profit from ordinary activities before income tax expense includes the following significant expense whose disclosure is relevant in explaining the financial performance of the entity:					
Legal settlement and expenses		-	1,516	-	-

Legal settlement and expenses:

As disclosed in 2003, a company in the consolidated entity was a defendant in a public liability action in relation to an event that occurred in 1994. HIH Insurance Group, which was the Group's insurer for this event, had conduct of this matter until the HIH Insurance Group collapsed in March 2001. From that date, Adtrans Group conducted the matter. The action proceeded to trial and in September 2001, the Judge found in favour of the plaintiffs. Acting on Senior Counsel's advice, Adtrans Group appealed the decision. In September 2002, the Court of Appeal found in favour of the plaintiffs. Legal settlement and costs expensed for the 2003 financial year totalled \$1,516,000, which included plaintiff damages and costs awarded, totalling \$1,494,000, which in the normal course would have been recovered under the public liability insurance with the HIH Insurance Group.

Notes to and Forming Part of the Accounts

Note	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
4. Taxation				
The prima facie tax using rates applicable on profit differs from the income tax provided for in the financial statements as follows:				
Prima facie tax on profit from ordinary activities	3,129	3,287	1,558	550
Tax effect of permanent differences	144	179	(1,501)	(516)
Income tax expense attributable to ordinary activities	3,273	3,466	57	34

Tax consolidations:

Effective 1 July 2003, for the purposes of income taxation, Adtrans Group Limited and its 100%-owned subsidiaries formed a tax consolidated group. Members of the group entered into a tax-sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote. The head entity of the tax consolidated group is Adtrans Group Limited. Adtrans Group Limited will formally notify the Australian Tax Office of its adoption of the tax consolidation regime.

Note	CONSOLIDATED	
	2004	2003
	\$'000	\$'000
5. Earnings per share		
Basic earnings per share (cents per share)	30.9	32.4
Diluted earnings per share (cents per share)	30.2	31.2
	\$'000	\$'000
Earnings (basic)	7,072	7,405
	No.	No.
Weighted average number of ordinary shares used in the calculation of basic EPS	22,875,451	22,875,451
Shares deemed to be issued in respect of executive share options	540,000	858,523
	(i)	
Weighted average number of ordinary and potential ordinary shares used in the calculation of diluted EPS	23,415,451	23,733,974

(i) Refer to Note 27 regarding the share options.

6. Segment information

The consolidated entity operates in the automotive retail sector as a single reportable business segment within the geographical area of Australia.

Notes to and Forming Part of the Accounts

	Note	CONSOLIDATED		PARENT ENTITY	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
7. Receivables (current)					
Trade debtors	(i)	25,313	25,418	-	-
Provision for doubtful debts		(156)	(217)	-	-
		25,157	25,201	-	-
Other debtors		145	140	-	-
Prepayments		883	545	-	-
		26,185	25,886	-	-
Related party receivables					
Wholly owned group		-	-	16,616	7,194
Partly owned controlled entities		-	-	1,519	1,253
		-	-	18,135	8,447
Total receivables (current)		26,185	25,886	18,135	8,447

(i) Trade debtors are non-interest bearing and generally on less than 30-day terms

8. Inventories

Bailment inventory	13	47,278	49,223	-	-
Finished goods		32,632	29,921	-	-
Provision for obsolescence		(348)	(244)	-	-
		32,284	29,677	-	-
Work in progress		514	358	-	-
Other inventories		71	58	-	-
Total other inventories		32,869	30,093	-	-
Total inventories at lower of cost and net realisable value		80,147	79,316	-	-

Notes to and Forming Part of the Accounts

Note	CONSOLIDATED		PARENT ENTITY	
	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
9. Other financial assets (non-current)				
Securities held in related entities not quoted on Australian Stock Exchange, at cost	-	-	8,235	8,235
	-	-	8,235	8,235

The following entities were controlled entities at 30 June 2004, and have been included in the consolidated financial statements. The financial years of all the controlled entities are the same as that of the parent entity.

Name of controlled entity	% of shares held	
	2004	2003
Adtrans Automotive Group Pty Ltd	100	100
Adtrans Corporate Pty Ltd (formerly Adtrans Services Pty Ltd)	100	100
Adtrans Australia Pty Ltd	100	100
Adtrans Used Cars Pty Ltd	100	100
Graham Cornes Motors Pty Ltd	90	90
Stillwell Trucks Pty Ltd ^①	100	100
Adtrans Trucks Pty Ltd ^②	100	100
Adtrans Truck Centre Pty Ltd ^③	100	-

^① Wholly owned subsidiary of Adtrans Automotive Group Pty Ltd.

^② Wholly owned subsidiary of Stillwell Trucks Pty Ltd.

^③ Incorporated during current year

Each company is incorporated in South Australia.

Notes to and Forming Part of the Accounts

10. Property, plant and equipment

	Note	CONSOLIDATED				TOTAL \$'000
		Freehold land & buildings at valuation \$'000	Leasehold improvements at cost \$'000	Plant and equipment at cost \$'000	Motor vehicles at cost \$'000	
Gross carrying amount						
Balance at 30 June 2003		11,383	4,670	7,066	2,013	25,132
Additions		5,667	480	825	819	7,791
Revaluation increase	(a)	3,043	-	-	-	3,043
Disposals		(1,266)	-	(13)	(425)	(1,704)
Balance at 30 June 2004		18,827	5,150	7,878	2,407	34,262
Accumulated depreciation						
Balance at 30 June 2003		58	2,365	4,851	838	8,112
Disposals		(13)	-	(5)	(219)	(237)
Writeback due to revaluation		(122)	-	-	-	(122)
Depreciation expense		77	351	752	383	1,563
Balance at 30 June 2004		-	2,716	5,598	1,002	9,316
Net book value						
as at 30 June 2004		18,827	2,434	2,280	1,405	24,946
as at 30 June 2003		11,325	2,305	2,215	1,175	17,020
PARENT ENTITY						
	Note	2004	2003			
		\$'000	\$'000			
Land & buildings, opening net book value (at valuation)		4,928	4,950			
Revaluation adjustment	(a)	2,194	-			
Depreciation expense		(22)	(22)			
Closing net book value, land and buildings (at valuation)		7,100	4,928			

(a) Revaluations of land and buildings are made in accordance with the policy of revaluations as described in Note 1.

The 30 June 2004 valuations of freehold land and buildings were based on their estimated market values, which are considered fair value. The valuations were performed on 30 June 2004 by:

Michael Harrington, B. App. Sc. (Valuation), A.A.P.I., A.R.E.I.
Tanya Parker, B. Bus. Prop. (Valuation), A.A.P.I.
Paul A. Abourik, A.A.P.I.
D F Bowen, F.A.P.I.
Chris Dupen, A.A.P.I.

The Directors believe these valuations are appropriate for the year ended 30 June 2004.

Notes to and Forming Part of the Accounts

	Note	CONSOLIDATED		PARENT ENTITY	
		2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
11. Intangibles					
Goodwill at cost		6,166	6,166	-	-
Accumulated amortisation		(3,373)	(3,063)	-	-
Total intangibles		2,793	3,103	-	-

12. Payables (current)

Trade creditors and accruals	(i)	18,174	16,405	87	66
Amount owing to related corporations - wholly owned group (unsecured)		-	-	16,303	3,371
Total payables (current)		18,174	16,405	16,390	3,437

(i) Trade creditors are non-interest bearing and are normally settled on 30-day terms.

	Note	2004 \$'000	2003 \$'000	2004 \$'000	2003 \$'000
13. Interest-bearing liabilities (current)					
Bailment interest-bearing liabilities					
- Inventory (secured)	(i)	47,278	49,223	-	-
- Other (secured)	(ii)	16,290	13,890	-	-
Total bailment interest-bearing liabilities		63,568	63,113	-	-
Other interest-bearing liabilities					
Hire purchase finance lease liability	(iii)	553	555	-	-
Loans other (unsecured)	26(c), (v)	6,015	3,923	-	-
Bank overdraft (secured)	(iv)	-	-	41	38
Total other interest-bearing liabilities		6,568	4,478	41	38
Total interest-bearing liabilities (current)		70,136	67,591	41	38

- (i) Bailment – inventory, reflects a liability to the consolidated entity's bailment financier. This liability is secured and represented by bailment inventory in current assets referred to in Note 8.
- (ii) Bailment - other, is payable to our bailment financier, secured by a general debenture and is represented by funds owing in respect of some recent deliveries to customers and Group demonstrator vehicles (included in finished goods) referred to in Note 8.
- (iii) Hire purchase finance leases have an average term of 2 to 4 years and related assets are purchased at the completion of the term for market value. These liabilities are secured by a debenture given by each subsidiary and cross-guarantees given by each company in the consolidated entity.
- (iv) The consolidated entity has a bank overdraft limit of \$1,500,000 that is secured by limited cross-guarantees from various companies within the consolidated entity and is supported by mortgaged property.
- (v) Relates to deposits by employees and interest is paid at commercial rates.

Notes to and Forming Part of the Accounts

	Note	CONSOLIDATED		PARENT ENTITY	
		2004	2003	2004	2003
		\$'000	\$'000	\$'000	\$'000

14. Provisions (current)

Employee benefits		5,170	4,892	-	-
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15. Interest-bearing liabilities (non-current)

Hire purchase finance lease liability	13 (iii)	452	467	-	-
Property loan (secured)	(i)	10,200	2,500	-	2,500
Loans other (secured)		-	5,000	-	-

Total other interest-bearing liabilities		10,652	7,967	-	2,500
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(i) The property loan is secured by a charge over freehold land and buildings and cross-guarantees by various companies in the consolidated entity.

	Note	CONSOLIDATED		PARENT ENTITY	
		2004	2003	2004	2003
		\$'000	\$'000	\$'000	\$'000

16. Provisions (non-current)

Employee benefits		993	632	-	-
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Notes to and Forming Part of the Accounts

Note	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
19. Retained profits and dividends				
Retained profits				
Balance at the beginning of year	22,121	16,432	126	41
Net profit attributable to the members of Adtrans Group Limited	7,072	7,405	5,136	1,801
Adjustment arising from adoption of revised accounting standard AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	-	2,876	-	2,859
Total available for appropriation	29,193	26,713	5,262	4,701
Dividends paid	(4,804)	(4,592)	(4,804)	(4,575)
Balance at end of year	24,389	22,121	458	126
Dividend franking				
The amount of retained profits and reserves that could be distributed as dividends and franked out of existing credits or arising from the payment of income tax is as follows:	24,645	22,377	458	126
All dividends paid in the financial year were fully franked at the tax rate of 30%. Dividends declared subsequent to year-end will be fully franked at the rate of 30%.				
20. Expenditure commitments				
Capital expenditure commitments				
Estimated capital expenditure contracted for at reporting date, but not provided for, payable:				
- not later than one year	334	392	-	-
Lease expenditure commitments (a)				
(i) Operating leases (non-cancellable)				
Minimum lease payments				
- not later than one year	3,003	3,087	-	-
- later than one year and not later than five years	6,146	7,320	-	-
- later than five years	1,526	721	-	-
Aggregate lease expenditure contracted for at reporting date	10,675	11,128	-	-
(ii) Hire purchase finance leases				
- not later than one year	603	555	-	-
- later than one year and not later than five years	488	542	-	-
- later than five years	-	-	-	-
Total minimum lease payments	1,091	1,097	-	-
- future finance charges	(86)	(75)	-	-
Hire purchase lease liability, reconciled to notes 13 and 15	1,005	1,022	-	-
- current	553	555	-	-
- non-current	452	467	-	-
	1,005	1,022	-	-

(a) Relating to properties and other plant and equipment

Notes to and Forming Part of the Accounts

Note	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
21. Contingent liabilities				
Borrowings and facilities				
The parent entity is co-guarantor for certain loans, other facilities and agreements provided to the consolidated entity.				
The estimated maximum liability under these arrangements is as follows:-				
- in respect of bank and finance company borrowings	-	-	18,107	15,907
- in respect of other secured liabilities (Note 13)	-	-	63,568	63,113
- in respect of hire purchase agreements (Notes 13 and 15)	-	-	1,005	1,021
	-	-	82,680	80,041

Legal

There are no legal proceedings pending against or involving the consolidated entity that in the opinion of the Directors will have a material adverse effect upon the financial position or results of the operations of the Group.

22. Notes to the statement of cash flows**(a) Reconciliation of cash**

For the purposes of the statement of cash flows, "cash" includes cash on hand and in banks and short-term deposits. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

- Cash on hand	43	36	-	-
- Cash at bank	6,828	3,279	-	44
- Deposits at call	7,000	7,000	-	-
- Bank overdraft	-	-	(41)	(38)
	13,871	10,315	(41)	6

(b) Non-cash financing and investing activities

During the financial year the consolidated entity acquired property, plant and equipment with an aggregate fair value of \$615,404 (2003: \$392,357) by way of hire purchase finance lease liability.

Notes to and Forming Part of the Accounts

Note	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
22. Notes to the statement of cash flows (continued)				
(c) Reconciliation of net cash provided by operating activities to net profit after income tax				
Net profit after tax expense	7,156	7,490	5,136	1,801
Adjustments for non-cash income and expense items:				
(Profit) on sale of non-current assets	(251)	(63)	-	-
Depreciation and amortisation of -				
- Fixed and leased assets	1,563	1,398	22	22
- Goodwill	311	311	-	-
Doubtful debts	42	78	-	-
Inventory obsolescence	148	83	-	-
Change in assets and liabilities:				
(Increase)/decrease in assets:				
Trade debtors	105	(2,707)	-	-
Other debtors and prepayments	(256)	678	-	2,592
Inventories	(977)	(1,813)	-	-
Increase/(decrease) in liabilities:				
Payables	1,924	(598)	20	47
Provisions	640	360	-	-
Net movement of tax balances	(694)	(78)	(7)	(45)
Net cash provided by operating activities	9,711	5,139	5,171	4,417

23. Financial instruments

(a) Financing arrangements

Total facilities available:

- Bank overdraft facility	1,500	1,500	1,500	1,500
- Bank bills	10,200	-	-	-
- Finance company bailment facility	69,568	79,612	-	2,500
- Lease and hire purchase facility	3,347	3,347	-	-
	84,615	84,459	1,500	4,000
Facilities utilised at balance date	74,773	71,634	-	2,500
Facilities not utilised at balance date	9,842	12,825	1,500	1,500

The consolidated entity's bank and finance company facilities are reviewed annually and renewal is anticipated.

At 30 June 2004, new motor vehicles were held for resale under the bailment plan financing arrangements (Note 8).

Notes to and Forming Part of the Accounts

23. Financial Instruments (continued)

(b) Credit risk exposure

The credit risk on financial assets of the consolidated entity that have been recognised in the statement of financial position is generally the carrying amount, net of any provisions for doubtful debts.

(c) Interest rate exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rates for classes of interest-bearing financial assets and financial liabilities is set out below.

	Floating Interest rate \$'000	Fixed Interest 1 year or less \$'000	Maturing in 1 to 5 years \$'000	Non Interest bearing \$'000	TOTAL \$'000
2004					
Financial assets					
Cash and deposits	13,871	-	-	-	13,871
Net trade debtors and other debtors	-	-	-	25,302	25,302
	13,871	-	-	25,302	39,173
Weighted average interest rate	6.4%	-	-	-	-
Financial liabilities					
Trade creditors & accruals	-	-	-	18,174	18,174
Bailment – Inventory	47,278	-	-	-	47,278
Bailment – Other	16,290	-	-	-	16,290
Hire purchase	-	553	452	-	1,005
Loans other	6,015	-	-	-	6,015
Property loan	-	-	10,200	-	10,200
	69,583	553	10,652	18,174	98,962
Weighted average interest rate	6.4%	7.3%	7.0%	-	-
2003					
Financial assets					
Cash and deposits	10,315	-	-	-	10,315
Net trade debtors and other debtors	-	-	-	25,204	25,204
	10,315	-	-	25,204	35,519
Weighted average interest rate	5.3%	-	-	-	-
Financial liabilities					
Trade creditors & accruals	-	-	-	16,012	16,012
Bailment – Inventory	49,223	-	-	-	49,223
Bailment – Other	13,890	-	-	-	13,890
Hire purchase	-	558	464	-	1,022
Loans other	3,924	-	5,000	-	8,924
Property loan	-	-	2,500	-	2,500
	67,037	558	7,964	16,012	91,571
Weighted average interest rate	5.7%	7.5%	7.6%	-	-

(d) Net fair values of financial instruments

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

Notes to and Forming Part of the Accounts

24. Employee costs

(a) Remuneration of specified Directors and executives

Name	Office		Salary & fees	Annual remuneration		Post-employment Superannuation	TOTAL
				Primary Bonus	Non-monetary benefits (v)		
				(i)			
G D Bignell	Exec	2004	222,080	-	2,922	7,200	232,202
	Chairman	2003	229,652	-	2,487	6,888	239,027
J H Heard	Non-exec	2004	40,000	-	2,922	3,600	46,522
	Director	2003	38,266	-	2,487	3,444	44,197
G M Kelly	Non-exec	2004	40,000	-	2,922	-	42,922
	Director	2003	38,266	-	2,487	-	40,753
C Stillwell	Non-exec	2004	40,000	-	2,922	3,600	46,522
	Director	2003	38,266	-	2,487	3,444	44,197
S A Swift	Executive	2004 (iii)	225,000	100,490	28,125	51,000	404,615
(appointed 1/8/03)	Director	2003	-	-	-	-	-
S J Officer	Executive	2004 (ii)	271,224	66,616	18,169	7,833	363,842
(resigned 1/8/03)	Director	2003	375,968	50,000	26,388	57,023	509,379
A Spagnuolo	Executive	2004	115,293	153,398	28,718	30,805	328,214
	Director	2003	109,802	152,673	9,864	25,025	297,364
D L Holst	Executive	2004 (iv)	117,144	307,589	59,511	66,014	550,258
	Director	2003	111,566	410,142	40,112	58,497	620,317
Total remuneration		2004	1,070,741	628,093	146,211	170,052	2,015,097
		2003	941,786	612,815	86,312	154,321	1,795,234

- (i) Bonuses for all executive Directors are based on achievement of earnings-based targets.
- (ii) Inclusive of payment of accrued leave entitlements on resignation.
- (iii) The current employment agreement of the Managing Director has a six-month notice period and provides for payment on termination.
- (iv) The portion of the option valuation attributable to Mr D L Holst under the options scheme in note 27 is \$29,766.
- (v) Non-monetary benefits include the provision of motor vehicles and payment of Directors' and Officers' Insurance premiums.

(b) Non-executive Director retirement allowance

Directors who have served as a non-executive Director of the company for a total period of no less than five years may, at the discretion of the Board of Directors, receive a retirement allowance. The retirement allowance cannot exceed the total Directors' fees paid to the Director by the company or any subsidiary of the company during the period of three years immediately preceding the resignation, retirement or death. Shareholders approved this retirement allowance for non-executive Directors at a General Meeting in October 2002.

Notes to and Forming Part of the Accounts

(c) Remuneration policy

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Directors and executives. The committee also reviews and makes recommendations regarding senior management remuneration packages. The committee assesses the appropriateness of the nature and amount of emoluments on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality board and senior management team. Such emoluments include cash, fringe benefits such as motor vehicles, and superannuation. The Remuneration Committee links the nature and amount of emoluments to the company's financial and operational performance.

The nature of Adtrans Group is such that the executive Directors are the only senior executives who meet the definition of "specified executive" required under this disclosure.

(d) Superannuation commitments

The consolidated entity contributes to the Adtrans Group Superannuation Fund. Benefits of fund members are based on an accumulation of contributions plus income earned, minus administration expenses of the fund. Contributions to the fund are based on defined percentage contributions of fund member salaries, as set out in the Trust Deed. The consolidated entity has a legal obligation to contribute to the fund, but has the right to reduce, suspend or end its contributions to the fund as prescribed in the Trust Deed. Funds are available to satisfy all vested benefits of the fund in the event of termination of the fund or voluntary or compulsory termination of employment of each employee.

In addition to the above Adtrans Group Superannuation Fund, the consolidated entity contributed to the following accumulation funds for the superannuation guarantee charge:

	MTAA Industry Superannuation Fund ING Funds Management Australia Ltd	Jacques Martin STA Trust Account National Mutual Simple Superannuation Fund	CONSOLIDATED		PARENT ENTITY	
			2004	2003	2004	2003
			Number	Number	Number	Number
(e) Employees						
Number of full-time equivalent employees as at 30 June						
			818	738	-	-
	Note		2004	2003	2004	2003
25. Remuneration of auditors						
Amounts received, or due and receivable, for the audit and review of the financial reports of the consolidated entity by:						
Ernst & Young			125,500	117,000	11,508	16,000
Amounts received, or due and receivable, for other services (includes taxation compliance services) in relation to the consolidated entity by:						
Ernst & Young			4,678	21,000	-	-

Notes to and Forming Part of the Accounts

Note	CONSOLIDATED		PARENT ENTITY	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000

26. Related party disclosures

(a) The ownership interests of related parties in the consolidated entity are disclosed in Note 9.

(b) The following persons held the position of Director of Adtrans Group Limited during all of the past two financial years, unless otherwise stated:

G. D. Bignell
 J. H. Heard
 S. A. Swift (effective 1/8/03)
 A. Spagnuolo
 G. M. Kelly
 C. Stillwell
 D. L. Holst
 S. J. Officer (resigned 1/8/03)

(c) Balances with Director-related parties

Loans - Other (Note 13), includes Director-related loans made to the consolidated entity

	(2,298)	(3,205)	-	-
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(d) Transactions with related parties

Receivables from and payables to related parties are set out in Notes 7 and 12 of the financial report. Loans were advanced and payments received on short-term inter-company accounts. All transactions and those disclosed in Note 2 and 3 were undertaken on commercial terms and conditions, except loans between wholly-owned entities, which are non-interest-bearing.

Lease of premises (Director-related entity):

Terms and conditions: Normal commercial terms, with rents assessed by licensed valuers.

Rents paid for Mr. G. D. Bignell's properties are the average of two independent valuations by licensed valuers, one selected by the landlord and the other by the tenant. The rent paid by the consolidated entity during the current financial year was \$944,086 (2003: \$901,038).

Notes to and Forming Part of the Accounts

26. Related party disclosures (continued)

	SHARES ISSUED BY THE PARENT ENTITY		SHARES ISSUED BY CONTROLLED ENTITIES	
	2004 No.	2003 No.	2004 No.	2003 No.
(e) Share transactions of Directors and their related entities				
(1) Acquisitions				
- Ordinary shares	-	500,000	-	-
- Options	-	-	-	-
(2) Disposals				
- Ordinary shares on market	175,000	1,162,000	-	-
(3) Expired ordinary share options	525,000	-	-	-
(4) Aggregate holding				
- Ordinary shares	9,083,748	9,608,661	60,000	60,000
- Ordinary share options	525,000	1,050,000	-	-

(f) Indemnity and insurance arrangements

The consolidated entity entered into an indemnity agreement with all Directors of the Group entities named earlier in this report. Under the agreement, the consolidated entity has agreed to indemnify these Directors against claims, expenses or costs that may arise as a result of work performed in their respective capacities.

(g) Other Director transactions

The Directors of the Group, or their Director-related entities, have transactions with Group entities that occur within a normal employee or customer relationship, on terms and conditions no more favourable than those available on similar transactions to employees or customers. These transactions include the following:

- Purchase, sale and servicing of motor vehicles;
- Receipt of dividends on shares held in the parent entity and partly controlled entities;
- Salaries to a Director-related entity;
- Interest paid on moneys loaned to the Group by Directors and their Director-related entities;
- Professional fees paid to Phillips Fox, of which Mr. G. M. Kelly is a partner of \$93,773 (2003: \$26,737).

Notes to and Forming Part of the Accounts

27. Options

Options agreement

A Share Option Agreement was approved by shareholders at the Annual General Meeting held on 23 October 2001. The Share Option Agreement has the dual purpose of assisting to secure the long-term services of the company's key employees and of offering an incentive to them in a manner beneficial not only to themselves but to the shareholders of the company generally.

Exercise of options

Provided the "Performance Hurdle" as defined in the Agreement is met (see below), the options granted to each key employee are proposed to be exercisable in three tranches, as follows:

- (a) First Tranche: 175,000 options may be exercised on or after 8 October 2004 and before 30 September 2005;
- (b) Second Tranche: 175,000 options and any unexercised options from the First Tranche may be exercised on or after 8 October 2005 and before 30 September 2006; and
- (c) Third Tranche: 175,000 options and any unexercised options from the First or Second Tranches may be exercised on or after 8 October 2006 and before 30 September 2007.

Options may also be exercised upon the occurrence of an "Exercise Event" or the occurrence of a "Special Circumstance" as defined in the Agreement (see below).

Performance hurdle

The Performance Hurdle in relation to the exercise of an option will be satisfied when the market value of an ordinary share of the company at the beginning of the relevant exercise period has increased by at least 5% compounded per annum (using completed years) from the date of issue of the options. The market value will be the weighted average of the prices at which the listed ordinary shares of the company were traded on the ASX during the one-week period up to and including the day on which the options exercise period begins.

Exercise event

An Exercise Event will occur where a takeover bid (as defined under the Corporations Act 2001) has been made for the ordinary shares of the company.

Special circumstance

A Special Circumstance in relation to a key employee means the permanent disablement of the eligible person, or any other circumstance as determined by the Board.

Notes to and Forming Part of the Accounts

27. Options (continued)

Exercise price

The exercise price of an option is 95% of the weighted average of the prices at which listed ordinary shares of the company were traded on the ASX during the one-week period up to and including the day the Agreement was approved by shareholders of the company.

The weighted average price for the one-week to 23 October 2001 was \$1.91838. The exercise price is therefore \$1.82246.

		Options 2004	2003
Total number issued to employees during the year		-	-
Total market value of options issued since commencement of the agreement	(i)	\$530,656	\$530,656
Total number issued to employees since commencement of the Agreement	(ii)	1,575,000	1,575,000
Total number expired during the year	(ii)	525,000	-
Total number exercised by employees since commencement of the Agreement		-	-
Total number of employees eligible to participate in this Agreement	(ii)	2	3

(i) Options in Adtrans Group Limited are not listed. The market value of the options at issue date has been estimated using a Black-Scholes option valuation methodology as at the date of issue, modified to allow for the probability of performance hurdles being achieved.

(ii) Mr Officer's 525,000 options expired on 1 August 2003, as a result of his resignation.

28 Economic dependency

The subsidiary companies have franchise agreements with Ford Motor Company of Australia Limited, Mitsubishi Trucks Australia Pty. Ltd., Toyota Motor Corporation Australia Ltd., Hyundai Motor Company Australia Pty. Ltd., UD Oceania Pty. Ltd., Ateco Automotive Pty. Ltd., DaimlerChrysler Australia/Pacific Pty. Ltd. and Iveco Trucks Australia Ltd.

29 Impact of adopting AASB equivalents to IFRS Standards

Adtrans Group Limited has begun transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The company has allocated internal resources and engaged expert consultants to perform diagnostics and conduct impact assessments to isolate key areas that will be impacted by the transition to IFRS.

Adtrans Group Limited has a 30 June year end and priority has been given to considering the preparation of an opening Statement of Financial Position in accordance with AASB equivalents to IFRS as at 1 July 2004. This will form the basis of accounting for Australian equivalents of IFRS in the future, and is required when Adtrans prepares its first fully IFRS-compliant financial report for the year ended 30 June 2006. IFRS also requires that entities complying with IFRS for the first time also restate their comparative financial statements. This means that Adtrans Group's opening IFRS Statement of Financial Position will be a restated comparative Statement of Financial Position as at 1 July 2004.

Notes to and Forming Part of the Accounts

Set out below are the key areas where accounting policies will change and may have an impact on the financial reports of Adtrans Group. At this stage Adtrans Group has not been able to quantify reliably the impacts of these matters on the financial reports.

Goodwill

Under the Australian equivalent to IFRS 3, *Business Combinations*, goodwill will no longer be able to be amortised but instead will be subject to annual impairment testing. This will result in a change in Adtrans Group's current accounting policy which amortises goodwill over its useful life but not exceeding 20 years. Under the new policy, amortisation will no longer be charged, but goodwill will be written down to the extent it is impaired. Reliable estimation of the future financial effects of this change in accounting policy is impractical because the conditions under which impairment will be assessed are not yet known. At a minimum Adtrans Group will not record amortisation expense of \$311,000 as recorded in 2004.

Share-based payments

Under AASB 2, *Share-based payments*, Adtrans Group will be required to determine the fair value of any options issued to employees as remuneration under the option scheme and recognise an expense in the Statement of Financial Performance for the value ascribed to such options. This Standard is not limited to options but also extends to other forms of equity-based remuneration. It applies to all share-based payments issued after 7 November 2002 which have not vested as at 1 January 2005. Reliable estimation of the future financial effects of this change in accounting policy is impractical as the details of future equity-based remuneration plans are unknown. The options currently on issue by Adtrans under the option scheme are not expected to be impacted by the requirement to expense the ascribed value, as they were issued before 7 November 2002.

Income taxes

Under the Australian equivalent to IAS 12, *Income Taxes*, Adtrans Group will be required to use a balance sheet liability method to determine tax effect accounting calculation, which focuses on the tax effects of transactions and other events that affect amounts recognised in either the Statement of Financial Position or a tax-based balance sheet. The most significant impact will be the recognition of deferred tax liability in relation to the asset revaluation reserve at the date of transition, to take into account the differences between accounting and tax values of revalued properties. Previously, the capital gains tax effects of asset revaluations were not recognised, as the properties were considered integral to the business. On the basis of the current asset revaluation reserve, the impact would be to provide for capital gains tax of approximately \$1,600,000, which will be debited to the reserve. It is not expected that there will be any further material impact as a result of adoption of this standard.

Property, plant and equipment

Under AASB 116, *Property, Plant & Equipment*, Adtrans Group currently revalues its land and buildings, which are considered a class of assets, to fair value approximately every two years. Under AASB 116, revaluation increments and decrements are offset by individual assets, not by class of asset, and this may change the treatment of specific asset revaluations at the date of transition. It is not expected that there will be any further material impact as a result of adoption of this standard.

Impairment of assets

Under the Australian equivalents to IAS 36, *Impairment of Assets*, the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in Adtrans Group's current accounting policy which determines the recoverable amount of an asset on the basis of discounted cash flows. Reliable estimation of the future financial effects of this change in accounting policy is impractical because the conditions under which the impairment will be assessed are not yet known.

Acquisition accounting and business combinations

AASB 3, *Business Combinations*, has various requirements for accounting for acquisitions of businesses that differ from current practices in Australia. With regard to acquisitions undertaken by Adtrans Group before transition date of 1 July 2004, it is currently anticipated that use of the exemptions within AASB 1, *First Time Adoption of Australian Financial Reporting Pronouncements*, will be used and the acquisitions will not be restated on transition.

Adtrans Group Limited and its Controlled Entities

DIRECTORS' DECLARATION

The Directors declare that:


- (a) the financial statements and associated notes of the company and the consolidated entity comply with the accounting standards and Corporations Regulations 2001;
- (b) the financial statements and notes give a true and fair view of the financial position as at 30 June 2004 and performance of the company and consolidated entity for the year then ended; and
- (c) in the opinion of the Directors:
 - (i) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and
 - (ii) the financial statements and notes are in accordance with the Corporations Act 2001.

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

On behalf of the Directors.



G. D. Bignell
Director



S. A. Swift
Director

ADELAIDE
24 August 2004

Ernst & Young's Independent Audit Report



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91 King William Street
Adelaide SA 5000
Australia

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Adelaide SA 5001

■ Tel 61 8 8233 7111
Fax 61 8 8231 8050
DX 155 Adelaide

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 Adtrans Group Limited and the consolidated entity ("the company") for the year ended 30 June 2004. The consolidated entity comprises both the company and the entities it controlled during that year.

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

Audit approach

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

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

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

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

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

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

Independence

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

Audit opinion

In our opinion, the financial report of Adtrans Group Limited is in accordance with:

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

Ernst & Young

Mark Phelps
Partner
Adelaide
24 August 2004

Stock Exchange Information

Substantial shareholders as at 20 August 2004

The following information is extracted from substantial shareholder notices received by the company.

Shareholder	Number of ordinary shares held
G D Bignell Nominees Pty. Ltd.	7,975,632

At 20 August 2004 there were 1,939 holders of ordinary shares in the parent entity.

Distribution of shareholders as at 20 August 2004

Category	No. of shareholders
1 - 1,000	414
1,001 - 5,000	1,066
5,001 - 10,000	253
10,001 - 100,000	189
100,001 and over	17

11 shareholders held less than a marketable parcel.

Voting rights

The voting rights attaching to the ordinary shares, set out in Clause 117 of the parent entity's Constitution, are:

- On a vote by a show of hands, each member has one vote.
- On a poll, each member has one vote for each share the member holds.

20 largest shareholders as at 20 August 2004

	Shares	Percentage of capital
G D Bignell Nominees Pty Ltd	7,327,299	32.03
C P Causby Nominees Pty Ltd	871,939	3.81
Mr Alan Brian Fitzgerald & Mrs Janice Frances Fitzgerald	736,874	3.22
Mr Graeme David Bignell	600,000	2.62
Bertie Sellars Investments Pty Ltd	558,116	2.44
Milton Corporation Limited	410,000	1.79
Damelian Automobile Ltd	350,496	1.53
Kireda Pty Ltd	300,000	1.31
Mr Antimo Spagnuolo	250,000	1.09
Talbot Properties Pty Ltd	230,000	1.01
Mirambeena Pty Ltd	228,791	1.00
Leftenus Nominees Pty Ltd	200,070	0.87
Mrs Patricia Mary Lloyd & Miss Janet Teresa Ryan	185,898	0.81
Frank Hadley Pty Ltd	185,000	0.81
G G Calvert Services Pty Ltd	136,050	0.59
Mrs Bronwyn Hurst McCalden	135,000	0.59
Permanent Trustee Australia Limited	106,673	0.47
Mr Malcolm Ewart Nancarrow	103,000	0.45
DFB Nominees Pty Ltd	102,000	0.45
Big Blue One Investments Pty Ltd	100,000	0.44

The twenty largest shareholders hold 56.72 per cent of the ordinary shares of the company

Corporate Directory

Directors

Graeme D Bignell, F.A.I.C.D., Chairman
 John H Heard, F.C.A. (non-executive)
 Shaun A Swift, B. Ec, MBA
 Antimo Spagnuolo, B. Ec., M.A.I.C.D. Dip., F.C.I.S.
 G Mark Kelly (non-executive)
 Chris Stillwell, F.A.I.C.D.(non-executive)
 David L Holst

Secretary

Teresa Swinden B. Ac., CPA

Auditors

Ernst & Young
 Chartered Accountants
 91 King William Street, Adelaide SA 5000

Solicitors

Phillips Fox
 100 King William Street, Adelaide SA 5000

Bankers

National Australia Bank Ltd
 22-28 King William Street, Adelaide SA 5000

Registered office

First Floor, 4 Greenhill Road
 Wayville SA 5034

Postal address

PO Box 55, Goodwood SA 5034
 Telephone (08) 8373 1991
 Fax (08) 8373 3712

Share registry

Computershare Investor Services Pty Ltd
 Level 5, 115 Grenfell Street
 Adelaide SA 5000
 Telephone 1300 556 161
 Fax: (08) 8236 2305

Subsidiaries

Adtrans Automotive Group Pty Ltd ABN 83 007 866 917
 Stillwell Trucks Pty Ltd ABN 19 008 014 720
 Graham Cornes Motors Pty Ltd ABN 73 008 123 993
 Adtrans Trucks Pty Ltd ABN 71 008 264 935
 Adtrans Australia Pty Ltd ABN 47 008 278 171
 Adtrans Corporate Pty Ltd ABN 85 056 340 928
 Adtrans Used Pty Ltd ABN 11 074 561 514
 Adtrans Truck Centre Pty Ltd ABN 17 106 764 327

Operating Locations

Adrian Brien Automotive
 1305 South Road, St Marys SA
 Adrian Brien Service Centre,
 63 Everard Avenue, Keswick SA
 Adtrans Car Service,
 8 Emanuel Court, Melrose Park
 Adtrans Used Cars,
 1115 South Road, St Marys SA
 Austrans Truck Centre,
 198 Whitehall Street, Footscray VIC
 Austrans Truck Centre,
 2-20 Quantum Close, Dandenong
 Adtrans Truck Centre,
 Cnr Boundary/Raymond Rds, Laverton Vic
 Cornes Toyota,
 46 Belair Road, Hawthorn SA
 Cornes 4x4 Centre,
 103-107 Glen Osmond Road, Eastwood SA
 Graham Cornes Used Cars,
 35 Main North Road, Medindie SA
 Rebel Ford,
 19-21 Elizabeth Way, Elizabeth SA
 Stillwell City Service Centre,
 231 Pulteney Street, Adelaide SA
 Stillwell Daihatsu,
 25 Main North Road, Medindie SA
 Stillwell Ford,
 1-15 Main North Road, Medindie SA
 Stillwell Ford,
 414 Port Road, Hindmarsh SA
 Stillwell Ford Commercial Vehicles,
 38 Main North Road, Medindie, SA
 Stillwell Hyundai,
 26 Main North Road, Prospect SA
 Stillwell Hyundai,
 187 Bridge Road, Ingle Farm SA
 Stillwell International Trucks,
 503a South Road, Regency Park SA
 Stillwell Kia,
 17 Main North Road, Medindie SA
 Stillwell Small Car Centre,
 27 Main North Road, Medindie SA
 Stillwell Trucks,
 Cnr South Road & Aruma Street, Adelaide Regency Park SA
 Stillwell Trucks/The Truck Centre,
 20 Ashford Avenue, Milperra NSW
 The Truck Centre,
 40-44 Parramatta Road, Lidcombe NSW
 Stillwell Hyundai Service Centre,
 42 Main North Road, Prospect SA
 Stillwell Parts Warehouse,
 28 Tikalara Street, Regency Park SA

