SYMEX HOLDINGS LIMITED

ABN 29 091 035 353

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2004

FULL REPORT

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

CONTENTS

Chairman's Review	3
Directors' report	5
Statements of financial performance	14
Statements of financial position	15
Statements of cash flows	16
Notes to the financial statements	17
Directors' declaration	78
Independent audit report	79
ASX additional information	81
Corporate Governance Report	85

SYMEX HOLDINGS LIMITED
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CHAIRMAN'S REVIEW OF OPERATIONS

The year ended 30 June, 2004 has been another successful year for the Symex Group. Our company achieved enhanced sales, significant improvements in performance and profits in line with the forecast for the year.

During the year, we continued to experience organic growth in the oleo products business and in the Pental business. In addition, we acquired the Sunlight, Velvet, Lux Flakes, Softly and Knights Castile brands from Unilever and announced the acquisition of additional Unilever brands of Aim and Close-up toothpastes and the Huggie fabric softener brand. The latter acquisitions are expected to close on 30 September, 2004.

They complement our existing Pental business. The first group of brands have already contributed positively this year and the second group are expected to quickly contribute to profits.

NPAT increased by 23% to $9.1 million based on consolidated group profits from ordinary activities and before income tax increasing by 25% to $13.6 million for the 2004 year. As a result, the Board maintained dividends for the year at 6 cents per share.

Symex lifted sales volume of oleo products by 15% over the previous corresponding period and Pental contributed a profit from its first full year in the group.

Symex has opened new markets and gained new customers in traditional markets and, at Pental, costs have been reduced, soap-making capacity has been increased and export sales of soap have commenced.

These good results have been achieved despite some adverse cost factors. The results are after writing down two items of plant by a total of $ 1.3 million and some other unfavourable influences namely relative to budget: raw material costs were higher, glycerine prices were softer and the Australian dollar appreciated more than assumed in our model.

The improved capacity, reliability and performance of the upgraded Port Melbourne plant allowed the old Emersol plant to be fully written off and the old bag-filling station has been replaced with a significantly more efficient machine.

The Board would like to congratulate Mike Newton, his management and all the group's employees at Symex Port Melbourne and Pental in Shepparton on a good year. We are confident the commitment and expertise of the team will maintain the good operational performance.

The year also saw further strengthening of the Board. As anticipated in last year's Report, Mr. Alan Johnstone joined the Board. Mr. Johnstone has been a valuable contributor to the Board. He has very significant retail experience as Chairman and Managing Director of Penfold Motors and Chairman of "Intimo" Clothing Company. Mr. Johnstone is also a substantial shareholder in the company.

In addition, Mr. John Rishworth has recently agreed to join the Board. Mr Rishworth has more than forty years experience selling, marketing, and consulting to Major Australian and international companies encompassing: wholesale, retail grocery, mass merchandise, pharmacy, hardware, and food services sectors. He has the skills and business acumen which the board believes will complement the existing skill set of the Board. We warmly welcome Mr Rishworth and are sure that he will make a strong contribution to the company.

CHAIRMAN'S REVIEW OF OPERATIONS

During the year, the Board completed its review of the application of the ASX Corporate Governance Guidelines to the group and the results are summarised in this Annual Report. We believe that this process has been beneficial.

In the year ahead, based on the current business structure, the Board and management expect further improvements in sales and assuming current raw material prices, glycerine prices and no less favourable exchange rates, we expect to see profits at a similar level for the current year.

In the current year, the Board will concentrate on further improvement in the performance of the group's core businesses evaluate opportunities to grow offshore markets for both our oleo products and our personal hygiene lines, further enhance the focus on risk management and continue to look for strategic acquisitions which complement the existing businesses, capitalise on the company's skill set which will all be earnings accretive. In a sense, the last two years have been transition years and the Board believes that they provide a sound base for careful growth in the future.

We thank Symex shareholders for their continuing support.

Alan Stockdale,
Chairman

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

DIRECTORS' REPORT

The directors present their report together with the financial report of Symex Holdings Limited ("the Company") and of the consolidated entity, being the Company and its controlled entity, for the year ended 30 June 2004 and the auditor's report thereon.

Directors

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

Name & qualifications	**Age**	***Experience and special responsibilities***
Mr Alan Stockdale L.L.B, B.A. Non-Executive Chairman	59	Chairman of Axon Instruments Inc. Former Treasurer of the State of Victoria and the world's first Minister for Information Technology and Multimedia. Executive Director of Macquarie Bank Ltd – Head of Investor and External relations for Macquarie Infrastructure Group. Appointed Chairman effective on 18 February 2000.
Mr Mike Newton B. App Sc Managing Director	50	Comprehensive knowledge of all manufacturing and technical aspects of the business with over 28 years experience in both Australia and overseas. Extensive knowledge of global markets, customers, sales agents and distributors. Appointed Managing Director on 23 December 1999.
Mr Mark Evans B.Bus (Acc), ASIA Non-Executive Director	38	Managing director of Kids Campus Limited. Wide experience in the corporate advisory field including IPO's, mergers, acquisitions and all aspects of capital raising. Appointed Director on 23 December 1999.
Mr Peter Robinson B.Eco (Mon) Non-Executive Director	61	Mr Robinson has a wealth of experience in the manufacturing sector within Australia and internationally. He is currently Chief Executive of ACI Packaging Group and Vice President of Owens-Illinois, Inc, the parent company of ACI Packaging Group. His previous roles include senior executive positions with BTR Nylex Limited and its parent company BTR Plc, and General Manager of Bowater Scott. Appointed Director on 29 November 2002.

Directors (Continued)

Name & qualifications	**Age**	*Experience and special responsibilities*
Mr Alan Johnstone Non-Executive Director	64	Mr. Johnstone has extensive experience in retailing and is the founder and Managing Director of the Penfold Motors Group which is one of the largest car retailers in Victoria. He is also Chairman of the "Intimo" Clothing Company. Appointed Director 3rd September 2003.

Secretary

Name & qualifications	**Age**	*Experience and special responsibilities*
Mr Oliver Carton B Juris LLB Company Secretary	40	Mr Carton is an experienced company secretary and is currently company secretary of a number of listed and unlisted companies, ranging from Symex Holdings Limited to the not for profit Melbourne Symphony Orchestra Pty Ltd. Mr Carton is a qualified lawyer with over 15 years experience in a variety of corporate roles. He currently runs his own consulting business, and was previously a Director of the Chartered Accounting firm KPMG where he ran its Corporate Secretarial Group. Prior to that, he was a senior legal officer with ASIC.

Directors' meetings

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

Director	**Board Meetings**		**Audit Committee Meetings**	
	A	B	A	B
Mr A Stockdale	10	11	2	2
Mr M Newton	11	11	2	2
Mr M Evans	10	11	2	2
Mr P Robinson	9	11	-	-
Mr A Johnstone	8	9	-	-

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

DIRECTORS' REPORT

Principal activities

The principal activities of the consolidated entity during the course of the financial year were the manufacture and distribution of Oleo products, glycerine and personal care products. There were no significant changes in the nature of the activities of the consolidated entity during the year, other than the acquisition of additional personal care and garment cleaning branded products acquired from Unilever. The transfer was completed by March 2004.

Review and results of operations

The consolidated entity has achieved a net profit after tax (NPAT) for the 12 months ended 30 June 2004 of $9.05 million, an increase of 24 percent from the 2002/3 result. This result is in line with the forecast made in the half year announcement on 20 February 2004.

The context of this result is:-

- The acquisition of the Unilever brands has had a positive impact;
- After plant write downs of $1.3 million;
- Raw material prices were higher than budgeted;
- Glycerine prices were softer than forecast;
- The adverse movement of the Australian dollar caused greater margin pressure then forecast.

Consolidated profits from ordinary activities before income tax increased by 21 percent from $10.9 million in FY2003 to $13.2 million in FY2004.

Symex Port Melbourne has developed new markets, and new customers in existing markets for its Oleo products to grow sales volume by 15 percent over the previous corresponding financial year.

In it's first full year within the Group, Pental Products Pty. Ltd. has contributed positively to the Group. Significant progress in reducing costs and expanding soap making capacity has been made. Export sales of soap have commenced and a small increase in this area has been assumed for the next 6 months. Completion of the acquisition of the five brands from Unilever – Sunlight, Velvet, Lux Flakes, Softly, and Knights Castile - was finalised in late February and these product lines have been integrated into the Pental business.

DIRECTORS' REPORT

Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

Type	Cents per share	Total amount $'000	Franked/ Unfranked	Date of payment
■ As proposed and provided for in last year's report:				
- Final – ordinary shares (paid)	4.0	3,779	Fully Franked	13 September 2003
■ In respect of the current financial year:				
- Interim – ordinary shares (paid)	2.0	1,895	Fully Franked	20 April 2004

Subsequent to the end of the financial year, the Directors declared a final fully franked dividend of 4 cents per share.

All the dividends paid or declared by the Company since the end of the previous financial year were 100% franked.

State of affairs

Significant changes in the state of affairs of the consolidated entity that occurred during the financial year were as follows:

- Alan Johnstone was appointed as a director on 3 September 2003.
- During the financial year the Company acquired the five branded products for the Australasian market; Sunlight, Velvet, Lux Flakes, Knights Castile and Softly from Unilever. These icon brands have been integrated into the Pental stable of products which include Country Life and Natural Selections soap varieties.

Environmental regulation

The consolidated entity's operations are subject to significant environmental legislation under State legislation in relation to its manufacturing operations. Licenses and agreements relevant to the environmental performance of its operations are held with South East Water Limited, the Environment Protection Authority and the WorkCover Authority.

DIRECTORS' REPORT

Environmental regulation (continued)

Environmental management

The consolidated entity is committed to achieving a high standard of environmental performance. It has established an Environmental Improvement Plan Committee (EIP) in conjunction with the Environment Protection Authority (EPA), local residential and industrial communities. This has been operational for the past nine (9) years. This committee is responsible for the regular monitoring of environmental compliance with environmental regulations and internal business targets.

As part of this process, the committee is responsible for:

- Setting and communicating environmental objectives and quantified targets.
- Monitoring progress against these objectives and targets.
- Implementing environmental management plans in operating areas which may have a significant environmental impact.
- Identifying where remedial actions are required and implementing action plans.
- Regular monitoring of license requirements, with performance against license conditions reported to the various State regulators on a regular basis.

To ensure that all environmental responsibilities are met, an EIP meeting is held each quarter and performance reported on a regular basis as part of the site Management Group. Environmental performance is reported to the Board as required.

Performance against compliance requirements

Compliance with the requirements of environmental regulations and with specific requirements of site environmental licences was achieved with no instances of non-compliance in relation to licence requirements noted.

Events subsequent to balance date

Other than as outlined below, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years.

The Unilever oral care brands of Aim and Close-Up and its Huggie fabric softener were acquired, on 10 August 2004, for the markets in Australia, New Zealand and the Pacific Islands.

Likely developments

The consolidated entity's strategy is continued organic growth and growth through acquisition in the areas of oleo products, personal products and homecare products.

Directors' and senior executives' emoluments

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that the remuneration is competitive in attracting, retaining and motivating people of the highest quality.

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

DIRECTORS' REPORT

Executive directors and senior executives may receive bonuses based on the achievement of specific goals related to the performance of the consolidated entity. Options may also be issued under the Option Incentive Plan. Shareholder approval is required before options are issued to directors.

Directors' and senior executives' emoluments (continued)

Details of the nature and amount of each major element of the emoluments of each director of the Company and each of the named officers of the Company and the consolidated entity receiving the highest emolument are:

	Base emolument $	Bonuses $	Non-cash benefits $	Super contributions $	Options issued (A) $	Total $
Directors						
Non-executive						
Alan Stockdale	100,000	-	1,836	9,000	-	110,836
Mark Evans	44,000	-	1,836	-	-	45,835
Peter Robinson	40,000	-	1,836	-	-	41,836
Alan Johnstone	33,333	-	1,836	-	-	35,169
Executive						
Mike Newton	286,583	-	27,444	43,222	-	357,249
Executive officers (excluding directors)						
Angus Thompson	158,520	-	26,078	17,667	18,844	221,109
Chris Lovejoy	107,352	2,275	24,855	16,107	-	150,589
Cosi Papallo	144,854	-	20,148	15,300	14,224	194,526

(A) All options expire during the period up 31 December 2008 and each option entitles the holder to purchase one ordinary share in the Company. The estimated value disclosed above is calculated at approximately the date of grant using the Black Scholes and Binomial Models. Further details of options are set out below.

DIRECTORS' REPORT

Options

During or since the end of the financial year, the Company granted 1,675,000 options to employees of the consolidated entity.

Further details of options are set out below.

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number of shares
18 July 2010	$1.24	1,325,000
31 December 2008	$1.10	150,000
31 December 2007	$0.80	150,000
31 December 2007	$0.81	100,000
31 December 2007	$0.82	100,000
31 December 2005	$0.75	591,666
31 December 2005	$1.00	350,000
31 December 2005	$1.40	50,000
31 October 2004	$2.00	166,667
31 October 2004	$2.25	166,667
31 October 2004	$2.50	166,666

Options vest on a one third basis each 12 months following grant. Options must be exercised within 3 years of vesting. The date shown above represents the last expiry date of options.

DIRECTORS' REPORT

Options (continued)

All options expire on the earlier of their expiry date or termination of the employee's employment.

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options as follows:

Number of shares	Amount paid on each share	Market value of shares on date of exercise
100,000	$0.75	$1.35
10,000	$0.75	$1.11

There were no amounts unpaid on the shares issued.

Directors' interests

The relevant interest of each director in the shares and options over shares issued by the Company, as notified by the directors to the Australian Stock Exchange in accordance with S205G (1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares
Alan Stockdale	2,000,000	500,000
Mike Newton	7,440,001	400,000
Mark Evans	877,500	300,000
Peter Robinson	154,520	-
Alan Johnson	9,873,268	-

DIRECTORS' REPORT

Indemnification and insurance of officers and auditors

The Company has entered into a Deed with each of the directors under which the Company agrees to indemnify each director for any liability and loss (including legal costs) incurred by the director as an officer of the Company. The indemnity does not cover losses arising out of conduct on the part of the director that involves a lack of good faith or which is contrary to express Company instructions.

Since the end of the previous financial year, the Company has arranged to pay insurance premiums of $32,760 in respect of Directors' and Officers' liability insurance contracts for current and former officers. The insurance premiums were paid in respect of a contract insuring all directors and officers against the possibility of :

- Claims made against individual Directors and Officers personally, alleging loss caused by wrongful acts in the management of the company; and

- Costs and expenses incurred by Directors and Officers for successfully defending claims.

The premiums paid were in respect of the following past and present directors and officers of the company:

  - Alan Stockdale, Mike Newton, Mark Evans, Peter Robinson, Alan Johnstone and Oliver Carton (Company Secretary)

The Company's insurance policy does not separately disclose details of the premiums paid in respect of individual officers of the Company.

In addition, the Company has not entered into any agreement to indemnify the auditors against any claims by third parties.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed at Melbourne in accordance with a resolution of the directors:

ORIGINAL SIGNED BY MIKE NEWTON

____
Director

Dated 19 August 2004

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

		Consolidated		The Company	
	Note	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Revenue from sale of goods	3	118,402	87,513	92,260	81,776
Other revenues from ordinary activities	3	611	11,147	519	11,136
Total revenue	3	119,013	98,660	92,779	92,912
Changes in inventories of finished goods and work in progress		(1,178)	4,185	(2,287)	4,541
Raw materials, finished goods purchases and consumables used		(59,175)	(51,273)	(50,353)	(48,354)
Employee expenses		(13,198)	(9,559)	(9,099)	(8,435)
Depreciation and amortisation expenses	4(b)	(2,457)	(1,637)	(1,079)	(1,066)
Carrying amount of listed shares sold		-	(9,328)	-	(9,328)
Borrowing costs	4(b)	(2,729)	(1,006)	(2,484)	(996)
Utility costs		(7,189)	(2,895)	(4,496)	(4,422)
Freight and distribution expenses		(8,029)	(7,535)	(6,632)	(7,296)
Repairs and maintenance expenses		(2,028)	(1,608)	(914)	(1,513)
Plant write off		(1,313)	(860)	(313)	(641)
Other expenses from ordinary activities		(8,507)	(6,222)	(5,241)	(5,232)
Profit from ordinary activities before abnormal items and related income tax expense		13,210	10,922	9,881	10,170
Income tax (expense)/benefit relating to ordinary activities	6	(4,159)	(3,609)	(2,899)	(3,190)
Profit from ordinary activities after abnormal items and related income tax expense	22	9,051	7,313	6,982	6,980
Net profit		9,051	7,313	6,982	6,980
Net profit attributable to members of the parent entity and total changes to equity from non-owner related transactions attributable to the members of the parent entity	22	9,051	7,313	6,982	6,980
Basic earnings per share: Ordinary shares	7	$0.096	$0.078		
Diluted earnings per share: Ordinary shares	7	$0.095	$0.077		

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

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2004

		Consolidated		The Company	
	Note	2004 $'000	2003 $'000	2004 $'000	2003 $'000
CURRENT ASSETS					
Cash assets	9	5,277	4,461	3,833	3,680
Receivables	10	21,368	16,579	13,307	11,770
Net receivable on forward foreign exchange contracts	11	5,980	7,146	5,972	7,146
Inventories	13	9,981	10,662	6,342	8,239
Property, plant and equipment	15	1,750	2,750	-	-
Other	14	592	502	582	453
Total current assets		44,948	42,100	30,036	31,288
NON-CURRENT ASSETS					
Receivables	10	-	-	34,645	22,960
Net receivable on forward foreign exchange contracts	11	3,387	10,720	3,387	10,720
Other financial assets	12	-	-	668	668
Deferred tax assets	6(d)	944	1,113	944	918
Property, plant and equipment	15	38,332	36,723	25,828	25,721
Intangibles	16	24,637	13,912	-	-
Total non-current assets		67,300	62,468	65,472	60,987
Total assets		112,248	104,568	95,508	92,275
CURRENT LIABILITIES					
Payables	17	11,045	10,393	6,911	7,574
Interest-bearing liabilities	19	14,538	16,379	10,475	14,879
Current tax liabilities	6(b)	725	1,196	725	860
Provisions	20	2,883	1,817	2,399	1,439
Deferred foreign currency hedge exchange differences and costs	18	3,230	6,152	3,222	6,152
Total current liabilities		32,421	35,937	23,732	30,904
NON-CURRENT LIABILITIES					
Interest-bearing liabilities	19	30,737	16,557	30,458	16,557
Provisions	20	143	246	64	169
Deferred tax liabilities	6(c)	4,018	3,026	4,018	1,467
Deferred foreign currency hedge exchange differences and costs	18	3,387	10,720	3,387	10,720
Total non-current liabilities		38,285	30,549	37,927	28,913
Total liabilities		70,706	66,486	61,659	59,817
Net assets		41,542	38,082	33,849	32,458
EQUITY					
Contributed equity	21	16,829	16,746	16,829	16,746
Retained profits	22	24,713	21,336	17,020	15,712
Total equity and parent entity interest		41,542	38,082	33,849	32,458

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

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004

		Consolidated		The Company	
		2004	**2003**	**2004**	**2003**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts in the course of operations		131,401	96,846	102,887	83,938
Cash payments in the course of operations		(116,042)	(89,673)	(90,474)	(76,257)
Interest received	3	11	180	11	169
Borrowing costs paid	4	(2,729)	(1,006)	(2,484)	(996)
Income tax paid	6(b)	(3,522)	(3,507)	(2,741)	(3,327)
Income tax refunded	6(b)	53	1,660	-	1,660
Net cash provided by operating activities	27(b)	9,172	4,500	7,199	5,187
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment	3	-	5	-	5
Payments for property, plant and equipment	15	(3,709)	(3,501)	(1,499)	(2,900)
Proceeds from sale of investments	3	-	9,897	-	9,897
Payments for intangibles		(11,395)	-	-	-
Payment for controlled entity (net of cash acquired)		-	(21,828)	-	(668)
Net cash provided by /(used in) investing activities		(15,104)	(15,427)	(1,499)	6,334
CASH FLOWS FROM FINANCING ACTIVITIES					
Loan provided to controlled entity		-	-	(14,238)	(22,268)
Repayments of loans by controlled entity		-	-	4,785	632
Proceeds from borrowings		19,036	29,701	16,179	28,201
Dividends paid	23	(5,674)	(5,653)	(5,674)	(5,653)
Repayment of borrowings		(6,697)	(13,529)	(6,682)	(13,529)
Proceeds from the issue of shares	21	83	267	83	267
Net cash provided by/(used in) financing activities		6,748	10,786	(5,547)	(12,350)
Net increase /(decrease) in cash held		816	(141)	153	(829)
Cash at the beginning of the financial period	27(a)	4,461	4,602	3,680	4,509
Cash at the end of the financial period	27(a)	5,277	4,461	3,833	3,680

The statements of cash flows are to be read in conjunction with the accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy as set out in Note 2, are consistent with those of the previous year.

(b) Principles of consolidation

Controlled entities

The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

Transactions eliminated on consolidation

Unrealised gains and losses and inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

(c) Revenue recognition – (Note 3)

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods and services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, rebates, discounts and allowances) when control of the goods passes to the customer.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Revenue recognition –(Note 3) (Continued)

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Any related balance in the asset revaluation reserve is transferred to the capital profits reserve on disposal.

Comparatives

The comparative sales have been adjusted to remove the effects of foreign currency hedging gains and losses in line with accounting standards.

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the relevant taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the relevant taxation authorities is included as a current asset or liability in the statement of financial position.

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

(e) Foreign currency

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at reporting date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change, except where hedging specific anticipated transactions.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Derivatives

The consolidated entity is exposed to changes in foreign exchange rates from its activities. The consolidated entity uses forward foreign exchange contracts to hedge these risks. Derivative financial instruments are not held for speculative purposes.

Hedges

Anticipated transactions

Where hedge transactions are designated as a hedge of the anticipated specific purchase or sale of goods or services, purchase of qualifying assets, or an anticipated interest transaction, gains and losses on the hedge arising up to the date of the anticipated transaction, together with any costs or gains arising at the time of entering into the hedge, are deferred and included in the measurement of the anticipated transaction when the transaction has occurred as designated. Any gains or losses on the hedge transaction after that date are included in the statement of financial performance.

The net amounts receivable or payable under forward foreign exchange contracts and the associated deferred gains or losses are recorded on the statement of financial position from the date of inception of the hedge transaction. The net receivables or payables are revalued using the foreign currency current at reporting date. Refer to Note 24.

When the anticipated transaction is no longer expected to occur as designated, the deferred gains and losses relating to the hedged transaction are recognised immediately in the statement of financial performance.

Where a hedge transaction is terminated early and the anticipated transaction is still expected to occur as designated, the deferred gains and losses that arose on the hedge prior to its termination continue to be deferred and are included in the measurement of the purchase or sale or interest transaction when it occurs. Where a hedge transaction is terminated early because the anticipated transaction is no longer expected to occur as designated, deferred gains and losses that arose on the hedge prior to its termination are included in the statement of financial performance for the period.

Where a hedge is redesignated as a hedge of another transaction, gains and losses arising on the hedge prior to its redesignation are only deferred where the original anticipated transaction is still expected to occur as designated. When the original anticipated transaction is no longer expected to occur as designated, any gains or losses relating to the hedge instrument are included in the statement of financial performance for the period.

Gains and losses that arise prior to and upon the maturity of transactions entered into under hedge rollover strategies are deferred and included in the measurement of the hedged anticipated transaction if the transaction is still expected to occur as designated. If the anticipated transaction is no longer expected to occur as designated, the gains and losses are recognised immediately in the statement of financial performance.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Derivatives (Continued)

Other hedges

All other hedge transactions are initially recorded at the relevant rate at the date of the transaction. Hedges outstanding at balance date are valued at the rates ruling on that date and any gains or losses are brought to account in the statement of financial performance. Costs or gains arising at the time of entering into the hedge are deferred and amortised over the life of the hedge.

(g) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings, foreign exchange differences net of hedged amounts on borrowings, including trade creditors and lease finance charges.

Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

(h) Taxation – (Note 6)

The consolidated entity adopts the income statement liability method of tax effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effects of capital losses are not recorded unless realisation is virtually certain.

The company and its wholly-owned subsidiaries are Australian resident entities and are eligible to consolidate for tax purposes under this legislation and have elected to be taxed as part of a single economic group from 1 July 2003. The implementation of the tax consolidation system has not yet been formally notified to the Australian taxation office. The head entity within the tax consolidated group for the purposes of the tax consolidation system is Symex Holdings Limited.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Taxation (Continued)

Entities within the tax-consolidated group have entered into a tax-sharing agreement with the head entity. Under the terms of this agreement, Symex Holdings Limited and each of the wholly owned entities in the tax consolidated group have agreed to recognise a liability to or from the head entity, based on the taxable profit or loss of the entity and the current tax rate. Such amounts are reflected in amounts receivable from or payable to other entities in the tax consolidated group.

(i) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, after excluding any costs of servicing equity (other than ordinary shares and converting preference shares classified as ordinary shares for EPS calculation purposes), by the weighted average number of ordinary shares of the Company, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and the dilutive potential ordinary shares adjusted for any bonus issue.

(j) Acquisitions of assets

All assets acquired including property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value, except where the notional price at which they could be placed in the market is a better indication of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity subject to the extent of proceeds received, otherwise expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the consolidated entity if a similar borrowing were obtained from an independent financier under comparable terms and conditions. The unwinding of the discount is treated as interest expense.

The costs of assets constructed or internally generated by the consolidated entity, other than goodwill, include the cost of materials and direct labour. Directly attributable overheads and other incidental costs are also capitalised to the asset. Borrowing costs are capitalised to qualifying assets as set out in Note 1(g).

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Acquisitions of assets (Continued)

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Subsequent additional costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the consolidated entity in future years. Costs that do not meet the criteria for capitalisation are expensed as incurred.

(k) Receivables – (Note 10)

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

Trade debtors

Trade debtors to be settled within 60 days are carried at amounts due.

(l) Inventories – (Note 13)

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

Cost includes direct materials, direct labour, other direct variable costs and allocated production overheads necessary to bring inventories to their present location and condition, based on normal operating capacity of the production facilities.

Manufacturing activities

The cost of manufacturing inventories and work-in-progress are assigned on a first-in first-out basis. Costs arising from exceptional wastage are expensed as incurred.

Net realisable value

Net realisable value is determined on the basis of each inventory line's normal selling pattern. Expenses of marketing, selling and distribution to customers are estimated and are deducted to establish net realisable value.

(m) Investments – Note 12

Controlled entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount. Refer to Note 1(p).

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leased assets

Leases under which the Company and its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Linked transactions involving the legal form of a lease are accounted for as one transaction when the series of transactions are negotiated as one, take place concurrently or in sequence or cannot be understood economically alone.

Linked transactions are not considered leases where the consolidated entity retains all risks and rewards of ownership and enjoys substantially the same benefits as before the arrangement, the primary purpose of the transactions are not to convey the right to the asset or an option exists, with terms making exercise almost certain. Where lease accounting is not applicable, assets are recognised only when they are controlled, future benefits are probable and they can be reliably measured. Liabilities are recognised only when a present obligation exists, it is probable sacrifice of resources will be required and it is capable of reliable measurement.

Finance leases

Finance leases are capitalised. A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

Operating leases

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

(o) Intangible assets

Goodwill

Goodwill represents the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired.

Pental brand names

The Pental brand names are not amortised as the Directors believe the lives of these assets to be unlimited at this point in time. The brand names have an unlimited legal life and based on industry experience, it is extremely rare for leading brand names to become commercially or technically obsolete.

The carrying amounts of the brand names are reviewed at the end of each accounting period in accordance with the policy set out in Note 1(p).

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Recoverable amount of non-current assets valued on cost basis

The carrying amount of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

Current valuations for land and buildings valued on the cost basis are carried out at least once every three years.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, unless otherwise stated.

(q) Revaluations of non-current assets

Classes of non-current assets measured at fair value are revalued with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from the fair value at reporting date. Independent valuations are obtained at least every three years. Revaluation increments, on a class of assets basis, are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Potential capital gains tax is only taken into account if the asset is held for sale.

(r) Depreciation and amortisation

Complex assets

The components of major assets that have materially different useful lives, are effectively accounted for as separate assets, and are separately depreciated.

Useful lives

All assets, including intangibles, other than the Pental brand names, have limited useful lives and are depreciated using the straight line method over their estimated useful lives.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed except to the extent that it is included in the carrying amount of another asset as an allocation of production overheads.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Depreciation and amortisation (Continued)

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

	2004	2003
Plant and machinery (excluding turbines):		
- Computers and software	20-25%	20-25%
- Other	5%	5%
Turbines (held for resale)	-	-
Tanks and Buildings	2.5%	2.5%
Intangibles:		
- Goodwill	20 years	20 years
- Pental brand names	-	-

(s) Payables – Note 17

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

(t) Interest bearing liabilities – Note 19

Bank loans are recognised at their principal amount, subject to set-off arrangements. Interest expense is accrued at the contracted rate and included in "Sundry accruals".

(u) Employee benefits – Note 28

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs.

Non-accumulating non-monetary benefits, such as interest free loans, are expensed based on the net marginal cost to the consolidated entity as the benefits are taken by the employees.

Long service leave

The provision for employee benefits to long service leave represents the value of the estimated future cash outflows to be made resulting from employees' services provided to balance date.

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on staff turnover history.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Employee benefits – Note 28 (Continued)

Employee share and option plans

Where shares or options are issued to employees, including directors, as remuneration for past services, the difference between fair value of the shares or options issued and the consideration received, if any, from the employee is expensed. The fair value of the shares or options is recorded in contributed equity.

Other shares or options issued to employees, including directors, are recorded in contributed equity at the fair value of consideration received, if any.

Transactions costs associated with issuing shares and options are recognised in equity subject to the extent of the proceeds received, otherwise expensed. Other administrative costs are expensed.

Superannuation plan

The Company and its controlled entities contribute to several defined contribution superannuation plans and the Company contributes to one defined benefit employee superannuation plan. Contributions are recognised as an expense as they are made. Further information is set out in Note 28.

(v) Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, being risk free rates on government bonds most closely matching the expected future payments, except where noted below. The unwinding of the discount is treated as part of the expense related to the particular provision.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the recovery receivable is recognised as an asset when it is probable that the recovery will be received and is measured on a basis consistent with the measurement of the related provision.

In the statement of financial performance, the expense recognised in respect of a provision is presented net of the recovery. In the statement of financial position, the provision is recognised net of the recovery receivable only when the entity:

- has a legally restructured right to set-off the recovery receivable and the provision, and
- intends to settle on a net basis, or to realise the asset and settle the provision simultaneously.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Provisions (Continued)

Dividends

A provision for dividends payable is recognised in the reporting period in which the dividends are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

(w) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective of financial years commencing on or after 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The management of the consolidated entity are currently undertaking a review and comparison of current and future requirements of IFRS. The directors are of the opinion that the key differences in the economic entity's accounting policies which will arise from the adoption of IFRS are as follows.

Share-Based Payments

The group does not currently recognise an expense for options issued to staff under it’s existing Employee Options Share Scheme. On adoption of Australian equivalents to IFRSs, the group will recognise an expense for all share-based remuneration, including options, and will amortise those expenses over the relevant vesting periods. This will result in additional expenses being recorded and therefore lower earnings. There will be an initial negative impact on opening balances of retained earnings at 1 July 2004 when retrospective adjustments are made for options that have not vested by 1 July 2004.

Goodwill

Goodwill acquired in a business combination, such as the group’s acquisition of Pental Products Pty Ltd, will not require amortisation, but instead be subject to impairment testing at least annually. If there is any impairment, it will be recognised immediately in the statement of financial performance. This will result in lower amortisation expenses, and therefore higher earnings on an annual basis, but increased volatility of results in the event of impairment.

Impairment of Assets

Under Australian equivalents to IFRSs, the group will be required to determine the recoverable amount of assets such as Brands, as the higher of fair value less costs to sell and value in use (which is determined using discounted cash flows). It is likely that this change in policy and basis for calculation will lead to more impairment losses being recognised and therefore greater volatility in future earnings. It is also likely that when discounting is initially applied on transition at 1 July 2004, impairment losses may need to be recognised on a large number of assets, resulting in a negative impact on opening balances of retained earnings at that date.

(w) Adoption of Australian Equivalents to International Financial Reporting Standards (continued)

Hedging

Under Australian equivalents to IFRSs, foreign currency hedges, will continue to be recognised in the Statement of Financial Position at fair value, but with unrealised gains and losses recognised in income if they do not qualify for hedge accounting. This may result in new an alteration to the carrying value of hedges as at 1 July 2004, with the difference taken to opening retained earnings, and may increase the volatility in future earnings. All derivatives contracts, whether used as hedging instruments or otherwise, will be carried at fair value on the group's statement of financial position.

Taxation

A "balance sheet" approach will be adopted under Australian equivalents to IFRSs, replacing the "statement of financial performance" approach currently used by Australian companies. The "balance sheet" method recognises deferred tax balances when there is a difference between the carrying value of an asset or liability, and its tax base. Any initial adjustments to calculate deferred tax assets and liability balances on transition using the new basis will be made through opening balances of retained earnings at 1 July 2004. Deferred tax asset and liability balances at 1 July 2004 can only be calculated once all other opening balance sheet amounts at have been finalised at that date.

Post Employment Benefits

The group does not currently recognise an asset or liability for the net position on employer-sponsored defined benefit superannuation schemes. On adoption of Australian equivalents to IFRSs, the group will recognise the net position of each scheme in the statement of financial position, with a corresponding entry to the statement of financial performance. The initial adjustment will be made retrospectively against opening balances of retained earnings as at 1 July 2004, and will be based on valuations of each scheme made at that date in accordance with the standard AASB 119 Employee Benefits. After the transitional adjustment, further movements in the net position of each scheme will be recognised in the statement of financial performance resulting in increased volatility of future earnings.

2. CHANGE IN ACCOUNTING POLICIES

(a) Provisions and contingent liabilities

The consolidated entity has applied AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" for the first time from 1 July 2002.

Dividends are now recognised at the time they are declared, determined or publicly recommended. Previously, final dividends were recognised in the financial year to which they related, even though the dividends were announced after the end of that financial year.

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

2. CHANGE IN ACCOUNTING POLICIES (Continued)

Pro forma restatement of retained profits and provision for dividends

The pro forma restatement of retained profits and provision for dividends below show the information that would have been disclosed had the new accounting policies disclosed in this note always been applied.

	Consolidated		The Company	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**
(b) Provisions and contingent liabilities (Continued)				
Restatement of retained profits				
Reported retained profits at the end of the previous year	21,336	15,912	15,712	10,621
Increase/(decrease) in retained profits due to a change in accounting policy on adoption of:				
AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets"	-	3,764	-	3,764
Restated retained profits at the beginning of the year	-	19,676	-	14,385
Net profit attributable to members of the parent entity	9,051	7,313	6,982	6,980
Dividends recognised during the year	(5,674)	(5,653)	(5,674)	(5,653)
Restated retained profits at end of year	24,713	21,336	17,020	15,712

	Consolidated		The Company	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**

3. REVENUE FROM ORDINARY ACTIVITIES

Sale of goods revenue from operating activities	118,402	87,513	92,260	81,776
Other revenues:				
From operating activities				
Interest:				
Other parties	11	180	11	169
Net foreign exchange gain	-	994	-	994
From outside operating activities				
Rental income	132	71	95	71
Gross proceeds from sale of non-current assets	-	5	-	5
Gross proceeds from sale of investments in other entities	-	9,897	-	9,897
Other income	468	-	413	-
Total other revenues	611	11,147	519	11,136
Total revenue from ordinary activities	119,013	98,660	92,779	92,912

4. PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE

(a) Individually significant expenses/(revenues) included in profit from ordinary activities before income tax expense

Write down of:				
- Flaking plant	313	-	313	-
- Emersol plant	-	641	-	641
- Co-Generation gas turbines	1,000	219	-	-
	1,313	860	313	641
Gross proceeds on disposal of investments in listed entities	-	(9,897)	-	(9,897)
Less: Carrying value of investments, including transaction costs	-	9,372	-	9,372
Net (gain)/loss	-	(525)	-	(525)

	Consolidated		The Company	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
4. PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE (Continued)				
(b) Profit from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:				
Cost of sales	60,353	47,702	52,640	43,813
Borrowing costs:				
Other parties				
- bank loans	2,729	1,006	2,484	996
Depreciation of:				
Tanks and buildings	90	45	44	45
Plant and equipment	1,697	1,492	1,035	1,021
	1,787	1,537	1,079	1,066
Amortisation of:				
Goodwill	670	100	-	-
Total depreciation and amortisation	2,457	1,637	1,079	1,066
Write down in value of plant and equipment to recoverable amount	1,313	860	313	641
Net bad and doubtful debts expense including movements in provision for doubtful debts	(120)	53	(120)	53
Net (gain)/loss on disposal of non-current assets:				
Plant and equipment	313	(1)	313	(1)

	Consolidated		The Company	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**
4. PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE (Continued)				
(b) Profit from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items (Continued):				
Net (gain)/loss on disposal of investments in other entities:				
Listed shares at cost	-	(525)	-	(525)
Net expense from movements in provision for:				
Employee benefits	724	502	587	76
Stock obsolescence	(15)	16	-	-
Net foreign exchange gain /(loss) (i)	(1,360)	994	(1,377)	994
Operating lease rental expense:				
Minimum lease payments	106	143	81	143

(i) The net foreign exchange loss in the 2004 financial year is negated by significant currency fluctuation gains achieved under existing hedge contracts utilised during the financial year and recognised as sales revenue under applicable accounting standards.

	Consolidated 2004 $'000	Consolidated 2003 $'000	The Company 2004 $'000	The Company 2003 $'000
5. AUDITORS' REMUNERATION				
Auditors of the parent entity:				
Audit and review of the financial reports	58	-	28	-
Other Services	6	-	6	-
	64	-	34	-
Previous Auditors:				
Audit and review of the financial reports	66	88	46	59
Other services	18	79	18	75
	84	167	64	134

	Consolidated		The Company	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
6. TAXATION				
(a) Income tax expense				
Prima facie income tax expense calculated at 30% (2003: 30%) on the profit from ordinary activities	3,963	3,277	2,964	3,052
Increase/(decrease) in income tax expense due to:				
Depreciation on revalued property, plant & equipment not deductible for tax	193	288	133	214
Research and development allowance	(115)	(15)	(116)	(15)
Goodwill amortisation	191	30	-	-
Sundry items	7	15	6	18
Income tax under/(over) provision in prior year	(80)	14	(88)	(79)
Income tax expense attributable to profit from ordinary activities	4,159	3,609	2,899	3,190
Income tax expense attributable to profit from ordinary activities is made up of:				
Current income tax provision	3,152	3,632	1,731	3,260
Future income tax benefit	(67)	(258)	(38)	(208)
Deferred income tax provision	1,154	221	1,294	217
Under/(over) provision in prior year	(80)	14	(88)	(79)
	4,159	3,609	2,899	3,190

	Consolidated		The Company	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**
6. TAXATION (Continued)				
(b) Current tax liabilities/(assets)				
Provision for current income tax payable/(receivable)				
Movements during the year:				
Balance at beginning of year	1,196	(81)	860	(65)
Net income tax (paid)/refunded	(3,463)	(1,847)	(2,741)	(1,667)
	(2,267)	(1,928)	(1,881)	(1,732)
Current year's income tax expense on profit from ordinary activities	3,182	3,632	1,761	3,260
Income tax expense related to wholly owned subsidiary transactions in a tax consolidated group	-	-	964	-
Under/(over) provision in prior year	(190)	(508)	(119)	(668)
	725	1,196	725	860
(c) Deferred tax liabilities				
Provision for deferred income tax				
Provision for deferred income tax comprises the estimated expense at the applicable rate of 30% (2003: 30%) on the following items:				
Difference in depreciation of property, plant & equipment for accounting and income tax purposes	2,675	2,705	1,247	1,146
Unrealised currency differences	1,193	298	1,173	298
Sundry items	150	23	150	23
Deferred tax liabilities of wholly owned subsidiaries in a tax consolidated group	-	-	1,448	-
	4,018	3,026	4,018	1,467

	Consolidated		The Company	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**

6. TAXATION (Continued)

(d) Deferred tax assets

Future income tax benefit

Future income tax benefit comprises the estimated future benefit at the applicable rate of 30% (2003: 30%) on the following items:

	Consolidated 2004 $'000	Consolidated 2003 $'000	The Company 2004 $'000	The Company 2003 $'000
Provisions and accrued employee benefits not currently deductible	912	713	733	531
Unrealised currency differences	-	168	-	168
Sundry items	32	232	31	219
Deferred tax assets of wholly owned subsidiaries in a tax consolidated group	-	-	180	-
	944	1,113	944	918

	Consolidated	
7. EARNINGS PER SHARE	**2004 $'000**	**2003 $'000**
Earnings reconciliation		
Net profit	9,051	7,313
Basic earnings	9,051	7,313
Diluted earnings	9,051	7,313
Allocation of earnings to category of ordinary share:		
Basic		
■ ordinary shares	9,051	7,313
Diluted		
■ ordinary shares	9,051	7,313

	2004 Number	**2003 Number**
Weighted average number of shares used as the denominator		
Number for basic earnings per share		
Ordinary shares	94,531,543	94,272,794
Effect of share options on issue	449,463	130,405
Number for diluted earnings per share	94,981,006	94,403,199
Allocation of diluted number of shares to category of ordinary share		
Ordinary shares	94,981,006	94,403,199
	94,981,006	94,403,199

7. EARNINGS PER SHARE (Continued)

Classification of securities as ordinary shares
The following securities have been classified as ordinary shares and included in basic earnings per share, as they have different entitlements to dividends:

(a) ordinary shares

Classification of securities as potential ordinary shares

The following securities have been classified as potential ordinary shares and included in diluted earnings per share only:

(a) options outstanding under the Option Incentive Plan; and

(b) options outstanding issued to directors.

During the year, 110,000 options were converted to ordinary shares. Full details of these options are set out in Note 28. The diluted EPS calculation includes that portion of these options assumed to be issued for nil consideration, weighted with reference to the date of conversion. The weighted average number included is 43,293.

The following share options have not been included in the calculation of diluted EPS as they are not dilutive:

- Issue date 3 May 2001 — 50,000
- Issue date 31 October 2001 — 166,667
- Issue date 31 October 2001 — 166,667
- Issue date 31 October 2001 — 166,666

Full details of these options are set out in Note 28.

8. SEGMENT REPORTING

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The consolidated entity comprises the following main business segments, based on the consolidated entity's management reporting system:

Business Segments	Products/Services
Specialty Chemicals	Oleine, Stearine, Glycerine, Distilled fatty acids
Energy	Electricity, Steam
Personal and Household Wash	Soap and Detergents

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets and liabilities are located in Australia and are unable to be allocated to individual geographical segments by location of customers on a reasonable basis.

The consolidated entity's business segments operate geographically as follows:

Geographical Segments	Products/Services
Australia/New Zealand	Oleine, Stearine, Glycerine, Distilled fatty acids, electricity, steam, soaps and detergents
Asia Pacific	Oleine, Stearine, Glycerine, Distilled fatty acids, Soaps
Other	Oleine, Stearine, Glycerine, Distilled fatty acids, Soaps

8. SEGMENT REPORTING

Primary reporting- Business segments	Specialty Chemicals		Personal Wash		Energy		Eliminations		Consolidated	
Revenue	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**
External segment revenue	94,847	82,329	27,401	6,432	-	2	-	-	122,248	88,763
Inter-segment revenue	1,166	685	188	45	3,401	3,450	(4,755)	(4,180)	-	-
Total segment revenue	96,014	83,014	27,589	6,477	3,401	3,452	(4,755)	(4,180)	**122,248**	**88,763**
Unallocated revenue									-	9,897
Total revenue									**122,248**	**98,660**

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

8. SEGMENT REPORTING (Continued)

Primary reporting- Business segments	Specialty Chemicals		Personal Wash		Energy		Eliminations		Consolidated	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Result										
Segment result	12,155	11,166	4,811	735	(1,293)	76	2	(49)	15,675	11,928
Unallocated corporate expenses									(2,465)	(1,006)
Profit from ordinary activities before income tax									**13,210**	**10,922**
Income tax expense									(4,159)	(3,609)
Profit from ordinary activities after income tax									9,051	7,313
Net profit									**9,051**	**7,313**

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

8. SEGMENT REPORTING (Continued)

Primary reporting- Business segments	**Specialty Chemicals**		**Personal Wash**		**Energy**		**Eliminations**		**Consolidated**	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**
Depreciation and amortisation	1,079	1,066	1,030	172	314	399	34	-	2,457	1,637
Individually significant items										
Write-down of plant	313	641	-	-	1,000	219	-	-	1,313	860
Proceeds of disposal of investment	-	-	-	-	-	-	-	-	-	(9,897)
Carrying amount of investment sold	-	-	-	-	-	-	-	-	-	9,372
									-	(525)

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

8. SEGMENT REPORTING (Continued)

Primary reporting- Business segments	Specialty Chemicals		Personal Wash		Energy		Eliminations		Consolidated	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Assets										
Segment assets	93,133	68,647	45,872	29,122	7,114	8,655	(33,871)	(1,856)	112,248	104,568
Unallocated corporate assets									-	-
Consolidated total assets									**112,249**	**104,568**
Liabilities										
Segment liabilities	18,285	28,328	38,007	4,383	2,907	2,612	(33,798)	(1,773)	25,401	33,550
Unallocated corporate liabilities									45,275	32,936
Consolidated total liabilities									**70,676**	**66,486**
Acquisition of non-current assets	1,499	2,900	13,605	579	-	21	-	-	**15,104**	**3,500**
Acquisition of non-current assets resulting from business acquisition	-	-	-	19,988	-	-	-	-	**-**	**19,988**

8. SEGMENT REPORTING (Continued)

Secondary reporting- Geographic segments	Australia		Asia Pacific		Other		Consolidated	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000
External segment revenue by location of customers	51,832	37,223	56,186	49,763	10,996	1,777	119,014	88,763
Segment assets by location of assets	112,285	104,568	-	-	-	-	112,285	104,568
Acquisitions of non-current assets	15,104	3,500	-	-	-	-	15,104	3,500
Acquisition of non-current assets resulting from business acquisition	-	19,988	-	-	-	-	-	19,988

		Consolidated		The Company	
		2004	2003	2004	2003
	Note	$'000	$'000	$'000	$'000
9. CASH ASSETS					
Cash at bank and on hand		5,277	4,461	3,833	3,680
10. RECEIVABLES					
Current					
Trade debtors		20,757	16,179	12,744	11,279
Less: Provision for doubtful trade debtors		(81)	(201)	(81)	(201)
		20,676	15,978	12,663	11,078
Other debtors		692	601	644	692
		21,368	16,579	13,307	11,770
Non-current					
Loans to controlled entities	30	-	-	34,645	22,960

Further details of loans to controlled entities are set out in Note 30. Other debtor amounts generally arise from transactions outside the usual operating activities of the consolidated entity. Interest may be charged at market rates where the terms of repayment exceed three months. Collateral is generally not obtained.

11. NET RECEIVABLE ON FORWARD FOREIGN EXCHANGE CONTRACTS

Current	24	5,980	7,146	5,972	7,146
Non-current	24	3,387	10,720	3,387	10,720

		Consolidated		The Company	
	Note	2004 $'000	2003 $'000	2004 $'000	2003 $'000
12. OTHER FINANCIAL ASSETS					
Non Current					
Investment in controlled entities – *at cost*	31	-	-	668	668

13. INVENTORIES

Current				
Raw materials, at cost	2,223	1,726	948	558
Work in progress, at cost	1,899	1,415	1,899	1,410
Finished goods	5,859	7,521	3,495	6,271
	9,981	10,662	6,342	8,239
Finished goods comprises:				
Finished goods, at cost	5,860	7,537	3,495	6,271
Less: Provision for obsolescence	(1)	(16)	-	-
	5,859	7,521	3,495	6,271

14. OTHER ASSETS

Current				
Prepayments	592	502	582	453

	Consolidated		The Company	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**
15. PROPERTY, PLANT AND EQUIPMENT				
Current				
Turbines held for sale-				
At recoverable amount	1,750	2,857	-	-
Accumulated depreciation	-	(107)	-	-
	1,750	2,750	-	-
Non- current				
Freehold land				
At cost	5,353	5,123	4,673	4,673
Tanks and buildings				
At cost	3,555	3,117	1,895	1,916
Accumulated depreciation	(247)	(157)	(201)	(157)
	3,308	2,960	1,694	1,759
Plant and machinery				
At cost	31,691	30,841	18,726	18,126
Accumulated depreciation	(6,321)	(4,710)	(2,296)	(1,346)
	25,370	26,131	16,430	16,780
At recoverable amount (Emersol plant)	-	113	-	113
Accumulated depreciation	-	-	-	-
	-	113	-	113
Capital works in progress, at cost	4,301	2,396	3,031	2,396
Total non-current property, plant and equipment net book value	38,332	36,723	25,828	25,721

Recoverable amount of plant and equipment

During the 2004 financial year items of plant were written down by $1,313,000.

Valuations of land and buildings

Independent valuations of the consolidated entity's freehold land and buildings were carried out as at 8 March 2003 and 21 March 2003 on the basis of market value and resulted in a valuation of land and buildings of $15,800,000 (the Company: $14,500,000).
As land and buildings are recorded at cost, the valuation has not been brought to account.

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	Consolidated		The Company	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Freehold land				
Carrying amount at beginning of year	5,123	4,673	4,673	4,673
Additions	230	-	-	-
Addition from business acquired	-	450	-	-
Carrying amount at end of year	5,353	5,123	4,673	4,673
Tanks and buildings				
Carrying amount at beginning of year	2,960	1,804	1,759	1,804
Additions from business acquired	-	1,027	-	-
Additions	459	174	-	-
Transfer to plant & machinery	(21)	-	(21)	-
Depreciation	(90)	(45)	(44)	(45)
Carrying amount at end of year	3,308	2,960	1,694	1,759
Plant and machinery				
Carrying amount at beginning of year	28,994	23,890	16,893	16,076
Addition from business acquired	-	4,500	-	-
Additions	251	426	-	-
Transfer from tanks & buildings	21	-	21	-
Transfer from capital works in progress	864	2,534	864	2,484
Disposals	-	(4)	(313)	(5)
Recoverable amount write – down	(1,313)	(860)	-	(641)
Depreciation	(1,697)	(1,492)	(1,035)	(1,021)
Carrying amount at end of year	27,120	28,994	16,430	16,893
Capital works in progress				
Carrying amount at beginning of year	2,396	2,030	2,396	1,980
Additions	2,769	2,900	1,499	2,900
Transfer to plant and machinery	(864)	(2,534)	(864)	(2,484)
Carrying amount at end of year	4,301	2,396	3,031	2,396

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	The Company 2004 $'000	The Company 2003 $'000
16. INTANGIBLE ASSETS					
Pental brand names -					
At cost		8,062	6,000	-	-
Goodwill					
At cost		17,345	8,012	-	-
Accumulated amortisation		(770)	(100)	-	-
		16,575	7,912	-	-
		24,637	13,912	-	-
17. PAYABLES					
Current					
Trade creditors-controlled entity	30	-	-	1,054	1,369
Trade creditors		6,285	8,019	3,737	6,184
Sundry accruals		4,760	2,374	2,120	21
		11,045	10,393	6,911	7,574
18. DEFERRED FOREIGN CURRENCY HEDGE EXCHANGE DIFFERENCES AND COSTS					
Current		3,230	6,152	3,222	6,152
Non-current		3,387	10,720	3,387	10,720
19. INTEREST-BEARING LIABILITIES					
Current					
Loans, secured		14,538	16,379	10,475	14,879
Non-current					
Loans, secured		30,737	16,557	30,458	16,557

		Consolidated		The Company	
	Note	2004 $'000	2003 $'000	2004 $'000	2003 $'000
19. INTEREST-BEARING LIABILITIES (Continued)					
Financing arrangements					
The consolidated entity has access to the following lines of credit:					
Total facilities available:					
Bill acceptance facility		38,757	41,436	38,636	38,936
Lease purchase facility		2,000	2,000	1,000	1,000
Multi option working capital facility		12,000	10,000	6,500	10,000
Other		1,150	-	600	-
		53,907	53,436	46,736	49,936
Facilities utilised at reporting date:					
Bill acceptance facility	24	35,554	32,936	35,554	31,436
Lease purchase facility		342	-	-	-
Multi option working capital facility		9,630	208	6,169	208
Other		-	-	-	-
		45,526	33,144	41,723	31,644
Facilities not utilised at reporting date:					
Bill acceptance facility		3,203	8,500	3,082	7,500
Lease purchase facility		1,658	2,000	1,000	1,000
Multi option working capital facility		2,370	9,792	331	9,792
Other		1,150	-	600	-
		8,381	20,292	5,013	18,292

19. INTEREST-BEARING LIABILITIES (Continued)

Bill acceptance facility

The bill acceptance facility of $38,757,000 (2003: $41,436,000) bears interest at 6.70% (2003: 6.36%).

The bill acceptance facility is secured by a first registered mortgage over all industrial property of the Company and first registered mortgage debenture charge over all present and future assets and undertakings of the consolidated entity.

Multi option working capital facility

The multi option working capital facility is available for allocation between overdraft, accommodation bills, import funding and export funding facility options. This facility was utilised to $9,630,000 as at 30 June 2004, (2003: $208,266).

The facility is secured by an Interlocking Unlimited Guarantee provided by the Company and its controlled entities. In addition, the guarantee is supported by a registered mortgage debenture over the whole of the consolidated entity's assets and undertakings and a first registered freehold mortgage over all industrial property.

The carrying amount of the pledged properties are as follows:

		Consolidated		The Company	
	Note	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Freehold land	15	5,353	5,123	4,673	4,673
Tanks and buildings	15	3,308	2,960	1,694	1,759
Plant and machinery	15	27,120	28,994	16,430	16,893
Capital works in progress	15	4,301	2,396	3,031	2,396
		40,082	39,473	25,828	25,721

20. PROVISIONS

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	The Company 2004 $'000	The Company 2003 $'000
Current					
Employee benefits	28	2,883	1,788	2,399	1,439
Other		-	29	-	-
		2,883	1,817	2,399	1,439
Non-current					
Employee benefits	28	143	153	64	76
Other		-	93	-	93
		143	246	64	169

		Consolidated		The Company	
		2004	**2003**	**2004**	**2003**
	Note	**$'000**	**$'000**	**$'000**	**$'000**
20. PROVISIONS (Continued)					
Reconciliation - *Dividends*					
Carrying amount at beginning of year		-	3,764	-	3,764
Adjustment on adoption of AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets".		-	(3,764)	-	(3,764)
Provisions made during the year:					
Final Dividend 2003		1,895	3,764	1,895	3,764
Interim Dividend 2004		3,779	1,889	3,779	1,889
Payments made during the period		(5,674)	(5,653)	(5,674)	(5,653)
Carrying amount at end of year		-	-	-	-
21. CONTRIBUTED EQUITY					
Share capital					
94,630,437 (2003: 94,473,337) ordinary shares, fully paid		16,829	16,746	16,829	16,746
(a) *Ordinary shares*					
Movements during the year					
Balance at beginning of the year		16,746	16,479	16,746	16,479
Shares issued					
110,000 (2003: 373,333) from the exercise of options under the Executive Share Option Plan	28	83	267	83	267
Balance at end of year		16,829	16,746	16,829	16,746

21. CONTRIBUTED EQUITY (Continued)

Terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. Note 28 provides details of shares issued on exercise of options.

		Consolidated		The Company	
	Note	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**
22. RETAINED PROFITS					
Retained profits at beginning of year		21,336	15,912	15,712	10,621
Net profit attributable to members of the parent entity		9,051	7,313	6,982	6,980
Net effect on dividends from:					
Initial adoption of AASB1044 "Provisions, Contingent Liabilities and Contingent Assets"		-	3,764	-	3,764
Dividends	23	(5,674)	(5,653)	(5,674)	(5,653)
Retained profits at end of year		24,713	21,336	17,020	15,712

23. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Cents per share	Total amount $'000	Franked/ unfranked	Date of payment
2004				
Interim-ordinary	2.0	1,895	Franked	20 April 2004
Final – ordinary	4.0	3,779	Franked	20 September 2003
Total amount		5,674		
2003				
Interim – ordinary	2.0	1,889	Franked	24 April 2003
Final – ordinary	4.0	3,764	Franked	13 September 2002
Total amount		5,653		

	The Company	
	2004 $'000	**2003 $'000**
Dividend franking account		
30% franking credits available to shareholders of Symex Holdings Limited for subsequent financial years.	4,520	5,274

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax
(b) franking debits that will arise from the payment of dividends recognised as a liability at year-end
(c) franking credits that will arise from the receipt of dividends recognised as receivables at year-end
(d) franking credits that the entity may be prevented from distributing in subsequent year.

23. DIVIDENDS (Continued)

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

Subsequent event

Subsequent to the end of the financial year, the Directors declared a final fully franked dividend of 4 cents per share. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2004 and will be recognised in subsequent financial reports.

24. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest rate risk

Interest rate risk exposures

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

	Note	Weighted average interest rate	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Fixed interest maturing in: 1 to 5 years $'000	Non-interest bearing $'000	Total $'000
2004							
Financial assets							
Cash assets	9	1.35%	5,277	-	-	-	5,277
Receivables	10	-	-	-	-	21,368	21,368
Net receivable on forward contracts	11	-	-	-	-	9,367	9,367
			5,277	-	-	30,735	36,012
Financial liabilities							
Payables	17		-	-	-	11,045	11,045
Deferred foreign currency hedge exchange differences and costs	18	-	-	-	-	6,617	6,617
Employee benefits	28	-	-	-	-	3,026	3,026
Loans	19	6.70%	-	14,538	30,737	-	45,275
			-	14,538	30,737	9,643	54,918

24. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

(a) Interest rate risk (Continued)

Interest rate risk exposures (Continued)

	Note	Weighted average interest rate	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	Fixed interest maturing in: 1 to 5 years $'000	Non-interest bearing $'000	Total $'000
2003							
Financial assets							
Cash assets	9	0.60%	4,461	-	-	-	4,461
Receivables	10	-	-	-	-	16,579	16,579
Net receivable on forward contracts	11	-	-	-	-	17,866	17,866
			4,461	-	-	34,445	38,906
Financial liabilities							
Payables	17	-	-	-	-	10,393	10,393
Deferred foreign currency hedge exchange differences and costs	18	-	-	-	-	16,872	16,872
Employee benefits	28	-	-	-	-	1,941	1,941
Loans	19	6.36%	-	16,379	16,557	-	32,936
			-	16,379	16,557	29,206	62,142

24. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

(b) Foreign exchange risk

The consolidated entity enters into forward foreign exchange contracts to hedge a proportion of anticipated sale commitments denominated in foreign currencies (principally US dollars , Japanese yen and New Zealand Dollars) expected in each month, within the following three years subject to Board approved limits. The amount of anticipated future sales is forecast in light of current conditions in foreign markets, commitments from customers and experience. All sales from the first of each month are designated as being hedged until all hedge contracts are fully utilised. Notes 1(e) and 1(f) set out the accounting treatment for these contracts.

The following table sets out the gross value to be received under foreign currency contracts, the weighted average contracted exchange rates and settlement periods of outstanding contracts for the consolidated entity.

		Consolidated		
	2004	**2003**	**2004**	**2003**
	Weighted average rate		**$'000**	**$'000**
Sell US dollars				
No later than one year	0.5768	0.5267	25,138	22,783
Later than one year but not later than two years	0.5267	0.5267	11,392	22,783
Later than two years but not later than three years	-	0.5267	-	11,392
			36,530	56,958
Sell Japanese yen				
No later than one year	57.67	57.67	8,323	8,323
Later than one year but not later than two years	57.67	57.67	3,121	8,323
Later than two years but not later than three years	-	57.67	-	4,162
			11,444	20,808

24. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

Foreign exchange risk (continued)

The net deferred costs and exchange gains and losses on hedges of anticipated foreign currency sales recognised in other assets at Note 11 and payables in Note 18 and the timing of their anticipated recognition as part of sales are:

	Consolidated	
	2004 Net gains $'000	**2003 Net gains $'000**
Not later than one year	3,230	6,152
Later than one year but not later than two years	3,387	7,146
Later than two years but not later than three years	-	3,574
	6,617	16,872

(c) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

Recognised financial instruments

The credit risk on financial assets, excluding investments, of the consolidated entity which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers and counterparties in various countries and by performing extensive due diligence procedures on major new customers.

The consolidated entity is not materially exposed to any individual overseas country or individual customer.

24. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

(d) Net fair values of financial assets and liabilities

Valuation approach

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following bases:

Recognised financial instruments

Listed shares included in "Other financial assets" are traded in an organised financial market. The net fair value of listed shares is determined by valuing them at the lower of cost and net realisable value.

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of trade debtors, other debtors, accounts payable, dividends payable and employee benefits approximate net fair value.

Net fair values

Recognised financial instruments

The carrying amounts and net fair values of financial assets and liabilities as at the reporting date are as follows:

	Consolidated			
	2004		**2003**	
	Carrying amount $'000	**Net fair value $'000**	**Carrying amount $'000**	**Net fair value $'000**
Financial assets				
Cash assets	5,277	5,277	4,461	4,461
Receivables	21,368	21,368	16,579	16,579
Net receivable on forward contracts	9,367	9,367	17,866	17,866
Financial liabilities				
Loans	45,275	45,275	32,936	32,936
Deferred foreign currency hedge exchange differences and costs	6,617	6,617	16,872	16,872
Payables – other	11,045	11,045	10,393	10,393
Employee benefits	2,665	2,665	1,941	1,941

24. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (Continued)

(d) Net fair values of financial assets and liabilities (Continued)

Cash assets and listed shares in other corporations are readily traded on organised markets in a standardised form. All other financial assets and liabilities are not readily traded on organised markets in a standardised form.

	Consolidated		The Company	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**
25. COMMITMENTS				
Non-cancellable operating lease expense commitments				
Future operating lease commitments not provided for in the financial statements and payable:				
Within one year	138	98	90	98
One year or later and no later than five years	220	17	124	17
	358	115	214	115

The consolidated entity leases motor vehicles under non-cancellable operating leases expiring from one to five years. Operating leases are replaced every three years.

During the prior period, the Company renewed its operating leases relating to executive motor vehicles. The Company has now introduced the option of novated leases to its employees.

26. CONTINGENT LIABILITIES

Details of contingent liabilities where the probability of future payments is not considered remote are set out below.

26. CONTINGENT LIABILITIES (Continued)

Symex Superannuation Plan deficiency

At 30 June 2004, the Symex Superannuation Plan's ("the Plan") vested benefits are estimated to exceed its net assets by approximately $512,000 per the Plan's Actuarial Review Report for the year ended 30 June 2004 (refer to Note 28). Based on actuarial advice, the consolidated entity has been adhering to a payment plan to return the Plan's vested benefits ratio to over 100% within a 3 year time frame ending in September 2005. The review concluded that the payment plan is more than sufficient to meet the September 2005 timeline.

Whilst the consolidated entity is not obliged to make up any shortfall in the Plan's net assets to meet payments due to the members of the Plan, the Directors are satisfied that the future performance of the Plan, together with the increased contributions being made to the Plan, will eliminate the deficiency by September 2005.

State Revenue Office stamp duty claim

The State Revenue Office has re-issued the Company with a notice of assessment for additional duty, penalties and interest of $2.67 million relating to the acquisition of the Symex business assets. The Company disputes the re-assessment and the Directors are of the opinion, based on legal advice, that no provision is required.

The directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefit will be required or the amount is not capable of reliable measurement.

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	The Company 2004 $'000	The Company 2003 $'000
27. NOTES TO THE STATEMENTS OF CASH FLOWS					
(a) Reconciliation of cash					

For the purposes of the statements of cash flows, cash includes cash on hand and at bank. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	The Company 2004 $'000	The Company 2003 $'000
Cash assets	9	5,277	4,461	3,833	3,680
(b) Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities					
Profit from ordinary activities after income tax		9,051	7,313	6,982	6,980
Add/(less) non-cash items:					
Recoverable amount write - down	4	1,313	860	313	641
Depreciation	4	1,787	1,537	1,079	1,066
Amortisation	4	670	100	-	-
Gross profit on sale of investment	4	-	(568)	-	(568)
Profit on sale of fixed assets	4	-	(1)	-	(1)
Net cash provided by operating activities before change in assets and liabilities		12,821	9,241	8,374	8,118

	Note	Consolidated 2004 $'000	Consolidated 2003 $'000	The Company 2004 $'000	The Company 2003 $'000
27. NOTES TO THE STATEMENTS OF CASH FLOWS (Continued)					
(b) Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities (continued)					
Change in assets and liabilities adjusted for the effects of purchase of business during the financial year:					
(Increase)/decrease in deferred tax assets		199	(393)	184	(317)
(Increase)/decrease in receivables		(4,789)	(5,685)	(1,537)	(876)
(Increase)/decrease in inventory		681	(4,822)	1,897	(4,508)
(Increase)/decrease in other assets and liabilities		(1,846)	(954)	(1,885)	(955)
(Decrease)/increase in creditors		652	4,725	(663)	1,716
(Decrease)/increase in income tax payable		(501)	1,277	(1,129)	925
(Decrease)/increase in provisions		963	231	855	169
(Decrease)/increase in deferred taxes payable		992	880	1,103	915
Net cash provided by operating activities		9,172	4,500	7,199	5,187
28. EMPLOYEE BENEFITS					
Aggregate liability for employee benefits including on-costs:					
Current	20	2,522	1,788	2,038	1,439
Non-current	20	143	153	64	76
		2,665	1,941	2,102	1,515
Number of employees					
Number of employees at year end		166	166	98	93

28. EMPLOYEE BENEFITS (Continued)

Option Incentive Plan

The Company has an executive option incentive plan.

Each option is convertible to one ordinary share. The exercise price of the options, determined in accordance with the rules of the plan, is based on the weighted average price of the Company's shares traded during the 5 business days proceeding the date of granting the option.

All options expire on the earlier of their expiry date or termination of the directors or executives employment. In addition, the ability to exercise the options is conditional upon exercisable dates being reached.

There are no voting or dividend rights attached to the options. There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised. The market value of shares under these options at 30 June 2004 was $1.21 (30 June 2003: $0.95).

Options issued do not represent remuneration for past services.

28. EMPLOYEE BENEFITS (Continued)

Option Incentive Plan (continued)

Grant date	Exercise date on or after	Expiry date	Exercise price $	Number of options at beginning of year	Options granted	Options exercised or lapsed	Number of options at end of year on issue	Vested	Proceeds received $	Date issued	Number of shares issued	Fair value aggregate $
Consolidated and Company 2004												
12 August 2003	12 August 2003	31 December 2007	$0.81	-	33,333	-	33,333	33,333	-	-	-	-
12 August 2003	31 December 2003	31 December 2007	$0.81	-	33,333	-	33,333	33,333	-	-	-	-
12 August 2003	31 December 2004	31 December 2007	$0.81	-	33,334	-	33,334	33,334	-	-	-	-
12 August 2003	12 August 2003	31 December 2007	$0.82	-	33,333	-	33,333	33,333	-	-	-	-
12 August 2003	31 December 2003	31 December 2007	$0.82	-	33,333	-	33,333	33,333	-	-	-	-
12 August 2003	31 December 2004	31 December 2007	$0.82	-	33,334	-	33,334	33,334	-	-	-	-
23 October 2003	23 October 2003	31 December 2008	$1.10	-	50,000	-	50,000	50,000	-	-	-	-

28. EMPLOYEE BENEFITS (Continued)

Option Incentive Plan (continued)

Grant date	Exercise date on or after	Expiry date	Exercise price $	Number of options at beginning of year	Options granted	Options exercised or lapsed	Number of options at end of year on issue	Number of options at end of year Vested	Proceeds received $	Date issued	Number of shares issued	Fair value aggregate $
Consolidated and Company 2004 (Continued)												
23 October 2003	31 December 2004	31 December 2008	$1.10	-	50,000	-	50,000	50,000	-	-	-	-
23 October 2003	31 December 2005	31 December 2008	$1.10	-	50,000	-	50,000	50,000	-	-	-	-
31 March 2003	31 December 2003	31 December 2007	$0.80	100,000	-	-	100,000	100,000	-	-	-	-
31 March 2003	31 December 2004	31 December 2007	$0.80	50,000	-	-	50,000	50,000	-	-	-	-
28 August 2000	31 December 2000	31 December 2005	$0.75	701,666	-	(110,000)	591,666	591,666	82,500	2 September 2003 – 20 January 2004	110,000	146,100
28 August 2000	31 December 2000	31 December 2005	$1.00	350,000	-	-	350,000	350,000	-	-	-	-

Grant date	Exercise date on or after	Expiry date	Exercise price $	Number of options at beginning of year	Options granted	Options exercised or lapsed	Number of options at end of year on issue	Vested	Proceeds received $	Date issued	Number of shares issued	Fair value aggregate $
Consolidated and Company 2004 (Continued)												
3 May 2001	31 December 2000	31 December 2005	$1.40	50,000	-	-	50,000	50,000	-	-	-	-
31 October 2001	31 October 2002	31 October 2005	$2.00	166,667	-	-	166,667	166,667	-	-	-	-
31 October 2001	31 October 2003	31 October 2006	$2.25	166,667	-	-	166,667	166,667	-	-	-	-
31 October 2001	31 October 2004	31 October 2007	$2.50	166,666	-	-	166,666	166,666	-	-	-	-
TOTAL				**1,751,666**	**350,000**	**(110,000)**	**1,991,666**	**1,991,666**	**82,500**		**110,000**	**146,100**

28. EMPLOYEE BENEFITS (Continued)

Option Incentive Plan (continued)

Grant date	Exercise date on or after	Expiry date	Exercise price $	Number of options at beginning of year	Options granted	Options exercised or lapsed	Number of options at end of year on issue	Number of options at end of year Vested	Proceeds received $	Date issued	Number of shares issued	Fair value aggregate $
Consolidated and Company 2003												
31 March 2003	31 March 2003	31 December 2007	$0.80	-	50,000	-	50,000	50,000	-	-	-	-
31 March 2003	31 December 2003	31 December 2007	$0.80	-	50,000	-	50,000	50,000	-	-	-	-
31 March 2003	31 December 2004	31 December 2007	$0.80	-	50,000	-	50,000	50,000	-	-	-	-
28 August 2000	31 December 2001	31 December 2005	$0.50	50,000	-	(50,000)	-	-	25,000	28 August 2002	50,000	40,500
28 August 2000	31 December 2000	31 December 2005	$0.75	1,024,999	-	(323,333)	701,666	701,666	242,500	28 August 2002 – 26 February 2002	323,333	263,850
28 August 2000	31 December 2000	31 December 2005	$1.00	650,000	-	(300,000)	350,000	350,000	-	-	-	-

28. EMPLOYEE BENEFITS (Continued)

Option Incentive Plan (continued)

Grant date	Exercise date on or after	Expiry date	Exercise price $	Number of options at beginning of year	Options granted	Options exercised or lapsed	Number of options at end of year on issue	Vested	Proceeds received $	Date issued	Number of shares issued	Fair value aggregate $
Consolidated and Company 2003 (Continued)												
3 May 2001	3 May 2001	31 December 2005	$1.40	33,334	-	(16,667)	16,667	16,667	-	-	-	-
3 May 2001	31 December 2001	31 December 2005	$1.40	33,334	-	(16,667)	16,667	16,667	-	-	-	-
3 May 2001	31 December 2002	31 December 2005	$1.40	33,332	-	(16,666)	16,666	16,666	-	-	-	-
31 October 2001	31 October 2002	31 October 2005	$2.00	166,667	-	-	166,667	166,667	-	-	-	-
31 October 2001	31 October 2003	31 October 2006	$2.25	166,667	-	-	166,667	166,667	-	-	-	-
31 October 2001	31 October 2004	31 October 2007	$2.50	166,666	-	-	166,666	166,666	-	-	-	-
TOTAL				**2,324,999**	**150,000**	**(723,333)**	**1,751,666**	**1,751,666**	**267,500**		**373,333**	**304,350**

28. EMPLOYEE BENEFITS (Continued)

Superannuation plans

The consolidated entity contributes to several defined contribution and one defined benefit employee superannuation plans.

In the case of the defined benefit employee superannuation plan, the employer contributions are based on the advice of the plan's actuary. Contributions in excess of those specified in SIS legislation are not legally enforceable. Employee contributions are based on various percentages of their gross salaries. After serving a qualifying period, all employees are entitled to benefits on retirement, disability or death.

The plan provides defined benefits based on years of service and final average salary.

In accordance with the Trust Deed, the consolidated entity is under no legal obligation to make up any shortfall in the plan's assets to meet payments due to employees. Accordingly, as the consolidated entity has no legal or constructive obligation in respect of the deficit, no provision has been raised for the deficiency in the defined benefit employee superannuation plan at 30 June 2004.

An actuarial assessment of the plan as at 1 July 2003 was carried out by Watson Wyatt Australia Pty Ltd The actuary concluded that the assets of the plan were sufficient to meet all benefits payable in the event of the plan's termination, or the voluntary or compulsory termination of employment of each employee of the consolidated entity.

The estimated deficiency in the defined benefit employee superannuation plan at 30 June 2004 was $512,000 (2003: $530,000). The consolidated entity has agreed to an increased funding rate on an ongoing basis, however, contribution rates for future years will be assessed at the beginning of each year.

28. EMPLOYEE BENEFITS (Continued)

Superannuation plans (Continued)

The accrued benefits, plan assets at net market value and vested benefits of the plan are set out below. Accrued benefits are benefits which the plan is presently obliged to pay at some future date, as a result of membership of the plan. Vested benefits are benefits which are not conditional upon the continued membership of the plan or any factor, other than resignation from the plan.

The Directors, based on the advice of the trustees of the plan, are not aware of any changes in circumstances since the date of the most recent financial statements of the plan which would have a material impact on the overall financial position of the plan.

In accordance with the Trust Deed, the consolidated entity has no legal obligation to make up any shortfall in the plans assets to meet payments due to employees. Accordingly, as the consolidated entity has no legal obligation in respect of the deficit, no provision has been raised for the deficiency in the defined benefit employee superannuation plan at 30 June 2004.

Details of contributions to the defined contribution and defined benefit plan during the year and contributions payable at 30 June 2004 are as follows:

	Consolidated		The Company	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**
Employer contributions to the plans	906	628	608	583
Employer contributions payable to the plans at balance date	91	69	54	46

28. EMPLOYEE BENEFITS (Continued)

Superannuation plans (Continued)

Defined benefits plans

				2004 $'000
	Plan Assets at Net Market Value (i)	**Total Accrued Benefits (ii)**	**Excess/ (Deficit)**	**Total Vested Benefits (i)**
Symex Holdings Limited Superannuation Plan	6,871	7,413	(542)	7,326
				2003 $'000
	Plan Assets at Net Market Value (iii)	**Total Accrued Benefits (ii)**	**Excess/ (Deficit)**	**Total Vested Benefits (iii)**
Symex Holdings Limited Superannuation Plan	6,766	6,432	334	7,118

(i) Plan assets at net market value and vested benefits have been calculated at 30 June 2003, being the date of the most recent financial statements of the plan.
(ii) Accrued benefits have been obtained from the most recent financial statements of the plan being 30 June 2003, but are based on actuarial reviews performed as at 1 July 2003.
(iii) Plan assets at net market value and vested benefits have been obtained from the 30th June 2002 financial statements of the plan.

Current financial position

In accordance with the Plan's Actuarial Review Report, the Plan's estimated assets at market value were $6.81 million and the estimated vested benefits at 30 June 2004 were $7.32 million, resulting in an estimated deficiency between these two amounts of $0.51 million.

Management have been advised of an improvement in the financial position of the fund with the ratio of assets to vested benefits increasing from 79% to 86% over the period since 1 July 2003.

29. DIRECTORS AND EXECUTIVES REMUNERATION

The Specified directors of Symex Holdings Ltd during the year were:

- Alan Stockdale (Chairman, non-executive)
- Michael Newton (Managing director)
- Mark Evans (non-executive)
- Peter Robinson (non-executive)
- Alan Johnstone (non-executive) appointed 3 September 2003

The specified executives of Symex Holdings Ltd during the year were:

- Angus Thompson (Chief Financial Officer)
- Chris Lovejoy (Plant Manager – Symex Holdings Ltd)
- Cosi Papallo (General Manager – Pental Products Pty Ltd)

	Primary Benefits			**Post Employment Benefits**	**Equity Compensation**	
	Base emolument $	**Bonuses (B) $**	**Non-cash benefits $**	**Super contributions $**	**Options issued (A) $**	**Total $**
Specified Directors						
Non-executive						
Alan Stockdale	100,000	-	1,836	9,000	-	110,836
Mark Evans	44,000	-	1,836	-	-	45,836
Peter Robinson	40,000	-	1,836	-	-	41,836
Alan Johnstone	33,333	-	1,836	-	-	35,169
Executive						
Mike Newton	286,583	-	27,444	43,222	-	357,249
Total Directors	503,916	-	34,788	52,222	-	590,926
Specified executives						
Angus Thompson	158,520	-	26,078	17,667	18,844	221,109
Chris Lovejoy	107,352	2,275	24,855	16,107	-	150,589
Cosi Papallo	144,854	-	20,148	15,300	14,224	194,526
Total Specified Executives	410,726	2,275	71,081	49,074	33,068	566,224

(A) All options expire during the period up 31 December 2008 and each option entitles the holder to purchase one ordinary share in the Company. The estimated value disclosed above is calculated at approximately the date of grant using the Black Scholes and Binomial Models. Further details of options are set out below.

(B) Performance based bonuses are provided for the specified executives as listed above. These provide for a cash payment based on four key performance criteria linked to both profit and non financial goals of the company. These are set and approved by the Managing Director annually

Specified executives are those officers involved in the strategic direction, general management or control of business at a company or operating division level.

Directors and executives' remuneration includes amounts paid by the Company during the year to indemnify executives, and an allocation of insurance premiums paid by the Company or related parties in respect of directors' and officers' liabilities and legal expenses' insurance contracts, in accordance with common commercial practice.

The remuneration and individuals included may not be consistent with the emoluments disclosed in the Directors' Report as the basis of calculation differs due to the differing requirements of the Corporations Act 2001 and the Accounting Standards.

Directors

The names of each person holding the position of director of the Symex Holdings Limited during the financial year are:

Alan Stockdale	Michael Newton
Mark Evans	Peter Robinson
Alan Johnstone	

Details of directors' remuneration are set out in Note 29.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

Directors' holdings of shares and share options

The interests of directors of the reporting entity and their director-related entities in shares and share options of entities within the consolidated entity at year end are set out below.

	Consolidated	
	2004 Number held	**2003 Number held**
Symex Holdings Limited:		
Ordinary shares	20,345,289	11,222,022
Options	1,200,000	1,200,000

Director's transactions in shares and share options

	2004 Number held	2003 Number held
Mark Evans		
Ordinary Shares	877,500	1,077,501
Alan Johnstone		
Ordinary Shares	9,873,268	9,865,665

30. RELATED PARTY DISCLOSURES (Continued)

Directors' transactions with the company

Terrain Capital Limited, a company related to Mr Mark Evans during the financial year, provided corporate advisory services to Symex Holdings Limited and was paid $206,943 (2003: $655,856) during the year primarily in relation to directors fees and the Unilever brands acquisition (2003: Pental Personal Wash acquisition), with an amount of $11,000 (2003: $7,333) outstanding at the end of the financial year.

The terms and conditions of the transactions with directors and their director related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Wholly-owned group

Details of interests in wholly-owned controlled entities are set out in Note 31. Details of dealings with these entities are set out below.

Other transactions

The Company purchases steam from Co-Generation Australia Limited in the normal course of business and on normal terms and conditions. The Company purchases goods from, and sells goods to, its controlled entity Pental Products Pty Ltd, in the normal course of business and on normal terms and conditions.

Balances with wholly-owned group entities

The aggregate amounts receivable from, and payable to, wholly owned group entities by the Company at balance date:

	The Company 2004 $'000	**The Company 2003 $'000**
Receivables – non-current		
Other loans	34,645	22,960
Payables – current		
Trade creditors	1,054	1,369

No interest is charged on the loans made to the controlled entities.

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

DIRECTORS' DECLARATION

31. CONTROLLED ENTITIES

	Note	Ordinary Share Consolidated Entity Interest 2004	2003
(a) Particulars in relation to controlled entities			
Name			
Parent entity			
Symex Holdings Limited			
Controlled entities			
Co-Generation Australia Limited	(i), (iii)	100%	100%
Pental Products Pty Ltd	(i), (iii), (iv)	100%	100%
Pental Soap Products Pty Ltd	(ii), (iii), (iv)	100%	-

Notes

(i) The controlled entities are incorporated and carry on business in Australia.
(ii) The controlled entity is dormant.
(iii) These companies are members of the tax consolidated Group
(iv) These wholly-owned controlled entities have entered into a deed of cross guarantee with Symex Holdings Ltd pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report.

(b) Acquisition of controlled entity/business

During the 2004 financial year the consolidated group acquired the brands of Sunlight & Velvet, Softly, LUX Flakes and Knights Castile via it's wholly owned subsidiary Pental Products Pty Ltd.

During the 2003 financial year the Company acquired 100% of the Pental Personal Wash business via a newly established entity, Pental Products Pty Ltd.

Details of the acquisitions are as follows:

	Consolidated		The Company	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Consideration	10,750	21,828	-	-
Cash acquired	-	-	-	-
Outflow of cash	10,750	21,828	-	-

DIRECTORS' DECLARATION

31. CONTROLLED ENTITIES (Continued)

	Consolidated		The Company	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
(b) Acquisition of controlled entity/business (continued)				
Fair value of net assets of business acquired:				
Land and buildings	-	1,476	-	-
Plant and equipment	44	4,500	-	-
Deferred tax asset	-	118	-	-
Inventories	-	2,107	-	-
Prepayments	-	52	-	-
Brand names	2,062	6,000	-	-
Provisions	-	(393)	-	-
Accruals	-	(44)	-	-
	2,106	13,816	-	-
Goodwill on acquisition	8,644	8,012	-	-
Consideration (cash)	10,750	21,828	-	-

The Pental Personal Wash business was acquired on 28 March 2003 and the operating results of the business from that date were included in the 2003 consolidated operating profit. The acquired business sells soap products.

The brands of Sunlight & Velvet, Softly, LUX Flakes and Knights Castile were acquired in Australia on 15 December 2003 and New Zealand on 28 March 2004. The operating results from these dates were included in the 2004 consolidated operating profit. The acquired brands are in the categories of personal wash, dishwashing liquids, and woollen and delicates wash.

32. EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year the consolidated entity acquired the brands of Huggie, Close Up and AIM. The acquired brands are in the categories of fabric conditioner and toothpaste. The acquisition was announced on the 10th of August 2004.

The financial effects of the above transaction has not been brought to account in the financial statements for the year ended 30 June 2004.

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

DIRECTORS' DECLARATION

In the opinion of the directors of Symex Holdings Limited ("the Company"):

(a) the financial statements and notes, set out on pages 12 to 75, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2004 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and

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

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 19th day of August 2004.

Signed in accordance with a resolution of the directors:

ORIGINAL SIGNED BY MIKE NEWTON

____

Director
Dated 19 August 2004

BDO

Chartered Accountants
& Advisers

563 Bourke Street Melbourne 3000
DX 30937 Stock Exchange Melbourne
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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SYMEX HOLDINGS LIMITED

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of Symex Holdings Limited for the year ended 30 June 2004 included on the Symex Holdings Limited web site. The company's directors are responsible for the integrity of the Symex Holdings Limited web site. We have not been engaged to report on the integrity of the Symex Holdings Limited web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information that may have been hyper linked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

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 Symex Holdings Limited (the company), for the year ended 30 June 2004.

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 financial position, and of its performance as represented by the results of its operations and cash flows.

BDO

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF SYMEX HOLDINGS LIMITED

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.

Audit Opinion

In our opinion, the financial report of Symex Holdings Limited is in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 30 June 20X04 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

BDO
Chartered Accountants

R D D Collie
Partner

Melbourne
Date: 19 August 2004

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings (as at 30 June 2004)

Substantial shareholders

The number of shares held by the substantial shareholders are set out below:

Shareholder	Ordinary
Western Park Holdings Pty Ltd	9,865,665
Equity Trustees Limited	7,864,406
Mr Michael Newton	7,440,001

Class of shares and voting rights

At 30 June 2004, there were 3,862 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in clause 43 of the Company's Constitution are:

"Subject to any rights or restrictions attaching to any class of shares:

(a) every member may vote;

(b) on a show of hands every member has one vote;

(c) on a poll every member has:

(i) for each fully paid share held by the member, one vote; and

(ii) for each partly paid share held by the member, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited to) on the share."

ASX ADDITIONAL INFORMATION

Options

There are no voting rights attached to the unissued ordinary shares. Voting rights will be attached to the unissued ordinary shares when the options have been exercised. Refer to Note 28 for further details.

On-market buy-back

There is no current on-market buy-back.

Distribution of equity security holders (as at 30 June 2004)

	Number of Shareholders	
Category	**Ordinary**	**Options**
1-1,000	518	-
1,001-5,000	1,507	-
5,001 – 10,000	924	-
10,001 – 100,000	851	8
100,001 and over	62	5
	3,862	13

The number of shareholders holding less than a marketable parcel is 193.

ASX ADDITIONAL INFORMATION

Twenty Largest Shareholders

NAME	NUMBER OF QUOTED ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
Western Park Holdings Pty Ltd	9,865,665	10.43%
Equity Trustees Limited	7,864,406	8.31%
Mr Michael Newton	7,440,001	7.86%
National Nominees Limited	6,705,861	7.09%
ANZ Nominees Limited	3,457,204	3.65%
JP Morgan Nominees Australia Limited	3,166,819	3.35%
STEBUR Investments Pty Limited	1,900,000	2.01%
CitiCorp Nominees Pty Limited	1,529,201	1.61%
Invia Custodian Pty Limited	1,342,137	1.42%
Mr Greg Tremewen	1,111,111	1.17%
Evadon Pty Ltd	877,500	0.93%
Lismeen Pty Ltd	877,500	0.93%
Mr Michael Wilmot Pearl	805,000	0.85%
Mr William Graham	800,000	0.85%
Mr Ross Geoffrey MacDowell	692,915	0.73%
Benefund Limited	606,118	0.64%
Mr Allister Tomkins	572,111	0.60%
Cogent Nominees Pty Limited	527,269	0.56%
J T Condon	500,000	0.53%
Mr Robert Michael Dolan	500,000	0.53%
	51,1140,818	54.05%

SYMEX HOLDINGS LIMITED
ABN 29 091 035 353

ASX ADDITIONAL INFORMATION

Offices and officers

Company secretary

Mr Oliver Carton

Principal registered office

Symex Holdings Limited
14 Woodruff Street
Port Melbourne
VIC 3207
Telephone: (03) 9251 2311
Facsimile: (03) 9645 3001

Locations of share registry

Melbourne
ASX Perpetual Registrars
Level 4, 333 Collins Street
Melbourne VIC 3000
Telephone: (03) 9615 9800
Facsimile: (03) 9615 9900

Stock Exchange

The Company is listed on the Australian Stock Exchange.

Other information

Symex Holdings Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

CORPORATE GOVERNANCE REPORT

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, unless otherwise stated.

<u>Introduction</u>

The following report discloses procedures existing at the start of the period, improvements to existing procedures, and new procedures and systems, giving the date of their implementation. It also discloses the best practice recommendations of the ASX Corporate Governance Council ("the Recommendations") that were not followed, and gives reasons for this. The directors have also included a reference table at the end of this report cross referencing the contents of this report against recommended disclosures.

<u>Board of Directors and its committees</u>

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall Corporate Governance of Symex Holdings Limited and its controlled entities ("the Company" and collectively "the consolidated entity") including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Board Charter

The Board operates under a Charter, adopted on 21 June 2004. The Charter sets out formally the procedures under which the Board previously operated, and additional procedures now adopted. The major requirements of the Charter are discussed below.

Directors appointed receive a written agreement setting out the terms and conditions of their appointment, and the standards and duties expected of them.

The Board meets as appropriate. The full Board currently holds scheduled monthly meetings, plus any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise. Proper notice must be given of each meeting, and Management and Financial Reports relevant to the Agenda are to be provided in sufficient time to allow Directors to review and assess the content of the reports and to formulate any queries.

Standing items on the Agenda include:

- the managing director's report;
- management financial reports;
- confirmation of any securities trading by directors;
- continuous disclosure confirmation.

The responsibilities of the Board are set out in the Charter, and include:

- Oversight of the business and affairs of Symex Holdings;
- Establishment of control and accountability systems;

- Establishment with management of a strategic direction, supporting strategies and operating performance objectives;
- Appointing the Managing Director;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance.

The Board or individual directors may retain, at the Company's expense, outside consultants or advisors to advise the Board independently on any matter. Individual board members seeking such advice must obtain the prior approval of the chairman, which may not be unreasonably withheld, and the advice will be made available to all board members as appropriate.

Composition of the Board

The names of the directors of the Company in office at the date of this Statement are set out in the Directors' Report of the Financial Report. The Board currently comprises four non-executive directors and one executive director. Of the four non executive directors, three meet the test for independence suggested by the Recommendations, including the Chairman. A majority of directors are therefore independent, and were for the period.

All directors are involved in structuring the Board to ensure that its skill sets best meet the requirements of the Company's operations. The Board has therefore not formed a Nominations Committee given its size and the size of the Symex business.

During the period, the Board appointed Mr Johnstone who has considerable retial experience, in order to strengthen its ability to review and implement retail strategies for its Pental subsidiary. Subsequent to the end of the period, the Board appointed Mr Rishworth to add experience in the fast moving consumer goods sector.

There are no restrictions on length of tenure other than compulsory retirement by rotation discussed below. Given the size of the Symex Board, and the nature of its business, the Board is of the view that length of tenure is not an important factor in determining independence of directors.

The role of shareholders in director appointments is recognised in that:

- At each AGM, one third of the directors longest in office (rounded up) must retire, and may offer themselves for re-election by shareholders;
- There are no agreements between directors and the Company that fetter or remove the ultimate rights of shareholders, and shareholders alone, to remove directors from office.

Audit Committee

The Board operated an Audit Committee during the period. That Committee operated under a Charter during the period.

The Audit Committee's role is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. It also gives the Board of Directors additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report.

The members of the Audit Committee at the commencement of the period were:

A Stockdale (Chair)
M Evans
M Newton

The composition of the audit committee was changed on18 March 2004 to consist of the following persons:

P Robinson (Chair)
A Stockdale
M Evans

The audit committee now consists of only independent directors, and the Chair is not Chairman of the Board. The members of the Committee all have extensive experience in financial matters. Details of their qualifications and experience can be found in the Directors' Report section of this Annual Report.

Details of meetings of this Committee can be found in the Directors' Report section of this Annual Report.

The responsibilities of the Audit Committee are set out in its Charter, and include:

- Reviewing the annual and half-year financial reports and other financial information distributed externally. Review new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles;
- Monitoring corporate risk assessment and processes;
- Monitoring the establishment of an appropriate internal control framework, and appropriate ethical standards;
- Monitoring the procedures to ensure compliance with the Corporations Act 2001, the ASX Listing Rules and all the regulatory requirements.

During the year the Company tendered its audit function and, as a result of the tender, replaced its auditors.

Remuneration

The Board as a whole performs the functions of a remuneration committee given the size of the Board and the Symex business. Remuneration is dealt with along the following guidelines:

- Remuneration of senior employees other than executive directors is determined by the Managing Director and monitored by the Board;
- Remuneration of executive directors including the Managing Director is determined by the Board;
- Remuneration of non-executive directors is determined by the Managing Director;

- Advice on remuneration is sought where appropriate from third party remuneration specialists.

Remuneration of directors and executives is set out in full in the Directors' Report section of this Annual Report.

Policy for remuneration

Remuneration of Managing Director

The policy for remuneration of the Managing Director is to remunerate him fairly according to the size of the Company's operations and where appropriate to reward performance in areas important to the future growth of the Company and shareholder value.

During the period, the Board conducted a comprehensive review in relation to the Managing Director's remuneration package. This included commissioning a report from a remuneration consultant.

Following detailed consideration of benchmark data in relation to chief executives of similar companies and of the consultant's recommendations, the Board agreed upon remuneration and bonus arrangements to be included in a new three year contract. The contract continues to include a performance-related bonus term which links the Managing Director's incentive remuneration with the performance of the business and, thus, with the interests of the company and its shareholders. No equity based remuneration is offered in this contract.

Remuneration of non executive directors

The Company's policy is to benchmark remuneration of non executive directors with the average remuneration of non executive directors for companies of a similar size to the Company.

During the period, the remuneration of non executive directors did not change, however in August 2004 the Managing Director determined to increase remuneration by 5%.

Remuneration is paid in cash. During the period no equity based remuneration was offered, and, as all non executive directors are already shareholders, it is not proposed at this time to do so.

Remuneration of other employees

The company strives to be viewed as an employer of choice by offering a competitive, flexible remuneration package whilst fostering career planning in a structured practical environment.

The Company recognises that it is important for employees to recognise that they are significant contributors to the growth of the Company, and that they share in that growth. Accordingly, the Company has implemented an Employee Share Option Plan and, during the period, implemented a second Plan to enable it to issue options to employees of the Pental business.

Further, during the period, the Company issued 300 free shares to all employees other than the Managing Director.

Director dealings in Company shares

The Constitution permits directors to acquire shares in the Company. The Company has adopted a written policy which:

- Allows trading within specific time periods, being the month immediately following release of the full year and half year results when it will be assumed directors and senior employees are not in possession of price sensitive information not known to the market, and trading at any time when directors are actually in possession of such information;
- Prevents short term or speculative trading by those persons; and
- Requires the Chairman and Managing Director to be informed before trading of any sort occurs.

Directors must advise the ASX of any transactions conducted by them in shares in the Company. Each director has entered into a written agreement with the Company whereby the director agrees to advise the Company of any trading to enable the Company to fulfil its obligations to advise ASX.

Conflict of Interest

Directors must keep the Board advised, on an on going basis, of any interest that could potentially conflict with those of the Company. The Board has developed procedures to assist directors to disclose potential conflicts of interest, and declarations of interests is a standing agenda item for each Board meeting. Details of director related entity transactions with the Company and consolidated entity are set out in the Notes to the Financial Statements.

Performance of the Board, individual directors and key executives

The Board undertakes its own internal review of its performance and the performance of directors. Given the size of the Board, the experience of the individuals who are Board members, and the Company's operations, the Board is of the view that a formal review is not necessary and would be unproductive.

The Board as a whole reviews the performance of the Managing Director on an on-going basis.

Other executives receive performance reviews under the Company's annual performance review program.

Risk management and internal control framework

During the period, the Company operated a risk management and internal control framework that can be described as follows:

Financial reporting

- Monthly actual results are reported against budget and revised forecasts for the year are prepared regularly;
- The Company reports to shareholders half-yearly. Procedures are also in place to ensure that price sensitive information is reported to the ASX in accordance with the Continuous Disclosure requirements of the ASX Listing Rules and the Corporations Act 2001;

- The Managing Director and Chief Financial Officer both signed statements to the Board for the full and half year financial reports confirming that:
    - The Company's financial reports present a true and fair view, in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
    - The statement given above is 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 system is operating efficiently in all material respects.

Quality and integrity of personnel

- Formal appraisals are conducted at least annually for management and staff;
- The Company has adopted a Code of Conduct for all employees;
- The Company has written policies and procedures concerning issues such as health and safety in the workplace, harassment and equal opportunity.

Investment appraisal

The Company has clearly defined guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures, levels of authority and due diligence requirements where businesses are being acquired or divested.

An expanded, formalised risk management policy and framework has been drafted which will be adopted during the current financial year, subject to Board review and acceptance. Further, in May 2004 the Company established the position of a financial controller, separate to the Chief Financial Officer, whose role was formalised as follows:

- To play a full part in ensuring the Group complies with Corporate Governance requirements. Ensuring that risk is identified and advised to the requisite levels in the business and that adequate measures are in place and operable in order to minimise risk to acceptable levels;
- Project Manage the investigation, selection, implementation and trouble shooting of a replacement ERP system capable of undertaking sales order processing for Symex's Oleo chemical Business through to preparation of Financial Accounts.

The major activities of this position are to report directly to the Audit Committee on status of internal controls after completion of quarterly review of internal company controls. The review of controls will be based on an annual program presented and agreed by the Board. Identified controls will be reviewed regularly having regard to the associated risk rating and any changes in operating procedures.

Ethical standards

The consolidated entity has a Code of Conduct Manual which sets out the standards in accordance with which each director, manager and employee of the consolidated entity is expected to act. The requirement to comply with these ethical standards is communicated to all employees. The manual deals with the following main areas:

- Professional conduct;
- Dealing with customers and consumers;
- Dealing with suppliers;
- Dealing with advisors and regulators;
- Dealing with security of confidential information;
- Dealing with financial and operational integrity;
- Dealing with occupational health and safety.

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

The Code also includes a section concerning compliance, which stresses the Company's policy that, at all times, it complies with all legal obligations and other obligations arising under instruments such as the ASX Listing Rules and requires that its managers, employees, agents and other representatives do so too. The Code provides assistance to employees concerning obtaining information about their legal obligations.

Disclosure of information

On 21 June 2004 the Board adopted a written policy on disclosure of information. The policy was formulated to document the Company's existing response to its obligations to:

- Ensure that shareholders and the market are provided with timely and effective disclosure of material information;
- Comply with the continuous and periodic disclosure requirements of the ASX Listing Rules and the Corporations Act;
- Ensuring equal access to material information for all interested parties.

The policy focuses primarily on continuous disclosure obligations, but also deals with other disclosures, setting out obligations and procedures to be followed under the following headings:

- Continuous disclosure:
    - At Board meetings;
    - Between Board meetings
- Process of Disclosure;
- Media speculation and false markets;
- Periodic disclosure.

The role of shareholders

The Board of Directors aims to ensure that shareholders are informed of all major developments affecting the consolidated entity's state of affairs. Information is communicated to shareholders as follows:

- The annual report contains a review of the operations of the consolidated entity during the period. The audited financial report is prepared in accordance with the requirements of Australian Accounting Standards and the Corporations Act 2001 and is lodged with the Australian Securities and Investments Commission and the Australian Stock Exchange. The concise financial report is sent to all shareholders, and the full report is available on request;

- Proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a vote of shareholders;
- Notice of all meetings of shareholders is given to all shareholders, with appropriate explanatory material;
- The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions. The Company's auditor is requested to attend the Annual General Meeting to answer questions that shareholders may have, and appropriate time is allowed at the meeting for such questions.