

Rivkin Financial Services Limited announces their annual results for the year ended 30th June 2004.

Net profit for the year increased to \$3,895,000 from \$1,329,000 in the previous year, an increase of 193%. Turnover for the year at \$41,173,000 was 69% down from the previous year of \$134,453,000 due to considerably reduced share trading.

The Group has significantly reduced its share trading portfolio and has converted most of it to cash. The Group will continue to trade securities for short term profit when the opportunity occurs. The Group will also seek opportunities to obtain “core” holdings which can be held for the longer term.

The Court proceedings by Rivkin Financial Services Limited against Sofcom Limited, Altera Capital Limited and Fast Scout Limited have been fixed for 25th October 2004.

The Group’s sharebroking subsidiary Rivkin Discount Stockbroking Pty Limited has continued to trade profitably.

The Company has declared a special dividend of 1.5 cents a share fully franked which arises from the after tax profit on the sale of the balance of the Rebel Sport shareholding during year.

Preliminary Final Report

Name of entity

RIVKIN FINANCIAL SERVICES LIMITED

ABN or equivalent company
reference

58 061 287 045

Preliminary final



Financial year ended ('current period')

30 JUNE 2004

For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Revenues from ordinary activities (<i>item 1.1</i>)	up/down	69 %	to	41,173
Profit from ordinary activities after tax attributable to members (<i>item 1.22</i>)	up/down	193 %	to	3,895
Profit from extraordinary items after tax attributable to members (<i>item 2.5(d)</i>)	gain (loss) of			-
Net profit for the period attributable to members (<i>item 1.11</i>)	up/down	193 %	to	3,895
Dividends (distributions)	Amount per security			Franked amount per security
Final dividend (<i>Preliminary final report only - item 15.4</i>)	2.5			0.3
Interim dividend (<i>Half yearly report only - item 15.6</i>)	cents			cents
Previous corresponding period (<i>Preliminary final report - item 15.5; half yearly report - item 15.7</i>)	1.5			Nil
†Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (<i>see item 15.2</i>)		Ordinary (1 cent) - 5 July 2004 Special (1.5 cents) – 15 Oct 2004		
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
(1) A significant portion of the above decrease in revenue from ordinary activities during the year is a result of reduced investment trading by Rivkin Investments Pty Limited – a wholly owned subsidiary.				
(2) Included in the profit from ordinary activities is a realised gain of \$4.434 million, arising from the sale of the balance of the Rebel Sports Limited investment.				
(3) A fully franked dividend of 1.0 cent per ordinary share was paid on 5 January 2004, as announced to the market on 21 November 2003.				
(4) A fully franked dividend of 1.0 cent per ordinary share was paid on 12 July 2004, as announced to the market on 24 June 2004.				
(5) At the Annual General Meeting of the Company held on 22 November 2002, the Chairman of the Company, Mr Rene Rivkin, in response to a question, advised shareholders at an appropriate time shareholders would be paid as and by way of dividend the bulk of the profit on the Rebel Sports sale after tax. Accordingly the directors have resolved to pay a special 1.5 cents per share dividend which will be paid on 15 th October 2004.				

Condensed consolidated statement of financial performance

	Current period \$A'000	Previous corresponding period \$A'000
1.1 Revenues from ordinary activities (<i>see items 1.23 -1.25</i>)	41,173	134,453
1.2 Expenses from ordinary activities (<i>see items 1.26 & 1.27</i>)	(36,214)	(133,124)
1.3 Borrowing costs	-	-
1.4 Share of net profits (losses) of associates and joint venture entities (<i>see item 16.7</i>)	-	-
1.5 Profit from ordinary activities before tax	4,959	1,329
1.6 Income tax on ordinary activities – refer Attachment 1 (<i>see note 4</i>)	(1,064)	-
1.7 Profit from ordinary activities after tax	3,895	1,329
1.8 Profit from extraordinary items after tax (<i>see item 2.5</i>)	-	-
1.9 Net profit	3,895	1,329
1.10 Net profit attributable to outside ⁺ equity interests	-	-
1.11 Net profit for the period attributable to members	3,895	1,329
Non-owner transaction changes in equity		
1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognised in equity	-	-
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
1.15 Initial adjustments from UIG transitional provisions	-	-
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	-	-
1.17 Total changes in equity not resulting from transactions with owners as owners	3,895	1,329

Earnings per security (EPS)	Current period	Previous corresponding period
1.18 Basic EPS	4.2 cents	1.3 cents
1.19 Diluted EPS	4.2 cents	1.4 cents

Notes to the condensed consolidated statement of financial performance

Profit from ordinary activities attributable to members

	Current period \$A'000	Previous corresponding period \$A'000
1.20 Profit from ordinary activities after tax (<i>item 1.7</i>)	3,895	1,329
1.21 Less (plus) outside ⁺ equity interests	-	-
1.22 Profit from ordinary activities after tax, attributable to members	3,895	1,329

Revenue and expenses from ordinary activities

(see note 15)

	Current period \$A'000	Previous corresponding period \$A'000
1.23 Revenue from sales or services		
- brokerage and related revenue	7,310	5,635
- revenue from sale of investments	33,260	128,014
1.24 Interest revenue	463	188
1.25 Other relevant revenue		
- dividend revenue	140	616
- unrealised gains on investments	-	-
1.26 Details of relevant expenses		
- cost of disposal of investments	(27,950)	(126,474)
- employee benefits expenses	(3,011)	(2,618)
- administration and other expenses	(3,809)	(2,926)
- amortisation of goodwill	(101)	(101)
- unrealised losses on investments	(1,172)	(876)
1.27 Depreciation and amortisation excluding amortisation of intangibles (<i>see item 2.3</i>)	(171)	(129)
Capitalised outlays		
1.28 Interest costs capitalised in asset values	-	-
1.29 Outlays capitalised in intangibles (unless arising from an ⁺ acquisition of a business)	-	-

Consolidated retained profits

	Current period \$A'000	Previous corresponding period \$A'000
1.30 Retained profits (accumulated losses) at the beginning of the financial period	(3,376)	(3,326)
1.31 Net profit attributable to members (<i>item 1.11</i>)	3,895	1,329
1.32 Net transfers from (to) reserves: - mining exploration and evaluation expenditure written off against issued capital	-	-
1.33 Net effect of changes in accounting policies	-	-
1.34 Dividends and other equity distributions paid or payable	(3,344)	(1,379)
1.35 Retained profits (accumulated losses) at end of financial period	(2,825)	(3,376)

Intangible and extraordinary items

	<i>Consolidated - current period</i>			
	Before tax \$A'000 (a)	Related tax \$A'000 (b)	Related outside + equity interests \$A'000 (c)	Amount (after tax) attributable to members \$A'000 (d)
2.1 Amortisation of goodwill	101	-	-	101
2.2 Amortisation of other intangibles	-	-	-	-
2.3 Total amortisation of intangibles	101	-	-	101
2.4 Extraordinary items (details)	-	-	-	-
2.5 Total extraordinary items	-	-	-	-

Comparison of half year profits

(Preliminary final report only)

	Current year \$A'000	Previous year \$A'000
3.1 Consolidated profit from ordinary activities after tax attributable to members reported for the <i>1st</i> half year (<i>item 1.22</i> in the half yearly report)	4,186	410
3.2 Consolidated profit from ordinary activities after tax attributable to members for the <i>2nd</i> half year	(291)	919

Condensed consolidated statement of financial position		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	10,853	5,125	9,754
4.2	Receivables	15,483	20,004	13,327
4.3	Investments	8,204	4,302	10,299
4.4	Inventories	-	-	-
4.5	Tax assets	-	-	-
4.6	Other debtors and prepayments	195	158	268
4.7	Total current assets	34,735	29,589	33,648
Non-current assets				
4.8	Receivables	-	-	-
4.9	Investments (equity accounted)	-	-	-
4.10	Other investments	-	4,145	-
4.11	Inventories	-	-	-
4.12	Exploration and evaluation expenditure capitalised (<i>see para .71 of AASB 1022</i>)	-	-	-
4.13	Development properties (+mining entities)	-	-	-
4.14	Other property, plant and equipment (net)	357	449	403
4.15	Intangibles (net)	1,732	1,833	1,783
4.16	Tax assets	-	-	-
4.17	Other (provide details if material)	-	-	-
4.18	Total non-current assets	2,089	6,427	2,186
4.19	Total assets	36,824	36,016	35,834
Current liabilities				
4.20	Payables	16,142	17,586	13,276
4.21	Interest bearing liabilities	-	-	-
4.22	Tax liabilities	615	-	1,321
4.23	Provisions exc. tax liabilities	2,600	1,514	135
4.24	Other (provide details if material)	-	-	920
4.25	Total current liabilities	19,357	19,100	15,652
Non-current liabilities				
4.26	Payables	-	-	-
4.27	Interest bearing liabilities	-	-	-
4.28	Tax liabilities	-	-	-
4.29	Provisions exc. tax liabilities	-	-	-
4.30	Other (provide details if material)	-	-	-
4.31	Total non-current liabilities	-	-	-
4.32	Total liabilities	19,357	19,100	15,652
4.33	Net assets	17,467	16,916	20,182

Condensed consolidated statement of financial position (continued)

	Equity			
4.34	Capital/contributed equity	20,292	20,292	20,292
4.35	Reserves	-	-	-
4.36	Retained profits/(accumulated losses)	(2,825)	(3,376)	(110)
4.37	Equity attributable to members of the parent entity	17,467	16,916	20,182
4.38	Outside ⁺ equity interests in controlled entities	-	-	-
4.39	Total equity	17,467	16,916	20,182
4.40	Preference capital included as part of 4.37	-	-	-

Notes to the condensed consolidated statement of financial position

Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A'000	Previous corresponding period \$A'000
5.1	Opening balance	-
5.2	Expenditure incurred during current period	-
5.3	Expenditure written off during current period	-
5.4	Acquisitions, disposals, revaluation increments, etc.	-
5.5	Expenditure transferred to Development Properties	-
5.6	Closing balance as shown in the consolidated balance sheet (item 4.12)	-

Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A'000	Previous corresponding period \$A'000
6.1	Opening balance	-
6.2	Expenditure incurred during current period	-
6.3	Expenditure transferred from exploration and evaluation	-
6.4	Expenditure written off during current period	-
6.5	Acquisitions, disposals, revaluation increments, etc.	-
6.6	Expenditure transferred to mine properties	-
6.7	Closing balance as shown in the consolidated balance sheet (item 4.13)	-

Condensed consolidated statement of cash flows

		Current period \$A'000	Previous corresponding period \$A'000
Cash flows related to operating activities			
7.1	Receipts from customers	9,642	4,600
7.2	Payments to suppliers and employees	(6,321)	(5,912)
7.3	Dividends received from associates	-	-
7.4	Other dividends received	379	377
7.5	Interest and other items of similar nature received	463	188
7.6	Interest and other costs of finance paid	(1)	-
7.7	Income taxes paid	(437)	-
7.8a	Other – net payments for investments	(28,879)	(121,864)
7.8b	Other – proceeds from sale of investments and other income received	33,260	128,014
7.9	Net operating cash flows	8,106	5,403
Cash flows related to investing activities			
7.10	Payment for purchases of property, plant and equipment	(79)	(7)
7.11	Proceeds from sale of property, plant and equipment	-	-
7.12	Payment for purchases of equity investments	-	-
7.13	Proceeds from sale of equity investments	-	-
7.14	Loans to other entities	-	-
7.15	Loans repaid by other entities	-	-
7.16	Other	-	-
7.17	Net investing cash flows	(79)	(7)
Cash flows related to financing activities			
7.18	Proceeds from issues of ⁺ securities (shares, options, etc.)	-	-
7.19	Proceeds from borrowings	-	-
7.20	Repayment of borrowings	-	-
7.21	Dividends paid	(2,299)	-
7.22	Other – on-market share buy-back	-	(2,749)
7.23	Net financing cash flows	(2,299)	(2,749)
7.24	Net increase in cash held	5,728	2,647
7.25	Cash at beginning of period (see Reconciliation of cash)	5,125	2,478
7.26	Exchange rate adjustments to item 7.25	-	-
7.27	Cash at end of period (see Reconciliation of cash)	10,853	5,125

Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. *(If an amount is quantified, show comparative amount.)*

Not applicable.

Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period \$A'000
8.1 Cash on hand and at bank	3,542	1,700
8.2 Deposits at call	7,311	3,425
8.3 Bank overdraft	-	-
8.4 Other (provide details)	-	-
8.5 Total cash at end of period (item 7.27)	10,853	5,125

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
9.1 Profit before tax / revenue Consolidated profit from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	12.0 %	1.0 %
9.2 Profit after tax / ⁺equity interests Consolidated net profit from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	20.5 %	7.9 %

Earnings per security (EPS)

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

\$		
Earnings used in calculating basic EPS (1.11)	3,895,000	
Interest earnings from potential ordinary shares	<u>54,600</u>	
Earnings used in calculating diluted EPS	<u>3,949,600</u>	
Weighted average number of ordinary shares used as the denominator in calculating basic EPS	91,972,134	<u>No.</u>
Potential ordinary shares on exercise of options	<u>2,481,820</u>	
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted EPS	<u>94,453,954</u>	

NTA backing <i>(see note 7)</i>	Current period	Previous corresponding Period
11.1 Net tangible asset backing per ⁺ ordinary security	17.1 cents	16.4 cents

Discontinuing Operations

(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)

12.1 Discontinuing Operations

Not applicable.

Control gained over entities having material effect

13.1 Name of entity (or group of entities) Not applicable.

13.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was⁺acquired

N/A

13.3 Date from which such profit has been calculated

N/A

13.4 Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

N/A

Loss of control of entities having material effect

14.1 Name of entity (or group of entities) Not applicable.

14.2 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control

N/A

14.3 Date to which the profit (loss) in item 14.2 has been calculated

N/A

14.4 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period

N/A

14.5 Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

N/A

Dividends (in the case of a trust, distributions)

15.1 Date the dividend (distribution) is payable

Ordinary (1 cent) - 12 July 2004
Special (1.5cents) – 15 Oct 2004

15.2 ⁺Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if ⁺securities are not ⁺CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if ⁺securities are ⁺CHESS approved)

Ordinary(1 cent) - 5 July 2004
Special (1.5 cents) – 8 Oct 2004

15.3 If it is a final dividend, has it been declared?
(Preliminary final report only)

Yes

Dividends (continued) - amount per security

		Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
15.4	<i>(Preliminary final report only)</i> Final dividend: Current year	2.5 cents	0.3 cents	-
15.5	Previous year	1.5 cents	-	-
15.6	<i>(Half yearly and preliminary final reports)</i> Interim dividend: Current year	1.0 cents	0.3 cents	N/A
15.7	Previous year	Nil	N/A	N/A

Total dividend (distribution) per security (interim plus final)

(Preliminary final report only)

	Current year	Previous year
15.8 +Ordinary securities	3.5 cents	1.5 cents
15.9 Preference + securities	Nil	Nil

Preliminary final report - final dividend (distribution) on all securities

	Current period \$A'000	Previous corresponding period \$A'000
15.10 +Ordinary securities <i>(each class separately)</i>	2,425	1,379
15.11 Preference + securities <i>(each class separately)</i>	-	-
15.12 Other equity instruments <i>(each class separately)</i>	-	-
15.13 Total	2,425	1,379

The + dividend or distribution plans shown below are in operation.

Not applicable.

The last date(s) for receipt of election notices for the + dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

The final ordinary dividend for the year ended 30 June 2004 of 1.0 cent per ordinary share (fully franked) was paid on 12 July 2004.
A Special Dividend for the year ended 30 June 2004 of 1.5 cents per ordinary share (fully franked) is payable on 15 October 2004.

Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	Current period \$A'000	Previous corresponding period \$A'000
16.1 Profit (loss) from ordinary activities before tax	-	-
16.2 Income tax on ordinary activities	-	-
16.3 Profit (loss) from ordinary activities after tax	-	-
16.4 Extraordinary items net of tax	-	-
16.5 Net profit (loss)	-	-
16.6 Adjustments	-	-
16.7 Share of net profit (loss) of associates and joint venture entities	-	-

Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. *(If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)*

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current Period %	Previous corresponding period %	Current period \$A'000	Previous corresponding period \$A'000
17.1 Equity accounted associates and joint venture entities				
N/A				
17.2 Total	N/A	N/A	N/A	N/A
17.3 Other material interests				
N/A				
17.4 Total	N/A	N/A	N/A	N/A

Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of ⁺ securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
18.1 Preference ⁺securities (description)				
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions				
18.3 ⁺Ordinary securities	91,972,134	91,972,134		
18.4 Changes during current period (a) Increases through issues	Nil	Nil		
(b) Decreases through returns of capital, buybacks	Nil	Nil		
18.5 ⁺Convertible debt securities (description and conversion factor)				
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.7 Options (description and conversion factor)			<i>Exercise Price (cents)</i>	<i>Expiry date (if any)</i>
Options over unissued ordinary shares	2,391,000	Nil	40	23/7/2007
18.8 Issued during current period	Nil	Nil	-	N/A
18.9 Exercised during current period	Nil	Nil		
18.10 Expired during current period	(3,240,000)	Nil		
18.11 Debentures (description)				
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted				
18.13 Unsecured notes (description)				
Changes during current period				
18.14 (a) Increases through issues (b) Decreases through securities matured, converted				

Segment reporting – Refer Attachment 2

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with *AASB 1005: Segment Reporting* and for half year reports, *AASB 1029: Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's accounts should be reported separately and attached to this report.)

Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by *AASB 1029: Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Included in the profit from ordinary activities during the year is a realised gain of \$4.434 million (2003: \$1.724 million) arising from the sale of the balance of the Rebel Sports Limited investment.

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

REFER ATTACHMENT 3

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

The Directors have resolved to pay a Special Dividend of 1.5 cents per share (fully franked) on 15th October 2004 to shareholders registered on 8th October 2004.

The Directors do not anticipate at this stage that there will be any other payment of a dividend during the financial year ending 30 June 2005. The Directors will review the Company's dividend policy on a continuing basis and will advise shareholders should the situation change.

The balance of the franking account for the consolidated entity at 30 June 2004 was Nil (2003: \$296,000).

19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation

methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

Not applicable.

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports, the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

Not applicable.

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

Not applicable.

Additional disclosure for trusts

20.1 Number of units held by the management company or responsible entity or their related parties.

N/A

20.2 A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- 1 initial service charges
- 1 management fees
- 1 other fees

N/A

Annual meeting

(Preliminary final report only)

The annual meeting will be held as follows:

Place	TBA
Date	TBA
Time	TBA
Approximate date the +annual report will be available	TBA

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

Not applicable.

2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.

3 This report does/~~does not~~* *(delete one)* give a true and fair view of the matters disclosed (see note 2).

4 This report is based on +accounts to which one of the following applies.
(Tick one)

The +accounts have been audited.

The +accounts have been subject to review.

The +accounts are in the process of being audited .



The +accounts have *not* yet been audited or reviewed.

5 If the audit report or review by the auditor is not attached, details of any qualifications are ~~attached~~/will follow immediately they are available* *(delete one)*. *(Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.)*

6 The entity does not have *(delete one)* a formally constituted audit committee.

Sign here: Andrew Davis.....
Chairman

Date: 31 August 2004

Print name: Andrew Davis

Notes

1. **For announcement to the market.** The percentage changes referred to in this section are the percentage changes calculated by comparing the current period's figures with those for the previous corresponding period. Do not show percentage changes if the change is from profit to loss or loss to profit, but still show whether the change was up or down. If changes in accounting policies or procedures have had a material effect on reported figures, do not show either directional or percentage changes in profits. Explain the reason for the omissions in the note at the end of the announcement section. Entities are encouraged to attach notes or fuller explanations of any significant changes to any of the items in page 1. The area at the end of the announcement section can be used to provide a cross reference to any such attachment.
2. **True and fair view.** If this report does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.
3. **Condensed consolidated statement of financial performance**
 - Item 1.1 The definition of "revenue" and an explanation of "ordinary activities" are set out in *AASB 1004: Revenue*, and *AASB 1018: Statement of Financial Performance*.
 - Item 1.6 This item refers to the total tax attributable to the amount shown in item 1.5. Tax includes income tax and capital gains tax (if any) but excludes taxes treated as expenses from ordinary activities (eg, fringe benefits tax).
4. **Income tax.** If the amount provided for income tax in this report differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts. The rate of tax applicable to the franking amount per dividend should be inserted in the heading for the column "Franked amount per security at % tax" for items 15.4 to 15.7.
5. **Condensed consolidated statement of financial position**

Format. The format of the consolidated statement of financial position should be followed as closely as possible. However, additional items may be added if greater clarity of exposition will be achieved, provided the disclosure still meets the requirements of *AASB 1029: Interim Financial Reporting*, and *AASB 1040: Statement of Financial Position*. Also, banking institutions, trusts and financial institutions may substitute a clear liquidity ranking for the Current/Non-Current classification.

Basis of revaluation. If there has been a material revaluation of non-current assets (including investments) since the last ⁺annual report, the entity must describe the basis of revaluation adopted. The description must meet the requirements of *AASB 1010: Accounting for the Revaluation of Non-Current Assets*. If the entity has adopted a procedure of regular revaluation, the basis for which has been disclosed and has not changed, no additional disclosure is required.
6. **Condensed consolidated statement of cash flows.** For definitions of "cash" and other terms used in this report see *AASB 1026: Statement of Cash Flows*. Entities should follow the form as closely as possible, but variations are permitted if the directors (in the case of a trust, the management company) believe that this presentation is inappropriate. However, the presentation adopted must meet the requirements of *AASB 1026*. ⁺Mining exploration entities may use the form of cash flow statement in Appendix 5B.
7. **Net tangible asset backing.** Net tangible assets are determined by deducting from total tangible assets all claims on those assets ranking ahead of the ⁺ordinary securities (ie, all liabilities, preference shares, outside ⁺equity interests etc). ⁺Mining entities are *not* required to state a net tangible asset backing per ⁺ordinary security.
8. **Gain and loss of control over entities.** The gain or loss must be disclosed if it has a material effect on the ⁺accounts. Details must include the contribution for each gain or loss that increased or decreased the entity's consolidated profit (loss) from ordinary activities and extraordinary items after tax by more than 5% compared to the previous corresponding period.

9. **Rounding of figures.** This report anticipates that the information required is given to the nearest \$1,000. If an entity reports exact figures, the \$A'000 headings must be amended. If an entity qualifies under ASIC Class Order 98/0100 dated 10 July 1998, it may report to the nearest million dollars, or to the nearest \$100,000, and the \$A'000 headings must be amended.
10. **Comparative figures.** Comparative figures are to be presented in accordance with *AASB 1018* or *AASB 1029 Interim Financial Reporting* as appropriate and are the unadjusted figures from the latest annual or half year report as appropriate. However, if an adjustment has been made in accordance with an accounting standard or other reason or if there is a lack of comparability, a note explaining the position should be attached. For the statement of financial performance, *AASB 1029 Interim Financial Reporting* requires information on a year to date basis in addition to the current interim period. Normally an Appendix 4B to which *AASB 1029 Interim Financial Reporting* applies would be for the half year and consequently the information in the current period is also the year to date. If an Appendix 4B Half yearly version is produced for an additional interim period (eg because of a change of reporting period), the entity must provide the year to date information and comparatives required by *AASB 1029 Interim Financial Reporting*. This should be in the form of a multi-column version of the consolidated statement of financial performance as an attachment to the additional Appendix 4B.
11. **Additional information.** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the reports. The information may be an expansion of the material contained in this report, or contained in a note attached to the report. The requirement under the listing rules for an entity to complete this report does not prevent the entity issuing reports more frequently. Additional material lodged with the ⁺ASIC under the Corporations Act must also be given to ASX. For example, a director's report and declaration, if lodged with the ⁺ASIC, must be given to ASX.
12. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if one exists) must be complied with.
13. **Corporations Act financial statements.** This report may be able to be used by an entity required to comply with the Corporations Act as part of its half-year financial statements if prepared in accordance with Australian Accounting Standards.
14. **Issued and quoted securities.** The issue price and amount paid up is not required in items 18.1 and 18.3 for fully paid securities.
15. **Details of expenses.** *AASB 1018* requires disclosure of expenses from ordinary activities according to either their nature or function. For foreign entities, there are similar requirements in other accounting standards accepted by ASX. *AASB ED 105* clarifies that the disclosures required by *AASB 1018* must be either *all* according to nature or *all* according to function. Entities must disclose details of expenses using the layout (by nature or function) employed in their ⁺accounts.

The information in lines 1.23 to 1.27 may be provided in an attachment to Appendix 4B.

Relevant Items. *AASB 1018* requires the separate disclosure of specific revenues and expenses which are not extraordinary but which are of a size, nature or incidence that disclosure is *relevant* in explaining the financial performance of the reporting entity. The term "relevance" is defined in *AASB 1018*. There is an equivalent requirement in *AASB 1029: Interim Financial Reporting*. For foreign entities, there are similar requirements in other accounting standards accepted by ASX.

16. **Dollars.** If reporting is not in A\$, all references to \$A must be changed to the reporting currency. If reporting is not in thousands of dollars, all references to "000" must be changed to the reporting value.
17. **Discontinuing operations**

Half yearly report

All entities must provide the information required in paragraph 12 for half years beginning on or after 1 July 2001.

Preliminary final report

Entities must either provide a description of any significant activities or events relating to discontinuing operations equivalent to that required by paragraph 7.5 (g) of *AASB 1029: Interim Financial Reporting*, or, the details of discontinuing operations they are required to disclose in their accounts in accordance with *AASB 1042 Discontinuing Operations*.

In any case the information may be provided as an attachment to this Appendix 4B.

18. Format

This form is a Word document but an entity can re-format the document into Excel or similar applications for submission to the Companies Announcements Office in ASX.

ATTACHMENT 1

RIVKIN FINANCIAL SERVICES LIMITED

**Income Tax Expense Reconciliation
for the year ended 30 June 2004**

The aggregate amount of income tax attributable to the financial year differs from the amount of prima facie income tax on the operating profit before income tax.

	Economic Entity		Parent Entity	
	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000
The differences are reconciled as follows:				
Prima facie income tax attributable to the operating profit before tax at 30% (2003: 30%)	1,488	399	1,253	429
Tax effect of permanent differences:				
Non-deductible amortisation of goodwill	30	30	-	-
Other non-deductible expenses	2	1	-	-
Rebatable dividend income/franking credits	12	(28)	-	(28)
	<u>1,532</u>	<u>402</u>	<u>1,253</u>	<u>401</u>
Tax effect of timing differences not brought to account:				
Interest income receivable	-	8	-	-
Unrealised (gains)/losses on investments	(336)	174	-	-
Provision for doubtful debts	56	-	-	-
Provision for employee entitlements	12	6	-	-
Provision for write down of investments	15	-	-	-
Accrued expenses	(18)	8	(12)	28
Capital expenditure items	(46)	(34)	-	-
	<u>(317)</u>	<u>162</u>	<u>(12)</u>	<u>28</u>
Taxable income for the year	1,215	564	1,241	429
Tax losses transferred	-	-	(448)	(363)
Recoupment of prior years' tax losses where future income tax benefit not previously recorded	(151)	(564)	-	(66)
Income Tax Expense	<u>1,064</u>	<u>-</u>	<u>793</u>	<u>-</u>
Future income tax benefits not brought to account, the benefits of which will only be realised if the conditions imposed for deductibility set out below occur:				
Timing differences	274	590	36	48
Tax losses	-	18	-	-
	<u>274</u>	<u>608</u>	<u>36</u>	<u>48</u>

The amount of benefits that may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the economic entity will derive future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

ATTACHMENT 2

RIVKIN FINANCIAL SERVICES LIMITED

**Segment Information
for the year ended 30 June 2004**

	Total Revenue		Profit from Ordinary Activities after Tax		Total Assets	
	2004	2003	2004	2003	2004	2003
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Industry Segments:						
Financial Services						
- External customers	41,173	134,453	3,895	1,329	36,824	36,016
(b) Geographic Segments:						
Australia						
- External customers	41,173	134,453	3,895	1,329	36,824	36,016

ATTACHMENT 3

RIVKIN FINANCIAL SERVICES LIMITED

Paragraph 19.3

(A) Subsequent Events

- (1) Since the conclusion of the financial year the economic entity on 2nd July 2004 finalised the acquisition of 13,500,000 shares in Network Limited, an ASX Listed Company, for \$2,834,000 which was settled by the payment of \$1,000,000 in cash and the issuing of 5,000,000 shares in the economic entity to Network Limited and of 3,340,000 shares in the economic entity to Cole Kablo Pty Limited. The holding in Network Limited held by the economic entity is a shareholding of 16.36 % of the Capital of that Company. In addition the economic entity lent Network Limited the sum of \$1,000,000 for 3 years on commercial terms.
- (2) As a result of the issue of shares to Network Limited and Cole Kablo Pty Limited as detailed in paragraph (1) above, the economic entity's total issued share capital stands at 100,312,134 shares.
- (3) On 5th July 2004 the economic entity received a requisition from Sofcom Limited, Fast Scout Limited and Altera Capital Limited requisitioning an Extraordinary General Meeting of the economic entity in order to remove Alan Andrew Davis and Shannon Rivkin from the Board of the Company. On 13 July 2004 the economic entity announced that the requisitionists did not hold the required 5 % of the Capital of the economic entity at 5 July 2004 and that the Extraordinary General Meeting of the economic entity would not be called.
- (4) On 15th July 2004, the economic entity commenced proceedings against Sofcom Limited, Fast Scout Limited and Altera Limited (the Defendants) alleging that the Defendants had breached provisions of the Corporations Law relating to insider trading in acquiring their shares in the economic entity. The proceeding sought amongst other orders that the shares in the economic entity be vested in ASIC for disposal. The defendants have cross-claimed against the economic entity and others alleging breach of the insider trading laws, oppression and improper purpose of the directors of the economic entity in issuing shares to Network Limited and Cole Kablo Pty Limited and in making the loan to Network Limited. The economic entity is pressing its allegations in the original proceedings and defending the cross claims. The proceedings are fixed for hearing on the 25th October 2004 and are estimated to last for 2 weeks. At the date of this report the Company has spent \$254,228.82 on the cost of the proceedings.
- (5) Since the end of the financial year, the economic entity has substantially reduced its share trading activities and turned most of its positions to cash. Although the economic entity is continuing to trade securities, the emphasis has been changed to a policy that encompasses shareholdings in companies where the economic entity will be able to hold the shares as "core" holdings for long term capital appreciation. In addition, the economic entity will continue to trade other shares where it considers there is a reasonable opportunity for short term profit.

(B) Adoption of Australian Equivalents to International Financial Reporting Standards (“IFRS”) from 2005 / 2006

Accounting Standard AASB 1047 “Disclosing the Impact of Adopting Australian Equivalents to IFRS” requires that the financial statements for the year ended 30 June 2004 disclose :

- an explanation of how the transition to the Australian Equivalents is being managed; and
- a narrative explanation of the key differences in accounting policies arising from the transition.

Management of the Transition to AASB Equivalents to IFRS

The Group’s Audit Committee is responsible for the transition to and implementation of the Australian Equivalents to the IFRSs. The Group Financial Controller is formally responsible for the project and reports regularly to the Audit Committee on its progress.

Major Changes in Accounting Policy

Changes to accounting policies adopted by the Group are expected to affect only non-current assets. Under the new Australian Equivalent Standard, these assets will be subject to assessment for impairment and, if there are indications of impairment, measurement of any such impairment. The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less any costs of sale and (b) its value in use. “Value in use” is the net present value of net cash inflows for assets of the Group and the depreciated replacement cost for other assets which would be replaced if the Group were deprived of them.

Apart from the above, no other matter or circumstance has arisen in the interval between the end of the financial year and the date of this report that has affected, or may significantly affect:

- (a) the economic entity’s operations in future financial years; or
 - (b) the results of those operations in future financial years; or
- the economic entity’s state of affairs in future financial years.