

**AMAZING PAINT DISCOUNTS PTY LIMITED
ABN 74 003 006 326
AND CONTROLLED ENTITIES**

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

31 DECEMBER 2003

AMAZING PAINT DISCOUNTS PTY LIMITED
ABN 74 003 006 326
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors present their report on the company for the half-year ended 31 December 2003.

The names of the directors in office at any time during or since the end of the half-year are:

James William Toland
Christopher Charles Hext
John Roy Westwood

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

The profit of the company for the half-year after income tax expense amounted to \$446,312.

A review of the operations of the company during the half-year and the results of those operations are as follows:

- No significant changes in the company's state of affairs occurred during the half-year.
- The principal activities of the company during the half-year were the retailing of paint and associated accessories.
- No significant change in the nature of these activities occurred during the half-year.

No matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments in the operations of the economic entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the economic entity.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid or declared since the start of the half-year are as follows:

(a) Fully franked dividends of \$595,500 were paid during the half-year to members of the company.

No options over issued shares or interests in the company were granted during or since the end of the half-year and there were no options outstanding at the date of this report.

No indemnities have been given or insurance premiums paid, during or since the end of the half-year, for any person who is or has been an officer or auditor of the company.

AMAZING PAINT DISCOUNTS PTY LIMITED
ABN 74 003 006 326
AND CONTROLLED ENTITIES

DIRECTORS' REPORT (Cont'd)

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

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



.....
John Roy Westwood
Director

.....
Christopher Charles Hext
Director

Dated this 29th day of April 2004

AMAZING PAINT DISCOUNTS PTY LIMITED
ABN 74 003 006 326
AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Half-year 31 Dec 2003 \$	Full year 30 June 2003 \$
Sales revenue	8,690,770	16,775,269
Cost of sales	<u>(4,551,706)</u>	<u>(8,729,351)</u>
Gross Profit	4,139,064	8,045,918
Other revenue from ordinary activities	145,621	434,421
Employee benefits expenses	(1,179,456)	(2,369,356)
Depreciation and amortisation expenses	(1,426)	(72,373)
Borrowing costs	(187,689)	(386,132)
Occupancy expenses	(80,315)	(869,373)
Marketing expenses	(205,845)	(479,298)
Administration expenses	(1,629,436)	(2,264,349)
Other expenses	(32,766)	(146,574)
Profit from ordinary activities before income tax expense	<u>967,752</u>	<u>1,892,884</u>
Income tax expense relating to ordinary activities	(290,326)	(486,532)
Profit from ordinary activities after income tax expense	677,426	1,406,352
Net profit attributable to outside equity interests	<u>(231,114)</u>	<u>(522,596)</u>
Net profit attributable to members of the parent entity	446,312	883,756
Total changes in equity other than those resulting from transactions with owners as owners.	<u>446,312</u>	<u>883,756</u>



The accompanying notes form part of these financial statements.

AMAZING PAINT DISCOUNTS PTY LIMITED
ABN 74 003 006 326
AND CONTROLLED ENTITIES

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2003

	31 Dec 2003 \$	30 June 2003 \$
CURRENT ASSETS		
Cash assets	488,966	767,940
Receivables	256,717	363,211
Inventories	3,849,830	3,572,148
Other Financial Assets	1,317,793	1,317,793
Other	1,003,395	515,437
TOTAL CURRENT ASSETS	6,916,701	6,536,529
NON-CURRENT ASSETS		
Property, Plant and Equipment	5,063,383	5,041,793
Intangible assets	1,673	1,673
Other	439,196	439,196
TOTAL NON-CURRENT ASSETS	5,504,252	5,482,662
TOTAL ASSETS	12,420,953	12,019,191
CURRENT LIABILITIES		
Payables	2,307,456	2,414,129
Interest bearing liabilities	2,790,450	3,127,460
Provisions	752,825	906,572
Other	40,519	40,519
TOTAL CURRENT LIABILITIES	5,891,250	6,488,680
NON-CURRENT LIABILITIES		
Interest bearing liabilities	1,744,950	1,365,791
Other	468,425	478,644
TOTAL NON-CURRENT LIABILITIES	2,213,375	1,844,435
TOTAL LIABILITIES	8,104,625	8,333,115
NET ASSETS	4,316,328	3,686,076
EQUITY		
Contributed equity	95,305	95,305
Reserves	206,398	206,398
Retained profits	2,459,616	2,066,727
Total parent entity interest	2,761,319	2,368,430
Outside equity interest in controlled entities	1,555,009	1,317,646
TOTAL EQUITY	4,316,328	3,686,076

The accompanying notes form part of these financial statements.

AMAZING PAINT DISCOUNTS PTY LIMITED
ABN 74 003 006 326
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

NOTE 1: BASIS OF PREPARATION

The half-year financial report is a special purpose financial report prepared in connection with the financial reporting requirements for the proposed initial public offering of Retail Cube Limited. The directors have determined that the company is not a reporting entity.

The financial report includes Amazing Paint Discounts Pty Limited (the parent entity), controlled entities and entities subject to common control. The entities included are:

Amazing Paint Discounts Pty Limited
Brynex Pty Limited
Toveken Pty Limited
Barrojest Pty Limited
Aymtold Pty Limited
Heritage Paints Pty Limited
Robertson & Co. Pty Limited

For the purposes of this financial report, the directors have presented the economic entity on the basis that all of the entities were part of the economic entity from date of incorporation.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2003.

The accounting policies have been consistently applied by the company and are consistent with those applied in the 30 June 2003 annual report.



AMAZING PAINT DISCOUNTS PTY LIMITED
ABN 74 003 006 326
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2003

	Half-year 31 Dec 2003 \$	Full year 30 June 2003 \$
NOTE 2: PROFIT FROM ORDINARY ACTIVITIES		
Ordinary activities		
- Sales	8,690,770	16,775,269
Non – operating activities		
- Dividends	16,204	48,614
- Interest	9,695	20,839
- Profit from sale of asset	3,325	101,694
- Rent	104,293	217,129
- Other revenues	12,104	46,145
	<u>145,621</u>	<u>434,421</u>

NOTE 3: CONTINGENT LIABILITIES

There are no contingent liabilities at balance date which require disclosure.

NOTE 4: EVENTS SUBSEQUENT TO BALANCE DATE

Since the end of the financial year, Barrojest Pty Limited on 21 April 2004, disposed of its properties in Queanbeyan to Starball Pty Limited for a consideration of \$409,000 and in North Ryde to Blenheim Property Pty Limited for a consideration of \$540,000.



AMAZING PAINT DISCOUNTS PTY LIMITED
ABN 74 003 006 326
AND CONTROLLED ENTITIES

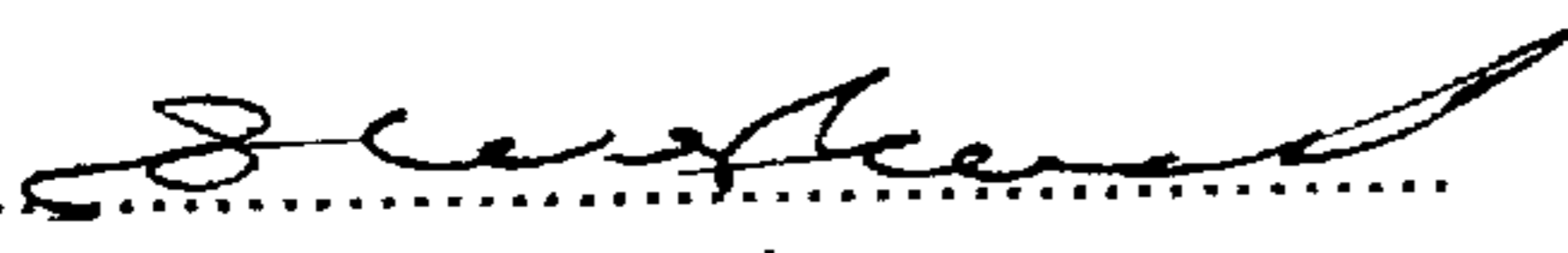
DIRECTORS DECLARATION

The directors have determined that the company is not a reporting entity and this special purpose half-year financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 7 are in accordance with the requirements for the proposed initial public offering of Retail Cube Limited, and:
 - a) comply with accounting standards as described in Note 1 to the financial statements; and
 - b) give a true and fair view of the company's financial position as at 31 December 2003 and of its performance for the half-year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. 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.

This declaration is made in accordance with a resolution of the Board of Directors.

.....

John Roy Westwood
Director

.....
Christopher Charles Hext
Director

Dated this 29th day of April 2004

**INDEPENDENT REVIEW REPORT TO
THE MEMBERS OF AMAZING PAINT DISCOUNTS PTY LIMITED
AND CONTROLLED ENTITIES**

Scope

We have reviewed the financial report, being a special purpose financial report of Amazing Paint Discounts Pty Limited, controlled entities and entities subject to common control for the half-year ended 31 December 2003, as set out on pages 4 to 8. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements for the proposed initial public offering of Retail Cube Limited. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the accounting policies used and described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations.

The financial report has been prepared for the purpose of fulfilling the directors' financial reporting requirements for the proposed initial public offering of Retail Cube Limited. 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.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data. The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Qualifications

Included in the financial report as a current asset in "Other Financial Assets" is Heritage Paints Pty Limited's investment in Robertson & Co Pty Limited, recorded at a cost of \$804,830. This balance should be eliminated on consolidation as it represents an inter-entity balance. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, valuation and measurement of this balance as at 31 December 2003.

Included in the financial report as a current asset in "Other Financial Assets" is Brynex Pty Limited's investment in another entity, recorded at a cost of \$19,250. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, valuation and measurement of this balance as at 31 December 2003.

**INDEPENDENT REVIEW REPORT TO
THE MEMBERS OF AMAZING PAINT DISCOUNTS PTY LIMITED
AND CONTROLLED ENTITIES**

Qualifications (cont'd)

Included in the financial report as a current asset in "Other Financial Assets" is Barrojest Pty Limited's investment in Oldfields Holdings Limited, recorded at a cost of \$492,713. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, valuation and measurement of this balance as at 31 December 2003.

Included in the financial report as a current asset in "Other" is Amazing Paint Discounts Pty Limited's loan to Carryoak Pty Limited, recorded at \$80,000. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, valuation and measurement of this balance as at 31 December 2003.

Included in the financial report as a current asset in "Other" is Brynex Pty Limited's loan to Ryleheld Pty Limited, recorded at \$70,000. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, valuation and measurement of this balance as at 31 December 2003.

Included in the financial report as a current asset in "Other" is Ayntold Pty Limited's loan from an undisclosed entity, recorded at \$258,000. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, measurement, completeness and disclosure of this balance as at 31 December 2003.

Included in the financial report as a current asset in "Other" is Brynex Pty Limited's loan to Lymgrange Pty Limited, recorded at \$246,960. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, occurrence, rights and obligations, valuation and measurement of this balance as at 31 December 2003.

Included in the financial report as a current asset in "Other" is Amazing Paint Discounts Group Pty Limited and controlled entities' restructure costs, recorded at \$15,073. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, occurrence, rights and obligations, valuation and measurement of this balance as at 31 December 2003.

Included in the financial report as a non-current asset in "Property, Plant and Equipment" are buildings, recorded at a cost of \$4,784,144. Amazing Paint Discounts Group Pty Limited and controlled entities have not recognised depreciation expense relating to the buildings. This is a departure from AASB 1021 "Depreciation". We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the appropriate amount of depreciation of buildings for the years ended 31 December 2003.

Included in the financial report as a non-current asset in "Property, Plant and Equipment" Robertson & Co. Pty Limited's freehold investments, recorded at a cost of \$18,014. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, measurement, rights and obligations, valuation and disclosure of this balance as at 31 December 2003.

Included in the financial report as a non-current asset in "Other" is Robertson & Co.'s loan to Monto Pty Limited, recorded at \$74,008. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, valuation and measurement of this balance as at 31 December 2003.

**INDEPENDENT REVIEW REPORT TO
THE MEMBERS OF AMAZING PAINT DISCOUNTS PTY LIMITED
AND CONTROLLED ENTITIES**

Qualifications (cont'd)

Included in the financial report as a non-current asset in "Other" is Amazing Paint Discounts Pty Limited's loan to Hanwood Pastoral Co., recorded at \$365,188. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, valuation and measurement of this balance as at 31 December 2003.

Included in the financial report as a current liability in "Other" is Robertson & Co Pty Limited's consignment stock owed by Brynex Pty Limited, recorded at \$20,000. This balance should be eliminated on consolidation as it represents an inter-entity balance. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the measurement and valuation of this balance as at 31 December 2003.

Included in the financial report as a current liability in "Other" is Amazing Paint Discounts Pty Limited's "Loan ex Westpac" owed by Barrojest Pty Limited, recorded at \$20,519. This balance should be eliminated on consolidation as it represents an inter-entity balance. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the completeness and disclosure of this balance as at 31 December 2003.

Included in the financial report as a current liability in "Provisions" is Robertson & Co Pty Limited's "Provision for rebates", recorded at \$500,000. This balance should be eliminated on consolidation as it represents an inter-entity balance. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, measurement, completeness and disclosure of this balance as at 31 December 2003.

Included in the financial report as a non-current liability in "Other" is Montone Paints Pty Limited's loan owed by Amazing Paint Discounts Pty Limited and controlled entities, recorded at \$253,787. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the completeness and disclosure of this balance as at 31 December 2003.

Included in the financial report as a non-current liability in "Other" is Robertson & Co Pty Limited's loan owed by Amazing Paint Discounts Pty Limited, recorded at \$17,086. This balance should be eliminated on consolidation as it represents an inter-entity balance. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the completeness and disclosure of this balance as at 31 December 2003.

Included in the financial report is a balance for "Reserves" of Amazing Paint Discounts Pty Limited and controlled entities, recorded at \$356,322. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, measurement, completeness and disclosure of this balance as at 31 December 2003.

Included in the financial report is a balance for "Contributed equity" of Amazing Paint Discounts Pty Limited and controlled entities, recorded at \$158,464. Part of this balance should be eliminated on consolidation as it represents an inter-entity balance. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, measurement, completeness and disclosure of this balance as at 31 December 2003.

**INDEPENDENT REVIEW REPORT TO
THE MEMBERS OF AMAZING PAINT DISCOUNTS PTY LIMITED
AND CONTROLLED ENTITIES**

Qualifications (cont'd)

Included in the financial report as equity in "Retained Profits" of Amazing Paint Discounts Pty Limited and controlled entities are dividends paid, recorded at \$595,500. We are unable to obtain sufficient appropriate evidence to enable us to form an opinion with respect to the existence, measurement, completeness and disclosure of this balance as at 31 December 2003.

Qualified Statement

Based on our review, which is not an audit, except for the existence of the limitations on the scope of our work as described in the qualification paragraphs above, and the effect of such adjustments, if any, as might have been determined to be necessary had the limitations in scope not existed, we have not become aware of any matter that makes us believe that the financial report is not presented fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of Amazing Paint Discounts Pty Limited and controlled entities as at 31 December 2003 and the results of its operations for the half-year then ended.

WHK Greenwoods

WHK GREENWOODS

David Sinclair

DAVID SINCLAIR

Dated this 29th day of April 2004