SECA GROUP
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 $
Revenue from ordinary activities		
Contract Revenue		29,580,635
Management fees received		182,661
Interest		96,439
Other Income		108,210
		29,967,945
Expenses		
Employee benefits expense		13,608,737
Repairs and maintenance expense		1,194,473
Depreciation	1(h)	1,127,265
Rent		236,032
Insurance		364,291
Other expenses from ordinary activities		3,511,397
		20,042,195
Profit from ordinary activities		9,925,750
Income tax expense	1(b)	-
Net profit		9,925,750

The above profit and loss statement should be read in conjunction with the accompanying notes.

SECA GROUP
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 $
Current assets		
Cash at bank and on hand	3	4,346,030
Trade debtors		6,205,809
Accrued revenue		1,134,000
Other debtors and prepayments	4	244,548
Loan – associated entities		513,909
Income tax account	1(b)	910,662
Total current assets		13,354,958
Non-current assets		
Property, plant and equipment	2	33,856,142
Total assets		47,211,100
Current liabilities		
Trade creditors		81,502
Lease liabilities	5	1,472,313
Other creditors and accruals		2,309,958
Loan – associated entities		724,583
Total current liabilities		4,588,356
Total liabilities		4,588,356
Net assets		42,622,744
Equity		
Capital settlement sum		113,379
Capital profit reserve		100,157
Asset revaluation reserve	6	26,758,394
Retained earnings		5,725,064
Current year earnings		9,925,750
Total equity		42,622,744

The above balance sheet should be read in conjunction with the accompanying notes.

SECA GROUP
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Seca Group is not a reporting entity because, in the opinion of the directors of the group, there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. The group has not applied all Accounting Standards in the preparation of these accounts. These are special purpose accounts that have been prepared to assist in the preparation of a prospectus and must not be used for any other purpose. The prospectus will involve the purchase of the Seca Group business (and another business) by a company to be known as Verticon Group Limited. For the purposes of the prospectus, the business and assets of Seca Group (other than agreed excluded assets) are being acquired and certain employee entitlement obligations are being assumed by Verticon Group Limited. The statutory entities comprising Seca Group (referred to below) are not being acquired by Verticon Group Limited. Accordingly, for the purpose of the financial report, neither the depreciation expense nor the income tax expense (and the related tax balances) of Seca Group for the year ended 30 June 2004 is of any relevance to Verticon Group Limited.

In respect of the assets being acquired by Verticon Group Limited, values have been agreed upon between the directors of Seca Group and Verticon Group Limited. As such, the agreed values of those assets have been included in this financial report at those amounts. In respect of the excluded assets, these have continued to be included at their written down book values.

As the Seca Group is not a reporting entity, it is not required to prepare financial reports in accordance with Accounting Standards and Urgent Issues Group Consensus Views. However, the financial report has been prepared in accordance with applicable Accounting Standards and Urgent Issues Group Consensus Views with the exception of the following:

AASB112 - Income Taxes
AASB116 - Depreciation
AASB1005 – Segment Reporting
AASB1017 - Related Party Disclosures
AASB1026 - Statement of Cash Flows
AASB1028 - Employee Benefits
AASB1033 - Presentation and Disclosure of Financial Instruments
AASB1047 – Disclosing the impacts of adopting Australian equivalents to International Financial Reporting Standards.
Urgent Issues Group Consensus Views.

The accounts are prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. The accounting policies adopted are consistent with those used by the statutory entities listed in Note 1(a) in the previous year except as otherwise stated.

SECA GROUP
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Group entities

The financial report is an aggregation of the management accounts of the following entities:

- Acrin Pty Ltd*
- City Rigging Pty Ltd*
- Seca Crane Contracting 1 Pty Ltd
- Seca Crane Contracting 2 Pty Ltd
- Seca Crane Hire Services 1 Pty Ltd
- Seca Crane Hire Services Pty Ltd*
- Seca Cranes & Rigging Pty Ltd*
- Seca Cranes Hire Pty Ltd*
- Seca Cranes Pty Ltd*
- Seca Leasing Pty Ltd*
- Seca Pty Ltd ATF The Seca Unit Trust*
- Seca Rigging Contracting 1 Pty Ltd
- Seca Rigging Contracting 2 Pty Ltd
- Seca Rigging Contracting 3 Pty Ltd
- Sumner Rigging Pty Ltd*
- Ultimate Rigging Pty Ltd
- Uprigging Pty Ltd
- Western Rigging Pty Ltd*

*Subsequent to year end, these companies entered into a Sale of Business Agreement – refer Note 8. The other companies not marked had ceased to operate prior to the preparation of the Business Sale Agreement and, as such, were not a party to this Agreement.

Each of the companies referred to above are beneficially owned by interests associated with the following persons:

Denis Maxwell Tomasel
Ricky Bruno Tomasel
Stephen James Gunn
Marco Pagliari

For the purpose of this financial report, these directors are referred to as the "executive directors". Some wives of the executive directors are also directors of one or more of the Seca Group of companies listed above.

Other than the executive directors and their wives, there are no other directors of the Seca Group of companies listed above.

SECA GROUP

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These accounts have not been prepared in accordance with AASB 1024 Consolidated Accounts, however:

(i) Intercompany transactions (including any related profit/loss) have been eliminated; and

(ii) Any debtor/creditor intercompany relationship has been eliminated as part of the aggregation process.

(b) Income Tax

The Seca Group is not itself a taxable entity. Company tax is calculated payable on the taxable incomes of the individual companies in the Seca Group. Tax effect accounting policies have not been adopted. No income tax expense relating to the taxable income in respect of the year ended 30 June 2004 has been recognised in this financial report. The (debit) balance for income tax in the statement of financial position at 30 June 2004 represents tax paid in relation to the previous financial years and instalments for certain companies relating to the year ended 30 June 2004.

(c) Acquisitions of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

(d) Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid. Revenue is recognised for the major business activities, including erection and dismantling of the cranes and hoists, weekly rental and weekly labour hire, as well as rigging events based upon when the service has been performed.

Amounts invoiced during the financial period, but remaining unpaid at balance date are recorded as trade debtors. Revenue relating to work performed during the financial period, but not invoiced until after balance date is brought to account as accrued revenue during the financial period.

(e) Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

SECA GROUP
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. The decrement in the carrying amount is recognised as an expense in net profit or loss in the reporting period in which the recoverable amount write-down occurs. The expected net cash flows included in determining recoverable amounts of non-current assets have not been discounted to their present values.

(f) Revaluations of non-current assets

Subsequent to initial recognition as assets, land and buildings are measured at fair value being the amounts for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. Revaluations have been made such that the carrying amount of each piece of land and each building does not differ materially from its fair value at the reporting date. Revaluations of plant and equipment and motor vehicles have also been made. Assessments have been made by the directors, supplemented by independent assessments.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net profit or loss, the increment is recognised immediately as revenue in net profit or loss.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Potential capital gains tax is not taken into account in determining revaluation amounts.

(g) Investments

Interests in listed securities are brought to account at cost and dividend income is recognised in the statement of financial performance when receivable.

(h) Depreciation of property, plant and equipment

Depreciation is calculated on both a straight line and diminishing value basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

SECA GROUP
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Plant and equipment	4 to 10 years
Motor vehicles	7 to 8 years

Where items of plant and equipment have separately identifiable components which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

Major spares are expensed at the time of acquisition.

(i) Leased non-current assets

Most fixed assets are acquired by way of cash, a chattel mortgage or by hire purchase. In these instances, the asset is capitalised at its cost price and then depreciated over its useful life as set out in Note 1 (h) above. For those few assets acquired by way of base (i.e. a finance lease), the lease cost is expensed and the asset not capitalised (nor depreciated).

(j) Dividends

Provision is made for the amount of any dividend declared, by the directors on or before the end of the financial year but not distributed at balance date.

(k) Maintenance and repairs

The company's plant is required to be overhauled on a regular basis. This is managed as part of a continuous maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(i). Other routine operating maintenance, repair and minor renewal costs are also charged as expenses as incurred.

(l) Employee benefits

(i) *Wages and salaries and, annual leave*

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

SECA GROUP
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ii) *Long service leave*

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) *Employee benefit on costs*

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(iv) *Executive directors*

Other than one executive director whose employee entitlements are governed by the Group's EBA, the executive directors have agreed that there are no outstanding annual leave or long service leave entitlements owing to them or any other directors as at 30 June 2004.

(m) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred.

Borrowing costs include:

- interest on bank overdrafts and short-term borrowings; and
- finance lease charges.

Other operating lease payments are charged to the statement of financial performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

SECA GROUP
NOTES TO THE FINANCIAL STATEMENTS

2. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	2004 $
Land and buildings	
Land and buildings – freehold – at directors' valuation	1,173,000
Total land and buildings	1,173,000
Plant and equipment	
Plant and machinery – at directors' valuation	31,078,478
Less: Accumulated depreciation	-
	31,078,478
Motor vehicles – at directors' valuation	402,000
Less: Accumulated depreciation	-
	402,000
Motor vehicles – at cost	1,356,245
Less: Accumulated depreciation	153,581
	1,202,664
Total plant and equipment	32,683,142
	33,856,142

The directors' valuation is based upon a valuation prepared in late June 2004 by Mr Russell Cherry, Licensed Auctioneer and Valuer of Russell J Cherry Consulting & Valuation Services, in respect of plant and equipment; and by Mr John Fiore of King & Co Property Consultants in respect of land and buildings. Minor additions which took place between the date of the valuation and 30 June 2004 have been included at cost of acquisition.

3. CASH

	2004 $
Cash at bank	1,243,929
Cash on hand	10
Money Market account	3,080,538
Euro account	21,553
	4,346,030

SECA GROUP
NOTES TO THE FINANCIAL STATEMENTS

4. OTHER DEBTORS AND PREPAYMENTS

	2004
	$
Prepayments	169,000
Investments	64,868
Other assets	10,680
	244,548

5. OTHER CREDITORS AND ACCRUALS

	2004
	$
Bank overdraft	427,196
Deferred charges	(54,296)
Accruals	369,629
Employee entitlements	312,000
Payroll tax	399,000
GST	856,429
	2,309,958

6. ASSET REVALUATION RESERVE

The increase in the asset revaluation reserve relates to the increase in value of property, plant and equipment asset resulting from the valuation as at 30 June 2004 referred to in Note 2, attributable to:

	Initial Written Down Value 30/6/04	Revaluation Increment	Revalued Carrying Amount 30/6/04
Land and buildings	554,983	618,017	1,173,000
Plant and equipment	5,077,516	26,000,962	31,078,478
Motor vehicles	262,585	139,415	402,000
	5,895,084	26,758,394	32,653,478

7. EVENTS OCCURRING AFTER BALANCE DATE

On 25 October 2004, the directors of the companies referred to in Note 1 entered into a Sale of Business Agreement to sell the business and assets of Seca Group. This transaction is expected to be settled prior to 31 December 2004.

SECA GROUP
DIRECTORS' DECLARATION

As stated in Note 1 to the financial statements, the Seca Group is not a reporting entity because, in the directors' opinion, it is unlikely that users exist who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. This is a special purpose financial report that has been prepared for the sole purpose of assisting in the preparation of a prospectus and must not be used for any other purpose.

The financial statements and notes set out on pages 1 to 10 have been approved by the directors at a meeting held on 11 November 2004.

Denis Maxwell Tomasel
Director

Ricky Bruno Tomasel
Director

Stephen James Gunn
Director

Marco Pagliari
Director

SECA GROUP
INDEPENDENT AUDIT REPORT

Audit opinion

In our opinion, the financial report of Seca Group presents fairly, in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Seca Group as at 30 June 2004, and the results of its performance for the year ended on that date.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report, being a special purpose financial report, comprises the statement of financial position, statement of financial performance, accompanying notes to the financial statements, and the directors' declaration for Seca Group, for the year ended 30 June 2004.

The financial report has been specifically prepared to assist in the preparation of a prospectus which will involve the purchase of the Seca Group business (and another business) by a company to be known as Verticon Group Limited. The business and the assets of Seca Group (other than the excluded assets set out in the Sale of Business Agreement dated 25 October 2004 and other agreed assets) are being acquired and certain employee entitlement obligations are being assumed by Verticon Group Limited. The statutory entities comprising Seca Group referred to in Note 1 are not being acquired by Verticon Group Limited.

The depreciation expense and the income tax expense (and the related tax balances) of Seca Group for the year ended 30 June 2004 which were included in the financial report have been excluded from the scope of our audit. In respect of the fixed assets being acquired by Verticon Group Limited, values have been agreed upon between the directors of Seca Group and Verticon Group Limited and have been included in the financial report at those agreed values.

Accordingly, the depreciation expense, the income tax expense, and the related income tax balances have not been subject to our audit examination.

The directors of the individual companies which comprise the aggregated group referred to as Seca Group are set out in Note 1(a) to the financial statements. These directors collectively are responsible for the preparation and presentation of this financial report. 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.

The directors of the Seca Group have determined that the accounting policies used and described in Note 1 to the financial statements, including the basis of accounting are appropriate to meet the requirements of the preparation of the prospectus.

SECA GROUP
INDEPENDENT AUDIT REPORT

Audit approach

We conducted an independent audit of the financial report in order to express an opinion to the directors of the Seca Group on its preparation and presentation in accordance with the accounting policies described in Note 1. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the directors, or for any purpose other than that for which they were prepared.

Our audit was conducted in accordance with Australian Auditing Standards. 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, and the accounting policies described in Note 1 to the financial statements, a view which is consistent with our understanding of the Seca Group's financial position and the results of its operations. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia.

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 reasonableness of significant accounting estimates made by the directors of Seca Group.

When this audit report is included in a document containing information in addition to the financial report, our procedures include reading the other information to determine whether it contains any material inconsistencies with the financial report.

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.

Our audit did not involve an analysis of the prudence of business decisions made by the directors of Seca Group or management.

SECA GROUP
INDEPENDENT AUDIT REPORT

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

PricewaterhouseCoopers

R J Roach
Partner

Brisbane
11 November 2004