SYMEX

ABN 29 091 035 353

ANNUAL FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 07

www.symex.com.au

CORPORATE DIRECTORY

DIRECTORS

Alan Stockdale
Chairman

Greg Tremewen
Managing Director

Allister Tomkins
Executive Director

Mark Evans
Non-Executive Director

Peter Robinson
Non-Executive Director

Alan Johnstone
Non-Executive Director

John Rishworth
Non-Executive Director

ANNUAL GENERAL MEETING

The Annual General Meeting of Symex Holdings Ltd will be held at 3.00pm
on Thursday 22nd November 2007 at Symex Holdings Ltd, 14 Woodruff Street, Port Melbourne, Victoria 3207.

REGISTERED OFFICE

14 Woodruff Street
Port Melbourne VIC 3207

LAWYERS TO THE COMPANY

Carton Solicitors
Suite 211
19 Milton Parade
Malvern VIC 3144

SHARE REGISTRY

Registries Ltd
Level 2, 28 Margaret Street
Sydney NSW 2000

AUDITORS

Deloitte Touche Tohmatsu
180 Lonsdale Street
Melbourne VIC 3000

PRINCIPAL BANKERS

The National Australia Bank
271 Collins Street
Melbourne VIC 3000

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CHAIRMAN'S REVIEW

The 2007 financial year was a significant one for Symex. The year saw difficult trading conditions in both the oleochemical part of the company's business and in the Pental home and personal care fast-moving consumer goods business. Despite the difficult trading conditions, the year saw a small profit from operations, implementation of very significant management changes and a re-orientation of the company's strategic approach to markets.

FINANCIAL PERFORMANCE

Before a series of one-off write-downs and other adjustments, the Company's Earnings Before Interest and Tax (EBIT) for the year was $9.895 million and the Net Profit After Tax (NPAT) was $4.497 million.

However, the final reported result for the year was an NPAT of $0.131 million having been adversely impacted by a series of one-off costs associated with restructuring following management changes and the writing off of various matters. Full details of the one-off costs and write-downs are disclosed in the Company's annual accounts.

Both the reported NPAT and the underlying result were within the profit guidance issued by the Board. The result after one-off issues was forecast to be an NPAT within the range of break even to $ 0.5 million. The Board's published performance guidance also foreshadowed the underlying performance of the overall business, prior to one-off restructuring costs, of an NPAT of $ 4.0 million to $4.5 million.

Whilst the Fast Moving Consumer Goods (FMCG) section of the business remains profitable, the market conditions in the Oleo Products Industry, around the world and at Symex, continued to be a concern throughout the 2007 year. Over the second half of the 2007 financial year, the Board and, later, the new management team, moved to implement significant strategic changes designed to restore profitability in the oleochemical business and to drive profit improvement in the FMCG business.

OLEOCHEMICAL BUSINESS

Around the world, the last few years have been difficult ones for the whole oleochemical industry. Markets for key products, oleic acid and stearic acid, have been subject to very tough competition. Selling margins had been eroded as Symex pursued a strategy of maximising sales to maintain contribution to fixed costs. This made our company vulnerable on selling prices, especially in markets outside Australia. At the same time, the glycerine market was subject to over-supply due to excess production of glycerine as a by-product of Government-subsidised production of bio-diesel in several countries. Costs and profits were also adversely affected by the strong Australian dollar and high buying prices for tallow, our major input.

Over the last six months, the Board implemented and oversaw a program of operating improvements to deal with the difficult world-wide operating environment in the oleochemical industry.

One-off adjustment costs were brought to account in the FY2007 result relating to retrenchment and staff costs, write down of plant and equipment and other costs. This has initially resulted in sustainable on-going savings of $1.2m per annum.

Management has been working to the turnaround strategy which involves:

- systematic action to increase selling prices for oleo products, on the domestic market and overseas;
- rationalisation of the company's marketing strategy to increase penetration in our most profitable markets and to reduce reliance on lower margin markets;
- delivery of targeted cost reductions - overheads and staffing positions have been reduced;
- implementation of other cost savings
- implementation of improvements in the purchase of tallow (the plant's main raw material);
- implementation of management personnel changes referred to below.

In addition, the Board has indefinitely deferred any further program of capacity expansion in the Oleo products side of the business and, whilst expenditure on maintenance and refurbishment of the oleochemical plant is necessary, very tight control is being maintained over capital spending.

The Board also appreciates the support of employees in the oleochemical plant and their unions in facing the need to restore profitability in a difficult operating environment.

CHAIRMAN'S REVIEW
CONTINUED

FAST MOVING CONSUMER GOODS BUSINESS

The company's fast moving consumer goods business ("FMCG"), based in Shepparton, again demonstrated the effectiveness of the diversification strategy implemented by the Board several years ago. Whilst more can be, and is being, done to improve performance - especially in respect of marketing, sales volumes and margins, the FMCG business again made a satisfactory profit in the 2007 year. Highlights for the 2007 year include the following:

- completion of a new filling line;
- improvement of our bottle filling machines; and
- further development of our relationship with supermarkets in relation to brand product lines and contract manufacturing of house brands.

ACQUISITION OF DCS INTERNATIONAL

In May, Symex completed the acquisition of DCS International Pty Ltd ("DCS"), an entity associated with former Executive Directors, Greg Tremewen and Allister Tomkins. DCS is an importer and distributor of chemicals.

Greg and Allister, who, respectively, have 16 and 14 years experience with Symex (and its predecessor companies), were appointed to the two senior management positions at Symex (see below) and have commenced the task of rebuilding the profitability of the Port Melbourne site and further improving performance at Pental. This commenced after a thorough business review was completed in June.

Whilst DCS is considerably smaller than Symex, the acquisition returned two experienced managers who have successfully operated their own oleochemical importing and sales business for the last four years. In addition, the involvement of DCS in importing and in the liquid soap market complements the long-standing Symex business.

DCS will operate in parallel with the Port Melbourne business and is already making a positive contribution to earnings.

MANAGEMENT CHANGES

During the latter part of the year, long-standing Managing Director, Mike Newton resigned after 34 years with Symex and its predecessor entities. Chief Financial Officer, Angus Thompson, resigned at the same time. The Board thanks Mike and Angus for their contribution to the company.

As a result of the acquisition of DCS International, Greg Tremewen and Allister Tomkins rejoined Symex and were appointed, respectively, Managing Director and Executive Director. Greg has assumed overall responsibility for the Group, with particular responsibility for finance, production and administration. Allister's primary responsibilities are in marketing, sales and product development.

Greg and Allister conducted a comprehensive review of the business which has resulted in a sharper focus on selling margins, restructuring to reduce costs and tightly control capital spending and rationalisation of the overseas markets in which Symex competes. The review has begun to gradually improve performance outcomes.

OUTLOOK FOR THE 2008 YEAR

The Board expects a significant improvement in results in the 2008 year.

The ongoing implementation of operating improvements will deliver benefits through the 2008 year. The price of tallow remains at high levels and most markets involve strong competition. The price of glycerine has been improving somewhat but it is too early to tell whether this is an ongoing trend. Despite some easing at the time of writing, the $A has generally been strong against our main offshore selling currencies of $US and YEN. Sustained improvement in any of these variables would assist in improving results.

Nonetheless, these factors also impact our global competitors. On our domestic market, Symex is the dominant supplier and is usually able to achieve appropriate selling margins. In overseas markets, selling prices have been progressively increased across all areas of the business and the improvement of margins is expected progressively through the 2008 year.

Directors expect an improvement in NPAT to between $ 7.5m and $ 8.5m for the 2008 year. It is expected that the profitability in the second half of the year will be better than the first half.

Again, the Board thanks the dedicated teams at Port Melbourne and Shepparton whose efforts and dedication have maintained profitability, albeit modest profits, in very challenging conditions.

Alan Stockdale,
Chairman

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

This statement outlines the main Corporate Governance practices that were in place throughout the financial year. Unless otherwise stated, the best practice recommendations of the ASX Corporate Governance Council ("the Recommendations") were followed during the financial year.

BOARD OF DIRECTORS AND ITS COMMITTEES

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. The Charter sets out formally the procedures under which the Board operates. The major provisions 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 the Company;
- 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.

CORPORATE GOVERNANCE STATEMENT
CONTINUED

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 five non-executive directors and two executive directors. Of the five non-executive directors, four meet the test for independence suggested by the Recommendations, including the Chairman. A majority of directors are therefore independent. Symex notes that a company associated with Mark Evans has received fees totalling $108,000, plus GST, concerning corporate advisory services in the acquisition of DCS International Pty Ltd, however Symex considers that Mr Evans remains an independent director as the fees were negotiated as if Mr Evans was an arm's length service provider, were one off in nature and are not on-going, in that the transactions to which they relate have been completed.

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.

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 other than the Managing Director (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 operates an Audit Committee. That Committee operates under a Charter.

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 are:
- P Robinson (Chair)
- A Stockdale
- M Evans

The audit committee consists only of 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;
- Monitoring corporate risk assessment and processes;
- Monitoring the establishment of an appropriate internal control framework, and appropriate ethical standards.

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 Board on advice from 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.

Director dealings in Company shares

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

- Prohibits trading within specific time periods when it will be assumed directors and senior employees are likely to be in possession of price sensitive information not known to the market, and trading at any time when directors and senior employees 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 ongoing 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 executive directors, including the Managing Director, on an on-going basis.

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

CORPORATE GOVERNANCE STATEMENT
CONTINUED

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 has 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.

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.

CORPORATE GOVERNANCE STATEMENT
CONTINUED

DISCLOSURE OF INFORMATION

The Board has adopted a written policy on disclosure of information 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 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 full financial report is available to all shareholders 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 attends the Annual General Meeting to answer questions that shareholders may have, and appropriate time is allowed at the meeting for such questions.

DIRECTORS' REPORT

The directors of Symex Holdings Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2007. In order to comply with the Corporations Act 2001, the directors report as follows:

DIRECTORS

The roles and particulars of 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 LL.B,B.A		
Non-Executive Chairman	62	Chairman of Senetas Corporation Ltd, Director of Mariner Financial Ltd, Director of N.S.W. Treasury Corporation, Chairman of the Medical Research Commercialisation Fund Pty Ltd, Chairman of the Institute of Public Affairs, Former Treasurer of the State of Victoria and the world's first Minister for Information Technology and Multimedia. Former Chairman of Axon Instruments Inc. Appointed Chairman of Symex Holdings Limited effective on 18 February 2000.
Mr Greg Tremewen B.Bus (Acc)		
Managing Director	44	Over 16 years service with the company and former owners, Unilever/Uniqema and ICI. Roles included Customer Services Manager, Supply Chain Manager, Commercial Manager and Finance Director. Greg was a former owner of DCS International Pty Ltd. Greg was appointed Managing Director on 28 May 2007.
Mr Allister Tomkins B.Bus		
Executive Director	40	Over 14 years service with the company and former owners, Unilever/Uniqema and ICI. Extensive sales, marketing, customer service and supply chain experience. Allister has strong relationships with customers, sales agents and distributors. Allister was a former owner of DCS International Pty Ltd. Allister was appointed Executive Director on 28 May 2007.
Mr Mark Evans B.Bus (Acc), ASIA		
Non-Executive Director	42	Mark is Managing Director of Normanby Capital Pty Ltd and has wide experience in the corporate advisory field including IPO's, mergers, acquisitions and all aspects of capital raising. Mark was Managing Director of Kids Campus Limited and is currently Chairman of Dental Corporation Holdings Ltd and CFK Childcare Centres Ltd. Appointed Director on 23 December 1999.
Mr Peter Robinson B.Eco (Mon)		
Non-Executive Director	64	Mr Robinson has a wealth of experience in the manufacturing sector within Australia and internationally. He was the 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.
Mr Alan Johnstone		
Non-Executive Director	67	Mr. Johnstone has extensive experience in retailing and is the founder and Chairman 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 3 September 2003.
Mr John Rishworth		
Non-Executive Director	68	Mr Rishworth has worked in the Fast Moving Consumer Goods sector for the last 30 years. He held significant senior positions within Woolworths before founding his own successful retail brokerage business in 1987. Since selling that business he has taken on a number of consultancy assignments within the retail sector. Appointed Director 8 September 2004.
Mr Mike Newton B.App Sc		
Former Managing Director	53	Appointed Managing Director on 23 December 1999. Resigned 28 May 2007.

DIRECTORS' REPORT
CONTINUED

DIRECTORS (CONTINUED)

The above named directors held office during and since the end of the financial year except for:
Mr Mike Newton – resigned 28 May 2007
Mr Greg Tremewen – appointed 28 May 2007
Mr Allister Tomkins – appointed 28 May 2007

Any directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are indicated above under "experience and special responsibilities".

COMPANY SECRETARY

NAME & QUALIFICATIONS	AGE	EXPERIENCE AND SPECIAL RESPONSIBILITIES
Mr Oliver Carton B Juris LLB		
Company Secretary	43	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 18 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 managed 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	16	16	3	3
Mr G Tremewen	4	4	–	–
Mr A Tomkins	4	4	–	–
Mr M Newton	11	11	–	–
Mr M Evans	15	16	2	3
Mr P Robinson	14	16	3	3
Mr A Johnstone	13	16	–	–
Mr J Rishworth	15	16	–	–

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

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 and home products. There were no significant changes in the nature of the activities of the consolidated entity during the year other than those disclosed below.

REVIEW AND RESULTS OF OPERATIONS

Symex Holdings Limited (ASX: SYM) announced a net profit after tax (NPAT) for the year ended 30 June 2007 of $0.131 million.

The actual result is comprised of an underlying NPAT of $4.497 million and one-off restructuring and other costs and write-downs of $4.366 million.

Both the reported NPAT and the underlying result are within the profit guidance of break even to $0.5 million released to the ASX on 3 July 2007. That release also foreshadowed an underlying performance of the business, prior to one-off restructuring costs, of an NPAT of $4.0 million to $4.5 million.

REVIEW AND RESULTS OF OPERATIONS (CONTINUED)

Whilst the Fast Moving Consumer Goods (FMCG) section of the business remains profitable, the market conditions in the Oleo Products Industry, around the world and at Symex, continued to be a concern throughout the 2007 year.

OLEOCHEMICAL BUSINESS

Over the last six months, the Board implemented and oversaw a program of operating improvements to deal with the difficult world-wide operating environment in the oleochemical industry.

Management has been working to the turnaround strategy which involves:

- Systematic action to increase selling prices for both oleo products (on the domestic market and overseas) and FMCG products so as to achieve sustainable commercial margins;
- rationalisation of the company's marketing strategy to increase penetration in our most profitable markets and to reduce reliance on lower margin markets;
- delivery of targeted cost reductions - overheads and staffing positions have been reduced;
- implementation of other cost savings;
- implementation of improvements in the purchase of tallow (the plant's main raw material); and
- implementation of management personnel changes referred to below.

In addition, the Board has indefinitely deferred any further program of capacity expansion in the Oleo products side of the business and, whilst expenditure on maintenance and refurbishment of the oleochemical plant is necessary, very tight control is being maintained over capital spending.

The Board also appreciates the support of employees in the oleochemical plant, and their unions in facing the need to restore profitability in a difficult operating environment.

FAST MOVING CONSUMER GOODS BUSINESS

The company's fast moving consumer goods business ("FMCG"), based in Shepparton, again demonstrated the effectiveness of the diversification strategy implemented by the Board several years ago. Whilst more can be, and is being, done to improve performance - especially in respect of marketing, sales volumes and margins, the FMCG business again made a satisfactory profit in the 2007 year. Highlights for the 2007 year include the following:

- completion of a new filling line;
- improvement of our bottle filling machines.
- further development of our relationship with supermarkets in relation to brand product lines and contract manufacturing of house brands.

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 in last year's report:				
Final - ordinary shares	2.0	1,920	Fully Franked to 100% at 30% corporate tax rate	27 October 2006
In respect of the current financial year:				
Nil	–	–	–	–

There was no interim dividend paid in respect of the year ended 30 June 2007. In addition, the directors do not propose the payment of a final dividend in respect of the year ended 30 June 2007.

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

CHANGES IN STATE OF AFFAIRS

In May 2007, Symex completed the acquisition of DCS International Pty Ltd ("DCS"), an entity associated with former Executive Directors, Greg Tremewen and Allister Tomkins. DCS is an importer and distributor of chemicals.

Greg and Allister, who, respectively, have over 16 and 14 years experience with Symex (and its predecessor companies), were appointed to the two senior management positions at Symex and have commenced the task of rebuilding the profitability of the Port Melbourne site and further improving performance at Pental. This commenced after a thorough business review was completed in June.

Whilst DCS is considerably smaller than Symex, the acquisition returned two experienced managers who have successfully operated their own oleochemical importing and sales business for the last four years. In addition, the involvement of DCS in importing and in the liquid soap market complements the long-standing Symex business.

DCS will operate in parallel with the Port Melbourne business and is already making a positive contribution to earnings.

Other than the above, there was no significant change in the state of affairs of the consolidated entity during the financial year

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.

Environmental management

The consolidated entity is committed to achieving a high standard of environmental performance. It has established an Environmental Improvement Plan (EIP) in conjunction with the Environment Protection Authority (EPA), local residential and industrial communities. This Environmental Improvement Plan takes into consideration the regular monitoring of environmental compliance with environmental regulations and internal business targets.

The EIP plan covers and 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; and
- Regular monitoring of licence requirements, with performance against licence conditions reported to the various State regulators on a regular basis.

To ensure that all environmental responsibilities are met, performance is reported to the Site Management Group and to the Board as required.

Performance against compliance requirements

Compliance with the requirements of environmental regulations and with specific requirements of site environmental licences were achieved with no instances of non-compliance in relation to licence requirements noted during the financial year end up until the date of this report.

EVENTS SUBSEQUENT TO BALANCE DATE

(i) In August 2007, there was an Extraordinary General Meeting held to approve the following:

1. The approval of options to Greg Tremewen and Allister Tomkins.
2. The issue of shares on conversion of a convertible note for $3m in June 2007.
3. The issue of shares on conversion of the convertible note, in part, to directors of Symex.

All of the above were approved at the meeting.

(ii) In August 2007, the company entered into an agreement to purchase an option for its USD receipts. The option covers receipts of $USD 1.5m per month from October 2007 to June 2008 inclusive. Expected total USD receipts are approximately $USD 2.5m per month for this period. The option rate is $ 0.8175.

In August 2007, the company extended the Yen foreign exchange cover that existed. The Yen was covered for Yen 40m per month to April 2008 at a rate of 77.51. This has been extended to October 2008 at a new rate. The Yen is now covered from September 2007 to October 2008 at the new rate of Yen 83.75. Total cover for this period is Yen 500m.

(iii) Subsequent to 30 June 2007, a stamp duty claim from the State Revenue Office was settled. This claim dates back a number of years and has been listed in the Contingent Liability section of previous Annual Reports.

A total amount of $1,333 thousand has been refunded to Symex in July and August 2007.

(iv) On 3 September 2007 6,088,552 fully paid ordinary shares were issued on conversion of the convertible loans.

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

FUTURE DEVELOPMENTS

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

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director and other key management personnel of Symex Holdings Limited.

Remuneration Policy

The remuneration policy of Symex Holdings Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based upon key performance areas affecting the consolidated entity's financial results. The board of Symex Holdings Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated entity, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the consolidated entity is as follows:

The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board after seeking advice from independent external consultants. All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives. Executive packages are reviewed annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

REMUNERATION REPORT (CONTINUED)

The performance of executives is measured regularly against agreed criteria and is based predominantly on the forecast growth of the consolidated entity's profits and shareholders' value. All bonuses and incentives are linked to predetermined performance criteria.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Binomial methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Non-executive remuneration has not been changed for several years. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee share plan. No shares or options have been issued to non-executive directors, under the employee share plan or the option scheme, within the last three years.

Performance Based Remuneration

As part of each executive director's and executive's remuneration package there is a performance based component, consisting of key performance indicators (KPI's). The intention of this program is to facilitate goal congruence between directors/executives with that of the business and shareholders. The KPI's are set annually, with a certain level of consultation with directors/executives to ensure buy-in.

In determining whether or not a KPI has been achieved, Symex Holdings Limited bases the assessment on audited figures.

Company Performance, Shareholder Wealth and Directors' and Executives Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and executives.
There have been two methods applied in achieving this aim, the first being a performance based bonus based on key performance indicators, and the second being the issue of options to the majority of the executives to encourage the alignment of personal and shareholder wealth.

REMUNERATION REPORT (CONTINUED)

Details of the nature and amount of each major element of the emoluments of the key management personnel are:

TABLE 1: Remuneration of key management personnel 2007

	Short-term Employee Benefits				Post Employment Benefits		Termination Benefits (i)	Share-based Payments Equity settled	Total	% Remuneration Performance Related
2007	Base emolument $	Bonuses $	Non-cash benefits $	Other $	Super contributions $	Other benefits $	$	Options (A) $	$	
Directors										
Non-executive										
Alan Stockdale	100,000	–	107	–	9,000	–	–	–	109,107	–
Mark Evans	40,000	–	107	–	3,600	–	–	–	43,707	–
Peter Robinson	40,000	–	107	–	3,600	–	–	–	43,707	–
Alan Johnstone	40,000	–	107	–	3,600	–	–	–	43,707	–
John Rishworth	40,000	–	107	–	3,600	–	–	–	43,707	–
Executive										
Mike Newton	276,369	–	53,601	–	70,492	–	498,419	(15,451)	883,430	–
Greg Tremewen	22,642	–	9	–	2,038	–	–	373,657	398,346	–
Allister Tomkins	22,642	–	9	–	2,038	–	–	373,657	398,346	–
Total	**581,653**	**–**	**54,154**	**–**	**97,968**	**–**	**498,419**	**731,863**	**1,964,057**	
Executives										
Angus Thompson	115,568	4,000	28,427	81,398	22,555	–	264,772	–	516,720	0.8%
Chris Lovejoy (ii)	139,178	3,000	33,584	–	30,394	–	–	–	206,156	1.5%
Cosi Papallo	187,187	20,000	41,403	–	23,401	–	–	–	271,991	7.4%
Greg Berti (ii)	130,371	4,000	52,017	–	11,928	–	–	–	198,316	2.0%
Mary Kanellos	111,698	4,000	40,883	–	25,422	–	–	–	182,003	2.2%
Total	**684,002**	**35,000**	**196,314**	**81,398**	**113,700**	**–**	**264,772**	**–**	**1,375,186**	

(i) Termination benefits include leave entitlements.

(ii) Since the end of the financial year the following termination payments, including leave entitlements, have been made – Chris Lovejoy $172,940; Greg Berti $76,986.

REMUNERATION REPORT (CONTINUED)

TABLE 2: Remuneration of key management personnel 2006

	Short-term Employee Benefits				Post Employment Benefits		Termination Benefits (i)	Share-based Payments Equity settled	Total	% Remuneration Performance Related
2006	Base emolument $	Bonuses $	Non-cash benefits $	Other $	Super contributions $	Other benefits $	$	Options (A) $	$	
Directors										
Non-executive										
Alan Stockdale	100,000	–	142	–	9,000	–	–	–	109,142	–
Mark Evans	40,000	–	142	–	3,600	–	–	–	43,742	–
Peter Robinson	40,000	–	142	–	3,600	–	–	–	43,742	–
Alan Johnstone	40,000	–	142	–	3,600	–	–	–	43,742	–
John Rishworth	40,000	–	142	–	3,600	–	–	–	43,742	–
Executive										
Mike Newton	300,515	60,000	32,673	–	45,384	5,329	–	32,810	476,711	12.6%
Total	**560,515**	**60,000**	**33,383**	**–**	**68,784**	**5,329**	**–**	**32,810**	**760,821**	
Executives										
Angus Thompson	190,835	40,000	32,736	–	25,100	–	–	2,534	291,205	13.8%
Chris Lovejoy	134,100	–	35,607	–	21,481	4,372	–	–	195,560	–
Cosi Papallo	154,099	40,000	22,426	–	20,700	–	–	–	237,225	16.9%
Total	**479,034**	**80,000**	**90,769**	**–**	**67,281**	**4,372**	**–**	**2,534**	**723,990**	

(A) All options expire during or before the period up to 30 June 2010 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 Binomial Model. Further details of options are set out below. Where options have a vesting period, the fair value of the option is expensed and recorded in remuneration on a straight-line basis over the vesting period.

REMUNERATION OPTIONS

The following table discloses the value of options granted, exercised or lapsed during the year :

TABLE 3: Options granted as remuneration 2007

	Options Granted Value at grant date $	Options Exercised Value at exercise date $	Options Lapsed Value at time of lapse $	Total value of options granted, exercised & lapsed $	Value of options included in remuneration for the year $	Percentage of total remuneration for the year that consists of options %
Greg Tremewen[i]	373,657	–	–	373,657	373,657	93.8
Allister Tomkins[i]	373,657	–	–	373,657	373,657	93.8
Angus Thompson	–	–	56,697	56,697	–	–
Chris Lovejoy	–	–	33,073	33,073	–	–
Greg Berti	–	–	33,073	33,073	–	–
Mike Newton	–	–	17,359	17,359	–	–

(i) Options granted to Greg Tremewen and Allister Tomkins in 2007 lapse on 30 June 2010.

REMUNERATION OPTIONS (CONTINUED)

TABLE 4: Options granted as remuneration 2006

	Options Granted Value at grant date $	Options Exercised Value at exercise date $	Options Lapsed Value at time of lapse $	Total value of options granted, exercised & lapsed $	Value of options included in remuneration for the year $	Percentage of total remuneration for the year that consists of options %
Alan Stockdale[(a)]	–	–	–	–	–	–
Mike Newton[(b)]	86,218	–	–	86,218	32,810	6.88

(a) Options lapsed on 31 December 2005 and were issued prior to current requirements to value options granted as part of remuneration and are therefore shown at nil cost.

(b) Options granted to Mike Newton in 2006 expire 5 years after grant date, conditional on remaining as an employee of the company. Mike resigned on 28 May 2007 and therefore these options have lapsed.

SHARE OPTIONS

During the financial year, the Company granted 8,000,000 options, allocated equally between the Managing Director of the consolidated entity, Mr Greg Tremewen, and Executive Director Mr Allister Tomkins, over 8,000,000 unissued fully paid ordinary shares of the Company.

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

Expiry date of options	Exercise price	Number of shares under option
31 December 2007	$0.80	150,000
18 July 2010	$1.24	858,334
30 June 2010	$1.51	875,000
30 June 2010	$0.55	2,000,000
30 June 2010	$0.70	2,000,000
30 June 2010	$0.80	2,000,000
30 June 2010	$0.90	2,000,000
Total		**9,883,334**

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, no fully paid ordinary shares were issued by the Company as a result of the exercise of options.

DIRECTORS' INTERESTS

The relevant interest of each director in the shares, options over shares and convertible loans 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:

	Number of fully paid ordinary shares	Number of options over fully paid ordinary shares
Alan Stockdale	2,285,715	–
Greg Tremewen	6,172,540	4,000,000
Allister Tomkins	6,171,540	4,000,000
Mark Evans	1,002,858	–
Peter Robinson	705,511	–
Alan Johnstone	13,185,592	–
John Rishworth	11,429	–

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 in respect of Directors' and Officers' liability insurance contracts for current and former officers. The company is under an obligation with its insurer not to disclose the amount paid for such insurance. 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, Greg Tremewen, Allister Tomkins, Mike Newton, Mark Evans, Peter Robinson, Alan Johnstone, John Rishworth 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.

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

NON-AUDIT SERVICES

The Board of directors in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during they year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reason:

- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Code of Conduct APES 110 Code of Ethics For Professional Accountants issued by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2007:

Advice on, and review of, AIFRS disclosures	$13,900

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 20 of the financial report.

ROUNDING OFF OF AMOUNTS

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.

Dated at Melbourne this 26th day of September 2007.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Greg Tremewen
Director

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

180 Lonsdale Street
Melbourne VIC 3000
GPO Box 78B
Melbourne VIC 3001
Australia

DX 111
Tel: +61 (0) 3 9208 7000
Fax: +61 (0) 3 9208 7001
www.deloitte.com.au

26 September 2007

The Directors
Symex Holdings Limited
14 Woodruff Street
PORT MELBOURNE VIC 3207

Dear Directors

Auditor's independence declaration to Symex Holdings Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Symex Holdings Limited.

As lead audit partner for the audit of the financial statements of Symex Holdings Limited for the year ended 30 June 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully,

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R D D COLLIE
Partner
Chartered Accountants

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Revenue-sale of goods	3	131,140	113,371	88,335	70,582
Revenue-other	3	428	473	391	461
Other income	4(a)	–	1,296	–	796
Changes in inventories of finished goods and work in progress		3,051	1,607	2,461	58
Raw materials, finished goods purchases, utilities and consumables used		(79,268)	(62,950)	(58,993)	(42,683)
Employee benefit expenses		(17,776)	(13,832)	(11,861)	(8,760)
Depreciation expense	4(b)	(2,799)	(2,347)	(2,166)	(1,844)
Impairment of plant and equipment		(2,533)	–	(1,333)	–
Finance costs	4(b)	(4,813)	(4,287)	(4,440)	(4,101)
Freight expense		(11,375)	(10,232)	(8,240)	(7,376)
Repairs and maintenance expenses		(3,286)	(2,200)	(2,858)	(1,766)
Foreign exchange gain/(loss)		(3,361)	(16)	(3,319)	32
Marketing expenses		(1,230)	(1,843)	–	–
Other expenses		(8,905)	(7,849)	(6,058)	(4,722)
Profit/(loss) before tax		**(727)**	**11,191**	**(8,081)**	**677**
Income tax (expense)/income	6(a)	858	(3,456)	2,977	(246)
Profit/(loss) for the year		**131**	**7,735**	**(5,104)**	**431**
Net profit/(loss) attributable to members of the parent entity	**23**	**131**	**7,735**	**(5,104)**	**431**
Earnings per share:					
Basic (cents per share)	7	0.1	8.1		
Diluted (cents per share)	7	0.1	8.1		

Notes to the financial statements are included on pages 25 to 71.

BALANCE SHEET
AS AT 30 JUNE 2007

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
CURRENT ASSETS					
Cash and cash equivalents	9	3,346	3,748	636	2,285
Trade and other receivables	10	28,085	24,647	14,619	10,951
Other financial assets	11	1,285	1,068	1,285	1,068
Inventories	13	13,796	8,772	6,984	4,684
Current tax assets	6(c)	1,419	843	1,377	838
Other	14	1,187	2,104	1,100	2,062
Total current assets		**49,118**	**41,182**	**26,001**	**21,888**
NON-CURRENT ASSETS					
Trade and other receivables	10	–	–	40,054	42,788
Other financial assets	11	–	143	–	143
Investments	12	–	–	6,232	668
Property, plant and equipment	15	51,052	51,020	36,865	37,565
Goodwill	17	36,182	32,058	–	–
Other intangible assets	16	6,334	6,068	–	–
Total non–current assets		**93,568**	**89,289**	**83,151**	**81,164**
Total assets		**142,686**	**130,471**	**109,152**	**103,052**
CURRENT LIABILITIES					
Trade and other payables	18	16,610	12,744	9,580	6,495
Borrowings	20	14,180	22,983	13,702	16,768
Other financial liabilities	19	624	46	624	46
Provisions	21	3,814	2,915	3,047	2,264
Total current liabilities		**35,228**	**38,688**	**26,953**	**25,573**
NON-CURRENT LIABILITIES					
Borrowings	20	53,977	41,762	48,248	41,622
Other financial liabilities	19	–	10	–	10
Deferred tax liabilities	6(d)	3,702	4,747	3,642	4,751
Provisions	21	211	181	56	89
Total non-current liabilities		**57,890**	**46,700**	**51,946**	**46,472**
Total liabilities		**93,118**	**85,388**	**78,899**	**72,045**
Net assets		**49,568**	**45,083**	**30,253**	**31,007**
EQUITY					
Issued capital	22	23,569	18,169	23,569	18,169
Reserves	24	2,285	1,411	2,280	1,410
Retained earnings	23	23,714	25,503	4,404	11,428
Total equity		**49,568**	**45,083**	**30,253**	**31,007**

Notes to the financial statements are included on pages 25 to 71.

STATEMENT OF
RECOGNISED INCOME & EXPENSE
FOR THE YEAR ENDED 30 JUNE 2007

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Gain on cash flow hedges taken to equity	1,284	4,132	1,284	4,132
Exchange differences arising on translation of foreign operations	4	1	–	–
Income tax on items taken directly to equity	(385)	(1,240)	(385)	(1,240)
Net income recognised directly in equity	**903**	**2,893**	**899**	**2,892**
Transfers (net of any related tax):				
Transfer to profit or loss from equity on cash flow hedges	(1,154)	(4,178)	(1,154)	(4,178)
Profit/(loss) for the period	131	7,735	(5,104)	431
Total recognised income and expense for the period attributable to members of the parent entity	**(120)**	**6,450**	**(5,359)**	**(855)**

Notes to the financial statements are included on pages 25 to 71.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2007

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		150,770	133,454	98,250	84,214
Payments to suppliers and employees		(140,198)	(117,030)	(98,304)	(77,592)
Interest received	3	82	140	82	140
Interest and other costs of finance paid	4	(4,813)	(4,287)	(4,440)	(4,101)
Net income taxes paid		(812)	(5,796)	(794)	(2,741)
Net cash provided by/(used in) operating activities	**29(b)**	**5,029**	**6,481**	**(5,206)**	**(80)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		–	140	–	140
Payments for property, plant and equipment	15	(5,359)	(11,718)	(2,799)	(7,557)
Payment to State Revenue Office		–	(1,728)	–	(1,728)
Payment for businesses	33	(164)	(8,788)	(164)	–
Proceeds from businesses acquired	33	167	–	–	–
Net cash used in investing activities		**(5,356)**	**(22,094)**	**(2,963)**	**(9,145)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from the issue of equity securities		–	333	–	333
Loan provided from/(to) controlled entities		–	–	(2,559)	1,335
Repayments of loans by controlled entities		–	–	7,439	(3,329)
Proceeds from borrowings		8,466	33,982	8,466	30,477
Dividends paid to equity holders of the parent	23	(1,920)	(6,238)	(1,920)	(6,238)
Repayment of borrowings		(7,516)	(13,356)	(7,443)	(13,284)
Net cash (used in)/provided by financing activities		**(970)**	**14,721**	**3,983**	**9,294**
Net increase/(decrease) in cash and cash equivalents		**(1,297)**	**(892)**	**(4,186)**	**69**
Cash and cash equivalents at the beginning of the financial year	**29(a)**	**1,719**	**2,611**	**1,898**	**1,829**
Cash and cash equivalents at the end of the financial year	**29(a)**	**422**	**1,719**	**(2,288)**	**1,898**

Notes to the financial statements are included on pages 25 to 71.

1. SUMMARY OF ACCOUNTING POLICIES

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial report includes the separate financial statements of the company and the consolidated financial statements of the Group.

The financial statements were authorised for issue by the directors on 26 September 2007.

Basis of Preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The 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.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) 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.

(b) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(c) Derivative financial instruments

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.

The consolidated entity uses derivative financial instruments, being forward foreign currency contracts to hedge the risk associated with foreign currency fluctuations. Such derivatives are stated at fair value. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to net profit or loss for the year.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(c) Derivative financial instruments (continued)

For derivatives that qualify for hedge accounting, the method for recognising gains and losses on changes in fair value depends on whether the derivative is classified as a fair value hedge or a cash flow hedge. Derivatives are classified as fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability and as cash flow hedges when they hedge exposure to variability in cash flows that are attributable to either a particular risk associated with a recognised asset or liability or to a forecast transaction. The consolidated entity documents at inception of the hedge the relationship between the hedging instruments (derivatives) and the hedged items, as well as the risk management objective and strategy for undertaking the hedge transaction.

The consolidated entity also documents, both at inception of the hedge and on an ongoing basis whether the derivatives that are used in the hedging transactions have been, and will continue to be, highly effective in offsetting changes in fair values or cash flows of hedged items.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve and transferred to the income statement when the hedged item affects profit or loss. The gain or loss relating to the ineffective portion is recognised immediately in the income statement. However, when the cash flow hedge relates to a forward foreign exchange contract to hedge a highly probable forecast transaction or firm commitment that results in a non-financial asset (e.g. inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the initial cost or carrying amount of the asset or liability.

Hedge accounting is discontinued when the hedging instrument expires, or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gains or losses on the hedging instrument recognised in equity is kept in equity until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement and recognised in net profit or loss for the year.

(d) 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 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.

(e) Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(f) Foreign currency

The presentation and functional company of the consolidated entity is Australian dollars.

Foreign currency transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except that:

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer Note 1(c)); and
- exchange differences on monetary items receivable from, or payable to, a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

Foreign operations

On consolidation, the assets and liabilities of the consolidated entity's overseas operations are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are recognised in the foreign currency translation reserve, and recognised in profit or loss on disposal of the foreign operation.

The financial statements of foreign subsidiaries, associates and jointly controlled entities that report in the currency of a hyperinflationary economy are restated in terms of the measuring unit current at the reporting date before they are translated into Australian dollars.

(g) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except;

i. where the amount of GST incurred is not recoverable from the relevant taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of the expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the relevant taxation authorities is included as part of receivables or payables.

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.

(h) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(h) Income Tax (Continued)

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, branches, associates and joint ventures except where the consolidated entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

The company and all its wholly-owned Australian resident entities are part of a tax consolidated group under Australian taxation law. Symex Holdings Limited is the head entity in the tax-consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the ‘separate taxpayer within group’ approach.

Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group). Due to the existence of a tax funding arrangement between the entities in the tax consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(i) Intangible Assets

Goodwill

Goodwill, representing the excess of the cost of acquisition over the fair value of the identifiable assets, liabilities, and contingent liabilities acquired, is recognised as an asset and not amortised, but tested for impairment annually and whenever there is an indication that the goodwill may be impaired. Any impairment is recognised immediately in profit and loss and is not subsequently reversed. Refer also note 1(l).

Pental brand names

The Pental brand names are not amortised as the Directors believe the brands have an indefinite useful life.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

(j) Borrowings

Borrowings are initially recorded at fair value, net of transactions costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(k) Inventories

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.

(l) Impairment of Assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(l) Impairment of Assets (Continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less that its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit and loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amounted does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(m) Principles of Consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 'Consolidated and Separate Financial Statements'. A list of subsidiaries appears in Note 33 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealized profits arising within the consolidated entity are eliminated in full.

(n) Property, Plant and Equipment

The carrying amount of property, plant and equipment is valued on the cost basis, is subject to impairment testing and is reviewed to determine whether they are in excess of their recoverable amount at balance date.

If the carrying amount of a property, plant and equipment 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 which are valued in the accounts on the cost basis are carried out at least once every five years.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method is reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

Tanks & Buildings	40 years
Plant and machinery	4 – 20 years

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(o) Provisions

Provisions are recognised when the consolidated entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

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.

(p) Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the consolidated entity's general policy on borrowing costs. Refer to Note 1(a).

Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset. Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(q) Revenue recognition

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.

Sale of goods

Revenue from the sale of goods is recognised (net of returns, rebates, discounts and allowances) when the consolidated entity has transferred to the buyer control and the significant risks and rewards of ownership of the goods.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(r) Financial Assets

Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Subsequent to initial recognition, investments in subsidiaries are measured at cost.

Loans and receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

Other financial assets

For the accounting policy on derivatives - refer Note 1(c).

(s) Financial instruments issued by the company

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction costs on the issue of equity instruments

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

Interest and dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments or component parts of compound instruments.

(t) Accounts Payable

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(u) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The above policy is applied to all equity-settled share-based payments that were granted after 7 November 2002 that vested after 1 January 2005. No amount has been recognised in the financial statements in respect of other equity-settled shared-based payments.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(u) Share-based payments (Continued)

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(v) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.
The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of goodwill at balance date was $36,182 thousand and the Directors have assessed that no impairment charge is required for the year ended 30 June 2007.

Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which the intangible asset has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

The carrying amount of intangible assets at balance date was $6,334 thousand and the Directors have assessed that a write-back of $266 thousand is required for the year ended 30 June 2007.

(w) Adoption of new and revised accounting standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.
The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Groups accounting policies reported for the current or prior years.

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(x) New Standards and interpretations not yet adopted

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

- AASB 2007-4 'Amendment to Australian Accounting Standards arising from ED 151 and Other Amendments' makes amendments to a number of Australian Accounting Standards to introduce various accounting policy options, delete various disclosures presently required, and to make a number of editorial amendments. Effective for annual reporting periods beginning 1 July 2007.
- AASB 7 'Financial Instruments: Disclosures' and consequential amendments to other accounting standards resulting from its issue. Effective for annual reporting periods beginning on or after 1 January 2007.
- 2005-10 'Amendments to Australian Accounting Standards" makes consequential amendments to Accounting Standards. Effective for annual reporting periods beginning on or after 1 January 2007.
- AASB 101 "Presentation of Financial Statements' - revised standard. Effective for annual reporting periods beginning on or after 1 January 2007.
- Interpretation 10 "Interim Financial Reporting and Impairment'. Effective for annual reporting periods beginning on or after 1 November 2006.
- AASB 8 'Operating Segments' and consequential amendments to other accounting standards resulting from its issue. Effective for annual reporting periods beginning on or after 1 January 2009.

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company or the consolidated entity. The circumstances addressed by Interpretation 10, which prohibits the reversal of certain impairment losses, do not affect either the Company's or the consolidated entity's previously reported results and accordingly, there will be no impact to these financial statements on adoption of the Interpretation.

The application of AASB 101 (revised), AASB 7 and AASB 2005-10 will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the Company's and the consolidated entity's financial instruments and the objectives, policies and processes for managing capital. The consolidated entity does not intend to change any of its current accounting policies on adoption of AASB 2007-4; accordingly, there will be no financial impact to these financial statements. However, in the Group's financial statements for the year ending 30 June 2008, certain information may no longer be disclosed, or may be disclosed in an alternative manner, due to amendments made by AASB 2007-4 to the disclosure requirements of various Accounting Standards. AASB 8 is not expected to have an impact on the financial results of the Company as the standard is only concerned with disclosures. The company has not assessed the impact on the financial report of the consequential amendments to other accounting standards resulting from the issue of AASB 8.

These standards and interpretations will be first applied in the financial report of the consolidated entity that relates to the annual reporting period beginning after the effective date of each pronouncement.

2. PRIOR YEAR CHANGE IN ACCOUNTING POLICY

The group has adopted the following accounting standards for application on 1 July 2005:

- AASB 132: Financial Instruments: Disclosure and Presentation; and
- AASB 139: Financial Instruments: Recognition and Measurement.

The changes resulting from the adoption of AASB 132 relate primarily to increased disclosures required under the standard and do not affect the value of the amounts reported in the financial statements.

The adoption of AASB 139 has resulted in material difference in the recognition and measurement of the group's financial instruments. The group has elected not to adjust comparative information resulting from the introduction of AASB 139 as permitted under the transitional provisions of AASB 1.

2. PRIOR YEAR CHANGE IN ACCOUNTING POLICY (CONTINUED)

The aggregate effect of the change in accounting policy on the balance sheet as at 1 July 2005 is as follows:

	Previously stated DR/(CR) $'000	Adjustment DR/(CR) $'000	Restated DR/(CR) $'000
(i) Consolidated Entity and Company			
Net receivable on forward foreign currency contracts – current asset	4,166	(4,166)	–
Foreign currency forward contracts at fair value – current asset	–	2,253	2,253
Net receivable on forward foreign currency contracts – non-current asset	1,529	(1,529)	–
Foreign currency forward contracts at fair value – non-current asset	–	273	273
Deferred foreign currency hedge exchange differences and costs – current liability	(2,964)	2,964	–
Foreign currency forward contracts at fair value – current liability	–	(12)	(12)
Deferred foreign currency hedge exchange differences and costs – non-current liability	(1,529)	1,529	–
Foreign currency forward contracts at fair value – non-current liability	–	(191)	(191)
Retained profits	(24,850)	844	(24,006)
Deferred tax liability	(5,387)	357	(5,030)
Hedging reserve	–	(2,322)	(2,322)
	(29,035)	**–**	**(29,035)**

3. REVENUE

	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
SALES REVENUE:				
Revenue from the sale of goods	131,140	113,371	88,335	70,582
OTHER INCOME:				
From operating activities				
Interest:				
Other parties	82	140	82	140
From outside operating activities				
Rental revenue	223	68	223	68
Other revenue	123	265	86	253
	428	**473**	**391**	**461**

4. PROFIT/(LOSS) FOR THE YEAR

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
(a) Individually significant items included in (loss)/profit before income tax				
EXPENSES				
– Media advertising campaign	314	719	–	–
– Restructuring costs	720	–	720	–
– Impairment of plant and equipment	2,533	–	1,333	–
– Provision for settlement of claim re capital equipment	736	–	736	–
– Legal fees and interest re State Revenue Office claim	450	–	450	–
– Ineffective foreign exchange cover	624	–	624	–
– Share based payment expense- directors	747	–	747	–
	6,124	**719**	**4,610**	**–**
OTHER INCOME				
Profit from sale of turbine	–	140	–	140
Reversal of provision for shortfall of defined benefits (i)	–	656	–	656
Huggie trade mark licence	–	500	–	–
	–	**1,296**	**–**	**796**
(b) Profit/(loss) for the year has been arrived at after charging /(crediting) the following items:				
Cost of sales	76,217	67,783	56,532	40,915
Finance costs:				
Interest on bank overdrafts and loans	4,813	4,287	4,440	4,101
Depreciation:				
Tanks and buildings	91	85	44	45
Plant and equipment	2,708	2,262	2,122	1,799
Total Depreciation	**2,799**	**2,347**	**2,166**	**1,844**
Net bad and doubtful debts expense including movements in provision for doubtful debts	135	46	133	89
Employee benefits expense:				
Post employment benefits:				
Defined contributions plan	1,291	835	887	480
Defined benefits plan	–	418	–	418
	1,291	**1,253**	**887**	**898**
Share–based payments:				
Equity settled	779	275	779	275
Termination benefits	871	45	871	–
Other employee benefits	14,835	12,259	9,324	7,587
Total employee benefits expense	**17,776**	**13,832**	**11,861**	**8,760**
Net foreign exchange gain/(loss) (ii)	3,361	(16)	3,319	33
Operating lease rental expense:				
Minimum lease payments	224	165	197	115

(i) The Symex Holdings Limited superannuation plan has been wound up, with an effective date of 31 May 2006.

(ii) The net foreign exchange loss in each 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.

5. REMUNERATION OF AUDITORS

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Auditors of the parent entity:	**(i)**	**(ii)**	**(i)**	**(ii)**
Audit and review of the financial reports	133,071	73,735	66,535	36,867
Advice on, and review of, proposed changes on adopting AIFRS	13,900	11,045	13,900	11,045
	146,971	**84,780**	**80,435**	**47,912**

(i) In line with previous reporting practices, the 2007 figures include all amounts paid to the auditors in the financial year, $69,461 (company: $41,680) of which relates to the 2006 financial year. The 2007 figures also include an accrual for $45,360 (company: $22,680) being an estimate of the services provided by the auditors but yet to be billed.

(ii) Prior year comparatives have been restated to exclude the GST component that was previously included.

6. TAXATION

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
(a) Income tax recognised in profit or loss				
Tax expense/(income) comprises:				
Current tax expense/(income)	(218)	1,623	(2,207)	(1,566)
Deferred tax expense/(income) relating to the origination and reversal of temporary differences	(1,030)	1,843	(1,148)	1,845
Adjustments recognised in the current year in relation to tax of prior years	390	(10)	378	(33)
	(858)	**3,456**	**(2,977)**	**246**
The prima facie income tax expense/(income) on pre-tax accounting profit/(loss) from operations reconciles to the income tax expense/(income) in the financial statements as follows:				
Profit/(loss) from operations	(727)	11,191	(8,081)	677
Income tax expense/(income) calculated at 30%	(218)	3,357	(2,424)	203
Share-based payment expense	232	83	232	83
Reversal of brand names impairment	(80)	–	–	–
Legal fees	75	–	75	–
Other	11	26	8	(7)
Derecognition of deferred tax liabilities	(1,268)	–	(1,246)	–
Adjustments recognised in the current year in relation to the current tax of prior years	390	(10)	378	(33)
	(858)	**3,456**	**(2,977)**	**246**

6. TAXATION (CONTINUED)

	Consolidated		The Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
(b) Income tax recognised directly in equity				
The following deferred tax amount was charged directly to equity during the year:				
Revaluations of financial instruments treated as cash flow hedges	39	(11)	39	(11)
(c) Current tax assets/(liabilities)				
Parent entity	3,455	2,978	3,455	2,978
Entities in the tax-consolidated group	(2,078)	(2,140)	(2,078)	(2,140)
Other entities	42	5	–	–
	1,419	**843**	**1,377**	**838**
(d) Deferred tax balances				
Deferred tax liabilities comprise:				
Temporary differences	3,702	4,747	3,642	4,751

Taxable and temporary differences arise from the following:

Consolidated		Charged to:			Charged to:			
	1.7.05 $'000	Income $'000	Equity $'000	30.6.06 $'000	Income $'000	Equity $'000	Acquisition $'000	30.6.07 $'000
GROSS DEFERRED TAX LIABILITIES:								
Property, plant & equipment	(4,672)	(776)	–	(5,448)	622	–	–	(4,826)
Cash flow hedges	(357)	–	11	(346)	–	(39)	–	(385)
Other	(1)	–	–	(1)	–	–	–	(1)
	(5,030)	**(776)**	**11**	**(5,795)**	**622**	**(39)**	**–**	**(5,212)**
GROSS DEFERRED TAX ASSETS:								
Doubtful debts	32	(12)	–	20	49	–	–	69
Provisions	1,108	(181)	–	927	182	–	54	1,163
Foreign currency monetary items	903	(886)	–	17	177	–	–	194
Borrowing costs	20	(10)	–	10	(10)	–	–	–
Stock obsolescence	55	(6)	–	49	(21)	–	–	28
Accruals	(3)	28	–	25	31	–	–	56
	2,115	**(1,067)**	**–**	**1,048**	**408**	**–**	**54**	**1,510**
NET DEFERRED TAX LIABILITY:	**(2,915)**	**(1,843)**	**11**	**(4,747)**	**1,030**	**(39)**	**54**	**(3,702)**

6. TAXATION (CONTINUED)

(d) Deferred tax balances (Continued)

Taxable and temporary differences arise from the following:

The Company		Charged to:			Charged to:			
	1.7.05 $'000	Income $'000	Equity $'000	30.6.06 $'000	Income $'000	Equity $'000	Acquisition $'000	30.6.07 $'000
GROSS DEFERRED TAX LIABILITIES:								
Property, plant & equipment	(4,432)	(708)	–	(5,140)	729	–	–	(4,411)
Cash flow hedges	(357)	–	11	(346)	–	(39)	–	(385)
Foreign currency monetary items	–	(28)	–	(28)	28	–	–	–
Other	(1)	–	–	(1)	1	–	–	–
	(4,790)	**(736)**	**11**	**(5,515)**	**758**	**(39)**	**–**	**(4,796)**
GROSS DEFERRED TAX ASSETS:								
Doubtful debts	14	2	–	16	33	–	–	49
Provisions	906	(200)	–	706	180	–	–	886
Foreign currency monetary items	923	(923)	–	–	198	–	–	198
Borrowing costs	20	(10)	–	10	(10)	–	–	–
Stock obsolescence	10	(1)	–	9	(6)	–	–	3
Accruals	–	23	–	23	(5)	–	–	18
	1,873	**(1,109)**	**–**	**764**	**390**	**–**	**–**	**1,154**
NET DEFERRED TAX LIABILITY:	**(2,917)**	**(1,845)**	**11**	**(4,751)**	**1,148**	**(39)**	**–**	**(3,642)**

7. EARNINGS PER SHARE

	Consolidated	
	2007 cents per share	2006 cents per share
Earning per share	0.1	8.1
Diluted earnings per share	0.1	8.1

	Consolidated	
	2007 $'000	2006 $'000
Earnings reconciliation		
Net profit	131	7,735
Basic earnings	**131**	**7,735**
Diluted earnings	**131**	**7,735**
Allocation of earnings to category of ordinary share:		
Basic – ordinary shares	131	7,735
Diluted – ordinary shares	131	7,735

7. EARNINGS PER SHARE (CONTINUED)

	Consolidated 2007 Number	Consolidated 2006 Number
Weighted average number of shares used as the denominator		
Number for basic earnings per share		
Ordinary shares	96,998,540	95,917,010
Shares deemed to be issued for no consideration	31,554	91,160
Number for diluted earnings per share	**97,030,094**	**96,008,170**
Allocation of diluted number of shares to category of ordinary share		
Ordinary shares	97,030,094	96,008,170
	97,030,094	**96,008,170**

Classification of securities as ordinary shares

The following securities have been classified as ordinary shares and included in basic earnings per share:
(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, Nil (2006: 308,332) options were converted to ordinary shares. Full details of these options are set out in Note 30.

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

2007	Number	
Issue date 19 July 2004	858,334	Exercise Price $1.24
Issue date 30 June 2005	875,000	Exercise Price $1.51
Issue date 31 March 2003	150,000	Exercise Price $0.80
Issue date 14 August 2007	2,000,000	Exercise Price $0.70
Issue date 14 August 2007	2,000,000	Exercise Price $0.80
Issue date 14 August 2007	2,000,000	Exercise Price $0.90

2006	Number	
Issue date 19 July 2004	1,225,001	Exercise Price $1.24
Issue date 30 June 2005	2,500,000	Exercise Price $1.51
Issue date 10 November 2005	499,999	Exercise Price $1.36

Full details of these options are set out in Note 30.

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
Consumer Products	Soap, Detergents and other fast moving consumer goods

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, soaps and detergents
Asia Pacific	Oleine, Stearine, Glycerine, Distilled fatty acids, Soaps
Other	Oleine, Stearine, Glycerine, Distilled fatty acids, Soaps

8. SEGMENT REPORTING (CONTINUED)

Primary reporting – Business segments	Specialty Chemicals 2007 $'000	Specialty Chemicals 2006 $'000	Consumer Products 2007 $'000	Consumer Products 2006 $'000	Eliminations 2007 $'000	Eliminations 2006 $'000	Consolidated 2007 $'000	Consolidated 2006 $'000
REVENUE								
External segment revenue	78,119	69,664	53,021	43,707	–	–	131,140	113,371
Inter–segment revenue	1,011	1,804	2	86	(1,013)	(1,890)	–	–
Total segment revenue	**79,130**	**71,468**	**53,023**	**43,793**	**(1,013)**	**(1,890)**	**131,140**	**113,371**
Unallocated revenue							–	–
Total revenue							**131,140**	**113,371**
RESULT								
Segment result	(2,988)	5,683	6,953	10,105	121	(310)	4,086	15,478
Unallocated corporate expenses							(4,813)	(4,287)
Profit/(loss) before income tax							**(727)**	**11,191**
Income tax income/(expense)							858	(3,456)
Profit after income tax							131	7,735
Net profit							**131**	**7,735**
Depreciation and amortisation	2,053	1,844	746	503	–	–	2,799	2,347
Individually significant items								
EXPENSE								
Media advertising campaign	–	–	314	719	–	–	314	719
Restructuring costs	720	–	–	–	–	–	720	–
Impairment of plant and equipment	1,333	–	1,200	–	–	–	2,533	–
Provision for settlement of claim re capital equipment	736	–	–	–	–	–	736	–
State Revenue Office expenses	450	–	–	–	–	–	450	–
Ineffective foreign exchange cover	624	–	–	–	–	–	624	–
Share-based payment expense – Directors	747	–	–	–	–	–	747	–
REVENUE								
Sale of turbine	–	140	–	–	–	–	–	140
Reversal of defined benefits shortfall	–	656	–	–	–	–	–	656
Huggie trade mark licence	–	–	–	500	–	–	–	500
ASSETS								
Segment assets	110,453	105,010	70,383	68,753	(38,150)	(43,292)	142,686	130,471
Unallocated corporate assets							–	–
Consolidated total assets							**142,686**	**130,471**
LIABILITIES								
Segment liabilities	15,218	13,655	46,436	51,713	(36,691)	(42,696)	24,963	22,672
Unallocated corporate liabilities							68,155	62,716
Consolidated total liabilities							**93,118**	**85,388**
Acquisition of non–current assets	6,929	7,557	2,560	12,949	–	–	9,489	20,506
Acquisition of non–current assets resulting from business acquisition	5	–	–	–	–	–	5	–

8. SEGMENT REPORTING (CONTINUED)

Secondary reporting – Geographic segments	Australia/NZ		Asia Pacific		Other		Consolidated	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000	2007 $'000	2006 $'000	2007 $'000	2006 $'000
External segment revenue by location of customers	62,009	50,570	49,019	44,518	20,112	18,283	131,140	113,371
Segment assets by location of assets	142,643	130,198	–	–	43	273	142,686	130,471
Acquisitions of non-current assets	9,489	20,506	–	–	–	–	9,489	20,506

9. CASH AND CASH EQUIVALENTS

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Cash at bank and on hand		3,346	3,748	636	2,285

10. TRADE AND OTHER RECEIVABLES

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Current					
Trade receivables (i)		26,609	23,443	13,450	9,790
Allowance for doubtful debts		(226)	(66)	(161)	(53)
		26,383	**23,377**	**13,289**	**9,737**
Trade receivables–subsidiaries	32	–	–	119	161
Other (ii)		1,702	1,270	1,211	1,053
		28,085	**24,647**	**14,619**	**10,951**
Non–current					
Loans to subsidiaries (iii)	32	–	–	40,054	42,788

(i) The average credit period on sales of goods is 60 days. No interest is charged on trade receivables. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods, determined by reference to specific customers where receipt is in doubt. During the current financial year, the allowance for doubtful debts increased by $160 thousand (2006: decreased by $37 thousand) in the Group and increased by $108 thousand (2006: increased by $5 thousand) in the company. This movement was recognised in profit for the year.

(ii) Other receivables 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.

(iii) Loans to subsidiaries are non-interest bearing and at call. They are classified as non-current as the parent entity is not intending to call on this loan to the subsidiary in the next 12 months. Further details of loans to subsidiaries are set out in Note 32.

11. OTHER FINANCIAL ASSETS

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Current					
Foreign currency forward contracts	26	1,285	1,068	1,285	1,068
Non-current					
Foreign currency forward contracts	26	–	143	–	143

12. INVESTMENTS

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Non-current					
Investment in subsidiaries – at cost	33	–	–	6,232	668

13. INVENTORIES

	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Raw materials	2,938	2,223	1,114	1,249
Work in progress	3,343	1,958	3,374	1,978
Finished goods	7,515	4,591	2,496	1,457
	13,796	**8,772**	**6,984**	**4,684**
Finished goods comprises:				
Finished goods – cost	7,609	4,658	2,505	1,486
Allowance for obsolescence	(94)	(67)	(9)	(29)
	7,515	**4,591**	**2,496**	**1,457**

14. OTHER CURRENT ASSETS

	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
SRO dispute payment	926	1,728	926	1,728
Prepayments	261	376	174	334
	1,187	**2,104**	**1,100**	**2,062**

15. PROPERTY, PLANT AND EQUIPMENT

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Freehold land				
At cost	5,353	5,353	4,673	4,673
Tanks and buildings				
At cost	4,924	3,546	1,894	1,896
Accumulated depreciation	(505)	(414)	(334)	(292)
	4,419	**3,132**	**1,560**	**1,604**
Plant and machinery				
At cost	52,404	44,428	36,026	30,190
Accumulated depreciation	(14,829)	(12,123)	(7,512)	(5,390)
	37,575	**32,305**	**28,514**	**24,800**
Capital works in progress, at cost	3,705	10,230	2,118	6,488
Net book value	**51,052**	**51,020**	**36,865**	**37,565**

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.

Reconciliations

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

	Note	Consolidated		The Company	
		2007	2006	2007	2006
		$'000	$'000	$'000	$'000
Freehold land					
Carrying amount at beginning and end of year		**5,353**	**5,353**	**4,673**	**4,673**
Tanks and buildings					
Carrying amount at beginning of year		3,132	3,217	1,604	1,649
Transfer from capital works in progress		1,378	–	–	–
Depreciation expense	(i)	(91)	(85)	(44)	(45)
Carrying amount at end of year		**4,419**	**3,132**	**1,560**	**1,604**
Plant and machinery					
Carrying amount at beginning of year		32,305	30,042	24,800	24,500
Acquisitions through business combinations		5	95	–	–
Additions		321	3,400	321	1,069
Transfer from capital works in progress		7,652	1,030	5,515	1,030
Depreciation expense	(i)	(2,708)	(2,262)	(2,122)	(1,799)
Carrying amount at end of year		**37,575**	**32,305**	**28,514**	**24,800**
Capital works in progress					
Carrying amount at beginning of year		10,230	2,942	6,488	1,030
Additions		5,038	8,318	2,478	6,488
Impairment losses charged to profit	(ii)	(2,533)	–	(1,333)	–
Transfer to tanks & buildings and plant & machinery		(9,030)	(1,030)	(5,515)	(1,030)
Carrying amount at end of year		**3,705**	**10,230**	**2,118**	**6,488**

(i) Aggregate depreciation expense during the year is disclosed in Note 4(b).

(ii) During the period, the Group carried out a review of the recoverable amount of its manufacturing plant and equipment, resulting in an impairment loss for the year.

16. INTANGIBLE ASSETS

	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Pental brand names	10,439	10,439	–	–
Accumulated impairment	(4,105)	(4,371)	–	–
	6,334	**6,068**	**–**	**–**
Reconciliation of the movement in carrying amount of brand names is set out below:				
Carrying amount at beginning of year	6,068	5,118	–	–
Acquired through business combinations	–	950	–	–
Reversal of impairment losses	266	–	–	–
Carrying amount at end of year	**6,334**	**6,068**	**–**	**–**

17. GOODWILL

	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Goodwill	36,182	32,058	–	–
Reconciliation of the movement in carrying amount of goodwill is set out below:				
Carrying amount at beginning of year	32,058	24,315	–	–
Additional amounts recognised through business combinations occurring during the period	4,124	7,743	–	–
Carrying amount at end of year	**36,182**	**32,058**	**–**	**–**

Goodwill has been allocated for impairment testing between two cash generating units, being consumer products and the DCS International Pty Ltd business. The recoverable amounts of the cash generating units are determined based on a value in use calculation, which uses cash flow projections based on a financial budget approved by management, covering a five year period and a discount rate of 15%. The cash flow has been extrapolated using a nil growth rate and an inflation rate of 3%. Management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating units.

18. CURRENT TRADE AND OTHER PAYABLES

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Current					
Trade payables (i)		9,929	6,930	6,330	4,712
Sundry payables		6,681	5,814	3,250	1,781
Trade payables-subsidiary	32	–	–	–	2
		16,610	**12,744**	**9,580**	**6,495**

(i) The average credit period on purchases is 30 days. No interest is payable on trade creditors, except in the circumstance of overdue accounts. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

19. OTHER FINANCIAL LIABILITIES

	Consolidated		The Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current				
Foreign currency forward contracts	624	46	624	46
Non-current				
Foreign currency forward contracts	–	10	–	10

20. BORROWINGS

	Note	Consolidated		The Company	
		2007 $'000	2006 $'000	2007 $'000	2006 $'000
Current					
Bank overdraft, secured		2,924	2,029	2,924	387
Loans, secured		8,256	20,954	7,778	16,381
Convertible loans		3,000	–	3,000	–
		14,180	**22,983**	**13,702**	**16,768**
Non-current					
Loans, secured		53,977	41,762	48,248	41,622
Financing arrangements					
The consolidated entity has access to the following lines of credit:					
Total facilities available:					
Bill acceptance facility		45,080	45,931	40,580	45,931
Equipment loan facility		4,831	6,996	4,681	6,996
Lease purchase facility		14,889	2,000	13,889	1,000
Multi option working capital facility		1,800	13,600	–	9,100
Bank overdraft		2,000	2,000	2,000	2,000
Other		–	1,350	–	800
		68,600	**71,877**	**61,150**	**65,827**
Facilities utilised at reporting date:					
Bill acceptance facility		45,040	43,354	40,540	43,354
Equipment loan facility		4,448	5,649	4,307	5,649
Lease purchase facility		11,179	213	11,179	–
Multi option working capital facility		1,566	13,500	–	9,000
Bank overdraft	(i)	658	1,560	658	230
Other		–	–	–	–
		62,891	**64,276**	**56,684**	**58,233**
Comprising:					
– Bank overdraft	(i)	658	1,560	658	230
– Secured Loans – current		8,256	20,954	7,778	16,381
– Secured Loans – non-current		53,977	41,762	48,248	41,622
		62,891	**64,276**	**56,684**	**58,233**

(i) This amount represents the actual overdraft facility used, which differs from the amount reported in the financial statements, primarily due to unpresented cheques.

20. BORROWINGS (CONTINUED)

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Facilities not utilised at reporting date:				
Bill acceptance facility	40	2,577	40	2,577
Equipment loan facility	383	1,347	374	1,347
Lease purchase facility	3,710	1,787	2,710	1,000
Multi option working capital facility	234	100	–	100
Overdraft	1,342	440	1,342	1,770
Other	–	1,350	–	800
	5,709	**7,601**	**4,466**	**7,594**

Bill acceptance facility

The bill acceptance facility of $45,080,332 (2006: $45,930,500) bears interest at 6.31% (2006: 6.13%). The bill acceptance facility is secured by a registered mortgage over all industrial property of the Group and registered mortgage debenture charge over the whole of the company assets including goodwill and uncalled capital and called but unpaid capital.

Multi option working capital facility

The multi working capital facility is secured by a first registered fixed and floating charge over the assets and undertakings of DCS International Pty Ltd.

Equipment loan and lease purchase facilities

The equipment loan and lease purchase facilities are secured by assets leased.

Security for facilities

The carrying amounts of pledged properties are as follows:

		Consolidated		The Company	
	Note	2007	2006	2007	2006
		$'000	$'000	$'000	$'000
Freehold land	15	5,353	5,353	4,673	4,673
Tanks and buildings	15	4,419	3,132	1,560	1,604
Plant and machinery	15	37,575	32,305	28,514	24,800
Capital works in progress	15	3,705	10,230	2,118	6,488
		51,052	**51,020**	**36,865**	**37,565**

Convertible loans

The convertible loans of $3,000 thousand (2006: Nil) bear interest at 8% (2006: Nil). The loans and interest payable are convertible into ordinary shares in the company at the option of the lender, subject to shareholder approval which was received on 14 August 2007.

21. PROVISIONS

	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Current				
Employee benefits	2,932	2,915	2,165	2,264
Other	882	–	882	–
	3,814	**2,915**	**3,047**	**2,264**
Non–current				
Employee benefits	211	181	56	89
Reconciliation – Dividends				
Provisions made during the year:				
Final Dividend	1,920	3,838	1,920	3,838
Interim Dividend	–	2,400	–	2,400
Payments made during the year	(1,920)	(6,238)	(1,920)	(6,238)
Carrying amount at end of year	**–**	**–**	**–**	**–**

22. ISSUED CAPITAL

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Share capital					
106,822,101 (2006: 96,022,101) ordinary shares, fully paid		23,569	18,169	23,569	18,169
Fully paid ordinary shares					
Movements during the year					
Balance at beginning of the financial year		18,169	17,812	18,169	17,812
Transfer from employee equity-settled benefits reserve on exercise of options	24	–	24	–	24
Shares issued: Nil (2006: 308,333) from the exercise of options under the Executive Share Option Plan	30	–	333	–	333
Shares issued as consideration for the acquisition of DCS International Pty Ltd : 10,800,000 (2006: Nil)	33	5,400	–	5,400	–
Balance at end of the financial year		**23,569**	**18,169**	**23,569**	**18,169**

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 30 provides details of shares issued on exercise of options.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

23. RETAINED EARNINGS

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Balance at beginning of financial year		25,503	24,850	11,428	18,079
Net profit/(loss) attributable to members of the parent entity		131	7,735	(5,104)	431
Effects of changes in accounting policy: Adoption of AASB 132 and AASB 139 (refer Note 2)		–	(844)	–	(844)
Dividends provided for or paid	25	(1,920)	(6,238)	(1,920)	(6,238)
Balance at end of financial year		**23,714**	**25,503**	**4,404**	**11,428**

24. RESERVES

	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Hedging reserve	900	809	900	809
Employee equity-settled benefits reserve	1,380	601	1,380	601
Foreign currency translation reserve	5	1	–	–
	2,285	**1,411**	**2,280**	**1,410**
Hedging reserve				
Balance at beginning of financial year	809	–	809	–
Adjustments on adoption of accounting policy specified by AASB 132 and AASB 139 (refer Note 2)	–	2,322	–	2,322
Gain/(loss) recognised on forward exchange contracts	1,284	2,654	1,284	2,654
Transfer to profit and loss of forward exchange contracts	(1,154)	(4,178)	(1,154)	(4,178)
Deferred tax arising on hedges	(39)	11	(39)	11
Balance at end of financial year	**900**	**809**	**900**	**809**

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts profit or loss.

	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Employee equity-settled benefits reserve				
Balance at beginning of financial year	601	350	601	350
Share-based payment	888	275	888	275
Transfer to share capital	–	(24)	–	(24)
Lapsed during the financial year	(109)	–	(109)	–
Balance at end of financial year	**1,380**	**601**	**1,380**	**601**

The employee equity-settled benefits reserve arises on the grant of share options to executives under the executive share option plan. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share-based payments to executives is made in note 30 to the financial statements.

24. RESERVES (CONTINUED)

	Consolidated		The Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Foreign currency translation reserve				
Balance at beginning of financial year	1	–	–	–
Translation of foreign operations	4	1	–	–
Balance at end of financial year	**5**	**1**	**–**	**–**

Exchange differences relating to translation of the consolidated entity's foreign controlled entities into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.

25. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Cents per share	Total amount $'000	Franked/unfranked	Date of payment
2007				
Final 2006 – ordinary	2.0	1,920	Franked to 30%	27 October 2006
2006				
Interim–ordinary	2.5	2,400	Franked to 30%	27 April 2006
Final 2005 – ordinary	4.0	3,838	Franked to 30%	28 October 2005
Total amount	**6.5**	**6,238**		

Dividends Proposed

The directors do not propose the payment of a final dividend in respect of the year ended 30 June 2007

	The Company	
	2007	2006
	$'000	$'000
Franking account		
Adjusted franking account balance	9,174	9,703
Impact on franking account balance on dividends not recognised	–	(823)
	9,174	**8,880**

26. FINANCIAL INSTRUMENTS DISCLOSURE

(a) Financial risk management objectives

The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial instruments is governed by the consolidated entity's policies approved by the board of directors. The Managing Director is responsible for managing the consolidated entity's treasury requirements in accordance with this policy.

The consolidated entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The consolidated entity enters into forward foreign currency contracts to manage it's exposure to foreign currency exchange rate fluctuations.

26. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

(b) Significant accounting policies

Details of significant accounting policies and methods adopted, including criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(c) Foreign exchange risk management

The consolidated entity enters into forward foreign exchange contracts to hedge a proportion of anticipated sales and purchase 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 approval. The amount of anticipated future sales is forecast in light of current conditions in foreign markets, commitments from customers and experience. Note 1(c) sets out the accounting treatment for these contracts.

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

			Consolidated	
	2007	2006	2007	2006
	Weighted average rate		$'000	$'000
Sell US dollars				
No later than one year	–	0.7299	–	4,110
			–	**4,110**
Sell Japanese yen				
No later than one year	77.61	71.35	5,412	6,727
Later than one year but not later than two years	–	71.35	–	1,402
			5,412	**8,129**
Sell New Zealand dollars				
No later than one year	–	1.1570	–	1,729
			–	**1,729**
Buy US dollars				
No later than one year	0.7884	0.7434	9,767	2,869
			9,767	**2,869**
Buy Euro				
No later than one year	–	0.5792	–	574
			–	**574**

As at reporting date, the aggregate amount of unrealized gains under forward foreign currency contracts relating to anticipated future contracts is $1,284,881 – tax effected $899,417 (2006: $1,155,560 – tax effected $808,892). In the current year, these unrealized gains have been deferred in the hedging reserve to the extent the hedge is effective – refer Note 24.

Events subsequent to balance date

In August 2007, the company entered into an agreement to purchase an option for its USD receipts. The option covers receipts of $USD 1.5m per month from October 2007 to June 2008 inclusive. Expected total USD receipts are approximately $USD 2.5m per month for this period. The option rate is $ 0.8175.

In August 2007, the company extended the Yen foreign exchange cover that existed. The Yen was covered for Yen 40m per month to April 2008 at a rate of 77.51. This has been extended to October 2008 at a new rate. The Yen is now covered from September 2007 to October 2008 at the new rate of Yen 83.75. Total cover for this period is Yen 500m.

26. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

(d) Credit risk management

Credit risk management refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate values of transactions concluded are spread amongst approved counterparties. The consolidated entity measures credit risk on a fair value basis.

Trade accounts receivable consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantees are obtained.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated entity's maximum exposure to credit risk without taking accounts of the value of any collateral obtained.

(e) Interest rate risk management

The consolidated entity is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates.

Maturity profile of financial instruments

The following table details the consolidated entity's exposure to interest rate risk:

				Fixed interest maturing							
	Note	Weighted average interest rate	Variable interest rate $'000	Less than 1 year $'000	1–2 years $'000	2–3 years $'000	3–4 years $'000	4–5 years $'000	5+ years	Non interest bearing $'000	Total $'000
2007											
Financial assets											
Cash and cash equivalent assets	9	1.98%	3,346	–	–	–	–	–	–	–	3,346
Trade receivables	10	–	–	–	–	–	–	–	–	26,609	26,609
Other receivables	10	–	–	–	–	–	–	–	–	1,702	1,702
Foreign currency forward contracts	11	–	–	–	–	–	–	–	–	1,285	1,285
			3,346	**–**	**–**	**–**	**–**	**–**	**–**	**29,596**	**32,942**
Financial liabilities											
Trade payables	18	–	–	–	–	–	–	–	–	9,929	9,929
Foreign currency forward contracts	19	–	–	–	–	–	–	–	–	624	624
Other payables	18	–	–	–	–	–	–	–	–	6,681	6,681
Provisions	21	–	–	–	–	–	–	–	–	4,025	4,025
Bank overdraft	20	10.00%	2,924	–	–	–	–	–	–	–	2,924
Convertible loans	20	8.00%	–	3,000	–	–	–	–	–	–	3,000
Bank Loans – secured	20	7.88%	33,549	7,863	7,904	5,227	1,236	1,157	5,297	–	62,233
			36,473	**10,863**	**7,904**	**5,227**	**1,236**	**1,157**	**5,297**	**21,259**	**89,416**

26. FINANCIAL INSTRUMENTS DISCLOSURE (CONTINUED)

(e) Interest rate risk management (Continued)

				Fixed interest maturing							
	Note	Weighted average interest rate	Variable interest rate $'000	Less than 1 year $'000	1–2 years $'000	2–3 years $'000	3–4 years $'000	4–5 years $'000	5+ years	Non interest bearing $'000	Total $'000
2006											
Financial assets											
Cash and cash equivalent assets	9	2.12%	3,748	–	–	–	–	–	–	–	3,748
Trade receivables	10	–	–	–	–	–	–	–	–	23,443	23,443
Other receivables	10	–	–	–	–	–	–	–	–	1,270	1,270
Foreign currency forward contracts	11	–	–	–	–	–	–	–	–	1,211	1,211
			3,748	**–**	**–**	**–**	**–**	**–**	**–**	**25,924**	**29,672**
Financial liabilities											
Trade payables	18	–	–	–		–	–	–	–	6,930	6,930
Foreign currency forward contracts	19	–	–	–		–	–	–	–	56	56
Other payables	18	–	–	–		–	–	–	–	5,814	5,814
Provisions	21	–	–	–		–	–	–	–	3,096	3,096
Bank overdraft	20	10.10%	2,029	–	–	–	–	–	–	–	2,029
Bank Loans – secured	20	7.16%	32,043	7,412	7,450	7,480	4,588	3,743	–	–	62,716
			34,072	**7,412**	**7,450**	**7,480**	**4,588**	**3,743**	**–**	**15,896**	**80,641**

(f) Fair values of financial instruments

The directors consider that the carrying amounts of financial assets and liabilities recorded in the financial statements approximate their fair values.

The fair values and net fair values of financial assets and liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- The fair value of derivative instruments, included in hedging assets and liabilities, are calculated using quoted prices. Where such prices are not available use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments.

(g) Liquidity risk management

The consolidated entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

27. COMMITMENTS

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Non-cancellable operating lease expense commitments					
Future operating lease commitments not provided for in the financial statements and payable:					
Within one year		49	116	34	79
One year or later and no later than five years		16	49	15	36
		65	**165**	**49**	**115**

The consolidated entity leases motor vehicles and photocopiers under non-cancellable operating leases, expiring from one to four years.

28. CONTINGENT LIABILITIES

There are no contingent liabilities as at 30 June 2007.

As at 30 June 2006, the company disclosed a State Revenue Office stamp duty claim as a contingent liability. During the period, and subsequent to 30 June 2007 (refer Note 34), this claim has been settled. A total amount of $1,333 thousand has been refunded to the company in July and August 2007.

29. NOTES TO THE CASH FLOWS STATEMENT

(a) Reconciliation of cash

For the purposes of the cash flow statement, cash includes cash on hand and at bank. Cash as at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Cash and cash equivalents	9	3,346	3,748	636	2,285
Bank overdrafts	20	(2,924)	(2,029)	(2,924)	(387)
		422	**1,719**	**(2,288)**	**1,898**

(b) Reconciliation of profit for the year to net cash flows from operating activities

	Note	Consolidated 2007 $'000	Consolidated 2006 $'000	The Company 2007 $'000	The Company 2006 $'000
Profit/(loss) for the year		131	7,735	(5,104)	431
Add/(less) non-cash items:					
Depreciation expense	4(b)	2,799	2,347	2,166	1,844
Share based payments: equity settled	4(b)	779	275	779	275
Impairment of plant and equipment	4(a)	2,533	–	1,333	–
Fair value gain on derivatives		95	–	91	–
Reversal of brand names impairment		(267)	–	–	–
Gain on sale of plant and equipment	4(a)	–	(140)	–	(140)
Net cash provided by operating activities before changes in net assets and liabilities, net of effects from acquisitions of businesses		**6,070**	**10,217**	**(735)**	**2,410**

29. NOTES TO THE CASH FLOWS STATEMENT (CONTINUED)

(b) Reconciliation of profit for the year to net cash flows from operating activities (continued)

		Consolidated		The Company	
	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Change in net assets and liabilities, net of effects from acquisitions of businesses:					
(Increase)/decrease in receivables		(1,172)	(2,027)	(3,669)	813
(Increase)/decrease in inventory		(3,041)	(543)	(2,300)	(80)
(Increase)/decrease in current tax assets		(659)	(843)	(2,685)	(462)
(Increase)/decrease in other assets		842	451	888	477
(Decrease)/increase in payables		2,591	1,684	3,086	380
(Decrease)/increase in current tax payable		–	(3,340)	–	(2,593)
(Decrease)/increase in provisions		821	(961)	750	(1,025)
(Decrease)/increase in deferred tax balances		(991)	1,843	(1,109)	–
(Decrease)/increase in other liabilities		568	–	568	–
Net cash flows from operating activities		**5,029**	**6,481**	**(5,206)**	**(80)**

30. EMPLOYEE BENEFITS

		Consolidated		The Company	
	Note	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Aggregate liability for employee benefits including on-costs:					
Current	21	2,932	2,915	2,165	2,264
Non-current	21	211	181	56	89
		3,143	**3,096**	**2,221**	**2,353**
Number of employees					
Number of employees at year end		211	181	106	108

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 preceding the date of granting the option. The exercise prices of the options granted to Greg Tremewen and Allister Tomkins during the financial year were negotiated at the time DCS International Pty Ltd was acquired and Greg and Allister returned to the Company.

All options expire on the earlier of their expiry date or termination of the directors, executives or employees employment. In addition, the ability to exercise the options is conditional upon exercise dates being reached. There are no other vesting conditions.

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. All options are settled via issue of equity.

30. EMPLOYEE BENEFITS (CONTINUED)

OPTION INCENTIVE PLAN (Continued)

Options issued do not represent remuneration for past services.

The weighted average fair value of the share options granted during the financial year is $0.0934 per option (2006: $0.1724 per option). Options were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the option), and behavioural considerations. Expected volatility is based on the historical share price volatility over the past 1 to 3 years. To allow for the effects of early exercise, it was assumed that employees would exercise the options between 1 to 3 years from the grant date. Details of the share options granted during the year are as follows:

	Option Series			
	Series 1	Series 2 (i)	Series 3 (i)	Series 4 (i)
Grant date share price	$0.46	$0.58	$0.58	$0.58
Exercise price	$0.55	$0.70	$0.80	$0.90
Expected volatility	47%	40%	36%	36%
Option life	3.1 years	3.1 years	3.1 years	3.1 years
Effective life	1 years	2 years	3 years	3 years
Risk-free interest rate	6%	6%	6%	6%
Number of options issued	2,000,000	2,000,000	2,000,000	2,000,000
Fair value per option	$0.0624	$0.1126	$0.1069	$0.0917

(i) The granting of option series 2, 3 and 4 are subject to shareholder approval which was not received until 14 August 2007. In accordance with AASB2 "Share-based payments" the Company has estimated the grant date fair value of these options by estimating the fair value at the end of the reporting period.

The following reconciles the outstanding share options granted under the option incentive plan at the beginning and end of the financial year:

	2007		2006	
	Number of options	Weighted average exercise price $	Number of options	Weighted average exercise price $
Balance at beginning of the year	4,425,001	1.39	4,733,334	1.46
Granted and/or allocated during the year (i)	8,000,000	0.74	500,000	1.36
Forfeited during the year	–	–	–	–
Exercised during the year	–	–	(308,333)	1.08
Expired during the year	(2,541,667)	1.43	(500,000)	2.25
Balance at end of year	**9,883,334**	**0.85**	**4,425,001**	**1.39**
Exercisable at end of year	3,441,665	0.88	2,125,000	1.40

(i) During the year, the company allocated 8,000,000 options to Greg Tremewen and Allister Tomkins. As at 30 June 2007, the first series of 2,000,000 had been granted and vested; the balance of 6,000,000 options was subject to shareholder approval which was received on 14 August 2007.

During or since the end of the financial year, no fully paid ordinary shares were issued by the Company as a result of the exercise of options.

Balance at end of the financial year

The share options outstanding at the end of the financial year had a weighted average exercise price of $0.85 (2006: $1.39), and a weighted average remaining contractual life of 1,084 days (2006: 1,439 days).

30. EMPLOYEE BENEFITS (CONTINUED)

OPTION INCENTIVE PLAN (Continued)

CONSOLIDATED AND COMPANY 2007

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 $
10/11/05	10/11/06	10/11/10	$1.36	166,666	–	166,666	–	–	–	–	–	–
10/11/05	10/11/07	10/11/10	$1.36	166,667	–	166,667	–	–	–	–	–	–
10/11/05	10/11/08	10/11/10	$1.36	166,667	–	166,667	–	–	–	–	–	–
19/07/04	18/07/05	18/07/10	$1.24	341,666	–	100,000	241,666	241,666	–	–	–	–
19/07/04	18/07/06	18/07/10	$1.24	441,666	–	133,333	308,333	308,333	–	–	–	–
19/07/04	18/07/07	18/07/10	$1.24	441,669	–	133,334	308,335	–	–	–	–	–
30/06/05	30/06/05	30/06/10	$1.51	1,125,000	–	650,000	475,000	475,000	–	–	–	–
30/06/05	30/06/06	30/06/10	$1.51	458,333	–	325,000	133,333	133,333	–	–	–	–
30/06/05	30/06/07	30/06/10	$1.51	458,333	–	325,000	133,333	133,333	–	–	–	–
30/06/05	30/06/08	30/06/10	$1.51	458,334	–	325,000	133,334	–	–	–	–	–
12/08/03	31/12/03	31/12/07	$0.81	16,666	–	16,666	–	–	–	–	–	–
12/08/03	31/12/04	31/12/07	$0.81	33,334	–	33,334	–	–	–	–	–	–
31/03/03	31/12/03	31/12/07	$0.80	100,000	–	–	100,000	100,000	–	–	–	–
31/03/03	31/12/04	31/12/07	$0.80	50,000	–	–	50,000	50,000	–	–	–	–
28/05/07	28/05/07	30/06/10	$0.55	–	2,000,000	–	2,000,000	2,000,000	–	–	–	–
14/08/07 (i)	14/08/07	30/06/10	$0.70	–	2,000,000	–	2,000,000	–	–	–	–	–
14/08/07 (i)	14/08/07	30/06/10	$0.80	–	2,000,000	–	2,000,000	–	–	–	–	–
14/08/07 (i)	14/08/07	30/06/10	$0.90	–	2,000,000	–	2,000,000	–	–	–	–	–
TOTAL				**4,425,001**	**8,000,000**	**2,541,667**	**9,883,334**	**3,441,665**	**–**	**–**	**–**	**–**

(i) During the year, the company allocated 8,000,000 options to Greg Tremewen and Allister Tomkins. As at 30 June 2007, the first series of 2,000,000 had been granted and vested; the balance of 6,000,000 options was subject to shareholder approval which was received on 14 August 2007.

30. EMPLOYEE BENEFITS (CONTINUED)

OPTION INCENTIVE PLAN (Continued)

CONSOLIDATED AND COMPANY 2006

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 $
10/11/05	10/11/06	10/11/10	$1.36	–	166,666	–	166,666	–	–	–	–	–
10/11/05	10/11/07	10/11/10	$1.36	–	166,667	–	166,667	–	–	–	–	–
10/11/05	10/11/08	10/11/10	$1.36	–	166,667	–	166,667	–	–	–	–	–
19/07/04	18/07/05	18/07/10	$1.24	441,666	–	100,000	341,666	341,666	123,999	17/08/05 & 3/10/05	99,999	142,332
19/07/04	18/07/06	18/07/10	$1.24	441,666	–	–	441,666	–	–	–	–	–
19/07/04	18/07/07	19/07/10	$1.24	441,669	–	–	441,669	–	–	–	–	–
30/06/05	30/06/05	30/06/10	$1.51	1,125,000	–	–	1,125,000	1,125,000	–	–	–	–
30/06/05	30/06/06	30/06/10	$1.51	458,333	–	–	458,333	458,333	–	–	–	–
30/06/05	30/06/07	30/06/10	$1.51	458,333	–	–	458,333	–	–	–	–	–
30/06/05	30/06/08	30/06/10	$1.51	458,334	–	–	458,334	–	–	–	–	–
12/08/03	12/08/03	31/12/07	$0.81	33,333	–	33,333	–	–	27,000	27/08/05	33,333	51,666
12/08/03	31/12/03	31/12/07	$0.81	33,333	–	16,667	16,666	16,666	13,500	27/08/05	16,667	25,834
12/08/03	31/12/04	31/12/07	$0.81	33,334	–	–	33,334	33,334	–	–	–	–
23/10/03	31/12/05	31/12/08	$1.10	50,000	–	50,000	–	–	55,000	22/02/06	50,000	57,500
31/03/03	31/12/03	31/12/07	$0.80	100,000	–	–	100,000	100,000	–	–	–	–
31/03/03	31/12/04	31/12/07	$0.80	50,000	–	–	50,000	50,000	–	–	–	–
03/05/01	31/12/00	31/12/05	$1.40	50,000	–	50,000	–	–	70,000	22/11/05	50,000	68,000
28/08/00	31/12/00	31/12/05	$0.75	58,333	–	58,333	–	–	43,750	21/09/05 & 29/12/05	58,333	82,333
31/10/01	31/10/02	31/10/05	$2.00	166,667	–	166,667	–	–	–	–	–	–
31/10/01	31/10/03	31/10/06	$2.25	166,667	–	166,667	–	–	–	–	–	–
31/10/01	31/10/04	31/10/07	$2.50	166,666	–	166,666	–	–	–	–	–	–
TOTAL				**4,733,334**	**500,000**	**808,333**	**4,425,001**	**2,125,000**	**333,249**		**308,332**	**427,665**

31. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of Symex Holdings Limited during the year were:

- Alan Stockdale (Chairman, non-executive)
- Greg Tremewen (Managing Director)
- Allister Tomkins (Executive Director)
- Mark Evans (non-executive)
- Peter Robinson (non-executive)
- Alan Johnstone (non-executive)
- John Rishworth (non-executive)
- Cosi Papallo (General Manager – Pental Products Pty Ltd)
- Mary Kanellos (Supply Chain Manager – Symex Holdings Limited)

Left during the financial year

- Michael Newton (Former Managing director), left the company 28 May 2007.
- Angus Thompson (Former Chief Financial Officer), left the company 28 May 2007.
- Chris Lovejoy (Former Plant Manager – Symex Holdings Limited), left the company 6 June 2007
- Greg Berti (Former Business Development Manager – Symex Holdings Limited), left the company 6 June 2007.

Executive packages are reviewed annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries. The performance of executives is measured regularly against agreed criteria and is based predominantly on the forecast growth of the consolidated entity's profits and shareholders' value. All bonuses and incentives are linked to predetermined performance criteria.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using the Binomial methodology.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee share plan.

Performance Based Remuneration

As part of each executive director and executives remuneration package there is a performance based component, consisting of key performance indicators (KPI's). The intention of this program is to facilitate goal congruence between directors/executives with that of the business and shareholders. The KPI's are set annually, with a certain level of consultation with directors/executives to ensure buy-in.

In determining whether or not a KPI has been achieved, Symex Holdings Limited bases the assessment on audited figures.

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 are consistent with the emoluments disclosed in the Directors' Report and therefore are not disclosed in the notes to accounts.

31. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

Key management personnel compensation

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

	Consolidated		The Company	
	2007 $'000	2006 $'000	2007 $'000	2006 $'000
Short-term employee benefits	1,632,521	1,303,701	1,383,931	1,087,176
Post employment benefits	211,668	145,766	188,267	125,066
Termination benefits	763,191	–	763,191	–
Share-based payment	731,863	35,344	731,863	35,344
	3,339,243	**1,484,811**	**3,067,252**	**1,247,586**

The compensation of each member of the key management personnel is consistent with the emoluments disclosed in the Directors' Report and is set out below:

(i) Mr Angus Thompson was granted a cash bonus of $4,000 on 12 October 2006. The bonus was given for the establishment of the new tenancy business and contribution to the integration of the new Bleach production process.

(ii) Mr Chris Lovejoy was granted a cash bonus of $3,000 on 12 October 2006. The bonus was given for the contribution to the Co-generation Agreement and Bleach process integration.

(iii) Mr Greg Berti was granted a cash bonus of $4,000 on 12 October 2006. The bonus was given on the completion and integration of the bleach plant facility.

(iv) Mrs Mary Kanellos was granted a cash bonus of $4,000 on 12 October 2006. The bonus was given on the completion of the integration of the Bleach facility into the Supply Chain process.

(v) Mr Cosi Papallo was granted a cash bonus of $20,000 on 12 October 2006. The bonus was given, on achievement of an increase in earnings before interest and tax of greater than 10% from the prior year (based upon consumer product segment results).

(vi) Mr Greg Tremewen was granted 4,000,000 share options via a resolution of directors on 28 May 2007, of which 3,000,000 share options were subject to shareholders approval. Shareholder approval was obtained at an Extraordinary General Meeting on 14 August 2007. The fair value of the 4,000,000 share options is $373,657. Granting of these options was not conditional upon performance criteria.

(vii) Mr Allister Tomkins was granted 4,000,000 share options via a resolution of directors on 28 May 2007, of which 3,000,000 share options were subject to shareholders approval. Shareholder approval was obtained at an Extraordinary General Meeting on 14 August 2007. The fair value of the 4,000,000 share options is $373,657. Granting of these options was not conditional upon performance criteria.

CONTRACTS FOR SERVICES OF KEY MANAGEMENT PERSONNEL

Greg Tremewen and Allister Tomkins – Contracts are for a fixed term of 3 years commencing 28 May 2007. The notice period required is 6 months. Remuneration is fixed at $250,000 per year inclusive of all allowances and benefits, including superannuation and motor vehicle. Bonus remuneration is not provided for under the contracts.

Cosi Papallo – Contract is for a fixed term of 5 years commencing 28 March 2003. The notice period required is 12 months. Remuneration commenced on 28 March 2003 at $160,000 per year, inclusive of superannuation and motor vehicle. The company has reviewed the total remuneration package on an annual basis. Bonus remuneration is based upon the EBIT result of the consumer products segment.

Mike Newton and Angus Thompson – resigned as Managing Director and Chief Financial Officer respectively on 28 May 2007.

31. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

TABLE 1: Remuneration of key management personnel 2007

	Short-term Employee Benefits				Post Employment Benefits		Termination Benefits (i)	Share-based Payments Equity settled	Total	% Remuneration Performance Related
2007	Base emolument $	Bonuses $	Non-cash benefits $	Other $	Super contributions $	Other benefits $	$	Options (A) $	$	
Directors										
Non-executive										
Alan Stockdale	100,000	–	107	–	9,000	–	–	–	109,107	–
Mark Evans	40,000	–	107	–	3,600	–	–	–	43,707	–
Peter Robinson	40,000	–	107	–	3,600	–	–	–	43,707	–
Alan Johnstone	40,000	–	107	–	3,600	–	–	–	43,707	–
John Rishworth	40,000	–	107	–	3,600	–	–	–	43,707	–
Executive										
Mike Newton	276,369	–	53,601	–	70,492	–	498,419	(15,451)	883,430	–
Greg Tremewen	22,642	–	9	–	2,038	–	–	373,657	398,346	–
Allister Tomkins	22,642	–	9	–	2,038	–	–	373,657	398,346	–
Total	**581,653**	**–**	**54,154**	**–**	**97,968**	**–**	**498,419**	**731,863**	**1,964,057**	
Executives										
Angus Thompson	115,568	4,000	28,427	81,398	22,555	–	264,772	–	516,720	0.8%
Chris Lovejoy (ii)	139,178	3,000	33,584	–	30,394	–	–	–	206,156	1.5%
Cosi Papallo	187,187	20,000	41,403	–	23,401	–	–	–	271,991	7.4%
Greg Berti (ii)	130,371	4,000	52,017	–	11,928	–	–	–	198,316	2.0%
Mary Kanellos	111,698	4,000	40,883	–	25,422	–	–	–	182,003	2.2%
Total	**684,002**	**35,000**	**196,314**	**81,398**	**113,700**	**–**	**264,772**	**–**	**1,375,186**	

(i) Termination benefits include leave entitlements.

(ii) Since the end of the financial year the following termination payments, including leave entitlements, have been made – Chris Lovejoy $172,940; Greg Berti $76,986.

31. KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

TABLE 2: Remuneration of key management personnel 2006

	Short-term Employee Benefits				Post Employment Benefits		Termination Benefits (i)	Share-based Payments Equity settled	Total	% Remuneration Performance Related
2006	Base emolument $	Bonuses $	Non-cash benefits $	Other $	Super contributions $	Other benefits $	$	Options (A) $	$	
Directors										
Non-executive										
Alan Stockdale	100,000	–	142	–	9,000	–	–	–	109,142	–
Mark Evans	40,000	–	142	–	3,600	–	–	–	43,742	–
Peter Robinson	40,000	–	142	–	3,600	–	–	–	43,742	–
Alan Johnstone	40,000	–	142	–	3,600	–	–	–	43,742	–
John Rishworth	40,000	–	142	–	3,600	–	–	–	43,742	–
Executive										
Mike Newton	300,515	60,000	32,673	–	45,384	5,329	–	32,810	476,711	12.6%
Total	**560,515**	**60,000**	**33,383**	**–**	**68,784**	**5,329**	**–**	**32,810**	**760,821**	
Executives										
Angus Thompson	190,835	40,000	32,736	–	25,100	–	–	2,534	291,205	13.8%
Chris Lovejoy	134,100	–	35,607	–	21,481	4,372	–	–	195,560	–
Cosi Papallo	154,099	40,000	22,426	–	20,700	–	–	–	237,225	16.9%
Total	**479,034**	**80,000**	**90,769**	**–**	**67,281**	**4,372**	**–**	**2,534**	**723,990**	

(A) All options expire during or before the period up to 30 June 2010 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 Binomial Model. Further details of options are set out below. Where options have a vesting period, the fair value of the option is expensed and recorded in remuneration on a straight-line basis over the vesting period.

32. RELATED PARTY TRANSACTIONS

KEY MANAGEMENT PERSONNEL EQUITY HOLDINGS

(i) Number of fully paid ordinary shares of Symex Holdings Limited held by key management personnel;

2007:

Directors	Balance 1/07/06	Received as remuneration	Options exercised	Received as consideration for DCS International Pty Ltd	Net change other*	Balance 30/06/07
Non-executive						
Alan Stockdale	2,000,000	–	–	–	–	2,000,000
Mark Evans	877,500	–	–	–	–	877,500
Peter Robinson	173,300	–	–	–	–	173,300
Alan Johnstone	8,873,268	–	–	–	–	8,873,268
John Rishworth	10,000	–	–	–	–	10,000
Executive						
Greg Tremewen	1,111	–	–	5,400,000	–	5,401,111
Allister Tomkins	111	–	–	5,400,000	–	5,400,111
Mike Newton	7,440,001	–	–	–	–	7,440,001
Other Key Management Personnel						
Angus Thompson	150,300	–	–	–	–	150,300
Chris Lovejoy	175,300	–	–	–	–	175,300
Cosi Papallo	100,300	–	–	–	(100,000)	300
Greg Berti	55,000	–	–	–	–	55,000
Mary Kanellos	115,300	–	–	–	–	115,300

2006:

Directors	Balance 1/07/05	Received as remuneration	Options exercised	Net change other*	Balance 30/06/06
Non-executive					
Alan Stockdale	2,000,000	–	–	–	2,000,000
Mark Evans	877,500	–	–	–	877,500
Peter Robinson	173,300	–	–	–	173,300
Alan Johnstone	7,865,665	–	–	1,007,603	8,873,268
John Rishworth	10,000	–	–	–	10,000
Executive					
Mike Newton	7,440,001	–	–	–	7,440,001
Other Key Management Personnel					
Angus Thompson	100,300	–	50,000	–	150,300
Chris Lovejoy	175,300	–	–	–	175,300
Cosi Papallo	100,300	–	–	–	100,300

* Net change other refers to shares purchased and sold during the financial year.

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Number of share options of Symex Holdings Limited held by Key Management Personnel;

2007:

	Balance 1/07/06	Granted as remuneration	Exercised	Options expired/ lapsed	Balance 30/06/07	Total vested 30/06/07	Total exercisable 30/06/07	Total unexercisable 30/06/07
Non-executive								
Alan Stockdale	–	–	–	–	–	–	–	–
Mark Evans	–	–	–	–	–	–	–	–
Peter Robinson	–	–	–	–	–	–	–	–
Alan Johnstone	–	–	–	–	–	–	–	–
John Rishworth	–	–	–	–	–	–	–	–
Executive								
Greg Tremewen	–	4,000,000	–	–	4,000,000	1,000,000	1,000,000	3,000,000
Allister Tomkins	–	4,000,000	–	–	4,000,000	1,000,000	1,000,000	3,000,000
Mike Newton	500,000	–	–	(500,000)	–	–	–	–
Other Key Management Personnel								
Angus Thompson	300,000	–	–	(300,000)	–	–	–	–
Chris Lovejoy	175,000	–	–	(175,000)	–	–	–	–
Cosi Papallo	450,000	–	–	–	450,000	450,000	450,000	–
Greg Berti	175,000	–	–	(175,000)	–	–	–	–
Mary Kanellos	175,000	–	–	–	175,000	175,000	175,000	–

2006:

	Balance 1/07/05	Granted as remuneration	Exercised	Options expired/ lapsed	Balance 30/06/06	Total vested 30/06/06	Total exercisable 30/06/06	Total unexercisable 30/06/06
Non-executive								
Alan Stockdale	500,000	–	–	(500,000)	–	–	–	–
Mark Evans	–	–	–	–	–	–	–	–
Peter Robinson	–	–	–	–	–	–	–	–
Alan Johnstone	–	–	–	–	–	–	–	–
John Rishworth	–	–	–	–	–	–	–	–
Executive								
Mike Newton	–	500,000	–	–	500,000	–	–	500,000
Other Key Management Personnel								
Angus Thompson	350,000	–	(50,000)	–	300,000	300,000	300,000	–
Chris Lovejoy	175,000	–	–	–	175,000	175,000	175,000	–
Cosi Papallo	450,000	–	–	–	450,000	450,000	450,000	–

During the financial year, Greg Tremewen and Allister Tomkins were each issued 4,000,000 share options which were approved via a resolution of directors on 28 May 2007, of which 3,000,000 share options were subject to shareholders approval. Shareholder approval was obtained at an Extraordinary General Meeting on 14 August 2007.

During the financial year, no options were exercised by key management personnel. In 2006, 50,000 options were exercised by key management personnel at an exercise price $1.10 per option for 50,000 fully paid ordinary shares in Symex Holdings Limited. Further details of the employee share option plan and of share options granted during 2007 and 2006 financial years are contained in notes 30 and 31.

32. RELATED PARTY TRANSACTIONS (CONTINUED)

(iii) Details of convertible loans of Symex Holdings Limited held by Key Management Personnel;

2007:

Directors	Balance 1/07/06	Raised	Converted to fully paid ordinary shares	Balance 30/06/07
Non-executive				
Alan Johnstone	–	1,500,000	–	1,500,000
Peter Robinson	–	250,000	–	250,000

2006:

Directors	Balance 1/07/05	Raised	Converted to fully paid ordinary shares	Balance 30/06/06
Non-executive				
Alan Johnstone	–	–	–	–
Peter Robinson	–	–	–	–

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

(i) Key management personnel compensation

Details of key management personnel compensation are disclosed in note 31 to the financial statements.

(ii) Other transactions with key management personnel

The following key management personnel related transactions occurred during and after the end of the financial year.

(i) During the financial year, Normanby Capital, a company associated with Mark Evans, performed corporate advisory services, related to the acquisition of DCS International Pty Ltd. These fees totalled $108,000 plus GST.

(ii) At the end of the financial year, Normanby Capital, a company associated with Mark Evans, was contracted to perform services for the management of capital raising related to the Convertible Note and Rights Issue Raising. An invoice for $88,200, plus GST, was received for these services in September 2007.

(iii) On 26 June 2007, the company borrowed $3,000,000 by way of convertible loans. The convertible loans and interest payable are convertible into fully paid ordinary shares at the option of the lender. Included in this amount is:

- $1,500,000 lent by PMSF Co Pty Ltd ATF Penfold Motors Burwood Super Fund, an entity controlled by Alan Johnstone, and
- $250,000 lent by PJR Superannuation Pty Ltd, an entity controlled by Peter Robinson.

32. RELATED PARTY TRANSACTIONS (CONTINUED)

EQUITY INTERESTS IN SUBSIDIARIES

Details of interests in subsidiaries are set out in Note 33. Details of dealings with these subsidiaries are set out below.

Other transactions

The Company purchases goods from, and sells goods to, its controlled entity Pental Products Pty Ltd, and sells goods to its controlled entity Symex Holdings Inc, in the normal course of business and on normal terms and conditions.

During the previous financial year Co-Generation Australia Limited was deregistered.

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 2007 $'000	The Company 2006 $'000
Receivables – current		
Trade receivables	119	161
Receivables – non-current		
Loans to subsidiaries (Note 10)	40,054	42,788
Payables – current		
Trade creditors (Note 18)	–	2

No interest is charged on the loans made to subsidiaries.

33. BUSINESS COMBINATIONS

(a) Particulars in relation to subsidiaries:

	Note	Ownership Interest 2007	Ownership Interest 2006
NAME OF ENTITY			
Parent entity			
Symex Holdings Limited	(vi)		
Controlled entities			
Pental Products Pty Ltd	(i), (iii), (iv)	100%	100%
Pental Soap Products Pty Ltd	(ii), (iv)	100%	100%
Symex Holdings Inc.	(v)	100%	100%
DCS International Pty Ltd	(i), (iii), (iv)	100%	–

Notes
(i) These subsidiaries are incorporated and carry on business in Australia.
(ii) This subsidiary is dormant.
(iii) These companies are members of the tax consolidated group.
(iv) These wholly-owned subsidiaries 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. DCS International Pty Ltd became a party to the deed of cross guarantee on 28 June 2007.
(v) The controlled entity was incorporated in Delaware, USA.
(vi) Symex Holdings Limited is the head entity within the tax-consolidated group.

33. BUSINESS COMBINATIONS (CONTINUED)

(a) Particulars in relation to subsidiaries (Continued)

The consolidated income statement of the entities which are party to the deed of cross-guarantee is:

	2007 $'000	2006 $'000
INCOME STATEMENT		
Revenue	130,783	112,485
Other income	428	1,769
Changes in inventories of finished goods and work in progress	3,155	1,718
Raw materials, finished goods purchases, utilities and consumables used	(79,053)	(62,402)
Employee benefit expenses	(17,776)	(13,832)
Depreciation expense	(2,799)	(2,347)
Impairment of plant and equipment	(2,533)	–
Finance costs	(4,813)	(4,287)
Freight	(11,272)	(10,042)
Repairs and maintenance expenses	(3,286)	(2,200)
Foreign exchange gain/(loss)	(3,341)	(18)
Marketing expenses	(1,230)	(1,843)
Other expenses	(8,890)	(7,847)
Profit/(Loss) before tax	**(627)**	**11,154**
Income tax (expense)/income	843	(3,450)
Profit for the year	**216**	**7,704**

The consolidated balance sheet of the entities which are party to the deed of cross-guarantee is:

	2007 $'000	2006 $'000
CURRENT ASSETS		
Cash and cash equivalents	3,346	3,748
Trade and other receivables	28,049	24,486
Other financial assets	1,285	1,068
Inventories	13,789	8,661
Current tax assets	1,395	849
Other	1,187	2,102
Total current assets	**49,051**	**40,914**
NON-CURRENT ASSETS		
Trade and other receivables	89	211
Other financial assets	–	143
Property, plant and equipment	51,052	51,020
Goodwill	36,182	32,058
Other intangible assets	6,334	6,068
Total non-current assets	**93,657**	**89,500**
Total assets	**142,708**	**130,414**

33. BUSINESS COMBINATIONS (CONTINUED)

(a) Particulars in relation to subsidiaries (Continued)

	2007 $'000	2006 $'000
CURRENT LIABILITIES		
Trade and other payables	16,582	12,720
Borrowings	14,180	22,983
Other financial liabilities	624	46
Provisions	3,814	2,915
Total current liabilities	**35,200**	**38,664**
NON-CURRENT LIABILITIES		
Borrowings	53,977	41,762
Other financial liabilities	–	10
Deferred tax liabilities	3,705	4,747
Provisions	211	181
Total non-current liabilities	**57,893**	**46,700**
Total liabilities	**93,093**	**85,364**
Net assets	**49,615**	**45,050**
EQUITY		
Issued capital	23,569	18,169
Reserves	2,279	1,410
Retained earnings *	23,767	25,471
Total equity	**49,615**	**45,050**
*** Retained earnings**		
Retained earnings as at the beginning of the financial year	25,471	24,005
Net profit	216	7,704
Dividends provided for or paid	(1,920)	(6,238)
Retained profits as at the end of the financial year	**23,767**	**25,471**

(b) Acquisition of businesses

On 28 May 2007, the consolidated entity completed the acquisition of the entire issued share capital of DCS International Pty Ltd. (During the year ended 30 June 2006, the consolidated entity acquired the Firelighters business.)

The initial accounting for the acquisition of DCS International Pty Ltd has only been provisionally determined at reporting date. DCS International Pty Ltd became wholly owned on acquisition and has joined the tax consolidated group (refer note 6). The Group has paid a premium for the acquiree as it believes the acquisition will create synergistic benefits to its existing operations.

Presented below are the carrying amounts of the identifiable assets and liabilities as recorded in the books of the acquired business at the date of acquisition and the fair value of the identifiable assets and liabilities, as determined by the Directors.

33. BUSINESS COMBINATIONS (CONTINUED)

(b) Acquisition of businesses (Continued)

Details of the acquisitions are as follows:

	2007 $'000	2006 $'000
CONSIDERATION		
Cash	–	8,788
Equity securities (10,800,000 fully paid ordinary shares at $0.50 per share)	5,400	–
Transaction costs	164	–
Total	**5,564**	**8,788**
NET CASH INFLOW/(OUTFLOW) ON ACQUISITION		
Cash and cash equivalents balances acquired	167	–
Less: cash and cash equivalents consideration	–	8,788
Inflow/(outflow) of cash	**167**	**(8,788)**

	DCS International P/L		Firelighters business	
	Book value 2007 $'000	Fair value 2006 $'000	Book value 2007 $'000	Fair value 2006 $'000
CURRENT ASSETS				
Cash and cash equivalents	167	167	–	–
Trade and other receivables	2,266	2,266	–	–
Inventories	1,982	1,982	–	–
Total current assets	**4,415**	**4,415**	**–**	**–**
NON CURRENT ASSETS				
Property, plant and equipment	5	5	95	95
Deferred tax assets	54	54	–	–
Other intangible assets	–	–	950	950
Total non-current assets	**59**	**59**	**1,045**	**1,045**
Total assets	**4,474**	**4,474**	**1,045**	**1,045**
CURRENT LIABILITIES				
Trade and other payables	1,277	1,277	–	–
Borrowings	400	400	–	–
Provisions	153	153	–	–
Total current liabilities	**1,830**	**1,830**	**–**	**–**
NON-CURRENT LIABILITIES				
Borrowings	1,166	1,166	–	–
Provisions	39	39	–	–
Total non-current liabilities	**1,205**	**1,205**	**–**	**–**
Total liabilities	**3,035**	**3,035**	**–**	**–**
Net assets acquired	**1,439**	**1,439**	**1,045**	**1,045**
Goodwill on acquisition		**4,125**		**7,743**

33. BUSINESS COMBINATIONS (CONTINUED)

(b) Acquisition of businesses (Continued)

Included in net profit for the year ended 30 June 2007 is $74 thousand attributable to the additional business generated by DCS International Pty Ltd. Had this business combination been effected from 1 July 2006, the revenue of the consolidated entity would be $140,585 thousand, and net profit $507 thousand. The directors of the Group consider these 'pro-forma' numbers, to represent an approximate measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods. The 'pro-forma' result of DCS International Pty Ltd is based on the actual result for the 12 months ending 30 June 2007.

34. EVENTS SUBSEQUENT TO BALANCE DATE

(i) In August 2007, there was an Extraordinary General Meeting held to approve the following:

1. The approval of options to Greg Tremewen and Allister Tomkins.
2. The issue of shares on conversion of a convertible note for $3m in June 2007.
3. The issue of shares on conversion of the convertible note, in part, to directors of Symex.

All of the above were approved at the meeting.

(ii) In August 2007, the company entered into an agreement to purchase an option for its USD receipts. The option covers receipts of $USD 1.5m per month from October 2007 to June 2008 inclusive. Expected total USD receipts are approximately $USD 2.5m per month for this period. The option rate is $ 0.8175.

In August 2007, the company extended the Yen foreign exchange cover that existed. The Yen was covered for Yen 40m per month to April 2008 at a rate of 77.51. This has been extended to October 2008 at a new rate. The Yen is now covered from September 2007 to October 2008 at the new rate of Yen 83.75. Total cover for this period is Yen 500m.

(iii) Subsequent to 30 June 2007, the stamp duty claim from the State Revenue Office was settled. This claim dates back a number of years and has been listed in the Contingent Liability section of previous Annual Reports.

A total amount of $1,333 thousand has been refunded to Symex in July and August 2007.

(iv) On 3 September 2007 6,088,552 fully paid ordinary shares were issued on conversion of the convertible loans.

DIRECTORS’ DECLARATION

The directors declare that:

(a) In the directors’ opinion, that there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) In the directors’ opinion, the financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company and the consolidated entity; and

(c) The directors have been given the declarations required by s.295A of the Corporations Act 2001.

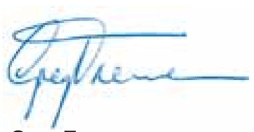
At the date of this declaration, the company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors’ opinion, there are reasonable grounds to believe that the company and the companies to which the ASIC Class Order applies, as detailed in Note 33 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Dated at Melbourne this 26th day of September 2007.

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

On behalf of the Directors



Greg Tremewen
Director

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

180 Lonsdale Street
Melbourne VIC 3000
GPO Box 78B
Melbourne VIC 3001
Australia

DX 111
Tel: +61 (0) 3 9208 7000
Fax: +61 (0) 3 9208 7001
www.deloitte.com.au

Independent Auditor's Report to the Members of Symex Holdings Limited

We have audited the accompanying financial report of Symex Holdings Limited which comprises the balance sheet as at 30 June 2007, and the income statement, cash flow statement and statement of recognised income and expense for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 21 to 72.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

INDEPENDENT AUDITOR'S REPORT

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

Auditor's Independence Declaration

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

Auditor's Opinion

In our opinion, the financial report of Symex Holdings Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2007 and of their performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

DELOITTE TOUCHE TOHMATSU

Robert Collie
Partner
Chartered Accountants
Melbourne, 26 September 2007

ASX ADDITIONAL INFORMATION
AS AT 12 SEPTEMBER 2007

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

ORDINARY SHARE CAPITAL

127,915,525 fully paid ordinary shares are held by 3,147 individual shareholders.

SUBSTANTIAL SHAREHOLDERS

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

Shareholder	Fully paid ordinary shares	Percentage
Alan Johnstone (1)	13,185,592	10.31
Guinness Peat Group PLC (2)	9,381,575	7.33
Orbis MIS Global Equity Fund (3)	7,998,182	6.25
FMN Pty Ltd <FMN Super Fund A/C>	6,480,519	5.07
	37,045,868	**28.96**

(1) Alan Johnstone advised the ASX on 7 September 2007 a relevant interest in Symex shares held by Western Park Holdings Pty Ltd, PMSF Co Pty Ltd and Aurisch Investments Pty Ltd.

(2) Guinness Peat Group plc advised the ASX on 20 August 2007 a relevant interest in Symex shares held by McNeil Nominees Pty Ltd, Tricom Pty Ltd and GPG Australia Nominees Limited.

(3) Orbis MIS Global Equity Fund advised the ASX on 6 September 2007 a relevant interest in Symex shares held by Westpac Custodian Nominees. The company has subsequently been advised that the shares are held in the name of HSBC Custody Nominees (Australia) Limited.

Class of shares and voting rights

At 12 September 2007, there were 3,147 holders of the fully paid ordinary shares of the Company. The voting rights attaching to the fully paid 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."

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 30 for further details.

On-market buy-back

There is no current on-market buy-back.

ASX ADDITIONAL INFORMATION

AS AT 12 SEPTEMBER 2007

Distribution of equity security holders (as at 12 September 2007)

Category	Number of shareholders Fully paid ordinary shares	Number of shareholders Options
1 – 1,000	387	–
1,001 – 5,000	1,037	–
5,001 – 10,000	653	9
10,001 – 100,000	954	18
100,001 and over	116	6
	3,147	**33**

There are 245 shareholders which hold less than a marketable parcel as at 12 September 2007.

TWENTY LARGEST SHAREHOLDERS

	Number of fully paid ordinary shares	Percentage of capital held
McNeil Nominees Pty Limited	8,181,094	6.40
HSBC Custody Nominees (Australia) Limited	8,114,797	6.34
Western Park Holdings Pty Ltd	6,989,332	5.46
FMN Pty Ltd <FMN Super Fund A/C>	6,480,519	5.07
Linford Nominees Pty Ltd <The Tremewen Family A/C>	6,172,540	4.83
NM Holdings Pty Ltd <The Tomkins Family A/C>	6,171,540	4.82
PMSF Co Pty Ltd <Penfold Motors Burwood SF A/C>	5,044,713	3.94
UCA Growth Fund Limited	4,986,000	3.90
Investec Australia Direct Investments Pty Ltd	4,409,394	3.45
ANZ Nominees Limited <Cash Income A/C>	3,005,821	2.35
Mr Alan Robert Stockdale & Ms. Dominique Gayle Fisher <Stockdale Fisher S/F A/C>	2,285,715	1.79
Equity Trustees Limited <SGH PI Smaller Co's Fund>	1,818,783	1.42
Citicorp Nominees Pty Limited	1,785,216	1.40
Ace Property Holdings Pty Ltd	1,362,064	1.06
GPG Australia Nominees Limited <GPG Australia Nominees A/C>	1,159,848	0.91
Aurisch Investments Pty Ltd	1,151,547	0.90
October Investments Pty Ltd <The October Investment A/C>	1,022,340	0.80
Mr Michael Douglas Tilley & Mrs Marie Therese Tilley <Tilley Super Fund A/C>	1,002,858	0.78
Dr Janet Dawn Kencian	814,965	0.64
Mineral Holdings Australia Pty Ltd	780,601	0.61
	72,739,687	**56.87**

SYMEX HOLDINGS LIMITED

OFFICES AND OFFICERS

Company secretary
Mr Oliver Carton

Principal registered office
Symex Holdings Limited
14 Woodruff Street
Port Melbourne VIC 3207
Telephone: +61 3 9251 2311
Facsimile: +61 3 9645 3001

Location of share registry
Registries Limited
Level 2, 28 Margaret Street
Sydney NSW 2000
Telephone: +61 2 9290 9600
Facsimile: +61 2 9279 0664

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.