

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

DIRECTORS REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2007

In accordance with a resolution of the Directors dated 7 December 2007 the Directors of the Company have pleasure in reporting on the company for the financial year ended 30 September 2007 and the state of affairs as at 30 September 2007.

The Directors of the company in office at the date of this report are:-

Richard Rees Graeme John Taylor

PRINCIPAL ACTIVITIES:

The principal activity of Cooks Body Works Pty Ltd during the year remained unchanged as the company continued trading as a commercial vehicle body builder.

DIVIDENDS:

No dividends were paid or recommended since the end of the previous financial year.

REVIEW OF OPERATIONS:

Cooks Body Works has experienced revenue growth again this year. Much of this growth has been experienced in the contract area of the business where margins are typically lower. This, together with increased materials pricing, has resulted in a deterioration of the business's overall margin. It is expected that improvements in productivity will assist to address this trend in the next revenue period.

Continuation of a strong economy and demand for the entity's services and products is important for future profitability.

OPERATING RESULTS:

The net profit, after providing for income tax of \$22,528 (2006 47,741) amounted to \$131,193 (2006 \$210,273).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS:

There have been no significant changes in the state of affairs of the company during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE:

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operation of the company and the results of these operations or the state of affairs of the company in financial years subsequent to the financial year ended 30 September 2007.

FUTURE DEVELOPMENTS:

No information has been included on the likely developments of the Company as the directors are of the opinion that to include such comments would be unreasonably prejudicial to the interests of the Company.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 September 2007 is included on page 5 of the Annual Report.

REMUNERATION REPORT

The Board policy for determination of the nature and amount of remuneration for directors and senior executives is based on the Chairman and Managing Director's assessment of individual's performance and the general overall performance of the company.

It is the stated policy that depending on this assessment, the level of remuneration may be increased or decreased after a review from its previous level.

The criteria on which individual performance is assessed are:-

- technical knowledge and skills in light of current levels for the applicable occupation or profession
- application by the individual of their knowledge and skills to their tasks
- the ability and success in imparting their knowledge, skills and work ethic to personnel assigned to them
- the ability to complete assignments successfully and in the allocated time
- the ability to assist the company and or subsidiary achieve profitable short, medium and long term performance and growth by delivering customers with quality, competitively priced and innovative products and services.

The table below sets out the remuneration paid, by the company and any related company during the year, to Directors and executives with a breakdown into salaries, bonuses, superannuation and other benefits.

No equity component of remuneration is provided but board policy is to encourage directors and executives to purchase shares in the holding company on the stock exchange with the objective of long term investment.

| NAME | OFFICE | SALARY/ BONUS | SUPER | BENEFITS | TOTAL |
|-------------|---------------|--------------------------|--------------|-----------------|--------------|
| R. Rees | Director | 151,522 | 105,113 | 40,000 | 296,635 |
| G.J.Taylor | Director | 199,948 | 15,151 | - | 215,099 |
| | | | | | 511,734 |

There are no proceedings on behalf of the company.

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

On behalf of the Directors

RICHARD REES

GRAEME JOHN TAYLOR

Moorabbin,
7 December 2007

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AQUAMAX PTY LTD

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of Cooks Body Works Pty Ltd, which comprises the balance sheet as at 30 September 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. The directors' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting under the *Corporations Act 2001*. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* has been provided to the directors of Cooks Body Works Pty Ltd.

Auditor's opinion

In our opinion the financial report of Aquamax Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the company's financial position as at 30 September 2007 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Hayes Knight Audit Pty Ltd

Melbourne

Dated this 12th day of December 2007

M. M. Hardy FCA

Director

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

DIRECTORS' DECLARATION

The directors declare that:

- a) The attached financial statements and notes (pages 6 to 20) thereto comply with accounting standards;
- b) The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company.
- c) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Law; and
- d) In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable as the parent company has agreed to repayment of loans as outlined in Note 1.

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

On behalf of the Directors

Mr. R. Rees
Director

Mr. G. J. Taylor
Director

Moorabbin,
7 December 2007

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF COOKS BODY WORKS PTY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2007 there have been:

- i. no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Hayes Knight Audit Pty Ltd
Melbourne

M. M. Hardy FCA
Director

Dated this 12th day of December 2007

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

INCOME STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2007

| | NOTE | 2007 \$ | 2006 \$ |
|--|-------------|--------------------------|--------------------------|
| Revenues from ordinary activities | 2 | 4,557,978 | 4,100,958 |
| Expenses from ordinary activities | 3 | 4,404,257 | 3,842,944 |
| Finance Costs | | - | - |
| Profit(loss) from ordinary activities before income tax expense | | 153,721 | 258,014 |
| Income tax expense/(revenue) relating to ordinary activities | 4 | 22,528 | 47,741 |
| Profit(loss) from ordinary activities after income tax expense | | 131,193 | 210,273 |

Notes to and forming part of the accounts are set out on pages 10 to 20.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

BALANCE SHEET AS AT 30 SEPTEMBER 2007

| | NOTE | 2007 \$ | 2006 \$ |
|--------------------------------|------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash assets | 19 | 477,353 | 226,374 |
| Receivables | 5 | 314,770 | 553,129 |
| Inventories | 6 | 517,874 | 490,785 |
| TOTAL CURRENT ASSETS | | <u>1,309,997</u> | <u>1,270,288</u> |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 7 | 150,507 | 208,552 |
| Other financial assets | 8 | 20,001 | 14,001 |
| TOTAL NON-CURRENT ASSETS | | <u>170,508</u> | <u>222,553</u> |
| TOTAL ASSETS | | <u>1,480,505</u> | <u>1,492,841</u> |
| CURRENT LIABILITIES | | | |
| Payables | 9 | 2,366,047 | 2,514,877 |
| Provisions | 10 | 139,427 | 131,497 |
| Current tax liabilities | 11 | (12,333) | (9,704) |
| TOTAL CURRENT LIABILITIES | | <u>2,493,141</u> | <u>2,636,670</u> |
| NON-CURRENT LIABILITIES | | | |
| Payables | 14 | 400,000 | 400,000 |
| TOTAL NON-CURRENT LIABILITIES | | <u>400,000</u> | <u>400,000</u> |
| TOTAL LIABILITIES | | <u>2,893,141</u> | <u>3,036,670</u> |
| NET LIABILITIES | | <u>(1,412,636)</u> | <u>(1,543,829)</u> |
| EQUITY | | | |
| Contributed equity | 15 | 290,000 | 290,000 |
| Retained profit (loss) | | (1,702,636) | (1,833,829) |
| TOTAL EQUITY | | <u>(1,412,636)</u> | <u>(1,543,829)</u> |

Notes to and forming part of the accounts are set out on pages 10 to 20.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2007

| | Note | Contributed to equity | Reserves | Retained Earnings | Total Equity |
|-------------------------------|-------------|----------------------------------|-----------------|------------------------------|---------------------|
| Balance at October 1, 2005 | | 290,000 | - | (2,044,102) | (1,754,102) |
| Net profit for the period | 19 | | | 210,273 | 210,273 |
| Balance at September 30, 2006 | | <u>290,000</u> | <u>-</u> | <u>(1,833,829)</u> | <u>(1,543,829)</u> |
| Net profit for the period | 19 | | | 131,193 | 131,193 |
| Balance September 30, 2007 | | <u>290,000</u> | <u>-</u> | <u>(1,702,636)</u> | <u>(1,412,636)</u> |

Notes to and forming part of the accounts are set out on pages 10 to 20.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 SEPTEMBER 2007

| | NOTE | 2007 \$ | 2006 \$ |
|--|--------|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 5,255,692 | 4,222,806 |
| Payment to suppliers and employees | | (4,793,618) | (3,955,236) |
| Interest received | | 12,008 | 10,548 |
| Net cash (used in) operating activities | 19(ii) | <u>474,082</u> | <u>278,118</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for property, plant and equipment | | (18,176) | (83,231) |
| Cash paid for investments | | (6,000) | - |
| Dividends Received | | 1,680 | 1,620 |
| Net cash (used in) investing activities | | <u>(22,496)</u> | <u>(81,611)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from/(Repayment of) borrowings | | (200,607) | (207,053) |
| Net cash provided by(used in) financing activities | | <u>(200,607)</u> | <u>(207,053)</u> |
| Net increase/(decrease) in cash held | | 250,979 | (10,546) |
| Cash as at 1 October | | 226,374 | 236,920 |
| Cash as at 30 September | 19(i) | <u>477,353</u> | <u>226,374</u> |

Notes to and forming part of the accounts are set out on pages 10 to 20.

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special purpose financial report prepared to satisfy the financial report preparation requirements of the *Corporations Act 2001*. The directors have determined that the company is not a reporting entity.

Cooks Body Works Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Basis of Preparation

The report has been prepared in accordance with the requirements of the Corporations Act 2001, and the following applicable Australian Accounting Standards and Australian Accounting Interpretations:

AASB 101: Presentation of Financial Statements;

AASB 107: Cash Flow Statements;

AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors;

AASB 110: Events after the Balance Sheet Date;

AASB 117: Leases;

AASB 1031: Materiality; and

AASB 1048: Interpretation and Application of Standards.

No other Accounting Standards, Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Accounting Policies

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(A) Significant Accounting Policies

Accounting policies are selected and applied in a manner which helps ensure that the resultant financial information satisfies the concepts of relevance and reliability, thereby, ensuring that the substance of the underlying transactions and other events is reported. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

In addition to the accounting policies prescribed by applicable Accounting Standards, the following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(B) Plant and Equipment

Depreciation has been charged in the accounts using either the straight line or reducing balance method on all classes of depreciable assets so as to write off their book value over the estimated useful life of the asset. The following estimated useful lives are used in the calculation of depreciation.

Plant and equipment 4 – 8 years.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

(C) Inventories

The Company has:

- (i) Valued stocks at the lower of cost and net realisable value.
- (ii) Calculated costs by including all variable manufacturing cost, and an appropriate portion of fixed manufacturing cost, but excluding selling, distribution and administration expenses, and
- (iii) Assigned cost to inventory quantities on hand at balance date on a first in first out basis.

(D) Research and Development Expenditure

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(E) Employee Entitlements

Provision is made for benefits accruing to employees in respect of wages and salaries and annual leave and long service leave when it is probable that settlement will be required and are capable of being measured reliably. Provisions made in respect of wages and salaries, annual leave, and long service leave expected to be settled within 12 months, are measured at their nominal values. Provisions made in respect of other employee entitlements (annual leave, long service leave) which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the economic entity in respect of services provided by employees up to the reporting date if considered to be material.

(F) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted with changes in presentation for the current financial year.

(G) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(H) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current assets exceed recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have been discounted to their present value.

(I) Accounts Payable

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

(J) Provision for Warranties

Provision is made in respect of the company's estimated liability on products under warranty at balance date.

(K) Revenue

Revenue from the sale of goods is recognised upon delivery and invoicing of goods to customers. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

(L) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Cooks Body Works Pty Ltd, which is a wholly-owned Australian subsidiary company, is a member of an income tax consolidated group under the tax consolidation regime. Cooks Body Works Pty Ltd recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of the entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from October 1, 2003. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(M) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

(N) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates - Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

| | 2007 | 2006 |
|---|-------------|-------------|
| | \$ | \$ |
| Note 2. Revenue from ordinary activities | | |
| Operating: | | |
| Sales Revenue | 4,526,725 | 4,077,216 |
| Dividends | | |
| -Other Corporations | 1,680 | 1,620 |
| Interest Received | 12,008 | 10,548 |
| Other revenue | 17,565 | 11,574 |
| Total revenue from ordinary activities | 4,557,978 | 4,100,958 |
| Note 3. Expenses from ordinary activities | | |
| (a) Operating profit before income tax has been determined after: | | |
| Cost of goods sold | 2,957,557 | 2,432,728 |
| Overheads | 890,089 | 943,121 |
| Administration expenses | 397,133 | 320,235 |
| Selling expenses | 89,447 | 93,151 |
| Finance expenses | 70,031 | 53,709 |
| Total expense from ordinary activities | 4,404,257 | 3,842,944 |
| Depreciation of: | | |
| - Plant and equipment | 59,301 | 59,994 |
| (b) Net transfers to (from) provisions for: | | |
| - Employee entitlements | 7,930 | 24,592 |
| - | | |
| (c) Significant revenues and expenses | | |
| - Research and Development costs | 247,509 | 309,005 |

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

| | 2007 | 2006 |
|---|----------------|----------------|
| | \$ | \$ |
| Note 4. Income Tax Expense | | |
| (a) The prima facie tax on operating profit is reconciled to the income tax expense (benefit) in the accounts as follows. | | |
| Operating profit (loss) before income tax | 153,721 | 258,014 |
| Prima Facie income tax expense applicable to operating profit at 30% (2006 30%) | 46,116 | 77,404 |
| Add/Deduct tax effect of: | | |
| Permanent differences | | |
| Research and Development Expenditure | (23,084) | (29,177) |
| Other allowable items | (504) | (486) |
| Income Tax Expense per Accounts | 22,528 | 47,741 |
| Note 5. Current Receivables | | |
| Trade receivables | 312,270 | 551,941 |
| Other receivables | 2,500 | 1,188 |
| | 314,770 | 553,129 |
| Note 6. Current Inventories | | |
| Raw Material | 120,023 | 109,851 |
| Work in progress | 324,646 | 344,904 |
| Finished goods | 73,205 | 36,030 |
| | 517,874 | 490,785 |
| Note 7. Plant and Equipment At Cost | | |
| Plant and machinery | 483,875 | 860,524 |
| Less: Accumulated depreciation | (396,703) | (738,247) |
| | 87,172 | 122,277 |
| Furniture and fittings | 23,985 | 23,985 |
| Less: Accumulated depreciation | (20,103) | (19,047) |
| | 3,882 | 4,938 |
| Office machines and equipment | 48,109 | 98,532 |
| Less: Accumulated depreciation | (30,628) | (74,901) |
| | 17,481 | 23,631 |
| Motor Vehicles | 91,535 | 105,835 |
| Less: Accumulated depreciation | (49,563) | (48,129) |
| | 41,972 | 57,706 |
| TOTAL PLANT AND EQUIPMENT | 150,507 | 208,552 |

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

Note 7. Plant and Equipment At Cost (cont.)

Movements in the carrying amounts for plant and equipment between the beginning and the end of the current financial year.

| | Plant and Equipment |
|--------------------------------------|------------------------|
| Balance at the beginning of the year | 208,552 |
| Additions | 18,176 |
| Disposals | (16,920) |
| Depreciation expense | (59,301) |
| | 150,507 |

| 2007 | 2006 |
|------|------|
| \$ | \$ |

Note 8. Non-Current Other Financial Assets

Shares at cost:

| | | |
|---------------------------|--------|--------|
| In related company | 1 | 1 |
| In other listed companies | 20,000 | 14,000 |
| | 20,001 | 14,001 |

Note 9. Current Payables

Unsecured

| | | |
|-------------------------------------|-----------|-----------|
| Trade creditors | 170,866 | 174,003 |
| Sundry creditors | 194,489 | 164,733 |
| Amounts payable to Chief Entity (i) | 2,000,692 | 2,176,141 |
| | 2,366,047 | 2,514,877 |

Note 10. Current Provisions

| | Annual Leave | Long Service Leave | Provision for Warranty | Total |
|-----------------------------------|-----------------|--------------------------|------------------------------|-----------|
| Opening Balance at 1 October 2006 | 53,602 | 37,895 | 40,000 | 131,497 |
| Additional provisions | 85,740 | 7,815 | 17,461 | 111,016 |
| Amounts used | (79,663) | (5,962) | (17,461) | (103,086) |
| Balance at 30 September 2007 | 59,679 | 39,748 | 40,000 | 139,427 |

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

| | 2007 \$ | 2006 \$ |
|---|------------|------------|
| Note 11. Current Tax Liabilities | | |
| Current | | |
| - Income Tax | (12,333) | (9,704) |

| | | |
|--------------------------------------|---------|---------|
| Note 12. Non-Current Payables | | |
| Amount payable to Chief Entity (i) | 400,000 | 400,000 |

(i) The loan from Sietel Ltd is secured by a registered debenture over all the assets and undertakings of the company

| | | |
|--|---------|---------|
| Note 13. Contributed Equity | | |
| Issued capital 150,000 (2006 – 150,000) ordinary shares fully paid | 290,000 | 290,000 |

Note 14. Remuneration of Directors

Income received or due and receivable by all directors of the company from the company and any related bodies corporate \$511,734 (2006 \$537,284).

The number of Directors whose income from the company and related bodies corporate was within the following bands.

| | 2007 | 2006 |
|-----------------------|------|------|
| \$190,000 - \$199,999 | | 1 |
| \$230,000 - \$239,999 | 1 | |
| \$290,000 - \$299,999 | 1 | |
| \$340,000 - \$349,999 | | 1 |

Retirement and Superannuation payments paid on retirement from office or to prescribed superannuation funds for provision of retirement benefits of Directors of the Company : \$ 120,264 (2006 \$164,738).

The names of the Directors who held office during the financial year:

Richard Rees Graeme John Taylor

| | 2007 \$ | 2006 \$ |
|---|------------|------------|
| Note 15. Auditors Remuneration | | |
| Amounts received or due and receivable by the company's auditors for: | | |
| - Auditing the company accounts | 8,750 | 7,500 |

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

Note 16. Related Party Transactions

- (a) Mr R. Rees and Mr G.J. Taylor are directors of the company. Mr R. Rees is also a director of the chief entity, Sietel Limited.
- (b) The following are the directors who held office during the year.
Richard Rees Graeme John Taylor.
- (c) The ultimate chief entity is Sietel Limited which owns 100% of Cooks Body Works Pty Ltd. Sietel Limited, has made a secured loan of \$2,400,692 (2006 - \$2,576,141) to the company in lieu of a bank bill facility with no set period of repayment, subject to no default.
- (d) Chief Entity transactions:
- Personnel charges paid to Chief Entity \$440,724 (2006 - \$432,388).
 - Interest paid to Chief Entity \$50,000 (2006 - \$50,000)
 - Rent for premises paid to Chief Entity \$150,000 (2006 - \$140,000)
 - Lease rentals for plant paid to Chief Entity \$62,724 (2006 - \$86,580)
- (e) The Company has given a guarantee and indemnity for \$3,600,000 (2006 - \$3,600,000) in favour of Sietel Ltd and \$100,000 in favour of Aqua-Max Pty Ltd (a related company) to the National Australia Bank as part of the Sietel Group funding arrangements. Sietel Ltd has provided the same undertakings in relation to the Company's \$50,000 overdraft facility.
- (f) Audit fees for this year were paid by the Chief Entity.

Note 17. Ultimate Chief Entity

The company is ultimately controlled by Sietel Limited which is incorporated in Australia.

Note 18. Segment Reporting

The company operated predominantly in Australia in the Manufacturing industry.

COOK'S BODY WORKS PTY LTD
A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

Note 19. Notes To The Statement of Cash Flows

(g) Reconciliation of cash

for the purpose of the statement of cash flows cash includes:

1. Cash on hand and in at call deposits with banks or financial institutions.
2. Investments in money market instruments with less than 14 days to maturity.

| | 2007 | 2006 |
|---|-------------|-------------|
| | \$ | \$ |
| Cash at the end of year is shown in the balance sheet as: | | |
| Cash at Bank | 477,353 | 226,374 |
| | 477,353 | 226,374 |

(ii) Reconciliation of cash flows from operations with operating profit after income tax.

| | 2007 | 2006 |
|---|-------------|-------------|
| | \$ | \$ |
| Operating profit (loss) after income tax. | 131,193 | 210,273 |
| Cash flows in Operating Profit attributable to Non-Operating activities | | |
| - Dividends Received | (1,680) | (1,620) |
| - Depreciation | 59,301 | 59,994 |
| - Income Tax | 22,528 | 47,741 |
| - Charges to provisions | 7,930 | 24,592 |
| - (Profit)/Loss on sale of Plant and Equipment | 16,920 | - |
| Changes in assets and liabilities | | |
| - (Increase)/Decrease in trade debtors | 238,361 | (274,863) |
| - (Increase)/Decrease in inventories | (27,089) | 69,223 |
| - (Increase)/Decrease in provision for warranties | - | 34,000 |
| - Increase/(Decrease) in trade creditors | 26,618 | 108,778 |
| | 474,082 | 278,118 |

Note 20. Superannuation Commitments

Cook's Body Works Pty Ltd pays the employer's contribution required by the Superannuation Guarantee Charge Act and any further salary sacrifice amounts or employee contributions, if instructed, to complying superannuation funds as selected by their employees.

The amount and time of payment of benefits by these various superannuation funds will be in accordance with the terms and conditions negotiated by each individual employee and are not guaranteed in any way by the company.

The company has a legal obligation to contribute to these superannuation funds in accordance with relevant requirements of the Superannuation Guarantee legislation.

COOK'S BODY WORKS PTY LTD

A.B.N. 42 005 070 084

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

Note 21 Financial Instruments

(a) Significant Accounting Policies

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

(b) Interest Rate Risk

The following details the company's exposure to interest rate risk as at the reporting date.

| | 2007 Average Interest Rate % | 2007 Total \$ | 2006 Average Interest Rate % | 2006 Total \$ |
|------------------------------|--|---------------------|--|---------------------|
| Financial Assets | | | | |
| Trade receivables (net) | - | 314,770 | - | 553,128 |
| Cash | 3.5 | 477,353 | 2.5 | 226,374 |
| | | <u>792,123</u> | | <u>779,502</u> |
| Financial Liabilities | | | | |
| Trade Payables | - | 170,866 | - | 174,003 |
| Related Party Loans | - | 2,400,692 | - | 2,576,141 |
| Other liabilities | - | 194,489 | - | 164,733 |
| Employee entitlements | - | 139,427 | - | 131,497 |
| | | <u>2,905,474</u> | | <u>3,046,374</u> |

(c) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the economic entity. The economic entity has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The economic entity measures credit risk on a fair value basis.

(d) Net Fair Value

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in note 1 to the accounts.

Note 22 Company Details

The registered office of the company is:

463-467 Warrigal Road, Moorabbin VIC. 3189

The principal place of business is :

144 Cochranes Road, Moorabbin VIC 3189

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

NOTE 23 CHANGE IN ACCOUNTING POLICY

The following Australian Accounting Standards have been issued or amended and are applicable to the company but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

| AASB Amendment | Standards Affected | Outline of Amendment | Application Date of Standard | Application Date for Group |
|---|---|--|------------------------------|----------------------------|
| AASB 2005–10: Amendments to Australian Accounting Standards | AASB 1: First time adoption of AIFRS AASB 4: Insurance Contracts AASB 101: Presentation of Financial Statements AASB 114: Segment Reporting AASB 117: Leases AASB 133: Earnings per Share AASB 1023: General Insurance Contracts AASB 1038: Life Insurance Contracts AASB 139: Financial Instruments: Recognition and Measurement | The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard. | 1 Jan 2007 | 1 July 2007 |
| AASB 7: Financial Instruments: Disclosures | AASB 132: Financial Instruments: Disclosure and Presentation | As above | 1 Jan 2007 | 1 July 2007 |

There is no change or impact.