

RIVKIN FINANCIAL SERVICES LIMITED
A.B.N. 58 061 287 045

AND CONTROLLED ENTITIES

ANNUAL REPORT

30 JUNE 2003

RIVKIN FINANCIAL SERVICES LIMITED

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RIVKIN FINANCIAL SERVICES LIMITED

CHAIRMAN'S REPORT

It is with pleasure that the Directors attach the results for the year ended 30 June 2003.

Rivkin Discount Stockbroking

The group's stockbroking subsidiary, Rivkin Discount Stockbroking Pty Ltd ("RDS") continued to trade profitably throughout the year and returned an inaugural pre-tax profit of \$631,000 despite experiencing a very flat retail market for the first nine months of the financial year. As advised in last years' report, RDS has expensed all the implementation costs for its online trading system and will now only incur an ongoing maintenance spend in this area. The firm has continued to receive an influx of new account enquiries as a result of recent departures/consolidations of its competitors. RDS continued to build on the foundations laid last year and is well positioned for growth as it makes further inroads into the retail sector. Furthermore, being an execution only broker, RDS will not be affected by the "Statement of Advice" requirements of the Financial Services Reform Act further enhancing its price competitive position against its full service competitors.

Investment Portfolio.

The Group's substantial shareholding in Rebel Sport Limited continued to perform well during the year. In accordance with our accounting policy on investments, the position was valued at cost in the group balance sheet. However, the remaining shareholding was subsequently sold in July 2003, delivering a pre-tax profit to shareholders in the first half of the 2003/04 financial year in excess of \$4,400,000. This will provide the basis for a first half result, which should underpin the company's ability to maintain its dividend policy in the coming year.

RFS paid a 1.5 cent dividend to shareholders on 1 July 2003 for the 2002/03 financial year.

Overall, we will continue to seek the right opportunities to grow our financial services company and remain optimistic that RFS will continue to deliver strong profits in the coming financial year.

Jordan Rivkin
Chairman

RIVKIN FINANCIAL SERVICES LIMITED

CORPORATE PARTICULARS

A.C.N.: 061 287 045
A.B.N.: 58 061 287 045

Directors

J Rivkin (Chairman)	D Croll
S Dassakis	S Rivkin

Secretary

D Croll

Notice of Annual General Meeting

The Annual General Meeting of Rivkin Financial Services Limited will be held at the Grace Hotel, 77 York Street, Sydney at 10.00 am on Friday, 21 November 2003.

Bankers

Bank of Western Australia Limited
108 St George's Terrace
Perth WA 6000

Solicitors

Blake Dawson Waldron
Grosvenor Place
225 George Street
Sydney NSW 2000

Auditor

Bob Miller & Co.
Level 7
30 Clarence Street
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Level 2
45 St Georges Terrace
Perth WA 6000

Telephone: (08) 9323 2000
Facsimile: (08) 9323 2033
e-mail: perth.services@computershare.com.au

Principal Registered Office

Level 33
2 Park Street
Sydney NSW 2000

Telephone: 1300 653 651
Facsimile: 1300 653 650
Website: www.rivkinstockbroking.com.au
e-mail: enquiries@rivkinstockbroking.com.au

Stock Exchange Listing

Rivkin Financial Services Limited shares are listed on the Australian Stock Exchange, code "RFS".

RIVKIN FINANCIAL SERVICES LIMITED AND CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Rivkin Financial Services Limited (the "Company") and its controlled entities for the financial year ended 30 June 2003.

DIRECTORS

S. Dassakis held office as a Director during the whole of the financial year. The following persons were Directors of the Company as at the date of this report:

Names	Qualifications and Experience
Jordan Rivkin (Chairman)	Mr Jordan Rivkin (aged 29) was appointed as a Director on 5 May 2003. He has a Bachelor of Arts degree and is currently completing a Diploma in Financial Markets with the Securities Institute of Australia. He is a Director of Tarfaya Nominee Pty Ltd which publishes the Rivkin Report, and has been Editor of the Rivkin Report for the past 5 years and Managing Director for the past year. Mr. Rivkin has also written and had published a stock market book through Penguin Publications in 2001.
Spiros Dassakis	Mr Dassakis (aged 35) has had 10 years experience in senior management positions within the hospitality industry. He is Group Operations Director of Rivkin Group Pty Limited, where he has worked for the past 5 years, and is responsible for the management of its diverse business portfolio.
Shannon Rivkin	Mr Shannon Rivkin (aged 24) was appointed as a Director on 30 May 2003. He has had 3 years management experience in the hospitality industry. Mr Rivkin has a Diploma in Technology and is currently completing a Diploma in Financial Markets through the Securities Institute of Australia.
David Croll	Mr Croll (aged 36) was appointed as a Director on 30 May 2003. He is a qualified Chartered Accountant and holds a Bachelor of Business Degree from Curtin University in Western Australia. He has spent the last 10 years working in the financial services sector both in Australia and the United Kingdom. He is currently completing a Masters of Business and Technology through the University of New South Wales. Mr. Croll is also the Company Secretary of Rivkin Financial Services Limited.

Changes to Directorships

Jordan Rivkin has served as a Director since his appointment on 5 May 2003 until the date of this report.

Shannon Rivkin and David Croll have served as Directors from the date of their appointment on 30 May 2003 to the date of this report.

Rene Rivkin served as a Director from the beginning of the financial year until his resignation on 30 May 2003.

Peter Newton and Peter Barron served as Directors from the beginning of the financial year until their resignation on 5 May 2003.

Richard Gelski served as a Director from the beginning of the financial year until his resignation on 20 August 2002.

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the financial year were the:

- provision of private client stockbroking services; and
- holding of listed equity investments.

DIRECTORS' REPORT (Cont'd)

No significant changes in the nature of these activities occurred during the year.

During the course of the financial year the consolidated entity finally divested itself of its last remaining mining tenements.

CONSOLIDATED RESULT

The consolidated profit after income tax for the financial year attributable to members of the Company was \$1,329,000 (2002: Loss of \$1,544,000).

DIVIDENDS

A final dividend of \$1,379,000 (1.5 cents per share unfranked) was declared in respect of the financial year ended 30 June 2003. This dividend was paid on 1 July 2003. No other dividends have been paid or declared since the end of the preceding financial year.

REVIEW OF OPERATIONS

During the financial year the Group continued to develop its non-advisory, execution-only discount stockbroking operation, and actively traded its investment portfolio. The business performed to Directors' expectations for the financial year.

Included in the consolidated profit for the year is a realised gain of \$1,724,000 arising from the sale of part of the Rebel Sports Limited investment.

Also during the financial year, the Company finally divested itself of all its few remaining gold mining and exploration tenements.

STATE OF AFFAIRS

Net assets decreased from \$19,715,000 at 30 June 2002 to \$16,916,000 primarily as a result of the on-market buy back of 10% of the Company's issued ordinary share capital at a cost of \$2,749,000.

In the opinion of the Directors there were no other significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review, not otherwise disclosed in this report or the consolidated financial statements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The balance of the consolidated entity's investment in Rebel Sports Limited was sold in July 2003, resulting in a further realised gain of \$4.434 million, before income tax expense.

No other matter or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The consolidated entity plans to continue to expand its stockbroking operations and to take advantage of strategic investment opportunities as they arise.

Apart from the foregoing, further information on likely developments in the operations of the consolidated entity and the expected results of those operations has not been included in this report as the Directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the consolidated entity.

DIRECTORS' REPORT (Cont'd)

DIRECTORS' MEETINGS

During the financial year, 7 meetings of the Directors were held. Attendances were:

Name	Full Meetings		Audit Committee	
	Eligible To Attend	Attended	Eligible To Attend	Attended
J Rivkin (Chairman)	2	2	-	-
S Rivkin	1	1	-	-
S Dassakis	7	7	5	4
D Croll	1	1	1	1
R Rivkin	6	6	-	-
P Newton	5	4	-	-
P Barron	5	4	-	-
R Gelski	1	1	1	1

DIRECTORS' INTERESTS

The relevant interests of each Director in the share capital of the Company, as notified by the Directors to the Australian Stock Exchange in accordance with Section 205G of the Corporations Act 2001, at the date of this report, are as follows:

Name	Direct	Indirect	Total	Options
J Rivkin	500,000	-	500,000	-
S Rivkin	-	-	-	-
S Dassakis	-	-	-	-
D Croll	-	-	-	-

On 1 July 2003, 360,000 options over unissued ordinary shares in the Company granted to Mr S Dassakis previously as part of his remuneration package, lapsed.

DIRECTORS' AND SENIOR EXECUTIVES' EMOLUMENTS

The Directors are responsible for making recommendations on remuneration policies and packages applicable to the Directors and senior executives of the consolidated entity. The broad remuneration policy is to ensure that remuneration packages properly reflect a person's duties and responsibilities, and that the level of remuneration is competitive to enable the consolidated entity to attract, retain and motivate people of the highest quality.

Executive Directors and senior executives may receive bonuses or commissions, the objective of which is to both reinforce the short and long term goals of the consolidated entity and to provide a common interest between management and shareholders. In addition, Directors and executives may also be provided with longer term incentives through the Rivkin Financial Services Limited Share Option Plan (the "Share Option Plan"), which acts to align the Directors' and executives' actions with the interests of shareholders.

The emoluments of each Director and executive officer of the consolidated entity are as follows:

Name	Salary	Directors' Fees	Superannuation Contributions	Other Benefits	Total
	\$	\$	\$	\$	\$
Directors					
J Rivkin	-	2,500	225	-	2,725
S Rivkin	-	1,250	113	-	1,363
S Dassakis	-	15,000	1,200	-	16,200
D Croll	-	1,250	113	-	1,363
R Rivkin	-	-	-	-	-
P Barron	-	12,500	1,125	-	13,625
P Newton	-	12,500	1,125	-	13,625
R Gelski	-	-	-	-	-

DIRECTORS' REPORT (Cont'd)

Executive Officers

N Smith	135,645	-	9,647	14,278	159,570
D Cordingley	140,000	-	10,519	-	150,519

The executive officers shown above were the only executives of the consolidated entity during the financial year.

OPTIONS

Under the terms of the Share Option Plan, 2,850,000 options issued in previous years to Directors and Officers were exercisable only on 1 July 2001, 1 July 2002 and 1 July 2003. On 1 July 2003 all of these options expired, with none having been exercised. No options have been granted to any Director since the end of the financial year.

On 23 July 2002, under the Share Option Plan, the Company granted 2,781,000 options over its unissued ordinary shares to 23 employees of Rivkin Discount Stockbroking Pty Ltd ("RDS"), including 651,000 granted to an executive officer, D Cordingley. The options are exercisable at a price of 40 cents per option and expire on 23 July 2007.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

No shares have been issued by virtue of the exercise of an option during the year or to the date of this report and there are 2,781,000 unissued ordinary shares for which options are outstanding at the date of this report.

ENVIRONMENTAL REGULATION

The consolidated entity's financial services activities are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Directors believe that the consolidated entity has adequate systems in place for the management of environmental requirements as they apply to the consolidated entity.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year the Company paid insurance premiums indemnifying each of the Directors and officers of the consolidated entity against all liabilities to another person that may arise from their position as Directors or officers of the Company and its controlled entities, except where the liability arises out of criminal or dishonest conduct or behaviour involving lack of good faith. The agreement stipulates that the Company will meet the full amount of such liabilities, including costs and expenses.

PROCEEDINGS ON BEHALF OF THE COMPANY

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.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors:

J Rivkin
Chairman

Sydney
26 September 2003

RIVKIN FINANCIAL SERVICES LIMITED

AND CONTROLLED ENTITIES

STATEMENT OF CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003

The Directors are responsible to the shareholders for the performance of the Company and to this end are committed to good corporate governance. The Directors aim to enhance the interests of shareholders and other key stakeholders and to ensure that the Company and its controlled entities are properly managed. The Board draws on corporate governance best practice principles to assist it to contribute to the performance of the Company. The Board is responsible for the overall corporate governance of the Company, including its strategic direction and financial objectives. The functions of the Board include:

- reviewing and approving of corporate strategies, the annual budget and financial plans;
- overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- monitoring financial performance, including approval of the annual and half-year financial reports, and liaison with the Company's external auditors;
- appointing, and assessing the performance of, the senior management team;
- ensuring that there are effective management processes in place and approving major corporate initiatives;
- enhancing and protecting the reputation of the organisation;
- ensuring that significant risks facing the Company and its controlled entities have been identified and that appropriate and adequate control, monitoring and reporting mechanisms are in place;
- reporting to shareholders; and
- informing the securities markets when appropriate.

This statement outlines the main corporate governance practices that were in place during the financial year. Unless otherwise stated these practices were in place throughout the entire reporting period.

Composition of the Board

Currently, all Directors of the Board are non-executive Directors. The names and details of experience, qualifications, age and shareholdings of each Director of the Company are set out on pages 3 to 6 of the Annual Report.

The composition of the Board is determined in accordance with the Company's constitution, using the following principles:

- the Board should comprise at least three, and not more than twelve, Directors;
- the Board should comprise a majority of non-executive Directors;
- the Chairman of the Board shall be a non-executive Director; and
- Directors should bring characteristics that will allow a mix of qualifications, relevant skills and experience on the Board.

Prior to appointment, each Director is provided with a letter of appointment, which includes a copy of the Board guidelines governing Board operation, membership and corporate governance and details on regulations relating to disclosure of interests and guidelines for dealing in securities. The expectations of the Board in respect of a proposed appointee and the workings of the Board and the Audit Committee are conveyed in interviews with the Chairman and access is provided to management in relation to details of the business of the Company and its controlled entities.

Under the Company's constitution, approximately one-third of Directors retire by rotation each year and Directors appointed during the year are required to submit themselves for election by shareholders at the Company's next Annual General Meeting. Each Director must retire from office no later than the third Annual General Meeting following their last election. The retirement age for Directors is 72 years at the date of the Annual General Meeting. No Director is required to hold any shares in the Company.

The Board aims to convene at least 6 Board meetings per annum. At the Board meetings any Director who has a conflict of interest in any matter discussed is required to declare that interest. Any Director so affected may not participate in the discussions or any decision made by the Board in respect of such matters.

STATEMENT OF CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2003 (Cont'd)

Remuneration of Non-Executive Directors

Non-executive Directors are remunerated for their services from the maximum aggregate amount approved by the shareholders in General Meeting. The amount paid to each Director will vary in accordance with their respective responsibilities and participation on Board committees.

In accordance with its constitution, the Company has agreed to enter into contracts of insurance, and pay the insurance premiums thereon, to indemnify the Directors against all liabilities to another person that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of criminal or dishonest conduct or behaviour involving lack of good faith.

Independent Professional Advice

The Board has a policy of enabling Directors to seek independent professional advice at the Company's expense. The Board will review in advance the qualifications and estimated costs for reasonableness of the fees of the relevant expert, but will not impede the seeking of advice.

Risk Assessment and Management

The Board has in place a number of arrangements and internal controls intended to identify and manage areas of significant business risk. These include the maintenance of the Audit Committee, detailed budgetary, management and financial reporting, established organisational structures, procedures and policies, audits, comprehensive insurance programs and the retention of specialised staff and external advisers.

The Board is responsible for the approval of the annual budget, significant acquisitions and disposals of assets, and expenditure decisions outside of the budget and financing arrangements.

Committees of the Board

To assist in the execution of its responsibilities, the Board has established an Audit Committee, comprising D Croll and S Dassakis (non-executive members of the Board), R Gelski (Legal Counsel), H Fielder (RDS Compliance Consultant) and D Cordingley (Financial Controller). The main responsibilities of the Audit Committee are to:

- review and report to the Board on the annual and half-year financial reports, and all other financial information published by the Company or released to the market;
- review and monitor the effectiveness of the systems of internal control, including risk management and compliance procedures;
- review and monitor the reliability of financial reporting and compliance with applicable laws and regulations;
- liaise with the external audit function;
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of engagement, and the scope and quality of the audit; and
- review the in-house Compliance Manual and its implementation within the Group.

The Audit Committee meets with the external auditors on at least two occasions each year. The external auditor has a direct line of communication to the Board, via the Chairman, if it is required.

Ethical Standards

The Company and its controlled entities require that all employees act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies. This requirement is reinforced with all new employees upon their induction to the Company.

The purchase and sale of the Company's securities by Directors and employees is not permitted during the six week period prior to the release of the half-yearly and annual financial results to the market. Any transactions undertaken during the permitted period must be notified to the Company Secretary in advance.

**RIVKIN FINANCIAL SERVICES LIMITED
AND CONTROLLED ENTITIES**

**STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Consolidated		Parent Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Gross revenue from ordinary activities	2	134,453	96,782	4,380	1,886
Cost of disposal of investments		(126,474)	(92,211)	(2,489)	(1,840)
Net revenue from ordinary activities		<u>7,979</u>	<u>4,571</u>	<u>1,891</u>	<u>46</u>
Expenses:					
Employee benefits		(2,618)	(2,316)	(52)	(68)
Depreciation and amortisation		(129)	(207)	-	-
Amortisation of goodwill		(101)	(101)	-	-
Unrealised losses on investments		(876)	(300)	-	-
Administration and other expenses		(2,926)	(3,188)	(410)	(309)
Borrowing costs		-	(3)	-	-
Total expenses	3	<u>(6,650)</u>	<u>(6,115)</u>	<u>(462)</u>	<u>(377)</u>
Profit/(loss) from ordinary activities before income tax expense	3	1,329	(1,544)	1,429	(331)
Income tax expense	4	-	-	-	-
Net profit/(loss) after income tax expense attributable to members of Rivkin Financial Services Limited	15	<u>1,329</u>	<u>(1,544)</u>	<u>1,429</u>	<u>(331)</u>
Total changes in equity other than those resulting from transactions with owners as owners	16	<u>1,329</u>	<u>(1,544)</u>	<u>1,429</u>	<u>(331)</u>
		Cents	Cents		
Basic earnings/(loss) per share	5	1.3	(1.5)		
Diluted earnings/(loss) per share	5	<u>1.4</u>	<u>(1.4)</u>		

The accompanying notes form part of these financial statements.

**RIVKIN FINANCIAL SERVICES LIMITED
AND CONTROLLED ENTITIES**

**STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2003**

	Notes	Consolidated		Parent Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Current Assets					
Cash	6	5,125	2,478	162	21
Receivables	7	20,004	22,865	8,708	9,349
Investments	8	4,302	8,299	-	-
Other	9	158	151	85	70
Total Current Assets		29,589	33,793	8,955	9,440
Non-Current Assets					
Property, plant and equipment	10	449	572	-	-
Investments	8	4,145	5,390	12,553	13,400
Intangibles	11	1,833	1,934	-	-
Total Non-Current Assets		6,427	7,896	12,553	13,400
Total Assets		36,016	41,689	21,508	22,840
Current Liabilities					
Payables	12	17,586	21,859	100	112
Provisions	13	1,514	115	1,379	-
Total Current Liabilities		19,100	21,974	1,479	112
Total Non-Current Liabilities		-	-	-	-
Total Liabilities		19,100	21,974	1,479	112
Net Assets		16,916	19,715	20,029	22,728
Equity					
Parent entity interest:					
Contributed equity	14	20,292	23,041	20,292	23,041
Accumulated losses	15	(3,376)	(3,326)	(263)	(313)
Total Equity	16	16,916	19,715	20,029	22,728

The accompanying notes form part of these financial statements.

**RIVKIN FINANCIAL SERVICES LIMITED
AND CONTROLLED ENTITIES**

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	Notes	Consolidated		Parent Entity	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Cash Flows from Operating Activities					
Receipts from customers		5,820	4,325	42	1
Net working capital provided as agent for clients		(1,220)	(845)	-	-
		4,600	3,480	42	1
Payments to suppliers and employees		(5,912)	(5,018)	(486)	(490)
		(1,312)	(1,538)	(444)	(489)
Proceeds from disposal of investments		128,014	92,150	4,211	1,804
Payments for investments		(121,864)	(99,997)	(1,241)	(6,318)
Interest received		188	272	24	137
Dividends received		377	182	94	16
Borrowing costs paid		-	(3)	-	-
Net cash (outflow) from operating activities	22(b)	5,403	(8,934)	2,644	(4,850)
Cash Flows from Investing Activities					
Payments for property, plant and equipment		(7)	(404)	-	-
Payments for investments in controlled entities		-	-	(400)	(500)
Proceeds from sale of non-current assets		-	1	-	-
Net proceeds from repayments of loans to controlled entities		-	-	646	-
Net payments for loans to controlled entities		-	-	-	(2,188)
Net cash (outflow) from investing activities		(7)	(403)	246	(2,688)
Cash Flows from Financing Activities					
Payments for on-market buy-back of issued ordinary shares	14(d)	(2,749)	-	(2,749)	-
Net cash outflow from financing activities		(2,749)	-	(2,749)	-
Net increase/(decrease) in cash held		2,647	(9,337)	141	(7,538)
Cash at the beginning of the financial year		2,478	11,815	21	7,559
Cash at the end of the financial year	22(a)	5,125	2,478	162	21

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

1. Statement of Significant Accounting Policies

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001.

The financial report covers the consolidated entity of Rivkin Financial Services Limited and controlled entities, and Rivkin Financial Services Limited as an individual parent entity. Rivkin Financial Services Limited is a listed public company, limited by shares, and incorporated and domiciled in Australia.

The financial report has been prepared in accordance with the historical cost convention, except for certain assets which, as noted, are at valuation. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Rivkin Financial Services Limited (the "Company" or "parent entity") as at 30 June 2003 and the results of all controlled entities for the year then ended. Rivkin Financial Services Limited and its controlled entities together are referred to in this financial report as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Where control of an entity is obtained during a financial year, its results are included in the consolidated statements of financial performance from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed.

(b) Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at the date of acquisition. Both purchased goodwill and goodwill on consolidation are amortised on a straight line basis over a period of 20 years.

The balances are reviewed at least annually and any balance representing future benefits for which the realisation is considered to be no longer probable is written off.

(c) Revenue Recognition

Brokerage revenue earned from share and option trading activities is recognised on execution of the transaction.

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend income is brought to account when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

(d) Income Tax

The consolidated entity adopts the liability method of tax effect accounting, whereby the income tax expense is based on the profit (or loss) from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

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

(e) Investments

Shares in listed entities, exchange traded options and futures contracts held as current assets are valued by the Directors at market value at each balance date. The gains or losses, whether realised or unrealised, are included in the profit or loss from ordinary activities before income tax. Other securities are carried at the lower of cost or recoverable amount.

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-current assets.

The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(f) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation or amortisation.

Leasehold Improvements and Furniture, Fittings and Equipment

Leasehold improvements and furniture, fittings and equipment are measured on the cost basis.

The carrying amount of leasehold improvements and furniture, fittings and equipment is reviewed annually by the Directors to ensure that it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from employment of the assets and their subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

Depreciation and Amortisation

All fixed assets are depreciated on a straight line basis over their useful lives to the consolidated entity commencing from the time that the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation/amortisation rates used for each class of depreciable asset are:

<i>Class of Asset</i>	<i>Depreciation/Amortisation Rate</i>
Leasehold Improvements	50% per annum
Furniture, Fittings and Equipment	5% to 40% per annum

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. Statement of Significant Accounting Policies (Cont'd)

(g) Provision for Doubtful Debts

The collectibility of debts is assessed on a regular basis, at least annually, and a provision is made for any specific doubtful accounts. In addition, a general provision is maintained.

(h) Employee Entitlements

Wages, Salaries, Annual Leave and Long Service Leave

Provision is made for the consolidated entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave, which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. The employee entitlement provision also includes costs that are a consequence of employment but which are not employee benefits, such as payroll tax and other similar on-costs. These costs are recognised as liabilities and expenses when the employee benefits to which they relate are recognised as liabilities and expenses.

Superannuation

Contributions made by the consolidated entity to employee superannuation funds are charged as expenses when incurred.

(i) Employee Share Option Plan

Certain employees are entitled to participate in the Rivkin Financial Services Limited Share Option Plan (the "Share Option Plan"). The details of the scheme are described in Note 14(e). No remuneration expense is recognised in respect of employee options issued.

(j) Cash

For the purposes of the Statements of Cash Flows, cash includes cash on hand and at bank, and deposits at call that are readily convertible to cash on hand, and which are used in the cash management function on a day to day basis, net of any bank overdrafts.

(k) Comparative Figures

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

(l) Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2. Revenue

	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Revenue from ordinary activities:				
Brokerage and related revenue	5,635	4,250	51	-
Proceeds from disposal of investments	128,014	92,150	4,211	1,804
Dividends	616	182	94	16
Interest	188	200	24	66
	134,453	96,782	4,380	1,886

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

3. Operating Profit/(Loss)

	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
(i) Operating profit/(loss) before income tax has been determined after crediting the following items:				
Interest received - other persons	188	200	24	66
Dividends received - non-related entities	616	182	94	16
Net realised gains on disposal of investments	1,541	62	1,724	-
	<hr/>			

(ii) Operating profit/(loss) before income tax has been determined after charging the following items:

Borrowing costs - other parties	-	3	-	-
Depreciation of property, plant and equipment	129	147	-	-
Amortisation of leasehold improvements	-	60	-	-
Amortisation of goodwill on consolidation	101	101	-	-
Provision for employee entitlements	20	50	-	-
Provision for doubtful debts	-	100	-	-
Lease rental expenses - operating leases	344	242	-	-
Net realised losses on disposal of investments	-	-	-	36
Net unrealised losses on investments	876	300	-	-
Loss on disposal of property, plant and equipment	-	1	-	-
	<hr/>			

(iii) Auditors' Remuneration

Amounts received, or due and receivable by the auditors for:

Auditing the accounts	51	47	5	4
Other services	14	16	10	10
	<hr/>			
	65	63	15	14
	<hr/>			

4. Income Tax

The aggregate amount of income tax attributable to the financial year differs from the amount calculated on the profit/(loss).

The difference is reconciled as follows:

Profit/(loss) from ordinary activities before income tax expense	1,329	(1,544)	1,429	(331)
	<hr/>			
Income tax calculated at 30% (2002: 30%)	399	(463)	429	(99)
Tax effect of permanent differences:				
Non-deductible amortisation of goodwill	30	30	-	-
Other non-deductible expenses	1	28	-	27
Rebateable dividend income	(28)	(40)	(28)	-
	<hr/>			
	402	(445)	401	(72)
Tax effect of timing differences not brought to account:				
Interest income receivable	8	13	-	21
Unrealised losses/(gains) on investments	174	103	-	-
Provision for doubtful debts	-	30	-	-
Provision for employee entitlements	6	15	-	-
Accrued expenses	8	40	28	(3)
Capital expenditure items	(34)	73	-	(3)
	<hr/>			
	162	274	28	15
	<hr/>			

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

4. Income Tax (cont'd)

	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Tax effect of profit/(loss) for the year	564	(171)	429	(57)
Tax losses transferred to a related entity	-	-	(363)	14
Recoupment of prior years' tax losses where future income tax benefit not previously booked	(564)	-	(66)	-
Future income tax benefit relating to tax losses not brought to account	-	171	-	43
Income Tax Expense	-	-	-	-
Future income tax benefits not brought to account, at the income tax rate of 30%, the benefits of which will only be realised if the conditions imposed for deductibility set out in Note 1(d) occur:				
Timing differences	590	430	48	20
Tax losses	18	563	-	54
	<u>608</u>	<u>993</u>	<u>48</u>	<u>74</u>
Balance of franking accounts at year end	<u>296</u>	<u>325</u>	<u>43</u>	<u>7</u>

5. Earnings Per Share

	Consolidated	
	2003	2002
	Cents	Cents
Basic earnings/(loss) per share	1.3	(1.5)
Diluted earnings/(loss) per share	<u>1.4</u>	<u>(1.4)</u>
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	<u>101,015,360</u>	<u>102,191,259</u>
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share.	<u>106,318,160</u>	<u>105,180,574</u>

6. Cash

	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Cash at bank and on hand	1,700	1,563	14	15
Deposits at call	3,425	915	148	6
	<u>5,125</u>	<u>2,478</u>	<u>162</u>	<u>21</u>

Cash at bank is bearing floating interest rates between nil and 3.20% (2002: between nil and 4.55%). The deposits are bearing floating interest rates between nil and 4.55% (2002: between nil and 4.45%).

7. Receivables

Current

Trade debtors	19,965	22,713	-	-
Provision for doubtful debts	(250)	(250)	-	-
Trade debtors (net)	<u>19,715</u>	<u>22,463</u>	<u>-</u>	<u>-</u>
Amounts receivable from wholly-owned subsidiaries	-	-	8,698	9,344
Other debtors	289	402	10	5
	<u>20,004</u>	<u>22,865</u>	<u>8,708</u>	<u>9,349</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

8. Investments

	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Current				
Securities - listed, at market value	4,302	8,299	-	-
Non-Current				
Shares in controlled entities, at cost	-	-	8,408	8,010
Securities - listed, at cost	4,145	5,390	4,145	5,390
	<u>4,145</u>	<u>5,390</u>	<u>12,553</u>	<u>13,400</u>
Market value of securities listed on a prescribed stock exchange	12,814	18,699	8,512	10,400

Controlled Entities

(a) Details of controlled entities:

	Country of Incorporation	Percentage Owned	
		2003	2002
		%	%
Parent Entity			
Rivkin Financial Services Limited	Australia	100	100
Subsidiaries of Rivkin Financial Services Limited:			
Rivkin Discount Stockbroking Pty Ltd	Australia	100	100
Rivkin Investments Pty Limited	Australia	100	100
Rivkin Funds Management Limited	Australia	100	100
Rivkin Mortgage & Leasing Pty Limited	Australia	60	-
Subsidiaries of Rivkin Discount Stockbroking Pty Ltd:			
RDS Nominees No. 1 Pty Limited	Australia	100	100
RDS Nominees No. 2 Pty Limited	Australia	100	100

(b) Controlled Entities Acquired

On 12 December 2002, the parent entity subscribed for six ordinary fully paid \$1-00 shares in Rivkin Mortgage and Leasing Pty Limited.

9. Other Current Assets

	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Prepayments	143	136	85	70
Security deposits	15	15	-	-
	<u>158</u>	<u>151</u>	<u>85</u>	<u>70</u>

10. Property, Plant And Equipment

Leasehold Improvements

At cost	119	119	-	-
Accumulated amortisation	(119)	(119)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Furniture, Fittings and Equipment

At cost	753	746	-	-
Accumulated depreciation	(304)	(174)	-	-
	<u>449</u>	<u>572</u>	<u>-</u>	<u>-</u>
	<u>449</u>	<u>572</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

10. Property, Plant And Equipment (Cont'd)

Movements in Carrying Amounts:	Leasehold Improvements 2003 \$'000	Furniture, Fittings and Equipment 2003 \$'000	Total 2003 \$'000
Consolidated			
Balance at the beginning of the year	-	572	572
Additions	-	6	6
Disposals	-	-	-
Depreciation/amortisation expense	-	(129)	(129)
Carrying amount at the end of the year	-	449	449

11. Intangibles

	Consolidated		Parent Entity	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Goodwill on consolidation, at cost	2,019	2,019	-	-
Accumulated amortisation	(236)	(135)	-	-
	1,783	1,884		
Cost of membership of the Aust. Stock Exchange Ltd	50	50	-	-
	1,833	1,934	-	-

12. Payables

Current

Trade creditors	17,412	21,668	83	98
Other creditors	162	191	5	14
Amounts payable to Directors or Director-related entities	12	-	12	-
	17,586	21,859	100	112

13. Provisions

Current

Dividends	1,379	-	1,379	-
Employee benefits	135	115	-	-
	1,514	115	1,379	-

Number of employees at the reporting date

Number	Number	Number	Number
28	28	-	-

14. Contributed Equity

	Parent Entity		Parent Entity	
	2003	2002	2003	2002
(a) Share Capital	Number of Shares	Number of Shares	\$'000	\$'000
Ordinary shares, fully paid	91,972,134	102,191,259	20,292	23,041

(b) Movements in Ordinary Share Capital

	Notes	Date	Number of Shares	Price	\$'000
Balance at 30 June 2001			102,191,259		25,083
Less: Mining exploration and evaluation costs written off against issued capital		1/7/01	-		(2,042)
Balance at 30 June 2002			102,191,259		23,041
On-market buy-back of issued ordinary shares	(d)	26/5/03	(10,219,125)	\$0.269	(2,749)
			91,972,134		20,292

14. Contributed Equity (Cont'd)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands, every holder of ordinary shares present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll, each share is entitled to one vote.

(d) Share Buy-Back

Between the 1st and 26th May 2003, the Company undertook an on-market buy-back of 10% of its ordinary issued capital. The total cost of the buy-back was \$2,749,000 and the total number of shares on issue was reduced by 10,219,125 to 91,972,134 shares.

(e) Options

The establishment of the Rivkin Financial Services Share Option Plan was approved by shareholders at an extraordinary general meeting held on 30 January 2001. Eligible participants must be directors of the Company or employees of the Company's wholly owned subsidiary, Rivkin Discount Stockbroking Pty Ltd ("RDS").

Directors and Officers of the Company:

Under the terms of the Share Option Plan, 2,850,000 options issued in previous years to Directors and Officers were exercisable only on 1 July 2001, 1 July 2002 and 1 July 2003. On 1 July 2003 all of these options expired, with none having been exercised. No options have been granted to any Director since the end of the financial year.

Employees of RDS:

On 23 July 2002 the Company granted 2,781,000 options over its unissued ordinary shares to 23 employees of RDS. The options are exercisable at a price of 40 cents per option and expire on 23 July 2007.

Options are granted under the plan for no consideration. Options granted do not vest until two years after commencement of employment and are exercisable up until a date five years after the option was granted. The participant must remain an employee of RDS in order to exercise an option.

15. Accumulated Losses

	Consolidated		Parent Entity	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Accumulated losses at the beginning of the financial year	(3,326)	(3,824)	(313)	(2,024)
Net profit/(loss) attributable to the members of Rivkin Financial Services Limited	1,329	(1,544)	1,429	(331)
	(1,997)	(5,368)	1,116	(2,355)
Accumulated mining, exploration and evaluation costs written off against issued capital	-	2,042	-	2,042
Accumulated losses at the end of the financial year	(1,997)	(3,326)	1,116	(313)
Dividends paid/payable	(1,379)	-	(1,379)	-
	(3,376)	(3,326)	(263)	(313)

16. Equity

Total equity at the beginning of the financial year	19,715	21,259	22,728	23,059
Total changes in equity recognised in the Statements of Financial Performance	1,329	(1,544)	1,429	(331)
Transactions with owners as owners:				
Dividends declared and payable	(1,379)	-	(1,379)	-
On-market buy-back of issued ordinary shares	(2,749)	-	(2,749)	-
Total equity at the end of the financial year	16,916	19,715	20,029	22,728

17. Remuneration and Retirement Benefits

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(a) Directors

The following persons held the position of Director of the Company during the whole of the financial year, except where otherwise noted:

S Dassakis
J Rivkin (appointed on 5 May 2003)
D Croll (appointed on 30 May 2003)
S Rivkin (appointed on 30 May 2003)
R Gelski (resigned on 20 August 2002)
P Barron (resigned on 5 May 2003)
P Newton (resigned on 5 May 2003)
R Rivkin (resigned on 30 May 2003)

(b) Directors' Remuneration

Income paid or payable to all Directors of each entity in the consolidated entity by the entities of which they are directors and any related parties

Consolidated		Parent Entity	
2003	2002	2003	2002
\$	\$	\$	\$
48,901	63,600	-	-

Income paid or payable to all Directors of the parent entity by the parent entity and any related parties

-	-	48,901	63,600
---	---	--------	--------

Number of parent entity Directors whose income from the parent entity and any related parties was within the following bands:

<u>From (\$)</u>	<u>To (\$)</u>	Number	Number
0	9,999	3	2
10,000	19,999	3	4

(c) Remuneration of Executives

Remuneration received or due and receivable by executive officers of the consolidated entity, from entities in the consolidated entity and any related entities for management of the affairs of the consolidated entity, whose income is \$100,000 or more

Consolidated		Parent Entity	
2003	2002	2003	2002
\$	\$	\$	\$
310,090	308,664	-	-

Remuneration received or due and receivable by executive officers of the parent entity, from the parent entity and any related parties for management of the affairs of the parent entity and its subsidiaries, whose income is \$100,000 or more

-	-	-	-
Number	Number	Number	Number

The number of executives whose income was within the following bands:

<u>From (\$)</u>	<u>To (\$)</u>	Number	Number
150,000	159,999	2	-

17. Remuneration and Retirement Benefits

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(Cont'd)

(d) Retirement and Superannuation Payments

No prescribed benefits were paid in connection with the retirement of a person from the prescribed office in relation to a corporation in the consolidated entity during the financial year.

18. Commitments

Lease Rental Commitments

Non-cancellable operating leases for the rental of premises, not capitalised in the financial statements and payable:

	Consolidated		Parent Entity	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
- Not later than one year	319	357	-	-
- Later than one year but not later than five years	397	255	-	-
	716	612	-	-

19. Contingent Liabilities

The consolidated entity has no contingent liabilities at 30 June 2003 (2002: Nil).

20. Related Party Disclosures

Transactions between related parties are conducted on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

(a) Transactions with Related Parties

	Consolidated		Parent Entity	
	2003 \$	2002 \$	2003 \$	2002 \$
Brokerage paid to Rivkin Discount Stockbroking Pty Ltd, a wholly-owned controlled entity	-	-	3,421	3,544
Brokerage received by Rivkin Discount Stockbroking Pty Ltd from Directors and Director-related entities	2,340	15,493	-	-
Fees paid for legal advice to a firm of solicitors, of which R Gelski, a former Director, is a principal	31,061	101,179	14,171	43,024
Amounts receivable from Directors and Director-related entities by the consolidated entity	-	22,189	-	-
Amounts payable to Directors and Director-related entities by the consolidated entity	12,500	41,627	12,500	-
Aggregate amounts payable by the parent entity to wholly-owned controlled entities	-	-	285	100
Aggregate amounts payable to the parent entity by wholly-owned controlled entities	-	-	8,698,144	9,344,014
	-	-	8,698,144	9,344,014

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

20. Related Party Disclosures (Cont'd)

(b) Directors' Shareholdings

Directors and Director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the parent entity:

	Number of Ordinary Shares 2003	Number of Ordinary Shares 2002
Ordinary fully paid shares	500,000	14,216,438
Options over unissued ordinary shares	-	1,800,000

21. Segment Information

	Total Revenue		Profit/(Loss) from Ordinary Activities after Tax		Total Assets	
	2003	2002	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Industry Segments						
Financial Services						
- External customers	134,453	96,782	1,329	(1,544)	36,016	41,689
(b) Geographic Segments						
Australia						
- External customers	134,453	96,782	1,329	(1,544)	36,016	41,689

No transactions occurred between segments during the year.

22. Cash Flow Information

(a) Reconciliation of Cash

For the purposes of the Statements of Cash Flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the Statements of Financial Position as follows:

	Consolidated		Parent Entity	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Cash on hand	1	1	-	-
Cash at bank (interest bearing – note(i))	1,319	625	14	15
Cash at bank - clients' trust account (non-interest bearing)	380	937	-	-
	1,700	1,563	14	15
Short term deposits at call (non-interest bearing – note(ii))	403	403	-	-
Short term deposits at call (interest bearing)	3,022	512	148	6
	5,125	2,478	162	21

- (i) Cash amounts are held with banks in interest bearing accounts. At the reporting date the average interest rate was 4.11% (2002: 3.84%).
- (ii) The short term deposit is held by a financial institution on behalf of the Australian Stock Exchange, on trust for clients. The consolidated entity does not receive interest on this deposit.

22. Cash Flow Information (Cont'd)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(b) Reconciliation of Operating Profit/(Loss) after Income Tax to Net Cash (Outflow) from Operating Activities

	Consolidated		Parent Entity	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Operating profit/(loss) after income tax	1,329	(1,544)	1,429	(331)
Non-Cash Items				
Amounts set aside to provisions:				
- Depreciation	129	147	-	-
- Amortisation of leasehold improvements	-	60	-	-
- Amortisation of goodwill	101	101	-	-
- Employee benefits	20	50	-	-
- Doubtful debts	-	100	-	-
Investing/Financial Items				
Loss on disposal of property, plant and equipment	-	1	-	-
Changes in Assets and Liabilities				
(Increase)/decrease in assets:				
- Trade debtors	2,698	(11,689)	-	-
- Investments	5,247	(7,273)	1,246	(4,478)
- Other debtors	36	(257)	(7)	86
- Prepayments	(7)	55	(15)	(38)
- Security deposits	(11)	42	-	-
Increase/(decrease) in liabilities:				
- Trade creditors	(4,192)	11,158	(3)	(45)
- Other creditors	53	115	(6)	(44)
Net Cash Inflow/(Outflow) from Operating Activities	5,403	(8,934)	2,644	(4,850)

23. Financial Instruments

(a) Interest Rate Risk Exposures

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on classes of financial assets and financial liabilities, are as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rates		Non-Interest Bearing		Total	
	2003 %	2002 %	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Financial Assets:								
Cash	4.11	3.84	4,341	1,137	784	1,341	5,125	2,478
Receivables	-	-	-	-	20,004	22,865	20,004	22,865
Investments	-	-	-	-	8,447	13,689	8,447	13,689
Total Financial Assets			4,341	1,137	29,235	37,895	33,576	39,032
Financial Liabilities:								
Trade and other creditors	-	-	-	-	17,586	21,859	17,586	21,859
Total Financial Liabilities			-	-	17,586	21,859	17,586	21,859

(b) Credit Risk

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the Statements of Financial Position and Notes to the Financial Statements.

23(b). Financial Instruments (Cont'd)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

(c) Net Fair Value of Financial Assets and Liabilities

The net fair values of listed investments have been valued at the quoted market price at balance date adjusted for transaction costs expected to be incurred. For unlisted investments, where there is no organised financial market, the net fair value has been based on a reasonable estimation of the underlying net assets or discounted cash flows expected to result from holding the investment.

For other financial assets and liabilities the net fair value approximates their carrying value.

No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial assets, where the carrying amount may exceed net fair values, have not been written down as the consolidated entity intends to hold these assets to maturity.

Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date:

	Consolidated			
	2003	2003	2002	2002
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
Financial Assets:				
- Cash	5,125	5,125	2,478	2,478
- Receivables	20,004	20,004	22,865	22,865
- Investments	8,447	8,447	13,689	13,689
	33,576	33,576	39,032	39,032
Financial Liabilities:				
- Trade and other creditors	17,586	17,586	21,859	21,859
	17,586	17,586	21,859	21,859

24. Contributions to Superannuation Funds

The Company and the consolidated entity contribute to various superannuation funds on behalf of Directors and employees for the provision of retirement benefits in accordance with the provisions of the Superannuation Guarantee Act.

25. Events Occurring After Reporting Date

The balance of the consolidated entity's investment in Rebel Sports Limited was sold in July 2003, resulting in a further realised gain of \$4,434,000, before income tax expense.

No matter or circumstance has arisen since the end of the financial year that significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

26. Company Details

The registered office, and the principal place of business, of the Company is:

Rivkin Financial Services Limited
Level 33
2 Park Street
Sydney NSW 2000

RIVKIN FINANCIAL SERVICES LIMITED

DIRECTORS' DECLARATION

The Directors declare that the financial statements and notes set out on pages 9 to 24:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2003 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) 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 Directors:

J Rivkin
Chairman

Sydney
26 September 2003

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF RIVKIN FINANCIAL SERVICES LIMITED

Scope

We have audited the financial report of Rivkin Financial Services Limited (the "Company") for the financial year ended 30 June 2003 as set out on pages 9 to 25. The Company's Directors are responsible for the financial report which includes the financial statements of the Company and the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the end of, or during, the financial year. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Act 2001 in Australia so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of the Company is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2003 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

Bob Miller & Co
Chartered Accountants

Robert Miller
Partner

Sydney
26 September 2003

RIVKIN FINANCIAL SERVICES LIMITED

SHAREHOLDER INFORMATION

Substantial Shareholders at 26 September 2003

Substantial shareholders in the Company are set out below:

Name	Number of Ordinary Shares	Percentage (%)
Mr R Rivkin	8,305,784	9.03

Distribution of Equity Securities as at 26 September 2003

Analysis of numbers of equity security holders by size of holding:

Size of Holding	Ordinary Shareholders	Ordinary Option Holders
1 to 1,000	50	-
1,001 to 5,000	504	-
5,001 to 10,000	1,207	-
10,001 to 100,000	1,824	12
100,001 and over	<u>77</u>	<u>11</u>
Total Shareholders	<u>3,662</u>	<u>23</u>

There were 113 holders of less than a marketable parcel of ordinary shares.

Twenty Largest Shareholders at 26 September 2003

Name	Ordinary Shares	
	Number	%
Mr R Rivkin	8,305,784	9.03
ANZ Nominees Limited	1,800,000	1.96
Seven Virtues Pty Limited	1,200,000	1.30
Rovon Pty Ltd	1,095,207	1.19
Nora Goodridge Investments Pty Limited	800,000	0.87
JC Sanford Pty Ltd	605,000	0.66
Romany Securities Ltd	563,000	0.61
Mrs R Dillon	560,000	0.61
Blackcourt (NSW) Pty Limited	500,000	0.54
Mr JL Rivkin	500,000	0.54
Mr AS Fischl	400,000	0.43
Mr R K & Mrs B M Pfeiffer (Pfeiffer Family Super)	377,900	0.41
TIM Investments Pty Ltd	358,000	0.39
Mr C M Harrex	355,000	0.39
Village Green (North Buderim) Pty Ltd	347,009	0.38
Mr G & Mrs W Cowin	333,333	0.36
Mr R Katznelson	330,000	0.36
Stamir Pty Limited	304,000	0.33
Mr P R Andrews	300,000	0.33
Dr D & Dr N Di Francesco	300,000	0.33
	<u>19,334,233</u>	<u>21.02</u>

RIVKIN FINANCIAL SERVICES LIMITED
SHAREHOLDER INFORMATION (Cont'd)

Voting Rights

The voting rights attaching to each class of equity securities are set out below:

- (a) Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Options
No voting rights.

RIVKIN FINANCIAL SERVICES LIMITED
ABN 58 061 287 045

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Rivkin Financial Services Limited ABN 58 061 287 145 (the "Company") will be held at the Grace Hotel, 77 York Street, Sydney at 10.00 am on Friday, 21 November 2003.

Agenda

Financial Report and Directors' and Auditors' Reports

1. To receive, consider and adopt the financial report of the Company and the consolidated entity for the year ended 30 June 2003, including the Directors' Declaration, the Directors' Report and Auditors' Report.

Appointment of Directors

2. To elect a Director. Mr S. Dassakis retires in accordance with the Constitution and, being eligible, offers himself for re-election.
3. To elect a Director. Mr J.L. Rivkin, a Director appointed by the Board of Directors since the last Annual General Meeting, retires in accordance with the Constitution and, being eligible, offers himself for re-election.
4. To elect a Director. Mr S.S. Rivkin, a Director appointed by the Board of Directors since the last Annual General Meeting, retires in accordance with the Constitution and, being eligible, offers himself for re-election.
5. To elect a Director. Mr D.J. Croll, a Director appointed by the Board of Directors since the last Annual General Meeting, retires in accordance with the Constitution and, being eligible, offers himself for re-election.

Re-appointment of Auditor

6. To consider, and if thought fit, re-appoint Bob Miller & Co as the Company's auditor for the year ending 30 June 2004.

Other Business

7. To consider any other business, which may be brought forward in accordance with the Company's Constitution or the Corporations Act 2001.

By Order of the Board
D Croll
Company Secretary
26 September 2003

Proxies

If you are unable to attend and vote at the meeting and wish to appoint a person who is attending as your proxy, please complete the enclosed form of proxy. This form must be received by the Company's share registry, Computershare Investor Services Pty Limited, by 10.00 am (EST) on Wednesday, 19 November 2003.

The completed form of proxy may be:

- Mailed to the address on the form ; or
- Faxed to Computershare Investor Services Pty Limited on (08) 9323 2033.

A member entitled to attend and vote is entitled to appoint not more than two (2) proxies. Where more than one (1) proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. A proxy need not be a member of the Company.

Section 250B(5) Determination

The Directors have determined in accordance with section 250B(5) of the Corporations Act that, for the purpose of voting at the meeting, shares will be taken to be held by the registered holders at 5.00 pm on 20 November 2003.

RIVKIN FINANCIAL SERVICES LIMITED
ABN 58 061 287 045
FORM OF PROXY

The Secretary
Rivkin Financial Services Limited ABN 58 061 287 045
c/- Computershare Investor Services Pty Limited
Level 2, 45 St Georges Terrace
Perth WA 6005

I/We.....
(print shareholder(s) name(s))

of.....
(print address of shareholder(s))

being a member/members of Rivkin Financial Services Limited ABN 58 061 287 045 hereby appoint

.....
(print proxy's name in full)

of.....
(print proxy's address)

and (if you wish to appoint two proxies).....
(print second proxy's name in full)

of.....
(print second proxy's address)

.....
(percentage of voting rights applicable to the second proxy)

or, in the proxy/proxies' absence or if no other appointee is mentioned, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the annual general meeting of the Company to be held on 21 November 2003 and at any adjournment of that meeting.

I/We desire to vote on the resolutions as indicated below:
Please indicate with an "X" how you wish your vote to be cast. Unless otherwise instructed, the proxy may vote as he/she thinks fit. The resolutions are numbered as in the notice of meeting.

Resolution	1	2	3	4	5	6
FOR						
AGAINST						
ABSTAIN						

Signed this day of 2003.

Signature(s) of member(s)/attorney

.....

- Notes:
1. If you have appointed two proxies please indicate what proportion of your voting rights each proxy is to represent.
 2. If the appointment of a proxy is signed by the appointor's attorney, this form must be accompanied by the authority under which the appointment was signed, or a certified copy of the authority. The power of attorney must be signed in the presence of at least one witness.

- The completed proxy form may be:
- Mailed to the address on the form in the enclosed reply-paid envelope, or
 - Faxed to Computershare Investor Services Pty Limited on (08) 9323 2033.