

Seca Group Management Accounts Profit & Loss	Unaudited Not Reviewed		Unaudited Due Diligence Reviewed Adjustments		Ref per Prospectus	Unaudited Reviewed Adjusted FY03
	Actual FY02	Actual FY03	Actual FY03	FY03		
\$ in thousands						
Contract revenue	11,788	19,996	(1,998)	a		17,998
Total revenue	11,788	19,996				17,998
Wages	4,662	6,217	74	b		6,291
On costs	659	992	158	c		1,150
Total wages and on-costs	5,320	7,209				7,441
Subcontract	1,184	1,977	(1,501)	d		476
Equipment rent/hire	658	957				957
Total direct costs	1,842	2,934				1,433
Gross profit	4,626	9,853				9,124
Gross margin %	39.2%	49.3%				50.7%
Management fee received	-	451				451
Other income	97	45				45
Total other income	97	496				496
R&M	1,159	1,376	(726)	e		650
Insurance	153	287	(46)	f		241
Wages (admin staff)	270	245	155	g		400
Oncosts (admin staff)	138	84	10	h		94
Fees and permits	341	320				320
Occupancy and rent	118	130				130
Other expenses	932	1,317				1,317
Total overheads	3,110	3,759				3,152
EBITDA	1,612	6,590	(122)			6,468

Adjustments

The table sets out a summary of the FY03 reported management account results, due diligence adjustments and the adjusted FY03 profit and loss statement. The adjustments are described below.

Adjustments continued

a) Contract Revenue:

Adjustments which reduce reported revenue

The primary adjustment to contract revenue relates to the identification of a consolidation entry between subcontractor expense and revenue which was not adjusted in the management accounts for \$1.5m. This entry does not have a profit impact as internal charges between group entities are at cost.

The FY02 management accounts for Seca did not include debtors of \$1.3 million which were subsequently recorded as revenue in FY03.

Adjustments which increase reported revenue

The debtors listing provided at 30 June 2003 was incorrect and a positive adjustment has been made to increase revenue by \$0.4m to reflect the correct debtors position.

Revenue accruals movements have also been considered resulting in a net positive adjustment of \$0.4m.

b) Direct wages:

Adjustments which increase direct wages

The management accounts prepared did not include accruals or employee entitlements. The movement in the direct wages accrual for FY04 was \$0.1m and the increase to employee entitlements was \$0.1m.

Adjustments which decrease direct wages

The management accounts did not analyse wages into direct and administration wages. An adjustment was made to apportion \$0.1m into admin wages as an overhead expense.

c) Direct wages – on-costs

The management accounts presented did not include any accruals for on-costs for direct wages. The adjustment opposite takes into account the movement in accruals for PAYG, payroll tax (including payroll tax paid in FY04 relating to FY03) and superannuation totalling \$0.1m. There is also a transfer of direct wage on-costs from direct costs to overheads forming part of admin on-costs of \$10k.

d) Subcontractor direct cost - Refer to primary adjustment in a)

e) Repairs and maintenance

The adjustment for \$0.7m relates to capital items which were expensed in the management accounts. These items include crane tower sections, hoist door heads, weight guages, tie collars, hoist cars and loading platforms which should have been capitalised in the fixed asset register and depreciated over their useful lives.

f) Insurance

This adjustment relates to the prepayment of insurance which was not accounted for in the management accounts.

g) Wages (admin staff)

The adjustment to wages admin staff includes a transfer of salaried office employees from direct wages together with an adjustment for accrued wages.

h) On-costs (admin staff) - Refer to adjustment c) above

Seca Group Management Accounts

<u>Balance Sheet</u>	<u>Unaudited Reviewed</u>
<u>\$ in thousands</u>	<u>Actual (1) FY03</u>
Current Assets	
Cash assets	333,000
Trade debtors	3,405,000
Other current assets	75,000
	<u>3,813,000</u>
Non-current assets	
Land	546,000
Plant & Equipment at WDV	5,423,000
Other non-current assets	892,000
	<u>6,861,000</u>
Total Assets	<u>10,674,000</u>
Current Liabilities	
Trade Creditors	86,000
HP liabilities / chattel mortg	2,133,000
GST on supplies	562,000
Other liabilities	-
	<u>2,781,000</u>
Non-current liabilities	
Other liabilities	-
	<u>2,781,000</u>
Total liabilities	<u>2,781,000</u>
Net Assets (1)	<u>7,893,000</u>

(1) Adjusted for tax provisions and loans from associated entities