

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

AND CONTROLLED ENTITIES

ANNUAL REPORT

30 JUNE 2002

RIVKIN FINANCIAL SERVICES LIMITED

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RIVKIN FINANCIAL SERVICES LIMITED

CORPORATE PARTICULARS

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

Directors

R Rivkin (Chairman) P Newton
S Dassakis P Barron

Secretary

D Cordingley

Notice of Annual General Meeting

The Annual General Meeting of Rivkin Financial Services Limited will be held at Customs House, 31 Alfred Street, Circular Quay, Sydney at 10.00 am on Friday, 22 November 2002.

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 2002.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report:

Names	Qualifications and Experience
Rene Rivkin - LLB, SIA (Chairman)	Mr Rivkin (aged 58) was appointed as a Director at an Extraordinary General Meeting of the Company held on 31 January 2001, in conjunction with the acquisition by the Company of Rivkin Discount Stockbroking Pty Ltd. Mr Rivkin has been involved in stockbroking for over 30 years and has been a Member of the Australian Stock Exchange Limited for 27 years.
Peter Newton	Mr Newton (aged 53) is a former stockbroker and has had many years experience in the resources sector. He is a director of Pacific Strategic Investments Limited and Abelle Limited.
Peter Barron	Mr Barron (aged 56) is a former journalist with extensive experience in the media, government and politics. He is a former principal adviser to the Australian Prime Minister and for 12 years was special adviser to Mr Kerry Packer.
Spiros Dassakis	Mr Dassakis (aged 34) 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 4 years, and is responsible for the management of its diverse business portfolio.

Changes to Directorships

N Littlewood served as a Director from the beginning of the financial year until his resignation on 22 October 2001.

R 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.

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

During the course of the financial year the consolidated entity continued to divest itself of its mining tenements.

CONSOLIDATED RESULT

The consolidated loss after income tax for the financial year attributable to members of the Company was \$1,544,000 (2001: Loss of \$3,384,000).

DIRECTORS' REPORT (Cont'd)

DIVIDENDS

No dividends are proposed in respect of the financial year ended 30 June 2002. No 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.

During the financial year the Company disposed of the majority of its various gold mining and exploration tenements. It is expected that all remaining tenements will be disposed of prior to 30 June 2003.

STATE OF AFFAIRS

The growth of the Group's stockbroking operations and investment portfolio led to an increase in total assets and liabilities at 30 June 2002 of \$9,779,000 and \$11,323,000 respectively. As a result of an increase in working capital and capital expenditure requirements, and the loss incurred for the financial year, the Group's cash and investments decreased to \$16,167,000 at 30 June 2002, from \$18,231,000 at 30 June 2001. Net assets decreased from \$21,259,000 at 30 June 2001 to \$19,715,000 as a result of the net loss for the year of \$1,544,000. Included in the loss for the year was an amount of \$358,000 expended on the implementation of a new online trading system.

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

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.

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. It is the intention of the Company to complete the divestment of its remaining mining tenements prior to 30 June 2003.

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' MEETINGS

During the financial year, 10 meetings of the Directors were held. Attendances were:

Name	Full Meetings		Audit Committee	
	Eligible To Attend	Attended	Eligible To Attend	Attended
R Rivkin	10	8	-	-
R Gelski	10	8	2	2
S Dassakis	10	8	2	2
P Newton	10	7	-	-
P Barron	10	7	-	-
N Littlewood	5	3	-	-

DIRECTORS' REPORT (Cont'd)

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
R Rivkin	12,334,187	-	12,334,187	1,050,000
P Newton	-	1,616,438	1,616,438	390,000
S Dassakis	-	-	-	360,000
P Barron	-	-	-	-

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 are also 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					
R Rivkin	-	-	-	-	-
P Barron	-	15,000	1,200	-	16,200
S Dassakis	-	15,000	1,200	-	16,200
R Gelski	-	15,000	-	-	15,000
P Newton	-	15,000	1,200	-	16,200
N Littlewood	-	-	-	-	-
Executive Officers					
N Smith	138,462	-	7,769	11,538	157,769
D Cordingley	129,231	-	7,769	13,896	150,895

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

OPTIONS

During the previous financial year, the Company granted 3,300,000 options over unissued ordinary shares in the Company to the following Directors and officers as part of their remuneration:

Directors

R Rivkin	Granted 1,050,000 options at an exercise price of \$0.40.
P Newton	Granted 390,000 options at an exercise price of \$0.40.
S Dassakis	Granted 360,000 options at an exercise price of \$0.40.
N Littlewood	Granted 450,000 options at an exercise price of \$0.40.

Officers

N Smith	Granted 1,050,000 options at an exercise price of \$0.40.
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DIRECTORS' REPORT (Cont'd)

OPTIONS (cont'd)

Under the terms of the Share Option Plan the options are exercisable only on 1 July 2001, 1 July 2002 and 1 July 2003. No options have been granted to any Director since the end of the financial year. Options over 450,000 unissued ordinary shares, which were granted to N Littlewood, expired on 22 October 2001 following his resignation as a Director.

On 23 July 2002 (subsequent to the end of the financial year), under the Share Option Plan, the Company granted 2,781,000 options over its unissued ordinary shares to 23 employees of 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 5,631,000 unissued ordinary shares for which options are outstanding at the date of this report.

ENVIRONMENTAL REGULATION

The consolidated entity has various environmental licences and authorities regulating its exploration activities. These licences include conditions and regulations specifying limits for any discharge to the environment. There has been no breach of any environmental laws or regulations applicable to the exploration activities of the consolidated entity.

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 of \$110,629 (2001: \$58,697) 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 Investments & Securities 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:

R Rivkin
Chairman

Sydney
27 September 2002

**RIVKIN FINANCIAL SERVICES LIMITED
AND CONTROLLED ENTITIES**

**STATEMENT OF CORPORATE GOVERNANCE
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2002**

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 10 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 2002 (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 R Gelski and S Dassakis (non-executive members of the Board) and D Cordingley (Company Secretary and Financial Controller). The main responsibilities of the Audit Committee are to:

- review and report to the Board on the annual and half-year financial report, 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 2002**

	Notes	Consolidated		Parent Entity	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Gross revenue from ordinary activities	2	96,782	14,750	1,886	311
Cost of disposal of investments		(92,211)	(13,214)	(1,840)	-
Net revenue from ordinary activities		<u>4,571</u>	<u>1,536</u>	<u>46</u>	<u>311</u>
Expenses:					
Employee benefits		(2,316)	(1,262)	(68)	(51)
Depreciation and amortisation		(207)	(101)	-	(13)
Amortisation of goodwill		(101)	(34)	-	-
Mining exploration and evaluation expenditure written off		(46)	(1,602)	(46)	(1,602)
Unrealised losses on investments		(300)	-	-	-
Administration and other expenses		(3,142)	(1,852)	(263)	(229)
Borrowing costs		(3)	(69)	-	-
Total expenses	3	<u>(6,115)</u>	<u>(4,920)</u>	<u>(377)</u>	<u>(1,895)</u>
Loss from ordinary activities before income tax expense	3	(1,544)	(3,384)	(331)	(1,584)
Income tax expense	4	-	-	-	-
Net loss after income tax expense attributable to members of Rivkin Financial Services Limited	16	<u>(1,544)</u>	<u>(3,384)</u>	<u>(331)</u>	<u>(1,584)</u>
Total changes in equity other than those resulting from transactions with owners as owners	17	<u>(1,544)</u>	<u>(3,384)</u>	<u>(331)</u>	<u>(1,584)</u>
		Cents	Cents		
Basic earnings/(loss) per share	5	(1.5)	(7.7)		
Diluted earnings/(loss) per share	5	<u>(1.4)</u>	<u>(7.3)</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 2002**

	Notes	Consolidated		Parent Entity	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Current Assets					
Cash	6	2,478	11,815	21	7,559
Receivables	7	22,865	11,020	9,349	7,247
Investments	8	8,299	5,504	-	-
Other	9	151	248	70	32
Total Current Assets		33,793	28,587	9,440	14,838
Non-Current Assets					
Property, plant and equipment	10	572	376	-	-
Investments	8	5,390	912	13,400	8,422
Intangibles	11	1,934	2,035	-	-
Other	12	-	-	-	-
Total Non-Current Assets		7,896	3,323	13,400	8,422
Total Assets		41,689	31,910	22,840	23,260
Current Liabilities					
Payables	13	21,859	10,586	112	201
Provisions	14	115	65	-	-
Total Current Liabilities		21,974	10,651	112	201
Total Non-Current Liabilities		-	-	-	-
Total Liabilities		21,974	10,651	112	201
Net Assets		19,715	21,259	22,728	23,059
Equity					
Parent entity interest:					
Contributed equity	15	23,041	25,083	23,041	25,083
Accumulated losses	16	(3,326)	(3,824)	(313)	(2,024)
Total Equity	17	19,715	21,259	22,728	23,059

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 2002**

	Notes	Consolidated		Parent Entity	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Cash Flows from Operating Activities					
Receipts from customers		4,325	980	1	10
Net working capital provided as agent for clients		(845)	(851)	-	-
		3,480	129	1	10
Payments to suppliers and employees		(4,972)	(2,967)	(444)	(273)
		(1,492)	(2,838)	(443)	(263)
Proceeds from disposal of investments		92,150	13,294	1,804	-
Payments for investments		(99,997)	(19,612)	(6,318)	(913)
Interest received		272	158	137	229
Dividends received		182	244	16	-
Borrowing costs paid		(3)	(69)	-	-
Net cash (outflow) from operating activities	23(c)	(8,888)	(8,823)	(4,804)	(947)
Cash Flows from Investing Activities					
Payments for property, plant and equipment		(404)	(464)	-	-
Purchase of controlled entities (net of cash acquired)		-	311	(500)	(5,179)
Payments relating to exploration and evaluation of tenements		(46)	(88)	(46)	(88)
Payments for intangible assets		-	(50)	-	-
Proceeds from sale of non-current assets		1	-	-	-
Net payments for loans to controlled entities		-	-	(2,188)	(7,156)
Net cash (outflow) from investing activities		(449)	(291)	(2,734)	(12,423)
Cash Flows from Financing Activities					
Proceeds from issue of shares		-	21,000	-	21,000
Payments for share issue expenses		-	(475)	-	(475)
Proceeds from issue of redeemable preference shares		-	850	-	-
Payments for redemption of redeemable preference shares		-	(850)	-	-
Proceeds from borrowings		-	400	-	-
Repayment of borrowings		-	(400)	-	-
Net cash inflow from financing activities		-	20,525	-	20,525
Net increase in cash held		(9,337)	11,411	(7,538)	7,155
Cash at the beginning of the financial year		11,815	404	7,559	404
Cash at the end of the financial year	23(a)	2,478	11,815	21	7,559

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

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 2002 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 statement 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).

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

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

(d) Income Tax (cont'd)

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 is 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 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	20% to 40% per annum

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

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

(g) Exploration and Evaluation Expenditure

Expenditure incurred in relation to the maintenance of remaining mining tenements is included in the profit and loss from ordinary activities as they are incurred.

(h) Exploration Site Restoration Obligations

The Company has various obligations under the terms of exploration and mining leases. Restoration and damage is repaired as and when it is incurred, with the result that, at the date of this report, there is no need to provide for any future liability.

(i) 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.

(j) 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.

Superannuation

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

(k) 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 15(f). No remuneration expense is recognised in respect of employee options issued.

(l) 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.

(m) Comparative Figures

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

(n) Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Investments & Securities 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

2. Revenue

	Consolidated		Parent Entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Revenue from ordinary activities:				
Brokerage	4,250	922	-	-
Proceeds from disposal of investments	92,150	13,294	1,804	-
Net unrealised gains on investments	-	50	-	-
Dividends	182	244	16	-
Interest	200	230	66	301
Sundry income	-	10	-	10
	96,782	14,750	1,886	311

3. Operating Loss

(i) Operating loss before income tax has been determined after crediting the following items:

Interest received - other persons	200	230	66	179
Interest received - wholly-owned subsidiaries	-	-	-	122
Dividends received - non-related entities	182	244	16	-
Net realised gains on disposal of investments	62	80	-	-
Net unrealised gains on investments	-	50	-	-

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

Borrowing costs - Director-related entities	-	13	-	-
Borrowing costs - other parties	3	56	-	-
Exploration and evaluation expenditure written off	46	1,602	46	1,602
Depreciation of property, plant and equipment	147	42	-	13
Amortisation of leasehold improvements	60	59	-	-
Amortisation of goodwill on consolidation	101	34	-	-
Provision for employee entitlements	50	65	-	-
Provision for doubtful debts	100	150	-	-
Lease rental expenses - operating leases	242	172	-	17
Net realised losses on disposal of investments	-	-	36	-
Net unrealised losses on investments	300	-	-	-
Loss on disposal of property, plant and equipment	1	-	-	-

(iii) Auditors' Remuneration

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

Auditing the accounts	47	41	4	4
Other services	16	10	10	2
	63	51	14	6

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

4. Income Tax

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

	Consolidated		Parent Entity	
	2002	2001	2002	2001
The differences are reconciled as follows:	\$'000	\$'000	\$'000	\$'000
Loss from ordinary activities before income tax expense	(1,544)	(3,384)	(331)	(1,584)
Income tax calculated at 30% (2001: 34%)	(463)	(1,150)	(99)	(539)
Tax effect of permanent differences:				
Non-deductible exploration and evaluation expenditure written off	14	545	14	545
Non-deductible amortisation of goodwill	30	11	-	-
Other non-deductible expenses	14	33	13	22
Rebateable dividend income	(40)	(23)	-	-
	<u>(445)</u>	<u>(584)</u>	<u>(72)</u>	<u>28</u>
Tax effect of timing differences not brought to account:				
Interest income receivable	13	(24)	21	(24)
Unrealised losses/(gains) on investments	103	(17)	-	-
Provision for doubtful debts	30	51	-	-
Provision for employee entitlements	15	22	-	-
Accrued expenses	40	22	(3)	(20)
Capital expenditure items	73	76	(3)	4
	<u>274</u>	<u>130</u>	<u>15</u>	<u>(40)</u>
Tax effect of loss for the year	(171)	(454)	(57)	(12)
Tax losses transferred to a related entity	-	-	14	-
Future income tax benefit relating to tax losses not brought to account	171	454	43	12
Income Tax Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	430	115	20	-
Tax losses	563	401	54	11
	<u>993</u>	<u>516</u>	<u>74</u>	<u>11</u>
Balance of franking accounts at year end	<u>325</u>	<u>210</u>	<u>7</u>	<u>-</u>

5. Earnings Per Share

	Consolidated	
	2002	2001
	Cents	Cents
Basic earnings (loss) per share	(1.5)	(7.7)
Diluted earnings (loss) per share	<u>(1.4)</u>	<u>(7.3)</u>
	Number	Number
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share.	<u>102,191,259</u>	<u>43,739,024</u>
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share.	<u>105,180,574</u>	<u>45,244,889</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

6. Cash

	Consolidated		Parent Entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Cash at bank and on hand	1,563	1,307	15	8
Deposits at call	915	10,508	6	7,551
	2,478	11,815	21	7,559

Cash at bank is bearing floating interest rates between nil and 4.55% (2001: between nil and 3.53%). The deposits are bearing floating interest rates between nil and 4.45% (2001: between 3.85% and 5.00%).

7. Receivables

Current

Trade debtors	22,713	11,024	-	-
Provision for doubtful debts	(250)	(150)	-	-
Trade debtors (net)	22,463	10,874	-	-
Amounts receivable from wholly-owned subsidiaries	-	-	9,344	7,156
Other debtors	402	146	5	91
	22,865	11,020	9,349	7,247

8. Investments

Current

Securities - listed, at market value	8,299	5,504	-	-
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Non-Current

Shares in controlled entities, at cost	-	-	8,010	7,510
Securities - listed, at cost	5,390	912	5,390	912
	5,390	912	13,400	8,422

Market value of securities listed on a prescribed stock exchange at 30 June 2002

	18,699	6,394	10,400	891
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Controlled Entities

(a) Details of controlled entities:

	Country of Incorporation	Percentage Owned	
		2002 %	2001 %
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 Pty Limited	Australia	100	100
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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

8. Investments (Cont'd)

(b) Controlled Entities Acquired

On 31 August 2000 the parent entity subscribed for 4 ordinary fully paid shares (4.4%) issued by Rivkin Discount Stockbroking Pty Ltd ("RDS") for cash consideration of \$140,000. On 8 March 2001 the parent entity acquired all of the issued shares of RDS that it did not already own, with Rivkin Financial Services Limited entitled to all profits earned or losses incurred from 1 December 2000. The purchase consideration was the issue of 15,000,000 ordinary fully paid shares to the vendors. Also on 8 March 2001, the parent entity subscribed \$5,000,000 in cash for additional shares issued by RDS.

On 18 April 2001 the parent entity acquired 100% of Rivkin Investments Pty Limited for a purchase consideration of \$1. On 19 April 2001 the parent entity acquired 100% of Rivkin Funds Management Pty Limited for a purchase consideration of \$100.

On 17 September 2001 the parent entity subscribed for a further \$500,000 in the ordinary issued capital of RDS to assist with the further growth of RDS's stockbroking business.

9. Other Current Assets

	Consolidated		Parent Entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Prepayments	136	191	70	32
Security deposits	15	57	-	-
	<u>151</u>	<u>248</u>	<u>70</u>	<u>32</u>

10. Property, Plant And Equipment

Leasehold Improvements

At cost	119	117	-	-
Accumulated amortisation	(119)	(59)	-	-
	<u>-</u>	<u>58</u>	<u>-</u>	<u>-</u>

Furniture, Fittings and Equipment

At cost	746	383	-	37
Accumulated depreciation	(174)	(65)	-	(37)
	<u>572</u>	<u>318</u>	<u>-</u>	<u>-</u>
	<u>572</u>	<u>376</u>	<u>-</u>	<u>-</u>

Movements in Carrying Amounts:

	Leasehold Improvements	Furniture, Fittings and Equipment	Total
	2002 \$'000	2002 \$'000	2002 \$'000
(a) Consolidated			
Balance at the beginning of the year	58	318	376
Additions	2	402	404
Disposals	-	(1)	(1)
Depreciation/amortisation expense	(60)	(147)	(207)
Carrying amount at the end of the year	<u>-</u>	<u>572</u>	<u>572</u>
(b) Parent Entity			
Balance at the beginning of the year	-	-	-
Additions	-	-	-
Disposals	-	-	-
Depreciation/amortisation expense	-	-	-
Carrying amount at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

11. Intangibles

	Consolidated		Parent Entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Goodwill on consolidation, at cost	2,019	2,019	-	-
Accumulated amortisation	(135)	(34)	-	-
	1,884	1,985		
Cost of membership of the Australian Stock Exchange Limited	50	50	-	-
	1,934	2,035	-	-

12. Other Non-Current Assets

Exploration and evaluation expenditure, brought forward	-	1,514	-	1,514
Expenditure incurred during the year	46	88	46	88
	46	1,602	46	1,602
Expenditure written off during the year	(46)	(1,602)	(46)	(1,602)
Expenditure carried forward	-	-	-	-

13. Payables

Current

Trade creditors	21,668	10,365	98	143
Other creditors	191	76	14	58
Amounts payable to Directors or Director-related entities	-	145	-	-
	21,859	10,586	112	201

14. Provisions

Current

Employee benefits	115	65	-	-
	Number	Number	Number	Number
Number of employees at the reporting date	28	23	-	-

15. Contributed Equity

	Notes	Parent Entity		Parent Entity	
		2002 Number of Shares	2001 Number of Shares	2002 \$'000	2001 \$'000
(a) Share Capital					
Ordinary shares, fully paid	(b),(c)	102,191,259	102,191,259	23,041	25,083

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

15. Contributed Equity (cont'd)

(b) Movements in Ordinary Share Capital

	Notes	Date	Number of Shares	Issue Price	\$'000
Opening balance		1/7/99	49,855,000		9,971
Share issue	(d)	30/9/99	7,470,000	\$0.04	298
Share consolidation (1 for 4)	(e)	29/11/99	(42,993,741)		-
Share issue	(d)	5/5/00	2,860,000	\$0.23	658
Balance at 30 June 2000			17,191,259		10,927
Share issue to vendors of RDS	(d)	8/3/01	15,000,000	\$0.132	1,980
Share issue	(d)	8/3/01	70,000,000	\$0.30	21,000
Less: Transaction costs relating to share issues		8/3/01	-		(475)
Less: Accumulated mining exploration and evaluation costs written off against issued capital		30/6/01	-		(8,349)
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

(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 Issues

On 30 September 1999 the Company issued 7,470,000 ordinary fully paid shares at a price of 4 cents per share, raising \$298,800 in order to fund further mineral exploration and evaluation expenses.

On 5 May 2000 the Company issued 2,860,000 ordinary fully paid shares at a price of 23 cents per share, raising \$657,800 in order to fund further mineral exploration and evaluation expenses.

On 8 March 2001 15,000,000 ordinary fully paid shares were issued to the vendors of Rivkin Discount Stockbroking Pty Ltd ("RDS") at a price of 13.2 cents per share, as full and final consideration for the acquisition of that entity. The shares issued to the vendors of RDS are subject to Restriction Agreements, whereby the vendor shareholders are not able to transfer ownership or control of the subject shares for a period of 24 months from the date of issue.

On 8 March 2001 the Company issued 70,000,000 ordinary fully paid shares at a price of 30 cents per share, pursuant to a prospectus dated 16 January 2001, raising \$21,000,000 to fund the development of the stockbroking business of RDS and engage in financial services activities. The issue was fully subscribed. Costs associated with the issue amounted to \$475,062.

(e) Share Consolidation

On 29 November 1999 the share capital of the Company was consolidated on a 1 for 4 basis, resulting in the number of shares on issue being reduced by 42,993,741. All options over ordinary shares outstanding at that time were consolidated on a 1 for 4 basis and the exercise price of those options was increased by a factor of 4. These options all subsequently lapsed on 30 June 2001.

(f) Options

Directors and Officers of the Company

On 8 March 2001 the Company issued 3,300,000 options over unissued ordinary shares in the Company to certain Directors of the Company, under the Share Option Plan. The options have an exercise price of 40 cents per share and may be exercised only on 1 July 2001, 1 July 2002 or 1 July 2003. No options were exercised on 1 July 2001 or 1 July 2002. 450,000 options expired during the current financial year, as a result of the resignation of Mr N Littlewood as a Director.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

15. Contributed Equity (cont'd)

(f) Options (cont'd)

Employees of Rivkin Discount Stockbroking Pty Ltd

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").

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.

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.

16. Accumulated Losses

	Consolidated		Parent Entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Accumulated losses at the beginning of the financial year	(3,824)	(8,789)	(2,024)	(8,789)
Net loss attributable to the members of Rivkin Financial Services Limited	(1,544)	(3,384)	(331)	(1,584)
	(5,368)	(12,173)	(2,355)	(10,373)
Accumulated mining exploration and evaluation costs written off against issued capital	2,042	8,349	2,042	8,349
Accumulated losses at the end of the financial year	(3,326)	(3,824)	(313)	(2,024)

17. Equity

Total equity at the beginning of the financial year	21,259	2,138	23,059	2,138
Total changes in equity recognised in the Statements of Financial Performance	(1,544)	(3,384)	(331)	(1,584)
Transactions with owners as owners:				
Contributions of equity, net of transaction costs	-	22,505	-	22,505
Total equity at the end of the financial year	19,715	21,259	22,728	23,059

18. Remuneration and Retirement Benefits

(a) Directors

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

R Rivkin
P Newton
S Dassakis
P Barron
R Gelski (resigned on 20 August 2002)
N Littlewood (resigned on 22 October 2001)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

**18. Remuneration and Retirement Benefits
(cont'd)**

(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	2002	2001	2002	2001
2002	2001	\$	\$	\$	\$
63,600	159,665	-	-	-	-

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

-	-	63,600	159,665	-	-
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Number of parent entity Directors whose income from the parent entity and any related parties was within the following bands:

From (\$)	To (\$)	Number	Number
0	9,999	2	4
10,000	19,999	4	-
130,000	139,999	-	1

(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	2002	2001	2002	2001
2002	2001	\$	\$	\$	\$
308,664	114,460	-	-	-	-

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

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

From (\$)	To (\$)	Number	Number	Number	Number
110,000	119,999	-	1	-	-
150,000	159,999	2	-	-	-

(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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

19. Commitments

	Consolidated		Parent Entity	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Lease Rental Commitments				
(i) Non-cancellable operating leases for the rental of premises, not capitalised in the financial statements and payable:				
- Not later than one year	357	273	-	-
- Later than one year but not later than five years	255	291	-	-
	612	564	-	-
(ii) Future payments for mineral exploration to meet the minimum expenditure requirements of the Western Australian Mines Department, not capitalised in the financial statements and payable:				
- Not later than one year	-	428	-	428
- Later than one year but not later than five years	-	1,383	-	1,383
- Later than five years	-	3,237	-	3,237
	-	5,048	-	5,048
Total Commitments	612	5,612	-	5,048

It is the intention of the Company to complete the divestment of its remaining mining tenements prior to 30 June 2003, the total cost of which is not expected to exceed \$20,000.

(iii) Joint Venture Agreements

Commitments entered into under joint venture agreements are detailed in Note 26.

20. Contingent Liabilities

(a) Mining Activities

No liability for future site restoration costs is included in the financial statements. The Company has various obligations under the terms of its exploration and mining leases. Restoration and damage is repaired as and when it is incurred and, at the date of this report, there is no need to provide for any future liability. However, should the Company relinquish its tenements in the future, the total costs are not expected to exceed \$20,000.

(b) Financial Services Activities

The consolidated entity has no contingent liabilities at 30 June 2002 (2001: Nil) in respect of its financial services activities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

21. 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.

	Consolidated		Parent Entity	
	2002	2001	2002	2001
	\$	\$	\$	\$
(a) Transactions with Related Parties				
Interest received from Rivkin Investments Pty Limited, a wholly-owned controlled entity	-	-	-	121,751
Brokerage paid to Rivkin Discount Stockbroking Pty Ltd, a wholly-owned controlled entity	-	-	3,544	722
Brokerage received by Rivkin Discount Stockbroking Pty Ltd from Directors and Director-related entities	15,493	8,280	-	-
Fees paid for legal advice to a firm of solicitors, of which M Okeby, a former Director, is the principal	-	58,825	-	58,825
Fees paid for legal advice to a firm of solicitors, of which R Gelski, a former Director, is a principal	101,179	317,568	43,024	265,511
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	41,627	144,825	-	-
Aggregate amounts payable by the parent entity to wholly-owned controlled entities	-	-	100	100
Aggregate amounts payable to the parent entity by wholly-owned controlled entities	-	-	9,344,014	7,155,958
<hr/>				
(b) Directors' Shareholdings				
			Number of Ordinary Shares	Number of Ordinary Shares
Directors and Director-related entities hold directly, indirectly or beneficially as at the reporting date the following equity interests in the parent entity:				
Ordinary fully paid shares			14,216,438	19,039,756
Options over unissued ordinary shares			1,800,000	2,250,000
<hr/>				
(c) Directors' Share Transactions				
Ordinary fully paid shares issued to Directors and Director-related entities as consideration for the acquisition of Rivkin Discount Stockbroking Pty Ltd (refer Note 15(d))			-	13,500,000
Ordinary fully paid shares subscribed for, and allotted to, Directors and Director-related entities, pursuant to the parent entity's prospectus dated 16 January 2001 (refer Note 15(d))			-	1,215,000
Options granted to Directors and Director-related entities pursuant to the Share Option Plan (refer Note 15(e))			-	2,250,000
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

22. Segment Information

	Total Revenue		Loss from Ordinary Activities after Tax		Total Assets	
	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Industry Segments						
Financial Services						
- External customers	96,782	14,734	(1,498)	(1,704)	41,689	31,851
Mining						
- External customers	-	16	(46)	(1,680)	-	59
	<u>96,782</u>	<u>14,750</u>	<u>(1,544)</u>	<u>(3,384)</u>	<u>41,689</u>	<u>31,910</u>
(b) Geographic Segments						
Australia						
- External customers	<u>96,782</u>	<u>14,750</u>	<u>(1,544)</u>	<u>(3,384)</u>	<u>41,689</u>	<u>31,910</u>

No transactions occurred between segments during the year.

23. 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	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Cash on hand	1	1	-	-
Cash at bank (interest bearing)	625	1,001	15	8
Cash at bank - clients' trust account (non-interest bearing)	937	305	-	-
	<u>1,563</u>	<u>1,307</u>	<u>15</u>	<u>8</u>
Short term deposits at call (non-interest bearing)	403	70	-	-
Short term deposits at call (interest bearing)	512	10,438	6	7,551
	<u>2,478</u>	<u>11,815</u>	<u>21</u>	<u>7,559</u>

- (i) Cash amounts are held with banks in interest bearing accounts. At the reporting date the average interest rate was 3.84% (2001: 4.62%).
- (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.

(b) Acquisition of Controlled Entities

	Consolidated		Parent Entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Details of the acquisition of controlled entities are disclosed in Note 8(b). Details of the transactions are:				
Purchase consideration (cash)	-	5,140	500	5,140
Purchase consideration (shares issued)	-	1,980	-	1,980
Acquisition costs (cash)	-	39	-	39
Reclassification of investment at 30 June 2000	-	350	-	350
Total cost of acquisition	-	<u>7,509</u>	<u>500</u>	<u>7,509</u>
Assets and liabilities at acquisition date:				
Cash	-	<u>5,490</u>		
Goodwill on consolidation	-	<u>2,019</u>		
Net cash inflow/(outflow)	-	311	(500)	(5,179)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

23. Cash Flow Information (cont'd)

(c) Reconciliation of Operating Loss After Income Tax to Net Cash (Outflow) from Operating Activities

	Consolidated		Parent Entity	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Operating loss after income tax	(1,544)	(3,384)	(331)	(1,584)
Non-Cash Items				
Amounts set aside to provisions:				
- Depreciation	147	42	-	13
- Amortisation of leasehold improvements	60	59	-	-
- Amortisation of goodwill	101	34	-	-
- Employee benefits	50	65	-	-
- Doubtful debts	100	150	-	-
Exploration and evaluation expenditure written off	-	1,602	-	1,602
Investing/Financial Items				
Loss on disposal of property, plant and equipment	1	-	-	-
Payments for exploration and evaluation	46	-	46	-
Changes in Assets and Liabilities				
(Increase)/decrease in assets:				
- Trade debtors	(11,689)	(11,024)	-	-
- Investments	(7,273)	(6,416)	(4,478)	(913)
- Other debtors	(257)	(146)	86	(91)
- Prepayments	55	(191)	(38)	(32)
- Security deposits	42	(57)	-	-
Increase/(decrease) in liabilities:				
- Trade creditors	11,158	10,367	(45)	-
- Other creditors	115	76	(44)	58
Net Cash (Outflow) from Operating Activities	<u>(8,888)</u>	<u>(8,823)</u>	<u>(4,804)</u>	<u>(947)</u>

24. 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, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rates		Non-Interest Bearing		Total	
	2002	2001	2002	2001	2002	2001	2002	2001
	%	%	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets:								
Cash	3.84	4.62	1,137	11,439	1,341	376	2,478	11,815
Receivables	-	-	-	-	22,865	11,020	22,865	11,020
Investments	-	-	-	-	13,689	6,416	13,689	6,416
Total Financial Assets			<u>1,137</u>	<u>11,439</u>	<u>37,895</u>	<u>17,812</u>	<u>39,032</u>	<u>29,251</u>
Financial Liabilities:								
Trade and other creditors	-	-	-	-	21,859	10,586	21,859	10,586
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>21,859</u>	<u>10,586</u>	<u>21,859</u>	<u>10,586</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002**

24. Financial Instruments (cont'd)

(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.

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			
	2002	2002	2001	2001
	Carrying Amount \$'000	Net Fair Value \$'000	Carrying Amount \$'000	Net Fair Value \$'000
Financial Assets:				
- Cash	2,478	2,478	11,815	11,815
- Receivables	22,865	22,865	11,020	11,020
- Investments	13,689	13,689	6,416	6,416
	39,032	39,032	29,251	29,251
Financial Liabilities:				
- Trade and other creditors	21,859	21,859	10,586	10,586
	21,859	21,859	10,586	10,586

25. Exploration Site Restoration Liabilities

No liability for future restoration costs is included in the Statements of Financial Position. The Company has various obligations under the terms of its exploration and mining leases. Restoration and damage is repaired as and when it is incurred and the Directors believe that there is currently no need to provide for any future liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2002

26. Interests In Joint Ventures

At 30 June 2002 the Company had the following interest in a joint venture:

Newcoast Farm-in Agreement

By an agreement dated 26 October 1993 between Newcoast Nominees Pty Limited ("Newcoast") and Robmar Investments Pty Limited ("Robmar") (the "Newcoast Farm-in Agreement") Newcoast, in consideration of the payment of \$45,000 paid by Robmar, entered into a farm-in agreement with Robmar in respect of part of E28/465. Robmar's interest has been assigned to the Company.

Pursuant to the terms of the Newcoast Farm-in Agreement, the Company:

- (a) has earned a 70% joint venture interest by completing expenditure of \$320,000 within four years of 26 October 1993; and
- (b) must, after it has earned a 70% joint venture interest and before the production of a feasibility study, continue to conduct exploration and shall pay for all such expenditure, which shall not be less than \$60,000 per annum.

The Company has advised Newcoast that it intends to withdraw from the Newcoast Farm-in Agreement and is currently negotiating its withdrawal. E28/465 is subject to an application for forfeiture.

27. 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.

28. Events Occurring After Reporting Date

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.

29. 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 8 to 27:

- (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 2002 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.

R Rivkin
Chairman

Sydney
27 September 2002

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 2002 as set out on pages 8 to 28. 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 2002 and of their performance for the financial 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
27 September 2002

RIVKIN FINANCIAL SERVICES LIMITED

SHAREHOLDER INFORMATION

1. Substantial Shareholders at 24 September 2002

Substantial shareholders in the Company are set out below:

Name	Number of Ordinary Shares	Percentage (%)
Mr R Rivkin	12,334,187	12.06

2. Distribution of Equity Securities as at 24 September 2002

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	526	-
5,001 to 10,000	1,372	-
10,001 to 100,000	1,771	12
100,001 and over	<u>76</u>	<u>15</u>
Total Shareholders	<u>3,795</u>	<u>27</u>

There were 110 holders of less than a marketable parcel of ordinary shares.

3. Twenty Largest Shareholders at 24 September 2002

Name	Ordinary Shares	
	Number	%
Mr R Rivkin *	10,500,000	10.27
Mr N Littlewood *	3,000,000	2.94
ANZ Nominees Limited	2,205,000	2.16
Mr R Rivkin	1,834,187	1.79
Muscoda Holdings Pty Limited	1,615,938	1.58
Mr G Freris *	1,500,000	1.47
Mr JD McCall & Ms N Freris	1,495,064	1.46
Cullmore Investments Pty Limited	1,240,938	1.21
Romany Securities Limited	760,000	0.74
Nora Goodridge Investments Pty Limited	726,885	0.71
Mrs I Otter	700,000	0.68
Rovon Pty Limited	695,000	0.68
Mrs R Dillon	560,000	0.55
Rapid Racing Products Pty Limited	520,000	0.51
JC Sanford Pty Limited	503,130	0.49
Mr JL Rivkin	500,000	0.49
Blackcourt (NSW) Pty Limited	500,000	0.49
Walloon Pty Limited	500,000	0.49
Mr AS Fischl	400,000	0.39
GB Hartmann & Co Pty Limited	<u>400,000</u>	<u>0.39</u>
	<u>30,156,142</u>	<u>29.49</u>

* These securities are subject to Restriction Agreements between the shareholders, the Company and the Australian Stock Exchange and cannot be traded until 8 March 2003.

RIVKIN FINANCIAL SERVICES LIMITED

SHAREHOLDER INFORMATION (Cont'd)

4. 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.

5. Fund Raising

The Company raised \$21.0 million (less costs associated with the issue amounting to \$0.475 million) pursuant to a Prospectus dated 16 January 2001. The consolidated entity used the funds raised pursuant to that prospectus and its other assets in the form of cash and assets readily convertible into cash to :

- (a) fund the continuing development of the stockbroking business conducted by Rivkin Discount Stockbroking Pty Ltd; and
- (b) fund the acquisition of strategic investments in listed companies.

The balance of the funds raised was retained by the consolidated entity.