



2003 ANNUAL REPORT | **CVC** LIMITED

COMPANY PARTICULARS

CVC LIMITED

ACN 002 700 361

DIRECTORS

Vanda R Gould	John S Leaver
John D Read	Alexander D H Beard
John T Riedl	

SECRETARIES

Alexander D H Beard	Michael J Bower
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MANAGEMENT TEAM

Alexander D H Beard	Michael J Bower
Vanda R Gould	Andrew D Harris
Christian Jensen	William J Highland
Elliott G Kaplan	John S Leaver
Johanna K Plumridge	

PRINCIPAL AND REGISTERED OFFICE

Level 42 AAP Centre, 259 George Street, Sydney NSW 2000 AUSTRALIA
Telephone: (02) 9087 8000 Facsimile: (02) 9087 8088

SHARE REGISTRY

Gould Ralph Services Pty Limited, Share Registry Division
Level 42 AAP Centre, 259 George Street, Sydney NSW 2000 AUSTRALIA
Telephone: (02) 9032 3000 Facsimile: (02) 9032 3088

AUDITORS

HLB Mann Judd (NSW Partnership)
Chartered Accountants

BANKERS

Westpac Banking Corporation Limited
National Australia Bank Limited
Suncorp-Metway Limited

HOME STOCK EXCHANGE

Sydney

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VANDA GOULD
Chairman

CHAIRMAN'S REPORT

"Nowadays people know the price of everything and the value of nothing", so spoke Lord Henry Watton in Oscar Wilde's *The Picture of Dorian Gray* published in 1891.

Perhaps somewhat surprisingly, the long-term success of the venture capital fund comes from its Managers' understanding of Wilde's famous aphorism. We need to be continually reviewing our portfolio of investments to ensure that we understand the true value of what we have and not be misled by the current price of any given investment.

Perhaps this is best illustrated when we look at our most valuable investment in Sunland Group Limited. On the one hand, Australia has experienced one of the most sustained property booms in living memory, yet the market price of Sunland shares has continually lagged significantly behind the break-up of the value of the Company and allowed nothing for the value of the genius of the Company's Managing Director, Mr Soheil Abedian, and his team. However, at the date of this report this is beginning to be redressed and there have been some indicative offers which would have seen CVC potentially realise enormous profit on its investment if those offers had been acceptable to the Directors of Sunland. (Shareholders will recall that our Mr John Leaver is the Chairman of Sunland).

Overall, whilst our results this year, from the perspective of realised profits, have been lower than we anticipated, the underlying growth in our assets continues unabated and the value of the CVC shares, according to an independent valuation which we recently commissioned, is certainly in excess of \$1.00 per share. Nevertheless we are pleased that the asset backing of CVC shares and their market price are drawing closer.

We have written down the value of our holding of shares in Vita Life Sciences Limited ("Vita") to 25¢ a share which has been a principal contributor to our reduced profit for the year. It is very disappointing that to date we have been unable to get the ASIC to commence action against the former Managing Director of Vita, Mr Seng Meng Pang, for the alleged fraud and damage he has inflicted on the Company. Litigation against Mr Pang is scheduled to commence in the High Court of Singapore on 3 November 2003 and run until 5 December 2003, recommencing in January 2004.

The Pan Pharmaceutical debacle has also seriously affected the Vita Health division of the Company as the full costs were substantially in excess of \$10 million. Commercially, Vita is back on track and we are pleased with the development of the business. It may be possible that the Vita Health business will be floated in Singapore and Malaysia during 2004. Ultimately I am confident that Vita will be a CVC success story, but it highlights the importance of having a skilled team of Fund Managers within CVC who are able to rebuild and capture value in the face of adversity.

Special mention should be made of our investment in Wind Corporation Australia Limited. This investment in the exciting area of renewable energy continues to advance. We anticipate that the proposed development of a large-scale wind farm at Black Springs near Oberon will commence during the 2004 financial year. The project, which has been more than two years in development, will represent an investment in excess of \$55 million and demonstrates the value of the patient investing style that is integral to our success.

Perhaps one of the more significant developments during the year has been the resolution of a dispute concerning a large parcel of residential land north of Newcastle which should ultimately subdivide into approximately 1,000 blocks. The resolution has resulted in CVC receiving a refund of its capital investment and an ongoing 50% profit share in the development. Whilst it is possible that the market for coastal land could come off the boil in the near term, over the next 10 years we are confident that substantial profits will accrue to CVC from this investment.

CVC acquired a 77% interest in the packaging company, Pro-Pac Group Limited during the year, which in turn acquired an 80% interest in the Pro-Pac Group of companies. Pro-Pac is an industry leader in environmentally friendly packaging and we are confident of being able to build this Company into a very successful public Company over the next 2-3 years. We welcome Mr Jonathan Kahn, the Managing Director of Pro-Pac, to the CVC team.

We also welcome John Riedl to the CVC team. John was formerly the Managing Director of Techniche Limited which, like CVC, commenced life under the MIC Act. We are very pleased that he accepted the appointment as a non-executive Director of CVC.

Our team of Fund Managers has grown during the year and the unrivalled expertise of all our Managers, now ably led by our Managing Director, Sandy Beard, is very encouraging. On behalf of shareholders, John Leaver and I want to thank each of our team – Michael Bower, Andrew Harris, Michelle Higgins, Bill Highland, William Gill, Christian Jensen, Jim Kane, Elliott Kaplan, Geoff Leaver, Johanna Plumridge, Andrew Post and Christine Shean – for their hard work and dedication.

Shareholders will receive a further increase in the level of dividends to 2¢ per share, or 10% of the historical cost price of our shares. We are confident of being able to at least maintain this level and are considering moving to the payment of an interim dividend rather than the traditional final dividend paid for each of the past eight years.

In our future plans we are evaluating opportunities to restructure CVC into a funds management group, but realistically this will only happen after we have substantially reduced our investment in Sunland Group Limited. We are evaluating CVC acquiring CVC Investment Managers Pty Limited to simplify our structure.

The time is drawing closer when it will be possible for us to become a company more actively traded on the Stock Exchange. We are conscious of and very grateful for the long-term support that the great majority of our shareholders have given us. I look forward to delivering to our shareholders the option of being able to liquidate their holdings at prices that will reflect a return of more than five times for our long-term investors. Our next goal is to build a group with a market capitalisation of around \$500 million.

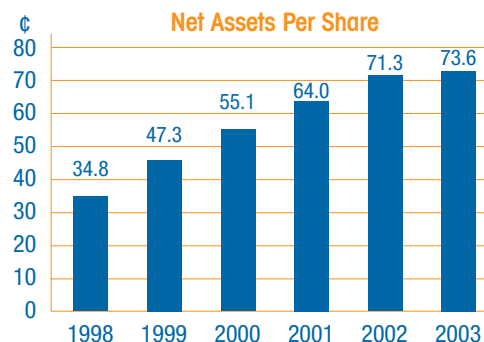
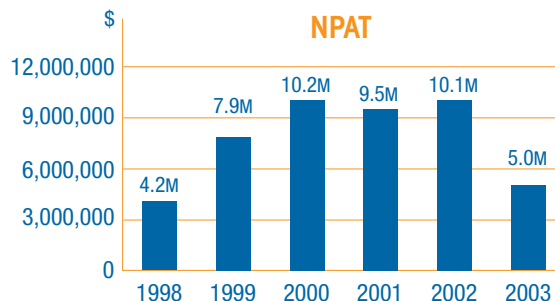
Vanda Gould
Chairman



THE YEAR IN REVIEW

HIGHLIGHTS

- Net profit of \$5.04 million
- Earnings per share 4.6 cents in 2003
- Investment in Pro-Pac Group Limited which is anticipated to provide a platform for future profitability
- Dividend increased by 33% to 2 cents per share
- Significant unrealised profits in ASX listed portfolio
- Strong contribution from Renaissance Shopping Centre
- Mediation concluded on Newcastle property development with positive framework for joint venture with major Sydney based developer
- Renewable Energy portfolio performing well with strong market performance by Geodynamics and continued development of Wind Corporation's NSW wind farms



GROUP SUMMARY

	2003	2002
Earnings Per Share	4.6 cents	9.2 cents
Total Assets Employed	\$88.3 M	\$80.9 M
Shareholders Equity	\$80.8 M	\$78.2 M
Shares on Issue	109.736 M	109.736 M
NTA per Share	\$0.74	\$0.71
Dividends per Share	2.0 cents	1.5 cents



MANAGEMENT AND APPROACH

MANAGEMENT TEAM

The original management team of CVC have remained substantially since inception in 1985. Since then the team has been further strengthened through the addition of industry hardened investment managers. The team's collective experience continues to be refined by our experience with both successful and under-performing investments, as there is no substitute for the confirmation of investment methodology gained by either success or under-performance.

In the case of investment under-performance the management team will never "walk away" from an under performing investment, as we believe that optimal realisation of an under-performing investment has significant portfolio impact. Indeed this is part of the unique strengths of CVC.

Skills of the management team include:

- Sourcing and structuring of investments across a diverse industry range
- Operational management of investees, encompassing organic growth, acquisitive growth, licensing, tendering, product development, regulatory issues, distribution and human resources
- Divestment strengths including trade sales, initial public offerings, mergers and acquisitions, management buy-outs and financial restructuring
- Infrastructure investment capabilities including financial feasibility, negotiation of off-take agreements, negotiation of senior and mezzanine debt facilities and sourcing of equity
- Distressed debt recoveries
- Investment turnarounds

- Project financing and property development capabilities including structuring, joint ventures, feasibility and mezzanine financing
- Extensive litigation experience utilised to both protect and recover investments
- Financial product development and distribution
- Long term investment performance (IRR of > 15% since inception in 1985¹)

¹ IRR is based on investor originally invested in 1985 and claimed tax deduction available to investees in MIC scheme, has subsequently received all dividends and bonus shares and assumes share price of \$1.00 per share as at September 2003.

APPROACH

CVC's portfolio is structured to provide a mix of growth and income producing assets, with a particular focus on private equity/venture capital assets. Whilst value attributable to the individual components of the portfolio has not historically been adequately reflected in the share price of CVC, we believe that in its entirety the portfolio is stronger for its diversity.

We adopt a value based approach to our investment identification wherein the investment decision is based on fundamentals including low PE multiple, earnings growth, relativity of price to net tangible assets, multiples of free cash flow, dividend history and arbitrage opportunities.

Quality investments take considerable effort to identify, target, negotiate, conduct due diligence and structure. Accordingly CVC adopts a disciplined and patient approach to each part of the identification, targeting and structuring phases and an equally patient approach to the business development and realisation phases. It is noteworthy for example that our initial investment into the Sunland Group was first made in 1995

MANAGEMENT AND APPROACH

and continues to contribute a significant portion of our annual profitability and net asset backing.

We have dedicated considerable effort over the past years into strengthening the process of investment identification and structuring and believe that we will continue to reap the benefits of this approach over the coming years.

SPECIALISATION AND DIVERSIFICATION

CVC has historically invested in a diverse range of industries rather than industry specific specialisation. We believe that this has allowed us to have a more balanced portfolio and has facilitated growth even when industry cycles such as the recent technology downturn have significantly impacted our peers. More recently, however CVC has allocated significant resources to the development of a renewable energy and environmental specialisation as a sub-set of the portfolio. In the current year we have started to see the initial fruits of this specialisation with the very successful listing of one of CVC REEF's investees Geodynamics. In the coming years we expect to see further successes from CVC REEF's Wind Corporation wind energy generation projects and from CVC's new investee Pro-Pac's specialisation in environmental packaging. In these specific areas we believe CVC will develop significant capabilities in the identification of investment opportunities and accompanying capabilities in creating value for CVC shareholders through successful investment management.

OUTLOOK, RESTRUCTURING AND ORGANIC GROWTH

During the coming years we believe that CVC will continue to evolve in its progression towards gaining acceptance as a meaningful participant in the Australian Financial Markets. In order to continue this progression one step may require the restructuring of the management of CVC so that CVC acquires the management vehicle and the attaching income and performance streams of the manager. This would potentially remove a number of corporate governance issues and barriers to institutional investment.

In addition to possible restructuring, the 2004 year will likely see the following activities:

Private Equity/Venture Capital

- Development of Pro-Pac and Probiotec
- Identification of new investments
- Continued development of CVC REEF investments with some initial realisations
- Rebuilding of CVC Biz Vision including separate ASX listing
- Continued realisation of Ectec receivables through litigation recovery
- Investment in other high yielding alternative investments

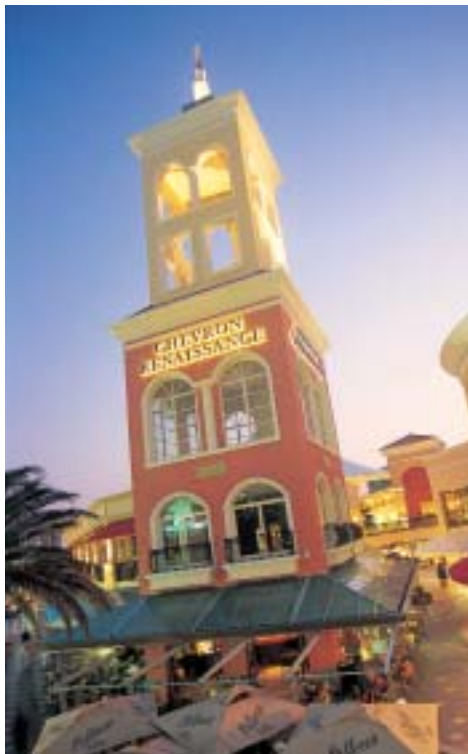
Listed Investments

- Continued holding of Green's Foods and Stargames
- Sale of holding in Stericorp Limited
- Identification of other strategic investments
- Resolution of litigation with Seng Meng Pang and possible re-listing of Vita Life Sciences





MANAGEMENT AND APPROACH



Property

- Partial realisation of our investment in Sunland for a substantial profit
- Finalisation of mezzanine finance facility to develop the towers of Renaissance
- Continued operation and development of the Chevron Renaissance Shopping Centre
- Commencement of 50% joint venture to develop up to 1,000 residential lots in Newcastle

DIVIDEND POLICY

CVC has consistently paid an annual franked dividend since 1996 and the dividend per share has increased every year since 2001. As CVC continues to develop recurring profit streams our expectation is that dividends will increase. In the past the majority of shareholders have supported our policy of complete reinvestment of all earnings in the business. We will target a dividend policy of 20% of annual net profits after tax. It is our intention that subject to available franking credits dividends will be 100% franked.

CORPORATE GOVERNANCE

During the year the Company has introduced a number of significant corporate governance initiatives. The initiatives are part of the Board's continuing review of corporate governance.

- The Board appointed an additional independent Director, Mr John Riedl during the year. Mr Riedl brings further depth to the board in the areas of science, technology and engineering. The appointment of Mr Riedl brings the independent Director composition of the Board to two out of five.
- An audit committee was formally constituted during the year and is chaired by and comprises a majority of independent Directors

Further information on CVC's corporate governance is provided in the corporate governance statement beginning on page 47.



REVIEW OF OPERATIONS

VENTURE CAPITAL

We believe investment in unlisted, high growth businesses offers excellent potential for premium long term returns and accordingly continues to be an area of special focus. In the past 12 months we have continued to pursue investment in appropriate opportunities that meet both our risk and return profiles. This has resulted in a new investment in environmental packaging company Pro-Pac Group Limited, now a CVC subsidiary.

CVC has also contributed further capital to Probiotec Group during the course of the year, and it continues to evaluate an initial public offering in 2004.

During this period we have continued to expend considerable effort in the management of the existing portfolio. Our active management approach has the potential to add significant value to both performing and under performing companies. This is evident in the portfolio and continues to remain an important priority for the investment team.

DIRECT INVESTMENTS



VITA LIFE
SCIENCES

Vita Life Sciences Limited

CVC holds 13.1% of the ordinary shares of Vita Life Sciences Limited and a further \$2 million in secured convertible notes. The past year has seen continued effort expended in the turnaround of the Company and the pursuance of litigation against the former Managing Director for alleged fraudulent activity. As a result of the litigation and shareholder approval to maintain holding locks on trading of shares, the ASX de-listed the Company on 30 June 2003. This has been disappointing. Furthermore there have been losses suffered by the Company due to the collapse of Pan Pharmaceuticals. Vita was exposed to Pan via its Vita Health division which sub-contracted around 50% (by value) of its product manufacturing to Pan. Whilst Vita was quickly able to source alternate supply, it suffered considerable financial loss (approx. \$12 million) as a result of product recalls of Pan manufactured product and lost sales during this period. Vita has insurance policies to provide some cover for product recalls and is also pursuing all avenues for potential recovery.

For the year ended 31 December 2002, Vita reported a full year loss of \$29.9 million, representing significant write-offs and adjustments in the Vita Health business. The Vita Medical division continues to perform strongly in Europe and Asia and is a profitable entity with growing sales. It has recently secured Canadian regulatory approval and is in the advanced stages of pursuing US FDA approval for its Technegas lung imaging device.

Although legal proceedings are due to commence in Singapore in November, it is not possible at this stage to estimate when Vita shares will be relisted on the ASX.



REVIEW OF OPERATIONS



Probiotec

CVC holds an 11% interest in the Probiotec Group. Probiotec is a manufacturer, processor and wholesaler of specialist dairy proteins, vitamins and nutraceuticals. Group profit for the year ended 30 June 2003 was approximately \$2.3 million on sales of \$12.9 million. (2002: \$7.2 million)

Probiotec's growth will continue in 2003/4 year from organic growth in traditional nutraceutical and dairy protein products, and new initiatives including joint ventures with Kraft and Dairy Farmers. Probiotec continues to evaluate the optimal strategy for delivering liquidity to its shareholders including a merger with larger industry players or pursuit of an initial public offering.



PRO-PAC Group Limited

Pro-Pac Group Limited

During the period CVC acquired a 77% interest in Pro-Pac Group Limited which in turn acquired an 80% interest in the Pro-Pac Group of companies.

Pro-Pac are manufacturers of a comprehensive range of protective packaging products and also supply industrial packaging as used in warehouse distribution.

Pro-Pac was established in 1987 and is the market leader in flowable biodegradable void fill material. The Company has an impressive record, achieving compound revenue growth of approximately 15% per annum over the past 6 years. Pro-Pac has manufacturing plants

and distribution warehouses in Sydney, Melbourne and Brisbane and operates through distributors in other major centres throughout Australia.

Pro-Pac anticipates continued organic growth from its unique biodegradable and protective packaging product range. In addition, the group is seeking opportunities for growth through acquisition of manufacturers and/or distributors of industrial packaging, as well as expansion into overseas markets.

Ectec Limited

During this period CVC has continued to progress the reduction of its exposure to Ectec Limited via exercising security it was granted over trade receivables as part of its original investment in the Company in 2001. To date, recoveries in the order of \$3 million have been made and the principal matters outstanding are likely to net further proceeds in the next year.

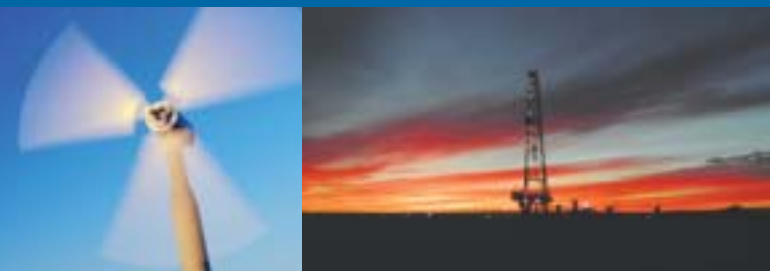
INDIRECT INVESTMENTS



CVC REEF

CVC REEF Limited

CVC has invested \$1.4 million in CVC REEF (Renewable Energy Equity Fund). CVC REEF provides funding to high growth Australian renewable energy companies that have domestic and global market potential. Renewable energy technologies are those that include the generation of electricity, fuel, heat and other forms of energy from energy sources that are not depletable. CVC REEF investments include:



REVIEW OF OPERATIONS



Battery Energy Power Solutions Pty Limited

Innovative industrial battery manufacturer that has developed various technologies in conjunction with the CSIRO for electricity storage in remote area power systems.



Wind Corporation Australia Limited

Wind technology company developing small scale wind farms either connected to the grid or located in remote areas. First development is Hampton Wind Park, a 1.32MW, 2 turbine wind park located near Lithgow, NSW. Numerous other sites currently in the early stages of development with one proposed 38MW development close to financial close.



Geodynamics Limited

ASX listed company commercialising geothermal energy generation from hot dry rocks (HDR). Stage One development program is well under way. The Company has raised a total of \$20.7 million to date, including a \$5 million AusIndustry Grant and a recent \$5 million placement to Origin Energy.



Superior Energy Systems Pty Limited

Engineering and technology company providing equipment, services and renewable energy enabling

technologies to the waste industry. CVC REEF is currently seeking an exit from this investment.

Australian Biodiesel Consultancy Pty Limited

Company that has developed a biodiesel manufacturing technology suited to Australian market conditions. After 11 months of successful trials the Company is constructing a full scale commercial plant on the NSW Central Coast, and is also examining national and international opportunities for expansion.

During the period CVC REEF exited its investment in renewable energy company, Novera Energy via redemption of a convertible note. A return was realised in the vicinity of 10%.



CVC Biz Vision Limited

CVC has a \$2 million investment in unlisted pooled development fund CVC Biz Vision. Biz Vision's current portfolio includes:

- Battery Energy Power Solutions Pty Limited
- Australian Repair & Service Solutions (Trading as Telefix Sales Limited)
- Australian Photonics Pty Limited
- \$1 million convertible note in Vita Life Sciences Limited

At 30 June 2003, CVC Biz Vision distributed in-specie to its shareholders the Company's ordinary shareholding in Vita Life Sciences Limited.



REVIEW OF OPERATIONS

STRATEGIC LISTED EQUITY INVESTMENTS

CVC manages a portfolio of investments in listed companies where it takes advantage of value opportunities through initial public offerings, private placements and strategic investing.

CVC believes investment in small, listed companies offers appropriate diversification in the portfolio and has the ability to contribute strongly to profits through both yield and capital growth.

During the year CVC participated in new investments and engaged in a sell down of existing investments where appropriate.

Stargames Limited

CVC holds an 11.7% interest in Stargames Limited. Stargames, which operates in the entertainment services industry has announced a record profit for the year ended 30 June 2003 of \$7.4 million (up 812% on prior year) and a fully franked dividend of 3 cents per share. The Company is forecasting an increased domestic market share for 2003/4 along with growth in export sales. CVC is continuing to pursue avenues for realisation of this investment.

Stericorp Limited

CVC acquired a 5.3% interest in health service company Stericorp Limited as a result of the sale of Clinical Waste Australia Pty Limited (CWA) in April 2002. Since the end of the financial year CVC has sold its holding in order to realise the remaining proceeds from the CWA sale.

Green's Foods Limited

CVC holds an 8.9% interest in food manufacturing business Green's Foods Limited. CVC became involved with the Company in late 2001 when CVC acquired the holding and CVC CEO Mr Sandy Beard was appointed to the Board of Directors. Since that time the Company has undergone significant restructuring and for the year ended 30 June 2003, reported gross sales in the order of \$182.4 million (2002: 191.6 million) and net profit of \$4.2 million. (2002: loss of \$17.6 million)

Amadeus Energy Limited

CVC has a 2.6% interest in oil and gas producer, Amadeus Energy Limited. The company owns long life proven producing oil and gas fields in the USA. The Company has reported total revenue for the year ended 30 June 2003 of \$12.2 million (48% increase on 2002) with a net profit after tax of \$2.7 million (400% increase on 2002). CVC has commenced a strategic sale of shares where appropriate to realise profits.

REVIEW OF OPERATIONS



PROPERTY

CVC continues to participate in unique property developments in partnership with high quality, specialist property developers. Investment in this sector has proven over time to deliver consistent and reliable returns that have served to underpin the investment portfolio and mitigate risk.



Sunland Group Limited

CVC has a 28.6% interest in ASX listed property developer, Sunland Group Limited. Sunland has announced an after tax profit for the year ended 30 June 2003 of \$27.2 million, representing a 151% increase on 2002 results. CVC first invested in Sunland in 1995 and since that time the Company has experienced continued growth and profitability through a diversity of projects including Q1 residential tower development on the Gold Coast. Sunland has expanded through developments in the Melbourne residential property market and has recently announced its first development in Sydney. Sunland is a unique

investment that has delivered an annual 37% return on equity since listing in 1995. Subsequent to June 30 2003, CVC has sold 5.7 million shares in Sunland at a profit of \$2.6 million.

Chevron Renaissance

CVC owns 50% of the Chevron Renaissance Shopping Centre located within the Surfers Paradise CBD. During the year an additional 320 sqm of lettable area was purchased from the developers of the three residential towers adjoining the shopping centre, bringing the gross lettable area to 12,998 sqm. The centre now has car parking for 331 vehicles and contains a Coles Supermarket, 54 speciality stores and 21 commercial tenancies. Despite the impact of the SARS epidemic and the Iraq war on the Gold Coast tourism industry, traffic flow through the centre increased by approximately 3.6% over the comparable period in the previous year. For the year to June 30 2003, the centre contributed \$1 million to CVC's net profit.

CVC Newcastle

CVC has recently concluded the mediation process to protect its interest in its coastal land holding located north of and in close proximity to Newcastle and will now proceed towards a joint venture. A Heads of Agreement is being finalised with CVC's joint venture partner in this project, the Winten Property Group. Development of the land, which has the potential for division into up to 1,000 residential lots at significant profits is projected to commence in the current year and has the potential to provide substantial recurring profits to CVC potentially for up to the next 10 years.

CVC LIMITED
(Formerly Continental Venture Capital Limited)
AND ITS CONTROLLED ENTITIES

FINANCIAL REPORT
For the Year Ended 30 June 2003

Financial Report

DIRECTORS' REPORT

Your Directors present the Financial Report of CVC Limited ("CVC") (formerly: Continental Venture Capital Limited) and the consolidated Financial Statements of the Consolidated Entity being the Company and its controlled entities, for the year ended 30 June 2003 together with the Auditors' Report thereon.

DIRECTORS

The names of Directors in office at the date of this report are Vanda Russell Gould (Chairman), John Scott Leaver, John Douglas Read, Alexander Damien Harry Beard and John Riedl.

DIRECTORS' MEETINGS

The number of Directors' Meetings and number of meetings attended by each of the Directors of the Company during the financial year were:

Directors' Meetings		
	Number of meetings attended	Number of meetings held
V. R. Gould	5	5
J. S. Leaver	5	5
J. D. Read	5	5
A. D. H. Beard	5	5
J. T. Riedl	2	3

During the financial year the Company formed an audit committee. The number of meetings and the number of meetings attended by each of the Directors of the Company during the financial year were:

Audit Committee Meetings		
	Number of meetings attended	Number of meetings held
J. D. Read	4	4
A. D. H. Beard	4	4
J. T. Riedl	-	-

PRINCIPAL ACTIVITIES

The Company's principal activity is the provision of investment capital to companies with substantial profit growth prospects. The principal activities of the corporations in the Consolidated Entity and of the corporations to which investment capital has been provided during the year were financing, property related investments and packaging supplies.

REVIEW OF OPERATIONS

The Chairman's Report, Review of Operations and the annexure to the Financial Report contain details of the Consolidated Entity's operations during the year.

CONSOLIDATED RESULT

The consolidated profit for the year attributable to the members of CVC was:

	2003 \$	2002 \$
Net profit after income tax	5,234,703	10,097,353
Outside equity interests	(191,643)	(18,294)
Net profit attributable to members	5,043,060	10,079,059

DIVIDENDS

An ordinary dividend of 2 cents per share was announced on 2 September 2003 to be paid on 4 December 2003. An ordinary dividend of 1.5 cents per share amounting to \$1,646,041 was paid on 5 December 2002.

STATE OF AFFAIRS

Significant changes in the state of affairs of the Consolidated Entity during the financial year were as follows:

- As at 1 April 2003 the Consolidated Entity acquired a controlling interest in the share capital of Pro-Pac Packaging (Aust) Pty Ltd ("Pro-Pac"). Pro-Pac is a manufacturer of environmentally friendly packaging.
- As at 28 March 2003 the Consolidated Entity acquired a controlling interest in the share capital of Stinoc Limited, an investment Company.

LIKELY DEVELOPMENTS

The likely developments in the operations of the Consolidated Entity will involve an increase in the range of investment activities undertaken with the emphasis on obtaining higher yields. The profitability or otherwise of those investments cannot be meaningfully predicted at the date of this report.

ENVIRONMENTAL REGULATION

The Consolidated Entity's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Directors are not aware of any breaches of any particular and significant environmental regulation affecting the group's operations.

ENVIRONMENTAL MANAGEMENT

The Consolidated Entity is committed to achieving a high standard of environmental performance.

EVENTS SUBSEQUENT TO BALANCE DATE

The Company made certain investments and loans in support of its existing investee businesses, acquired various short term interests in listed equities and realised a portion of its short term

investments as part of its ordinary course of business subsequent to balance date.

On 2 September 2003, the name of the Company was changed to CVC Limited.

Since the end of the financial year, the Company has bought back 406,872 of its own shares through an on-market buy-back.

There has not arisen in the interval between the end of the financial year and the date of this report any other matter or circumstance that has 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.

INFORMATION ON DIRECTORS

Vanda Russell Gould (*Chairman*)

B.Comm (Uni. of NSW); M.Comm (Uni of NSW) .
Fellow of the Institute of Chartered Accountants in Australia, Fellow of the Australian Institute of Certified Public Accountants, Licensed Securities Dealer. Chairman of Vita Life Sciences Limited and CVC Investment Managers Pty Limited and a Director of numerous private and public companies including educational establishments.

John Scott Leaver (*Non-Executive Director*)

B.Ec. (Uni. of Sydney).
Licensed Securities Dealer. Board member since 1984.
Chairman of Sunland Group Limited and a Director of CVC Investment Managers Pty Limited.

John Douglas Read (*Non-Executive Director*)

B.Sc. (Hons.) (Cant.), M.B.A. (A.G.S.M.)
Board Member since 1989. Chairman of the Environmental Group Limited, Director of Australian Institute for Commercialisation Limited.

Alexander Damien Harry Beard (*Director & Company Secretary*)

B Com. (Uni. of NSW).
Member of the Institute of Chartered Accountants in Australia. Director of CVC Investment Managers Pty Limited and Green's Foods Limited and numerous private and public companies.

John Thomas Riedl (*Non-Executive Director*)

B.Sc, B.E. (Elect), (Hons.) (Sydney)
Director of numerous public and private companies. Appointed as a Director on 27 November 2002.

SHARE OPTIONS

There were no options in issue during the year or to the date of this report.

DIRECTORS' INTERESTS AND BENEFITS

The relevant interest of each Director in the share capital of the Company as at the date of this report is as follows:

	Ordinary Shares
V. R. Gould	14,898,517
J. S. Leaver	15,013,307
J. D. Read	493,956
A. D. H. Beard	14,663,443
J. T. Riedl	-

At the date of this report, through their Directorship of The Eco Fund Limited, Messrs Gould, Leaver, and Read (1,000,000 shares) and Mr Beard (1,107,202 shares) hold indirect interests, in the share capital of Pro-Pac Group Limited. Directors benefits are set out in Notes 6 and 27.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

The Consolidated Entity has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Consolidated Entity or a related body corporate indemnified or made any relevant agreement for indemnifying such persons against a liability, including costs and expenses in successfully defending legal proceedings.

Insurance Premiums

The Consolidated Entity has not, during the year or since the end of the financial year, in respect of any person who is or has been an auditor of the Company or a related body corporate paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses of defending legal proceedings.

CVC Limited has paid insurance premiums in respect of Directors and officers liability and legal expense insurance for Directors and officers of the Company.

In accordance with subsection 300(9) of the Corporations Act 2001 further details have not been disclosed due to confidentiality provisions contained in the insurance contract.

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

Dated at Sydney this 15th day of September 2003.

Vanda Russell Gould
Director

Alexander Damien Harry Beard
Director

Financial Report

STATEMENTS OF FINANCIAL PERFORMANCE *for the Year Ended 30 June 2003*

	Notes	Consolidated		The Company	
		2003 \$	2002 \$	2003 \$	2002 \$
Revenue					
Revenue from rendering of services		-	4,167,782	-	-
Revenue from sale of goods		3,994,716	-	-	-
Proceeds from share sales		98,473	14,289,695	98,473	13,038,848
Interest income		2,594,689	2,792,656	1,698,692	-
Other revenue from ordinary activities		297,242	3,411,419	1,156,713	5,220,940
Total revenue from ordinary activities	2	6,985,120	24,661,552	2,953,878	18,259,788
Share of net profits of associates accounted for using the equity method	25	4,305,914	2,618,441	-	-
Share of net profits of joint ventures accounted for using the equity method	30	4,543,120	3,611,892	4,543,120	4,772,139
Expenses					
Borrowing costs	3	203,118	186,794	1,085,487	1,245,258
Cost of shares sold		192,829	10,009,712	192,829	7,529,146
Cost of goods sold		2,174,925	-	-	-
Employee expenses		702,479	1,406,093	-	-
Loans written-off		1,290,523	-	1,290,523	-
Management & consultancy fees		2,685,464	2,162,998	1,455,011	1,154,928
Provision against loan to joint venture for non-recovery		-	2,376,861	-	2,376,861
Other loan provisions for non-recovery		(1,615,693)	2,167,269	65,040	1,400,823
Unrealised loss on investments		3,742,843	137,752	2,340,056	137,752
Other expenses from ordinary activities	3	1,045,492	2,245,046	427,001	398,647
Profit from ordinary activities before related income tax expense	3	5,412,174	10,199,360	641,051	8,788,512
Income tax expense	4	177,471	102,007	224,118	594,951
Net profit		5,234,703	10,097,353	416,933	8,193,561
Net profit attributable to outside equity interests	23	191,643	18,294	-	-
Net profit attributable to members of the parent entity		5,043,060	10,079,059	416,933	8,193,561
Other changes in equity attributable to members of the parent entity other than those arising from transactions with owners as owners:					
Share of decrease in equity of associate accounted for using the equity method in relation to adoption of the principles of UIG 42 in relation to deferred expenditure		(805,093)	-	-	-
Total changes in equity attributable to members of the parent entity other than those arising from transactions with owners as owners		4,237,967	10,079,059	416,933	8,193,561
Basic & diluted earnings per share	8	0.0460	0.0918	-	-

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 19 to 44.

STATEMENTS OF FINANCIAL POSITION *as at 30 June 2003*

	Notes	Consolidated		The Company	
		2003 \$	2002 \$	2003 \$	2002 \$
CURRENT ASSETS					
Cash Assets	26	2,477,100	4,438,772	799,577	4,316,338
Receivables	9	13,165,058	9,628,897	4,968,518	9,628,897
Inventories	10	801,437	-	-	-
Other Financial Assets	11	4,669,488	9,686,269	4,669,488	6,526,873
Current Tax Assets	4	311,208	1,899,217	-	952,027
Other Assets	12	60,612	322,160	45,483	214,375
TOTAL CURRENT ASSETS		21,484,903	25,975,315	10,483,066	21,638,510
NON-CURRENT ASSETS					
Receivables	9	17,218,269	21,542,212	17,352,220	18,855,548
Investments Accounted for using the Equity Method	13	33,402,952	26,554,448	9,315,261	4,772,139
Other Financial Assets	11	10,328,167	6,776,706	13,980,626	7,718,386
Intangible Assets	14	5,257,104	-	-	-
Property, Plant and Equipment	15	617,178	-	-	-
Deferred Tax Assets	4	4,015	3,000	4,015	-
TOTAL NON-CURRENT ASSETS		66,827,685	54,876,366	40,652,122	31,346,073
TOTAL ASSETS		88,312,588	80,851,681	51,135,188	52,984,583
CURRENT LIABILITIES					
Payables	16	3,044,732	1,425,936	15,264,426	3,263,878
Interest Bearing Liabilities	17	215,000	-	-	12,183,805
Provisions	18	1,935,389	-	-	-
Current Tax Liabilities	4	368,817	-	54,200	-
TOTAL CURRENT LIABILITIES		5,563,938	1,425,936	15,318,626	15,447,683
NON-CURRENT LIABILITIES					
Interest Bearing Liabilities	17	-	100,000	-	-
Provisions	18	-	-	-	-
Deferred Tax Liabilities	4	-	491,232	-	491,232
TOTAL NON-CURRENT LIABILITIES		-	591,232	-	491,232
TOTAL LIABILITIES		5,563,938	2,017,168	15,318,626	15,938,915
NET ASSETS		82,748,650	78,834,513	35,816,562	37,045,668
EQUITY					
Contributed Equity	19	26,633,636	26,633,636	26,633,636	26,633,636
Reserves	20	-	-	-	-
Retained Profits	21	54,202,318	51,589,177	9,182,926	10,412,032
Total Parent Entity Interest		80,835,954	78,222,813	35,816,562	37,045,668
Outside Equity Interest	23	1,912,696	611,700	-	-
TOTAL EQUITY		82,748,650	78,834,513	35,816,562	37,045,668

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 19 to 44.

Financial Report

STATEMENTS OF CASH FLOWS *for the Year Ended 30 June 2003*

	Notes	Consolidated		The Company	
		2003 \$	2002 \$	2003 \$	2002 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Receipts in the Course of Operations		4,274,088	4,329,969	56,249	500,994
Cash Payments in the Course of Operations		(6,381,214)	(6,236,655)	(1,662,637)	(1,750,117)
Interest Received		1,000,022	1,653,185	978,553	1,638,741
Dividends Received		1,319,223	352,000	1,100,464	352,000
Interest Paid		(88,117)	(161,983)	(100,179)	(1,245,258)
Income Taxes Paid		1,011,180	(717,331)	286,862	(494,634)
Net Cash Provided by/(Used in) Operating Activities	26	1,135,182	(780,815)	659,312	(998,274)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for Property, Plant and Equipment		(11,700)	(1,247,638)	-	-
Payments for Equity Investments		(2,231,587)	(8,158,177)	(2,226,587)	(7,485,277)
Payment for Controlled Entity		(3,282,931)	(6,480)	(4,667,165)	(6,480)
Proceeds on Disposal of Equity investments		58,691	3,427,593	58,691	2,724,635
Proceeds on Disposal of Controlled Entity		-	6,722,409	-	6,933,328
Loans Provided		(12,448,690)	(7,986,480)	(12,658,971)	(7,788,882)
Loans Repaid		16,964,000	17,393,460	16,964,000	19,032,112
Other		-	(192,943)	-	(192,945)
Net Cash (Used in)/Provided by Investing Activities		(952,217)	9,951,744	(2,530,032)	13,216,491
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of Borrowings		-	(9,652,554)	-	(9,458,815)
Dividends Paid to Members of Parent Entity		(1,646,041)	(1,371,700)	(1,646,041)	(1,371,700)
Dividends Paid to Outside Equity Interests		(1,713,000)	-	-	-
Issue of Shares to Outside Equity Interests		1,214,404	-	-	-
Cash (Used in)/Provided by Financing Activities		(2,144,637)	(11,024,254)	(1,646,041)	(10,830,515)
Net (Decrease)/Increase in Cash Held		(1,961,672)	(1,853,325)	(3,516,761)	1,387,702
Cash at the Beginning of the Financial Year		4,438,772	6,292,097	4,316,338	2,928,636
CASH AT THE END OF THE FINANCIAL YEAR	26	2,477,100	4,438,772	799,577	4,316,338

The statements of cashflows are to be read in conjunction with the notes to the financial statements set out on pages 19 to 44.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this Financial Report are:

1.1 Basis of Preparation

The Financial Report is a general purpose financial report, which has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets.

These accounting policies have been consistently applied by each entity in the Consolidated Entity and except where there is a change in accounting policy, are consistent with those of the previous year.

1.2 Principles of Consolidation

Controlled entities

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

Outside interests in the equity and results of the entities that are controlled by the Company are shown as a separate item in the consolidated financial statements.

Associates

Associates are those entities, other than partnerships, over which the Consolidated Entity exercises significant influence but not control. In the consolidated financial statements investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The Consolidated Entity's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of financial performance from the date significant influence commences until the date significant influence ceases. The Consolidated Entity's equity accounted share of movements in retained profits from changes in accounting policies by associates is recognised directly in consolidated retained profits (note 21). The Consolidated Entity's equity accounted share of other movements in reserves of associates is recognised directly in consolidated reserves.

Joint venture operations

The Consolidated Entity's interests in unincorporated joint ventures are brought to account by including its proportionate share of the joint venture's assets, liabilities, expenses and revenue on a line-by-line basis, from the date joint control commences to the date joint control ceases.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

Note 1: Statement of Significant Accounting Policies (Cont'd)

The Consolidated Entity's interests in joint venture partnerships are accounted for using equity accounting principles. Investments in joint venture partnerships are carried at the lower of the equity accounted amount and recoverable amount. The Consolidated Entity's accounted share of the joint venture partnerships' net profit or loss is recognised in the consolidated statement of financial performance from the date joint control commences to the date joint control ceases. The Consolidated Entity's share of other movements in reserves is recognised directly in consolidated reserves.

Transactions eliminated on consolidation

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

Unrealised gains resulting from transactions with associates and joint ventures are eliminated to the extent of the Consolidated Entity's interest. Unrealised gains relating to associates and joint venture entities are eliminated against the carrying amount of the investment. Unrealised losses are eliminated in the same way as unrealised gains, unless they evidence a recoverable amount impairment.

Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or shares in a controlled entity. Goodwill is amortised on a straight line basis over the period during which benefits are expected to be received. The period in use during the year is 13 years.

1.3 Investments

Controlled Entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

Associated Companies

In the Company's financial statements investments in shares of associates are carried at the lower of cost and recoverable amount.

Joint ventures

The Company's interests in unincorporated joint ventures are brought to account by including its proportionate share of the joint venture's assets, liabilities, expenses and revenue on a line-by-line basis, from the date joint control commences to the date joint control ceases.

The Company's interests in joint venture partnerships are accounted for using equity accounting principles. Investments in joint venture partnerships are carried at the lower of the equity accounted amount and recoverable amount. The Company's

equity accounted share of the joint venture partnerships' net profit or loss is recognised in the statement of financial performance from the date joint control commences to the date joint control ceases. The Company's share of other movements in reserves are recognised directly in reserves.

Other entities

Investments in other listed companies are measured at the lower of cost and recoverable amount, being the current quoted market prices.

Investments in other unlisted entities are carried at the lower of cost and recoverable amount.

1.4 Income Tax

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

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

1.5 Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks, and money market investments, readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

1.6 Inventories

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

Net Realisable Value

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

1.7 Payables

Liabilities are recognised for amounts to be paid in the future for goods or services provided to the Consolidated Entity prior to the year end. Trade accounts payable are normally settled within 30 days.

1.8 Accounts Receivable

Trade Debtors

Trade Debtors to be settled within 30 days are carried at amounts due.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

Note 1: Statement of Significant Accounting Policies (Cont'd)

Term Debtors

Term debtors are carried at amounts due and settled on completion of projects. A market rate of interest is charged on outstanding amounts and debtors are required to provide collateral.

Doubtful Debts

The collectability of debts is assessed regularly and specific provision is made for any doubtful accounts.

1.9 Property, Plant and Equipment

Acquisition

Items of property, plant and equipment are recorded at cost and depreciated as outlined below.

The cost of property, plant and equipment constructed by controlled entities includes the cost of materials and direct labour and an appropriate proportion of fixed and variable overheads.

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

Leased Plant and Equipment

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

Finance leases are capitalised. A lease asset and a liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged to the statement of financial performance. Contingent rentals are expensed as incurred.

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.10 Employee Entitlements

Wages, Salaries and Annual Leave

The provision for employee entitlements in relation to wages and annual leave represent present obligations resulting from employee's services provided up to balance date.

Long Service Leave

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

1.11 Land Held for Sale

Valuation

Development properties are carried at the lower of cost and net realisable value. Cost includes the costs of acquisition, development, and holding costs such as interest, rates and taxes. Interest and other holding costs incurred after completion of development are expensed as incurred.

1.12 Revenue and Revenue Recognition

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

Sale of goods

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

Interest Income

Interest income is recognised as it accrues unless collectability is in doubt, taking into account the effective yield on the financial asset.

Sale of non-current assets

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

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

Research and development grants

Where a grant is received relating to research and development costs that have been expensed, the grant is recognised as revenue. Where a grant is received relating to research and development costs that have been deferred, the grant is deducted from the carrying amount of the deferred research and development.

Dividends

Revenue from dividends and other distributions from controlled entities is recognised by the parent entity when they are declared by the controlled entities.

Revenue from dividends from associates is recognised by the parent entity when dividends are received.

Revenue from dividends from other investments is recognised when received.

Dividends received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised in revenue.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

Note 1: Statement of Significant Accounting Policies (Cont'd)

1.13 Borrowing Costs

Borrowing costs include interest, amortisation of discounts or premiums relating to 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 asset. 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 that borrowing. Where funds are borrowed generally, borrowing costs are capitalised using a weighted average capitalisation rate.

1.14 Non-Current Assets

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

1.15 Depreciation and Amortisation

Fixed assets are depreciated/amortised using the straight line method over the estimated useful lives, with the exception of finance lease assets. Finance lease assets are amortised over the term of the relevant lease, or where it is likely the Consolidated Entity will obtain ownership of the asset, the life of the asset. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future

periods only. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads.

The current depreciation rates for each classes of assets are as follows:

Plant and Equipment	5% to 50%
Leased Assets	15% to 25%

Complex Assets

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

1.16 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

1.17 Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 2: REVENUE FROM ORDINARY ACTIVITIES				
Revenue from Operating Activities:				
Revenue from Sale of Goods	3,994,716	-	-	-
Rendering of Services from Operating Activities	-	4,167,782	-	-
Proceeds from Share Sales	98,473	14,289,695	98,473	13,038,848
Effect of Discontinuance of Proportionate Accounting in relation to Joint Venture (note 30)	-	2,376,861	-	2,376,861
Interest				
Related parties	364,401	1,221,464	364,401	803,543
Other parties	2,230,288	1,571,192	1,334,291	1,149,052
Dividends				
Related parties	-	-	-	-
Other parties	102,569	519,850	1,100,464	443,984
Other Revenue	194,673	514,708	56,249	447,500
Revenue From Ordinary and Operating Activities	6,985,120	24,661,552	2,953,878	18,259,788

NOTE 3: PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE

Profit from ordinary activities before income tax expense has been arrived at after charging/ (crediting) the following items:

Borrowing costs:

Related parties	-	-	985,308	1,079,855
Bank loans and overdraft	-	186,794	-	165,403
Other	203,118	-	100,179	-
Total borrowing costs	203,118	186,794	1,085,487	1,245,258

Other operating expenses:

Amortisation of goodwill	103,081	-	-	-
Audit Fees	75,000	88,350	60,000	71,350
Depreciation of plant and equipment	30,434	439,794	-	-
Directors fees	39,582	31,250	39,582	31,250
Freight costs	54,637	-	-	-
Insurance	34,628	42,889	13,940	-
Legal costs	131,418	-	120,988	-
Operating lease rental expense	62,010	-	-	-
Royalty costs	108,527	-	-	-
All other operating expenses	406,175	1,642,763	192,491	296,047
Total Other Operating Expenses	1,045,492	2,245,046	427,001	398,647

Other items:

Net loss/(gain) on disposal of non-current assets:

Property, plant and equipment	-	-	-	-
Investments	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 4: TAXATION				
4.1 Income Tax Expense				
Prima facie income tax expense calculated at 30% (2002: 30%) on the profit from ordinary activities	1,623,653	3,059,808	192,315	2,636,553
Increase in income tax expense due to				
Prima facie income tax on profit from ordinary activities of subsidiaries within tax consolidation group	-	-	196,253	-
Provision to reflect recoverable amount of equity accounted component of investment carrying value	170,440	-	-	-
Sundry items	-	1,378	38,034	1,378
Tax losses not recognised	28,274	80,434	28,241	196,346
Decrease in income tax expense due to				
Tax attributable to equity accounted profits	(926,778)	(785,562)	-	(348,103)
Sundry items	(22,996)	-	-	-
Dividend rebate	(378,738)	(22,760)	(329,236)	-
Div 43 Building allowances	(402,673)	(367,566)	(402,673)	(339,194)
Recovery of tax losses not previously recognised	(65,765)	(1,158,980)	(75,580)	(1,639,996)
	25,417	806,752	(352,646)	506,984
Prior year under/(over) provision	152,054	(704,745)	576,764	87,967
Income tax expense attributable to profit from ordinary activities	177,471	102,007	224,118	594,951
4.2 Current Tax Assets				
<i>Income tax instalments refundable</i>				
Balance at end of year	311,208	1,899,217	-	952,027
4.3 Current Tax Liabilities				
<i>Income tax payable</i>				
Balance at end of year	368,817	-	54,200	-
4.4 Deferred Tax Assets/Liabilities				
<i>Future income tax benefit</i>				
Balance at end of year	4,015	3,000	4,015	-
<i>Deferred income tax liability</i>				
Balance at end of year	-	491,233	-	491,233
<i>Future income tax benefits not taken to account</i>				
Tax revenue losses carried forward	4,254,097	455,838	2,267,888	196,345
Tax capital losses carried forward	58,325,512	40,667,149	40,761,286	39,862,524

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

Note 4: Taxation (Cont'd)

4.4 Deferred Tax Assets/Liabilities (Cont'd)

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

- (i) the relevant Company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another company in the Consolidated Entity;
- (ii) the relevant Company continues to comply with the conditions for deductibility imposed by the law;
- (iii) no changes in tax legislation adversely affect the relevant Company in realising the benefit.

4.5 Tax Consolidation

It is expected that CVC and its applicable wholly owned subsidiaries will adopt the provisions of the tax consolidation regime for the full accounting period ending 30 June 2003. Formal notification of the adoption to the Australian Taxation Office has not yet been made but is due to be made prior to the lodgement of the income tax returns for the 2003 year. Tax balances within this Financial Report reflect the expected effects of the adoption of the tax consolidation regime with the absence of a formal tax sharing arrangement between subsidiaries.

NOTE 5: DIVIDENDS

Dividends proposed or paid and not provided for in previous years by the Company are:

	Cents per share	Total \$	Date of Payment	Tax rate for franking credit	Percentage franked
Declared during the financial period and included within the statement of financial position:					
2002					
Final - ordinary	1.50	1,646,041	5 December 2002	30%	100%
Declared after the end of the financial period and not included in the statement of financial position:					
2003					
Final - ordinary	2.00	(i)	4 December 2003	30%	100%

(i) The final amount to be paid will be based on the number of shares in issue at the record date, 20 November 2003.

	The Company	
	2003 \$	2002 \$
Dividend Franking Account		
Franking credits available to shareholders for subsequent financial years	2,696,421	1,891,000

From 1 July 2002, the new imputation system requires a Company's franking credits to be expressed on a tax-paid basis. The franking account surplus existing at 30 June 2002 has been reinstated to a tax paid amount by multiplying the franking credits by 30/70.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

NOTE 6: REMUNERATION OF DIRECTORS AND EXECUTIVES

6.1 Directors' Remuneration

The number of Directors of the Company whose income from the Company or any related party falls within the following bands:

	The Company	
	Number	Number
\$0 - \$9,999	3	3
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	1	1
Income paid or payable, or otherwise made available to all Directors of the Company from the Company or any related party.		
	\$	\$
Fees – John Douglas Read	25,000	25,000
Fees – John Thomas Riedl	14,582	-
	39,582	25,000

6.2 Executive Officers' Remuneration

No amounts were paid or payable, directly or indirectly to executive officers of the Company.

NOTE 7: AUDITORS' REMUNERATION

Amounts received or due and receivable for audit services by:

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
Auditors of the Company	75,000	60,000	60,000	50,000
Former Auditors of the Company	-	28,350	-	21,350
	75,000	88,350	60,000	71,350
Amounts received or due and receivable for other services by the Auditors of the Company	-	6,200	-	6,200

The Auditors received no other benefits.

NOTE 8: EARNINGS PER SHARE

	Consolidated	
Basic and diluted earnings per share (dollars per share)	0.0460	0.0918
Reconciliation of earnings used in the calculation of earnings per share:		
Operating profit after income tax	5,234,703	10,097,353
Less: Outside equity interests	(191,643)	(18,294)
Earnings	5,043,060	10,079,059
	Number of Shares	
Weighted average number of ordinary shares	109,736,032	109,736,032

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 9: RECEIVABLES				
Current				
Trade debtors	2,630,330	-	-	-
Other debtors	79,460	614,251	13,250	614,251
Loans to other corporations	10,908,949	5,284,440	5,089,682	5,284,440
Provision for non-recovery of loans to other corporations	(1,913,681)	(1,244,894)	(1,594,414)	(1,244,894)
Loans to related entities	1,460,000	-	1,460,000	-
Loans to joint ventures	-	4,975,100	-	4,975,100
Total Current Receivables	13,165,058	9,628,897	4,968,518	9,628,897
Non-Current				
Loans to other corporations	5,735,388	7,999,700	5,735,388	3,313,036
Provision for non-recovery of loans to other corporations	(29,143)	(2,000,000)	(29,143)	-
Loans to controlled entities	-	-	1,256,342	1,122,391
Provision for non-recovery of loans to controlled entities	-	-	(1,122,391)	(1,122,391)
Loans to Director related entities	3,162,256	981,979	3,162,256	981,979
Loans to other related entities	-	10,892,994	-	10,892,994
Provision for non-recovery of loans to other related entities	-	(2,953,480)	-	(2,953,480)
Loans to joint ventures	8,349,768	6,621,019	8,349,768	6,621,019
Total Non-Current Receivables	17,218,269	21,542,212	17,352,220	18,855,548

Further details of loans from related entities are set out in Note 27.

NOTE 10: INVENTORIES

Current				
Finished goods – at cost	801,437	-	-	-
Total Current Inventories	801,437	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 11: OTHER FINANCIAL ASSETS				
Current				
Shares in listed corporations at cost	3,609,776	6,370,055	3,609,776	3,210,659
Shares in listed corporations at market value	1,059,712	3,316,214	1,059,712	3,316,214
Total Current Other Financial Assets	4,669,488	9,686,269	4,669,488	6,526,873
Market value of shares in listed corporations	7,519,533	18,130,382	7,519,533	6,570,932
Non-Current				
Unlisted Controlled entities – at cost	-	-	4,770,619	102,554
Shares in listed corporations – at cost or realisable value	5,578,817	3,424,322	1,970,241	499,481
Other investments at cost	4,749,350	3,352,384	2,279,696	2,156,281
Shares in listed associated companies at cost (Note 25)	-	-	4,960,070	4,960,070
Total Non-Current Other Financial Assets	10,328,167	6,776,706	13,980,626	7,718,386
Market value of shares in listed corporations:				
Associated companies	-	-	25,546,108	22,752,002
Other investments	12,049,741	4,754,005	1,970,241	729,583
	12,049,741	4,754,005	27,516,349	23,481,585

The Directors have valued shares in listed corporations at the lower of cost and market value as at 30 June 2003.

NOTE 12: OTHER ASSETS

Current				
Prepayments and deposits	18,098	90,409	10,810	-
Goods and Services Tax	42,514	231,751	34,673	214,375
	60,612	322,160	45,483	214,375

NOTE 13: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Non-Current				
Equity accounted shares of joint ventures (Note 30)	9,315,261	4,772,139	9,315,261	4,772,139
Equity accounted shares in listed associated companies (Note 25)	24,087,691	21,782,309	-	-
	33,402,952	26,554,448	9,315,261	4,772,139
Market value of shares in listed associated companies	31,146,341	27,739,710	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 14: INTANGIBLE ASSETS				
Goodwill	5,360,185	-	-	-
Accumulated Amortisation	(103,081)	-	-	-
	5,257,104	-	-	-
NOTE 15: PROPERTY, PLANT AND EQUIPMENT				
Plant and Equipment				
At cost	1,449,904	-	-	-
Accumulated depreciation	(832,726)	-	-	-
	617,178	-	-	-
Leased Plant and Equipment				
At cost	-	-	-	-
Accumulated depreciation	-	-	-	-
	-	-	-	-
Capital Works in Progress				
At cost	-	-	-	-
Total Property, Plant and Equipment	617,178	-	-	-
Reconciliations				
Plant and Equipment				
Carrying amount at beginning of year	-	2,260,886	-	-
Assets acquired in business acquisition	635,912	-	-	-
Additions	11,700	1,796,509	-	-
Assets disposed of with business sale	-	(3,639,910)	-	-
Depreciation	(30,434)	(417,485)	-	-
Carrying amount at end of year	617,178	-	-	-
Leased Plant and Equipment				
Carrying amount at beginning of year	-	314,679	-	-
Additions	-	974,041	-	-
Assets disposed of with business sale	-	(1,266,411)	-	-
Amortisation	-	(22,309)	-	-
Carrying amount at end of year	-	-	-	-
Capital Works in Progress				
Carrying amount at beginning of year	-	579,367	-	-
Additions	-	14,207	-	-
Disposals	-	(593,574)	-	-
Carrying amount at end of year	-	-	-	-
Total Property, Plant and Equipment	617,178	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 16: PAYABLES				
Current				
Trade creditors	1,632,839	355,074	41,127	350,000
Loans from controlled entities	-	-	14,328,506	2,038,130
Loans from joint venture entities	756,875	687,078	756,875	687,078
Loans from other persons	-	85,751	-	85,751
Sundry creditors and accruals	472,808	298,034	137,918	102,919
GST Payable	182,211	-	-	-
Total Current Accounts Payable	3,044,733	1,425,936	15,264,426	3,263,878

Included within loans from controlled entities are amounts on which interest was previously payable but on which, following a change to 100% ownership and the adoption of tax consolidation, interest is not expected to be charged in future.

NOTE 17: INTEREST BEARING LIABILITIES

Current				
Loans from controlled entities	-	-	-	12,183,805
Loans from other persons	215,000	-	-	-
Total Current Interest Bearing Liabilities	215,000	-	-	12,183,805
Non-Current				
Loans from other persons	-	100,000	-	-
Total Non-Current Interest Bearing Liabilities	-	100,000	-	-

NOTE 18: PROVISIONS

Current				
Employee entitlements	303,374	-	-	-
Deferred consideration and costs for acquisition of controlled entity	1,577,644	-	-	-
Other	54,371	-	-	-
Total Current Provisions	1,935,389	-	-	-

NOTE 19: CONTRIBUTED EQUITY

Issued and Paid-Up Share Capital				
109,736,032 (2002: 109,736,032) ordinary shares	26,633,636	26,633,636	26,633,636	26,633,636

On 21 December 1999 the Company commenced an on-market share buy-back scheme for an unlimited duration but limited to 7,000,000 shares. No shares were bought back during the years ended 30 June 2003 or 30 June 2002. Subsequent to the end of the financial year and to the date of this report, the Company has bought back 406,872 shares under the scheme for \$345,841. At the date of this report there is provision for 5,334,704 further shares that could be bought back under the scheme.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 20: RESERVES				
Capital Profits Reserve				
Balance at beginning of the year	-	74,222	-	74,222
Equity accounted share of reserve movement in associated entity	21,215	-	-	-
Transfer to retained profits	(21,215)	(74,222)	-	(74,222)
Balance at end of the year	-	-	-	-

NOTE 21: RETAINED PROFITS

Retained profits at the beginning of the year	51,589,177	42,807,596	10,412,032	3,515,949
Net profit attributable to members of the parent Company	5,043,060	10,079,059	416,933	8,193,561
Dividends	(1,646,041)	(1,371,700)	(1,646,041)	(1,371,700)
Equity accounted share of decrease in associate of initial adoption of principles of UIG42	(805,093)	-	-	-
Transfer from capital profits reserve	21,215	74,222	-	74,222
Retained profits at the end of the year	54,202,318	51,589,177	9,182,926	10,412,032

NOTE 22: FINANCING ARRANGEMENTS

The Consolidated Entity has had access to the following specific lines of credit.

Total Facilities Available				
Joint venture - Finance loans	48,500,000	-	48,500,000	-
Bank facility	5,000,000	-	5,000,000	-
	53,500,000	-	53,500,000	-

Joint venture facilities are shown gross and not the 50% share attributable to the Consolidated Entity. Joint venture facilities are fully drawn and are secured on property within the joint ventures. The bank facility has not been drawn.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

NOTE 23: CONTROLLED ENTITIES

23.1 Particulars in Relation to Controlled Entities

The consolidated financial statements at 30 June 2003 include the following controlled entities. The financial years of all controlled entities are the same as that of the parent entity.

All companies are incorporated in Australia.

	Interest Held	
	2003 %	2002 %
CVC Limited		
Controlled Entities		
Biomedical Systems Pty Limited	100	100
Head to Heart Pty Limited	100	100
Kingarrow Pty Limited	100	100
Campburn Pty Limited	100	100
Laserex Limited	100	98
CVC Communication and Technology Pty Limited	100	98
CVC Technologies Pty Limited	100	100
CVC (Newcastle) Pty Limited	100	100
Pro-Pac Group Limited	77	-
Pro-Pac Packaging (Aust) Pty Limited	62	-
Pro-Pac Packaging Manufacturing (Syd) Pty Limited	62	-
Pro-Pac Packaging Manufacturing (Melb) Pty Limited	62	-
Pro-Pac Packaging Manufacturing (Bris) Pty Limited	62	-
Stinoc Limited	80	-

23.2 Outside Equity Interests in Controlled Entities comprise

Reconciliation of outside equity interests in controlled entities:

	Consolidated	
	2003 \$	2002 \$
Interest in		
Share Capital	6,378,626	11,341,977
Retained Profits/Accumulated Losses	(4,465,930)	(10,730,277)
Balance at end of the year	1,912,696	611,700

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
<i>Note 23: Controlled Entities (Cont'd)</i>				
23.3 Acquisition of controlled entities				
a) Pro-Pac Packaging (Aust) Pty Limited				
Pro-Pac Group Limited, a controlled entity, acquired an 80% private equity interest in Pro-Pac Packaging (Aust) Pty Limited and its subsidiaries with effect from 1 April 2003.				
Consideration and costs paid to 30 June 2003	(5,382,541)	-	-	-
Cash acquired	2,708,384	-	-	-
Outflow of cash to 30 June 2003	(2,674,157)	-	-	-
Fair value of net assets acquired:				
- Cash assets	2,708,384	-	-	-
- Inventory	836,347	-	-	-
- Trade debtors	2,444,456	-	-	-
- Other current assets	33,533	-	-	-
- Property, plant and equipment	635,912	-	-	-
- Trade creditors	(1,591,239)	-	-	-
- Employee entitlements	(283,952)	-	-	-
- Tax liabilities	(277,251)	-	-	-
- Related party loans	(2,212,924)	-	-	-
- Other current liabilities	(293,266)	-	-	-
	2,000,000	-	-	-
Net assets at fair value at 80% ownership	1,600,000	-	-	-
Goodwill arising	5,360,185	-	-	-
Estimated total consideration and costs (i)	6,960,185	-	-	-

(i) A further instalment of consideration is payable, to be calculated based on an adjusted audited earnings figure for the year ended 30 June 2003. As at the date of this report the final consideration to be paid for the acquisition had not been finalised.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
<i>Note 23: Controlled Entities (Cont'd)</i>				
23.3 Acquisition of controlled entities (continued)				
b) Stinoc Limited				
On 28 March 2003, as a result of the effects of a rights issue by Stinoc Limited, Stinoc Limited became an 80.19% controlled entity of CVC.				
Consideration paid	(488,317)	-	(488,317)	-
Cash acquired	714,769	-	-	-
Inflow/(Outflow) of cash	226,452	-	(488,317)	-
Fair value of net assets acquired:				
- Cash assets	714,769	-	-	-
- Current receivables	2,216	-	-	-
- Accounts payable	(38,222)	-	-	-
	678,763	-	-	-
Net assets at fair value at 80.19% ownership	544,288	-	-	-
Discount on acquisition	(55,971)	-	-	-
Consideration	488,317	-	-	-

The discount on acquisition has been included as other income.

c) Laserex Limited

On 5 March 2003, as a result of the effects of a capital reduction by Laserex Limited, Laserex Limited, previously a 97.7% controlled entity, became a 100% controlled entity of CVC. The effect of the capital reduction was that outside equity interests in the controlled entity were removed at a cash cost to the Consolidated Entity of \$835,226.

There were no acquisitions of controlled entities in the year ended 30 June 2002.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
<i>Note 23: Controlled Entities (Cont'd)</i>				
23.4 Disposal of Controlled Entities				
During the year ended 30 June 2003 there were no disposals of controlled entities.				
During the year ended 30 June 2002 the Consolidated Entity sold 100% of the voting shares of Clinical Waste Australia Pty Limited. Details of the disposal of Clinical Waste Australia Pty Limited are as follows:				
Details of the disposal of Clinical Waste Australia Pty Limited				
Gross consideration	-	9,412,849	-	9,412,849
Costs of disposal	-	(362,632)	-	(362,632)
Net consideration	-	9,050,217	-	9,050,217
Non-cash consideration	-	(2,270,812)	-	(2,270,812)
Cash transferred on disposal	-	(210,919)	-	-
Inflow of cash	-	6,568,486	-	6,779,405
Carrying value of net assets sold:				
- Cost of investments	-	-	-	5,049,386
- Property plant and equipment	-	4,906,321	-	-
- Other non-current assets	-	1,500,000	-	-
- Cash assets	-	210,919	-	-
- Inventory	-	50,742	-	-
- Receivables	-	1,198,009	-	-
- Payables	-	(932,077)	-	-
- Interest bearing liabilities	-	(1,129,196)	-	-
- Provisions	-	(436,661)	-	-
Profit on disposal	-	5,368,057	-	5,049,386
Net Consideration	-	9,050,217	-	9,050,217

Clinical Waste Australia Pty Limited was sold on 21 March 2002. The disposal of Clinical Waste has been classified as a discontinuing operation of the Consolidated Entity (refer note 33).

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NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

NOTE 24: OPERATIONS BY SEGMENTS

24.1 Primary Segments - Business Segments

Information, in round thousands, as permitted under class order 98/100, for each business segment is as follows:

30 June 2003	Private Equity & Venture Capital \$'000's	Listed Investments \$'000's	Property \$'000's	Eliminations \$'000's	Consolidated \$'000's
Revenues					
Revenue from customers outside the group	5,605	296	1,084	-	6,985
Inter-segment revenue	834	-	-	(834)	-
Operating revenue	6,439	296	1,084	(834)	6,985
Equity accounted net profits	3,479	4,306	1,064	-	8,849
Total Segment Revenue	9,918	4,602	2,148	(834)	15,834
Results					
Segment result	3,012	3,019	2,136	-	8,167
Unallocated corporate expenses					(2,755)
Income tax expense					(177)
Profit After Taxation					5,235
Assets					
Segment assets	44,184	34,336	15,135	(5,657)	87,998
Unallocated assets					315
Total Assets					88,313
Liabilities					
Segment liabilities	4,048	-	6,646	(5,657)	5,037
Unallocated liabilities					527
Total Liabilities					5,564
Other Disclosures					
Equity accounted investments included in segment assets	4,537	24,088	8,153	(3,375)	33,403
Depreciation	30	-	-	-	30
Amortisation	103	-	-	-	103
Other non-cash expenses	3,315	1,390	(937)	-	3,767
Costs of acquisition of non-current assets	5,360	-	-	-	5,360

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

Private Equity and Venture Capital involves equity and debt investments in non-listed entities. It includes shares, debt, convertible notes and other investments. Property comprises joint venture interests in the Chevron Renaissance shopping centre, the Bel-Air shops and property held by CVC (Newcastle) Pty Limited. Listed investments comprises investments listed on the Australian Stock Exchange Limited.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

Note 24: Operations by Segments (Cont'd)

30 June 2002:	Private Equity & Venture Capital \$'000's	Listed Investments \$'000's	Property \$'000's	Eliminations \$'000's	Consolidated \$'000's
Revenues					
Revenue from customers outside the group	15,192	5,106	4,364	-	24,662
Inter-segment revenue	765	-	-	(765)	-
Operating revenue	15,957	5,106	4,364	(765)	24,662
Equity accounted net profits	2,160	2,619	1,451	-	6,230
Total Segment Revenue	18,117	7,725	5,815	(765)	30,892
Results					
Segment result	7,551	3,598	1,731	-	12,880
Unallocated corporate expenses					(2,681)
Income tax expense					(102)
Profit After Taxation					10,097
Assets					
Segment assets	28,926	34,893	19,344	(4,624)	78,539
Unallocated assets					2,313
Total Assets					80,852
Liabilities					
Segment liabilities	250	-	5,411	(4,624)	1,037
Unallocated liabilities					980
Total Liabilities					2,017
Other Disclosures					
Equity accounted investments included in segment assets	2,729	21,782	8,661	(6,618)	26,554
Depreciation	440	-	-	-	440
Other non-cash expenses	824	138	3,720	-	4,682
Costs of acquisition of non-current assets	7,336	-	4,248	-	11,584

24.2 Secondary Segments - Geographical Segments

The Consolidated Entity operates predominantly in Australia.

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NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

NOTE 25: INVESTMENTS IN ASSOCIATED ENTITIES

Details of material interests in associated entities are as follows:

Name	Principal Activities	Class of Share	Ownership Interest			
			Consolidated		The Company	
			2003 %	2002 %	2003 %	2002 %
Sunland Group Limited	Property development	Ord	28.58	29.35	23.44	24.07

The balance date of the associated companies is 30 June 2003 and all were incorporated in Australia.

	Investment Carrying Amount				Dividends Received/Receivable			
	Consolidated		The Company		Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$
*Sunland Group Limited	24,087,691	21,782,309	4,960,070	4,960,070	1,216,654	-	1,003,982	-

Investments in associated companies are accounted for on a cost basis in the Company accounts and under the equity accounting method in the consolidated accounts. Movements in the carrying amount of the investments under the equity accounting method are as follows:

	Consolidated	
	2003 \$	2002 \$
Balance at the start of year	21,782,309	20,765,615
Share of associates profits before tax for the year	5,880,853	3,402,365
Share of associates tax expense attributable to income tax for the year	(1,574,939)	(783,924)
Share of associates adjustment on initial adoption of UIG 42	(805,093)	-
Share of associates capital reserve movement	21,215	-
New interests acquired	-	47,149
Interests disposal during the year	-	(1,648,896)
Dividends received during the year	(1,216,654)	-
Balance at the end of the year	24,087,691	21,782,309

*Due to the June 2003 full financial information for Sunland Group Limited not being publicly available at the time of the preparation of this report, the investment has only been accounted for up to and including 31 December 2002. This is consistent with prior years.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$

NOTE 26: NOTES TO THE STATEMENT OF CASH FLOWS

26.1 Reconciliation of Cash

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

Cash Assets	2,477,100	4,438,772	799,577	4,316,338
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26.2 Reconciliation of profit from ordinary activities after income tax to the net cash provided by operating activities

Profit from ordinary activities after income tax	5,234,703	10,097,353	416,933	8,193,561
Add/(less) non-cash items:				
Share of equity accounted profits	(8,849,034)	(6,230,333)	(4,543,120)	(4,772,139)
Dividends received from equity accounted associates	1,216,654	-	-	-
Depreciation and amortisation of property plant and equipment	30,434	439,794	-	-
Amortisation of goodwill	103,081	-	-	-
Discount on acquisition	(55,971)	-	-	-
Writeback on ceasing to equity account joint venture	-	(2,376,861)	-	(2,376,861)
Unrealised loss on investments	3,742,843	137,352	2,340,056	137,752
Dividends not received in cash	-	(167,850)	-	(91,984)
Profit on disposal of investments	-	(4,638,983)	-	(5,814,636)
Loss on disposal of short term investments	91,050	407,144	91,050	401,750
Movements in loan provisions	(561,265)	4,544,130	1,121,968	3,777,684
Borrowing costs in operating profit	92,500	24,811	-	-
Interest income not received	(1,604,487)	(1,128,827)	(720,139)	(303,209)
Interest expense not paid	-	-	985,308	-
Movement in income tax provision	1,679,574	(1,474,306)	1,006,227	(695,912)
Movement in deferred tax assets & liabilities	(492,247)	858,982	(495,247)	796,229
Changes in assets and liabilities				
Receivables	570,940	(1,012,370)	830,914	(315,119)
Inventories	34,910	(779)	-	-
Payables	(301,057)	(399,540)	(363,828)	64,611
Provisions	19,422	229,877	-	-
Prepayments	183,132	(90,409)	(10,810)	-
Net cash provided by/(used in) operating activities	1,135,182	(780,815)	659,312	(998,274)

26.3 Financing Facilities

Refer Note 22.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

NOTE 27: RELATED PARTY INFORMATION

Directors

The names of each person holding the position of Director of CVC during the financial year are:

Vanda Russell Gould
John Scott Leaver
John Douglas Read
Alexander Damien Harry Beard
John Thomas Riedl

Details of Directors' remuneration, superannuation and retirement payments are set out in Note 6.

Apart from the details disclosed in this note, no Director has entered into a contract with the Company or the Consolidated Entity since the end of the previous financial year and there were no contracts involving Directors' interests existing at year-end.

Other Transactions

CVC Investment Managers Pty Limited, of which Messrs Gould, Read and Leaver were Directors during the relevant period, is entitled to a management fee of 4% of the funds under management of CVC for providing fund raising, accounting, secretarial and management services. CVC Investment Managers Pty Limited is also entitled to a further payment (Incentive Fee) assessed at 20% of the increment in the net asset value of the Company during each year (refer note 29). No Incentive Fee has been paid or provided for the year to 30 June 2003. CVC Investment Managers Pty Limited is responsible for the remuneration of several Directors and Executive Officers of CVC together with the provision of administration and management services.

Management fees of \$1,387,380 (2002: \$1,136,508) were paid to CVC Investment Managers Pty Limited and its controlled entities by CVC during the year. CVC Investment Managers Pty Limited and its controlled entities received management fees from the controlled entities and associated companies of CVC for the provision of services directly to those companies totalling \$1,084,476 (2002: \$1,008,070).

During prior years CVC lent \$9,842,505 to The Keriland Joint Venture in which it had an effective 25% interest. During the year the joint venture was dissolved and the balance of the loan written down to \$7,300,000 to be repaid by instalments. At 30 June 2003 two instalments totalling \$1,460,000 were outstanding and were paid shortly thereafter. The balance of the interests in The Keriland Hotel Joint Venture are held by Sunland Group Limited ("Sunland"). Mr Leaver is a Director of CVC and Sunland.

As at 30 June 2002, CVC Communications & Technology Pty Limited had loaned \$12,183,805 including capitalised interest to CVC at 9% interest. During the year 30 June 2003, CVC repaid a net \$879,538 and a further amount of interest of \$985,308 was capitalised on the same terms. There were a number of smaller other loans between wholly owned controlled entities during the period.

CVC loaned \$1,500,000 to Vita Life Sciences Limited and converted this and a further \$80,695 into convertible notes issued by Vita during the year. Mr Gould is a Director of Vita Life Sciences Limited.

During the year ended 30 June 2001, the Consolidated Entity committed to advance \$3,461,829 to CVC REEF Limited, a Director related entity, in the form of convertible notes. At 30 June 2003, \$1,418,387 had been advanced and accrued interest of \$148,923 had been capitalised.

The ownership interests in related parties are set out in Note 23 (controlled entities), Note 25 (associated entities) and Note 30 (joint ventures).

Dividends of \$1,216,654 (2002: Nil) were received by the Consolidated Entity from Sunland, an associated Company of CVC. Dividends of \$93,473 were received from Green's Foods Limited. Mr Beard is a Director of Green's Foods Limited.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
NOTE 28: COMMITMENTS				
Capital Expenditure Commitments				
Contracted but not provided for and payable: not later than one year	-	-	-	-
Non-cancellable operating lease expense commitments				
Future operating lease commitments not provided for in the financial statements and payables:				
within one year	304,150	-	-	-
later than one year but not later than five years	209,331	-	-	-
	513,481	-	-	-

NOTE 29: CONTINGENT LIABILITIES

The Company is a defendant in an action brought in the Supreme Court of New South Wales by the liquidator of Amann Aviation Pty Limited (in liquidation) ('Amann'). The liquidator alleges, that certain group companies were involved in an alleged failure to pay tax on damages awarded to Amann as a result of proceedings brought by CVC against the Commonwealth in 1987. The liquidator alleges in the statement of claim that CVC be required to repay to him amounts paid to CVC as a result of the 1987 proceedings, together with damages, interest and the costs of these proceedings. The Directors deny any liability and further CVC holds a secured charge over Amann so that in the event that monies were found to be repayable to Amann, they must be paid back to CVC because of the security held by CVC, which has not been challenged. Resolution of this matter may be subject to determination by the Court and accordingly cannot be quantified. However, the Directors believe that there will be no material loss to the Company from this matter.

As described in note 27, CVC Investment Managers Pty Limited ('CVCIM'), is entitled to an incentive fee calculated at 20% of the increase in net asset value of CVC during each financial year. This fee has never been paid or provided for in the Financial Report of CVC. CVCIM has indicated that there is no present intention to exercise the right to the incentive fee retrospectively. Should the fee be exercised retrospectively, the accumulated liability to 30 June 2003 not recognised in this Financial Report is estimated to be \$3,424,602 (2002: 3,316,000).

The Company has a 50% interest in the Chevron Developments joint venture (note 30) which has bank loans from Suncorp Metway of \$46,500,000 secured on the real property of the joint venture. The Company, along with the external joint venture

partner, has guaranteed those loans. As at 30 June 2003, the revenues and net assets of the joint venture are considered to be sufficient to meet all its external liabilities including these loans.

The Company has a number of tax matters in dispute relating to assessments issued by the ATO for the financial years 1988 to 1994 inclusive. At 30 June 2003 the total amount claimed by the ATO and disputed by the Company is \$2,418,061. Even though the full amount is being disputed, the Company has paid \$1,474,633 to the ATO pending determination. The Company has, based on a detailed analysis of the issues, estimated the net likely total liability as being \$1,477,583 which has been fully provided for in the accounts.

NOTE 30: INTEREST IN JOINT VENTURES

a) Joint Venture Operations

The Consolidated Entity held an effective interest of 25% (2002: 25%) in the "Keriland Joint Venture" whose principal activity was the ownership and operation of a hotel on the Gold Coast, Queensland. In the year ended 30 June 2002, due to a change in the underlying ownership of the other 75% interest in the joint venture, the Consolidated Entity ceased to have any effective control over the joint venture and the Consolidated Entity changed its the accounting treatment such that the investment in the joint venture was carried at its original cost of \$nil. As a result of the change, the net assets of the Consolidated Entity increased by \$2,376,861 but this was matched by an equivalent provision against joint venture loans of \$2,376,861 to give a nil effect on the result for the year. In the year ended 30 June 2003, the joint venture was dissolved (see note 27).

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003 \$	2002 \$	2003 \$	2002 \$
<i>Note 30: Interest in Joint Ventures (Cont'd)</i>				
b) Joint Ventures Partnerships				
Interests in joint ventures partnerships comprise:				
Chevron Developments	6,079,564	3,823,378	6,079,564	3,823,378
Bel Air Real Estate	479,856	417,451	479,856	417,451
Skyline Investments Australia	2,755,841	531,310	2,755,841	531,310
	9,315,261	4,772,139	9,315,261	4,772,139

Chevron Developments

The Company and Consolidated Entity hold an interest of 50% (2002: 50%) in the Chevron Developments joint venture partnership. The principal activities of Chevron Developments are the ownership and operation of the Chevron Renaissance shopping centre on the Gold Coast, Queensland and the provision of finance for property development. Included in the assets of the Company and the Consolidated Entity are the following amounts representing the share of net assets at the beginning and end of the financial period and profits for the period for the joint venture partnership:

Non-Current Assets – Investments accounted for using the equity method:

At beginning of the year	3,823,378	1,006,611	3,823,378	-
Amount not recognised in relation to prior year	-	-	-	1,006,611
Share of profit for the year	2,256,186	2,816,767	2,256,186	2,816,767
At end of the year	6,079,564	3,823,378	6,079,564	3,823,378

Bel Air Real Estate

The Company and Consolidated Entity hold an interest of 50% (2002: 50%) in the Bel Air Real Estate joint venture partnership whose principal activity is the ownership and operation of a shopping strip on the Gold Coast, Queensland. Included in the assets of the Company and the Consolidated Entity are the following amounts representing the share of net assets at the beginning and end of the financial period and profits for the period for the joint venture partnership:

Non-Current Assets – Investments accounted for using the equity method:

At beginning of the year	417,451	151,577	417,451	-
Amount not recognised in relation to prior year	-	-	-	151,577
Share of profit for the year	62,405	265,874	62,405	265,874
At end of the year	479,856	417,451	479,856	417,451

Skyline Investments Australia

The Company and Consolidated Entity hold an interest of 50% (2002: 50%) in the Skyline Investments Australia joint venture partnership whose principal activity is the provision of finance to property developments on the Gold Coast, Queensland. Included in the assets of the Company and the Consolidated Entity are the following amounts representing the share of net assets at the beginning and end of the financial period and profits for the period for the joint venture partnership:

Non-Current Assets – Investments accounted for using the equity method:

At beginning of the year	531,310	2,158	531,310	-
Amount not recognised in relation to prior year	-	-	-	2,158
Share of profit for the year	2,224,531	529,152	2,224,531	529,152
At end of the year	2,755,841	531,310	2,755,841	531,310

Refer also notes 28 and 29 for details of commitments and contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

NOTE 31: ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

a) Interest Rate Risk

The Consolidated Entity exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Floating Interest Rate \$	Fixed Interest Rate Maturing in: 1 year or less \$	Between 1 & 5 years \$	Non- interest bearing \$	TOTAL \$
2003						
<i>Financial Assets</i>						
Cash Assets	26	1,098,966	1,378,134	-	-	2,477,100
Receivables	9	-	3,495,268	14,368,501	12,519,588	30,383,357
Weighted Average Interest Rate		3.5%	9.7%	21.1%	-	-
<i>Financial Liabilities</i>						
Accounts Payable	16	-	-	-	3,044,732	3,044,732
Interest Bearing Liabilities	17	215,000	-	-	-	215,000
Weighted Average Interest Rate		29.0%	-	-	-	-
2002						
<i>Financial Assets</i>						
Cash Assets	26	4,438,772	-	-	-	4,438,772
Receivables	9	-	5,278,378	16,561,637	9,331,094	31,171,109
Weighted Average Interest Rate		4.7%	12.1%	16.1%	-	-
<i>Financial Liabilities</i>						
Accounts Payable	16	-	-	-	1,425,936	1,425,936
Weighted Average Interest Rate		-	-	-	-	-

(b) Credit Risk Exposure

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

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

Collateral is obtained. Refer Note 9.

(c) Net Fair Value of Financial Assets and Liabilities

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. The carrying amounts of bank term deposits, accounts receivable, loans receivable accounts payable, dividends payable and employee entitlements approximate net fair value.

The net fair value of investments in unlisted shares in other corporations is determined by reference to the underlying net assets and an assessment of future maintainable earnings and cash flows of the respective corporations.

Financial Report

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 30 June 2003

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$

NOTE 32: EMPLOYEE ENTITLEMENTS

Aggregate liability for employee entitlements including on-costs				
Current	303,374	-	-	-
Number of employees at year-end	52	-	-	-

NOTE 33: DISCONTINUING OPERATIONS

The Consolidated Entity disposed of its interest in the clinical processing segment of the business during the previous year ended 30 June 2002 (refer also note 23.4). Included within the corresponding year figures within the financial statements of the Consolidated Entity are the following amounts in respect of the clinical processing operation:

Statement of Financial Performance (Year ended 30 June)

Revenues from ordinary activities	-	4,207,674
Expenses from ordinary activities	-	(3,672,035)
Profit (loss) before income tax	-	535,639
Income tax	-	(132,319)
Net profit (loss)	-	403,320

Statement of Financial Position (as at 30 June)

Assets	-	-
Liabilities	-	-
Net assets	-	-

Statement of Cash Flows information (Year ended 30 June)

Cash inflow (outflow) from operating activities	-	1,174,390
Cash inflow (outflow) from investing activities	-	(1,247,638)
Cash inflow (outflow) from financing activities	-	(193,739)
Total cash inflow (outflow)	-	(266,987)

DIRECTORS' DECLARATION *for the Year Ended 30 June 2003*

In the opinion of the Directors of CVC Limited:

- (a) the financial statements and notes, set out in pages 16 to 44, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and Consolidated Entity as at 30 June 2003 and of their performance, as represented by the results of their operations and their cash flows, for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 15th day of September 2003.

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

Vanda Russell Gould
Director

Alexander Damien Harry Beard
Director

INDEPENDENT AUDITORS' REPORT *to the members of CVC Limited*

Scope

The Financial Report and Directors' Responsibility

The Financial Report comprises the statement of financial position as at 30 June 2003, and the statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the Directors' declaration for the year ended 30 June 2003 for both CVC Limited ("the Company") and the CVC Limited group ("the Consolidated Entity") as set out on pages 16 to 45. The Consolidated Entity comprises both the Company and the Entities it controlled during that year.

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

Audit Approach

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

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

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

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

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

Independence

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

Audit opinion

In our opinion, the Financial Report of CVC Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

Dated at Sydney this 15th day of September 2003.

HLB MANN JUDD (NSW Partnership)
Chartered Accountants

P. Meade
Partner

CORPORATE GOVERNANCE STATEMENT

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

BOARD OF DIRECTORS AND ITS COMMITTEES

The Board is responsible for the overall Corporate Governance of the Consolidated Entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

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 this Financial Report.

The Company has no employees. The Company is managed by CVC Investment Managers Pty Limited, pursuant to a Management Agreement dated 30 December 1986. Three Directors of the Company are also Directors of CVC Investment Managers Pty Limited.

The Board is comprised using the following principles:

- the Board should comprise of not less than three nor more than ten Directors.
- the Board should comprise Directors with a broad range of expertise both nationally and internationally.
- the Board should comprise of at least two employees/Directors of the management Company.
- the Board should comprise of at least one other non-executive Director. This number may be increased where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.
- at least one third of the Directors shall retire from office and be eligible for re-election at every annual general meeting. No Director shall retain office for more than three years without submitting to re-election unless they are the managing Director who can be appointed for a fixed term not exceeding five years or a period without limitation.

The composition of the Board is reviewed annually. When a vacancy exists, through whatever cause, the Directors review the appropriateness of appointing a new Director. If a new Director is to be appointed, via a vacancy or where it is considered that the Board would benefit from the service of a new Director with particular skills, the Board identifies, reviews and appoints the most suitable candidate who must then stand for election at the next general meeting of shareholders.

Role of the Board

The Board of Directors is responsible for setting the strategic direction and establishing the policies of the Company. It is responsible for overseeing the financial position, and for monitoring the business and affairs of the Company on behalf of the shareholders, by whom the Directors are elected and to whom they are accountable. It also addresses issues relating to internal controls and approaches to risk management.

At all Directors meetings held throughout the financial year Directors discuss any major risks affecting the Consolidated

Entity. If a risk is identified one or more Directors are nominated to develop strategies to mitigate these risks and take corrective action. The Board is informed of actions taken.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the Consolidated Entity's expense. However, prior approval of the chairman is required, which is not to be unreasonably withheld.

Remuneration

The employees/Directors of CVC Investment Managers Pty Limited who are appointed to the Board are not directly remunerated by the Company.

Non-executive Directors that are not related to the management Company are remunerated by the Company. The current remuneration for non-executive Directors in aggregate must not exceed \$50,000 per annum to be divided amongst the non-executive Directors as they see fit. This level of remuneration was approved at the 1995 Annual General Meeting.

Further details of Director's remuneration are set out in Note 6 of the financial statements.

Audit Committee

The Directors have formed an audit committee to review the performance of the external auditor on an annual basis and to meet with the auditor during the year in connection with the following;

- review of audit plan, fees, scope and effectiveness;
- review of accounting policies adopted or proposed changes thereto;
- review of financial information and financial statements.

ETHICAL STANDARDS

All Directors are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Consolidated Entity.

THE ROLE OF SHAREHOLDERS

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

- the annual report;
- the half-yearly report;
- proposed major changes in the Consolidated Entity which may impact on share ownership rights are submitted to a vote of shareholders; and
- announcements to the Australian Stock Exchange Limited.

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.

Dated at Sydney this 15th day of September 2003.

ACN 002 700 361

ADDITIONAL INFORMATION

1. Distribution of Shareholders as at 11th day of September 2003:

Category (Size of Holding)	Number of Ordinary Shareholders
1 - 1,000	19
1,001 - 5,000	110
5,001 - 10,000	82
10,001 - 100,000	152
100,001 and over	74
	437

As at 11th day of September 2003, 11 shareholders held less than a marketable parcel.

2. The names of the substantial shareholders at 11th day of September, 2003 as advised to the Australian Stock Exchange Limited.

Shareholder	Number of Ordinary Shares in Which Interest Held
Penalton Limited	15,575,978
John Scott Leaver	15,013,307
Vanda Russell Gould	14,898,517
John Douglas Read	14,313,307
CVC Investment Managers Pty Limited	14,313,307
Joseph David Ross	11,439,044
Derin Brothers Properties Limited	10,523,200
Abasus Investments Limited	6,256,000
Southgate Investment Funds Limited	5,000,000

3. 20 Largest Shareholders - Ordinary Capital: at 11th day of September, 2003

Shareholder	Number of Ordinary Shares Held	% of Issued Capital Held
Penalton Pty Limited	15,575,978	14.19
CVC Investment Managers Pty Limited	14,313,307	13.04
Derin Brothers Properties Limited	10,523,200	9.59
Abasus Investments Limited	6,256,000	5.70
LJK Nominees Pty Limited	6,104,681	5.56
Southgate Investment Funds Limited	5,500,000	5.01
Bank of Commerce (Micronesia) Limited	4,731,704	4.31
Southsea (Aust.) Pty Limited	4,600,000	4.19
Huang Xiao Sheung Limited	4,000,000	3.65
Chemical Trustee Limited	3,183,123	2.90
Hua Wang Bank Berhard	3,090,000	2.82
Dr Joseph David Ross	2,741,173	2.50
Kirman Traders Pty Ltd	1,500,000	1.37
Tifu Pty Limited	1,435,544	1.31
Indo-Suez Investments Ltd	1,365,862	1.24
Pacific Securities Inc	1,200,000	1.09
Mr Brian Sherman	1,073,860	0.98
LJK Investments Pty Limited	1,034,363	0.94
Mr Nigel Stokes	1,006,363	0.92
Wenola Pty Limited Pension Fund	700,000	0.64
	89,935,158	81.95%

4. Voting Rights

CVC Limited's Articles of Association detail the voting rights of members. Article 71 states that every member, present in person or by proxy, shall have one vote for every ordinary share registered in his or her name.

5. Registered Office

The Company is registered and domiciled in Australia. Its registered office and principal place of business are at Level 42 AAP Centre, 259 George Street, Sydney NSW 2000.



CVC LIMITED

Level 42 AAP Centre, 259 George Street SYDNEY NSW 2000

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