

TECHNOLOGY INCUBATION GROUP LTD

A.B.N. 70 091 805 480

**ANNUAL FINANCIAL REPORT
for the year ended 30 June 2003**

Technology Incubation Group Limited
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TECHNOLOGY INCUBATION GROUP LTD
A.B.N. 70 091 805 480

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2003

In recognising the need for the highest standards of corporate behaviour and accountability, the directors support and have adhered to strong principles of corporate governance.

This statement outlines the main Corporate Governance practices that were in place throughout the financial year, unless otherwise stated. These practices are dealt with under the following headings: Role of the Board of Directors, Composition of the Board, Nomination, remuneration, Audit Committee, risk Assessment and Management, and Ethical Standards.

Role of the Board of Directors

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall Corporate Governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Composition of the Board

The names of the directors of the Company in office at the date of this Statement are set out in the Directors' Report of this financial report.

The Board seeks to attract persons with an appropriate range of experience, skill, knowledge and vision to enable it to operate the Company's business with excellence.

Nomination

In the event a vacancy exists, or where it is considered the company would benefit from the services of an additional director with new skills, the Board will appoint a director with the appropriate expertise and skill.

The Board will identify the potential candidates for directorship and advice may be obtained from an external consultant. The Board then appoints the most suitable candidate, who shall hold office until the next following Annual General Meeting, where the appointee is required to stand for re-election.

Remuneration

The Board is responsible for determining and reviewing compensation arrangements for the directors and the executive staff. The role also includes responsibility for share option schemes, superannuation entitlements, retirement and termination entitlements, fringe benefit policies, professional indemnity and liability insurance policies, and other terms of employment.

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The Board will review the arrangements having regard to performance, relative comparative information, and may, at its discretion, obtain independent expert advice on the appropriateness of the remuneration packages. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's activities.

The Board will meet annually or as required, usually on the anniversary date of each service agreement for the particular director and/or executive. At the meetings, the particular director and/or executive will declare their interest and not vote, as well as depart from the meeting, so as not to be present whilst the issue is being discussed.

In the event that share options are allotted to a director, the allotment will be ratified at a general meeting of shareholders. Further details of directors' and executives' remuneration are set out in the Directors Report and notes to the financial statements.

Audit Committee

Due to the size of the Company and the minimal complexities involved in its financial activities, the Company is not in a position to justify the establishment of an audit committee.

All matters, which might properly be dealt with by such a committee, are the subject of scrutiny at Board meetings. Matters that are considered, include:

- review of the annual report, financial statements and other financial information distributed externally;
- review of audit report and letters to the Board from the external auditors;
- liaison with external auditors and ensuring that the annual and half year statutory audits are conducted in an effective manner;
- nomination of the external auditor and reviewing the adequacy of the scope and the quality of the annual audit and half year review;
- improving the quality of the accounting function; and
- monitoring the compliance with the Corporations Act 2001, ASX Listing Rules, and any other matters outstanding with other regulatory and financial authorities.

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Risk Assessment and Management

The Board adopts practices designed to identify significant areas of business risk and to effectively manage these risks in accordance with the Company's risk profile.

Where necessary, the Board draws on the expertise of appropriate external consultants to assist in dealing with or mitigating risk.

The Company's main areas of risk include:

- growth in market demand for products and services;
- growth in market share of competitors;
- the robustness of the technologies being developed to commercially cultivate tiger prawns; and
- general level of economic activity within Australia and internationally.

Ethical standards

All directors, executives, managers, and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

The directors present their report together with the financial report of Technology Incubation Group Limited ("the Company" or "TIL") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2003 and the auditors report thereon.

Directors

The names and details of the directors in office during or since the end of the financial year are:

- * Dr Tor Theunissen - appointed 16 September 2002
- * Mr Miles Kennedy - appointed 29 February 2000
- * Mr Karl Simich - appointed 8 August 2002
- * Mr Wayne Rudland - resigned 13 September 2002
- * Mr Jeff Whittle – resigned 15 July 2002

Information on directors in office at the date of this report:

<i>Name</i>	<i>Age</i>	<i>Qualifications and experience</i>
Dr Tor Theunissen Executive Chairman	55	Dr Theunissen has considerable international business experience and has particular expertise in the areas of strategic planning, organisational diagnosis and design, human resource management and performance management. He has over 25 years experience in the areas of management and consulting and is the principal of a specialist management consulting company. Moreover, Dr Theunissen holds a PhD in psychology from the University of Natal, South Africa and has completed various other studies in strategic planning, and value based management.
Mr Miles Kennedy Non-executive director	54	Mr Kennedy is a barrister and solicitor of the High Court of Australia and an Attorney of the Supreme Court of South Africa. He has had considerable experience in the management of public companies. He is currently the Executive Chairman of Kimberley Diamond Company NL. Mr Kennedy has held directorships in listed companies for the past 19 years, including as Chairman of The Union Gold Mining Company NL, Churchill Resources NL, Macraes Mining Company Limited, director of Brunswick NL and company secretary of Normandy Mining Ltd

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DIRECTORS' REPORT
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Directors' and senior executives' emoluments

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and level of performance and that the remuneration is comparative in attracting, retaining and motivating people of the highest quality.

Details of the nature and amount of each major element of the emoluments of each director of the Company and the named officer of the Company are:

	Base Emolument	Non-cash benefits	Total
Directors			
Dr T Theunissen	50,000	-	50,000
Mr M A Kennedy	-	-	-
Mr K Simich	-	-	-
Executive			
Mr J Hutton	44,000	-	44,000

Refer to note 26 to the Financial Statements for further information in connection with related party transactions.

Principal activities

The principal activity of the consolidated entity during the course of the financial year consisted of:

- assessment of investment opportunities in areas of new and innovative technological solutions; and
- research and development of technologies to cultivate and hatch tiger prawn larvae in pursuit of obtaining an aquaculture hatchery license in controlled conditions for the purposes of commercial exploitation in the Kimberley region of Western Australia.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

Review and results of operations

The operating loss after tax of the consolidated entity was \$277,430 (2002 loss was \$3,204,645).

As announced in the previous annual financial report, in view of the performance of its subsidiaries and the strain that they were causing on the Company's resources, the Company disposed of its interests in Icon Medialab Holdings Pty Ltd and Whittle Consulting Pty Ltd effective as at 1 July 2002.

In October 2002 the Company announced that it had acquired a 25% interest for a cost of \$186,912 in Tiger International Hatchery Pty Ltd, a company which has been developing technologies to cultivate and hatch tiger prawn larvae in controlled conditions for the purposes of commercial exploitation in the Kimberley region of Western Australia. Tiger International Hatchery Pty Ltd was successfully granted a prawn hatchery licence in May 2003 at which time the Company successfully acquired a further 24% interest in Tiger International Hatchery Pty Ltd for a cost of \$250,000, taking its total interest in Tiger International Hatchery Pty Ltd to 49% at a cost of \$436,912. On 30 June 2003, the Company announced an intention, subject to shareholder approval, to acquire a further 31% interest in Tiger International Hatchery Pty Ltd (taking its total interest to 80%) and a 80% interest in Tiger International Farms Pty Ltd, a company associated with Tiger International Hatchery Pty Ltd in consideration for the issue by the Company of 11,425,061 ordinary fully paid shares to Faustus Nominees Pty Ltd.

Dividends

No dividends were paid or declared by the Company during the financial year.

State of affairs

Significant changes in the state of affairs of the consolidated entity during the financial year were:

- On 1 July 2002, the Company disposed of its interest in Icon Medialab Holdings Pty Ltd. In accordance with terms of the sale agreement, the purchasers of Icon Medialab Holdings Pty Ltd acquired \$324,241. As at 30 June 2002, the value of the investment in Icon Medialab Holdings Pty Ltd had been written down to \$Nil. Accordingly, a profit of \$324,241 was made on disposal and has been recognised in the current financial year;
- On 1 July 2002, the Company disposed of its interest in Whittle Consulting Pty Ltd for cash consideration of \$30,000. As at 30 June 2002, the value of the investment in Whittle Consulting Pty Ltd had been written down to \$30,000. Accordingly, no profit or loss was made on disposal in the current financial year;

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- On 25 October 2002, the Company paid \$75,000 in cash and issued 2,486,939 ordinary shares in consideration for the acquisition of a 25% interest in Tiger International Hatchery Pty Ltd. The fair value of these shares at the time of issue was \$0.045 per share, resulting in total consideration being paid of \$186,912;
- On 16 January 2003, the Company issued 90,000 shares under existing employment contracts in consideration for services provided. The average fair value of these shares was \$0.05 per share;
- On 31 March 2003, the Company announced that it had agreed to provide additional funding of \$250,000 in consideration for acquiring a further 24% interest in Tiger International Hatchery Pty Ltd, taking its total interest in Tiger International Hatchery Pty Ltd to 49% of Tiger International Hatchery Pty Ltd; and
- On 30 June 2003, the Company announced its intention, subject to shareholder approval, to increase its interest in Tiger International Hatchery Pty Ltd to 80% and to acquire 80% in Tiger International Farms Pty Ltd in consideration for the issue by the Company of 11,425,061 ordinary fully paid shares to Faustus Nominees Pty Ltd. If approved, Mr John Hutton and Mr Nicholas Miller, who are both directors of each of Tiger International Hatchery Pty Ltd and Tiger International Farms Pty Ltd, will join the Board of the Company.

There were no other significant changes to the state of affairs of the consolidated entity during the financial year.

Environmental regulation performance

The consolidated entity has a policy of at least complying, but in most cases exceeding its environmental performance obligations. The Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

Likely Developments

The directors anticipate that the forthcoming financial year will offer increased opportunities for shareholder returns by focussing on the Company's core competencies and pursuing other suitable opportunities as they arise.

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FOR THE YEAR ENDED 30 JUNE 2003**

Significant events after balance date

The following significant events occurred after balance date:

- On 10 September 2003, the Company gave notice to its members of a general meeting to be held on 10 October 2003 to consider, and if thought fit, to pass, resolutions dealing with:
 - (i) the acquisition of shares in Tiger International Hatchery Pty Ltd to take its interest to 80% and the acquisition of an 80% interest in Tiger International Farms Pty Ltd in consideration for the issue by the Company of 11,425,061 ordinary fully paid shares to Faustus Nominees Pty Ltd; and
 - (ii) a change of company name to Tiger International Limited.
- On 18 September 2003, the Company announced it had concluded an agreement to purchase the entire issued capital of Aussie Prawns Pty Ltd ("APPL") for the sum of \$3.5 million, payable in full by 24 December 2003. The transaction is conditional upon the Company conducting and accepting the results of a full "due diligence" investigation into APPL prior to 28 October 2003 and arranging suitable funding.

APPL is the owner of 287 hectares of unencumbered freehold land located on the Darwin harbour waterway at Channel Island, 10 kilometres from the town of Palmerston, 25 kilometres from Darwin airport and 35 kilometres from Darwin city centre. Upon this land have been improvements consisting of a prawn hatchery building, a processing area, a coolroom and office, three accommodation units, a house, 10 hectares of fully developed ponds, 20 hectares of partially developed ponds, and 80 hectares of dams and reservoirs.

In addition, APPL owns plant and equipment with a written down value of \$1.3 million and all necessary licences and approvals to conduct a hatchery and aquaculture farming business.

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Options

As at the date of this report, total unissued ordinary shares of the Company under options are:

Expiry date	Exercise price	Number of shares
30 June 2006	(A)	8,533,334
18 October 2003	(B)	750,000

(A) Unlisted options expiring 30 June 2006. Exercise price at \$0.30 on or before 30 June 2006.

(B) Unlisted options expiring 18 October 2003. Exercise price at \$0.25 on or before 18 October 2003.

Option holders do not have any right to participate in pro rata issues of securities to shareholders, unless the options are exercised before the record date for determining entitlements to the relevant pro rata issue.

No options were issued or have been exercised during the year or to the date of this report. During the year, 4,672,093 listed options expired.

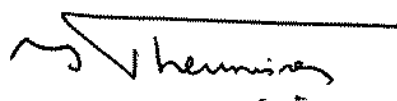
Indemnification and insurance of officers and auditors

The Company has agreed to indemnify the current directors of the Company, along with the following former directors, Mr J Whittle, Mr W Rudland, Mr G Whittle, Mr D Whittle, and Mr R Still and executive officers, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums

At 30 June the Company has not entered into any insurance policies in respect of directors' and officers liability. In addition, the Company has not entered into any agreement to indemnify the auditors against any claims by third parties arising from their report on the annual financial report.

Signed in accordance with a resolution of the directors:



Dr Tor Theunissen
Executive Chairman
Date: 30 September 2003

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STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003

	Note	Consolidated		Company	
		2003 \$	2002 \$	2003 \$	2002 \$
Revenues from rendering of services		-	3,466,069	-	354,000
Other revenue from ordinary activities		33,879	2,286,431	33,879	2,243,538
Total revenue	2	33,879	5,752,500	33,879	2,597,538
Employee expenses		4,770	3,150,061	4,770	262,351
Depreciation and amortisation expenses		1,021	357,935	1,021	25,604
Borrowing expenses		-	15,649	-	-
Professional fees		393,117	562,274	393,117	494,147
Facilities		-	411,962	-	135,836
Travel & entertainment costs		14,075	107,302	14,075	45,645
Goodwill write off		-	656,070	-	-
Carrying value of subsidiary sold		(294,241)	2,612,123	(52,477)	1,837,082
Write-down in non-current assets		188,470	80,000	188,470	2,216,090
Fixed asset write-down		-	117,101	-	-
Selling expenses		-	169,347	-	-
Other expenses from ordinary activities		4,097	717,321	4,097	155,907
Total expenses		311,309	8,957,145	553,073	5,172,662
Loss from ordinary activities before tax	3	(277,430)	(3,204,645)	(519,194)	(2,575,124)
Income tax (expense)/benefit relating to ordinary activities	4	-	-	-	-
Loss from ordinary activities after tax		(277,430)	(3,204,645)	(519,194)	(2,575,124)
Net loss attributable to members of the parent entity		(277,430)	(3,204,645)	(519,194)	(2,575,124)
Basic loss per share (cents)	5	(0.90)	(11.64)		
Diluted loss per share (cents)	5	(0.90)	(11.64)		

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 14 to 46.

TECHNOLOGY INCUBATION GROUP LTD
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STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2003

	Note	Consolidated		Company	
		2003	2002	2003	2002
		\$	\$	\$	\$
CURRENT ASSETS					
Cash	8	459,907	1,085,377	459,907	1,028,541
Receivables	9	-	953,360	-	3,937
Plant and equipment	10	-	352,183	-	-
Inventories		-	63,996	-	-
Other	11	5,874	59,375	5,874	285,576
TOTAL CURRENT ASSETS		465,781	2,514,291	465,781	1,318,054
NON-CURRENT ASSETS					
Plant and equipment	10	4,487	-	4,487	-
Investments accounted for using the equity method	12	436,912	-	436,912	-
Other financial assets	13	178,000	360,000	178,000	390,000
TOTAL NON-CURRENT ASSETS		619,399	360,000	619,399	390,000
TOTAL ASSETS		1,085,180	2,874,291	1,085,180	1,708,054
CURRENT LIABILITIES					
Payables	14	233,861	1,440,958	233,861	78,525
Deferred Revenue	15	-	171,859	-	-
Interest-bearing liabilities	16	-	53,306	-	375,698
Provisions	17	-	196,101	-	-
TOTAL CURRENT LIABILITIES		233,861	1,862,224	233,861	454,223
TOTAL LIABILITIES		233,861	1,862,224	233,861	454,223
NET ASSETS		851,319	1,012,067	851,319	1,253,831
EQUITY					
Contributed equity	18	4,188,414	4,071,732	4,188,414	4,071,732
Accumulated losses	19	(3,337,095)	(3,059,665)	(3,337,095)	(2,817,901)
TOTAL EQUITY		851,319	1,012,067	851,319	1,253,831

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 14 to 46.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003

	Note	Consolidated		Company	
		2003	2002	2003	2002
		\$	\$	\$	\$
CASH FLOWS RELATED TO OPERATING ACTIVITIES					
Receipts from customers		-	3,571,802	-	29,678
Payments to suppliers and employees		(390,111)	(4,900,645)	(390,111)	(951,888)
Interest received		-	64,075	-	56,639
Borrowing costs		-	(14,623)	-	-
Net cash used in operating activities	22	(390,111)	(1,279,391)	(390,111)	(865,571)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of controlled entities		-	1,389,598	-	1,574,600
Payments for plant and equipment		(5,508)	(101,448)	(5,508)	(3,135)
Payments for equity investments		(125,000)	-	(125,000)	-
Proceeds from sale of shares		1,075	-	1,075	-
Proceeds from sale of Whittle Consulting Pty Ltd		30,000	-	30,000	-
Net cash settlement for disposal of controlled entity (net of cash disposed)		(135,926)	(128,463)	296,608	(550,000)
Other financial assets		-	(61,800)	-	(61,800)
Net cash provided by/(used in) investing activities		(235,359)	1,097,887	197,175	959,665
CASH FLOWS FROM FINANCING ACTIVITIES					
Share buy-back		-	(495,000)	-	(495,000)
Loans to related parties		-	-	-	(1,072,778)
Repayments from related parties		-	-	-	473,722
Hire purchase payments		-	(191,995)	-	-
Net cash provided by/(used in) financing activities		-	(686,995)	-	(1,094,056)
Net decrease in cash held		(625,470)	(868,499)	(192,936)	(999,962)
Cash at the beginning of the financial year		1,085,377	1,953,876	652,843	1,652,805
Cash at the end of the financial year	8	459,907	1,085,377	459,907	652,843

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 14 to 46.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

(a) Basis of preparation

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

It has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or fair values of non-current assets.

(b) Principles of consolidation

Controlled entities

The financial statements of controlled entities are included from the date control commences until the date control ceases.

Associates

Associates are those entities, other than partnerships, over which the consolidated entity exercises significant influence and which are not intended for sale in the near future.

In the consolidated financial statements, investments in associates are accounted for using equity accounting principles. Investments in associates are carried at the lower of the equity accounted amount and recoverable amount. The consolidated entity's equity accounted share of the associates' net profit or loss is recognised in the consolidated statement of financial performance from the date significant influence commences until the date significant influence ceases. Other movements in reserves are recognised directly in consolidated reserves.

Transactions eliminated on consolidation

Inter-entity balances resulting from transactions with or between controlled entities are eliminated in full on consolidation.

(c) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount. Interest is expensed as it accrues.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Receivables

Trade and sundry receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is only taken up as income when received.

(e) Acquisition of assets

All assets acquired, including property, plant and equipment and intangibles other than goodwill, are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

When equity instruments are issued as consideration, their market price at the date of acquisition is used as fair value, except where the notional price at which they could be placed in the market is a better indication of fair value. Transaction costs arising on the issue of the equity investments are recognised directly in equity subject to the extent of the proceeds received, otherwise expensed.

Where settlement of any part of cash consideration is deferred, the amounts payable are recorded at their present value, discounted at the rate applicable to the consolidated entity if a similar borrowing were obtained from an independent financier under comparable terms and conditions. The unwinding of the discount is treated as interest expense.

(f) Recoverable amount of non-current assets

Non-current assets valued on the cost basis are not carried at an amount above their recoverable amount, and where a carrying value exceeds the recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash inflows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amount of non-current assets the relevant cash flows have not been discounted to the present value, except where stated.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, it is probable that those future economic benefits will eventuate, and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Research and development costs

Research and development costs are expensed as incurred except to the extent that its recoverability is assured beyond any reasonable doubt, in which case it is deferred.

(g) Plant and equipment

All items of plant and equipment are recorded at their cost of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Depreciation

All plant and equipment have limited useful lives and are depreciated using the straight line or diminishing value method over their estimated useful lives, from the date of acquisition.

Depreciation rates are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed.

The depreciation rates or useful lives used for each class of asset are as follows:

	2003	2002
<i>Plant and equipment</i>		
Computer equipment	33% Diminishing value	40% Diminishing value
Software	33% Prime Cost	33% Prime Cost
Furniture and Fittings	20% Diminishing value	13.50% Diminishing value
Office Equipment	18% Diminishing value	18% Diminishing value
Leasehold improvements	10% Straight Line	10% Straight Line
<i>Intangibles</i>		
Goodwill	N/A	10 years
<i>Other non-current assets</i>		
Development costs	N/A	5 years

(h) Investments

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods or services received, whether or not billed. Trade accounts payable are normally settled within 60 days.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(j) Provisions

Provisions are recognised when the company has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

(k) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Rendering of a service

Revenue from the rendering of a service is recognised upon the delivery of the service to the client.

Interest revenue

Interest revenue is recognised as it accrues.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

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NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Taxation

The Company adopts the income statement liability method of tax-effect accounting.

Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the statement of financial position as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain. The tax effect of capital losses are not recorded unless realisation is virtually certain.

(n) Employee entitlements

Provision is made for the company's liability for employee entitlements arising from services rendered by employees up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. Employee entitlements expected to be settled after twelve months are measured at the present value of the estimated future cash outflow to be made.

Contributions made to employee superannuation funds are charged as expenses when incurred.

(o) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

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1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Foreign currency

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES				
Revenue from operating activities				
- rendering of services	-	3,466,069	-	354,000
- interest received – other persons	-	64,075	-	56,639
- other revenue	3,879	50,905	3,879	15,448
Revenue outside operating activities				
- proceeds on sale of subsidiary	30,000	2,157,822	30,000	2,157,822
- rental income	-	13,629	-	13,629
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from ordinary activities	33,879	5,752,500	33,879	2,597,538

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NOTES TO FINANCIAL STATEMENTS
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	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
3. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE				
a) Individually significant (expenses) / revenues included in loss from ordinary activities before income tax expense:				
Net (loss)/gain on disposal of subsidiary	324,241	(454,301)	82,477	320,740
Write-down in investments	(188,470)	(80,000)	(188,470)	(1,390,490)
Write-down in intercompany loan	-	-	-	(825,600)
Write-off of goodwill	-	(656,070)	-	-
Fixed asset write-down	-	(117,101)	-	-
b) Loss from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:				
Borrowing costs – overdraft facility	-	15,649	-	-
Depreciation of:				
- plant and equipment	-	7,421	-	2,127
- Office furniture and equipment	1,021	152,547	1,021	23,477
- Computer software	-	16,656	-	-
- Leasehold improvements	-	28,136	-	-
	<u>1,021</u>	<u>204,760</u>	<u>1,021</u>	<u>25,604</u>
Amortisation of:				
- Goodwill	-	104,698	-	-
- Research and development expenditure	-	48,477	-	-
	<u>-</u>	<u>153,175</u>	<u>-</u>	<u>-</u>
Total depreciation and amortisation	<u>1,021</u>	<u>357,935</u>	<u>1,021</u>	<u>25,604</u>
Write off of goodwill	-	656,070	-	-
Fixed asset write-down	-	117,101	-	-
Write-down in intercompany loan	-	-	-	825,600

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NOTES TO FINANCIAL STATEMENTS
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	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
3. LOSS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE (CONTINUED)				
b) Loss from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items: (continued)				
Net (gain)/loss on disposal of non-current assets:				
Investments	(324,241)	454,301	(82,477)	(320,740)
Net bad and doubtful debts including movements in provision for doubtful debts	-	122,355	-	-
Net expense from movements in provisions for:				
diminution in the value of investments	188,470	80,000	188,470	1,390,490
employee entitlements	-	37,423	-	(9,555)
Operating lease rental expenses	-	331,465	-	-
Loss on disposal of investments	480	-	480	-
c) Auditors' remuneration				
- audit services current year	15,000	110,506	15,000	110,506
- audit services prior year	32,109	-	32,109	-
- other services	-	48,000	-	48,000

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	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
4. TAXATION				
(a) Income tax benefit				
Prima facie income tax benefit calculated at 30% on the loss from ordinary activities	(83,229)	(961,394)	(155,758)	(772,537)
Increase in income tax expense due to:				
Amortisation of goodwill	-	31,409	-	-
Sundry	-	3,663	-	-
Write-off of goodwill	-	196,821	-	-
Non-assessable gain on disposal	(97,272)	-	(24,743)	-
Write-off of loans	-	-	-	247,680
Legal expenses	-	5,400	-	5,400
Shares issued as remuneration	1,431	20,040	1,431	20,040
Tax losses not brought to account	179,070	704,061	179,070	499,417
	<hr/>	<hr/>	<hr/>	<hr/>
Income tax benefit	-	-	-	-
(b) Deferred tax assets				
<i>Future income tax benefit not taken to account</i>				
The potential future income tax benefit arising from tax losses and timing differences has not been recognised as an asset because recovery of tax losses is not virtually certain and recovery of timing differences is not assured beyond any reasonable doubt:				
Tax losses carried forward	399,516	220,446	399,516	220,446
Timing differences	-	264,833	-	264,833
	<hr/>	<hr/>	<hr/>	<hr/>
	399,516	485,279	399,516	485,279

The potential future income tax benefit will only be obtained if:

- (i) the relevant company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised, or the benefit can be utilised by another company in the consolidated entity in accordance with Division 170 of the Income Tax Assessment Act 1997;

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NOTES TO FINANCIAL STATEMENTS
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- (ii) the relevant company and/or the controlled entity continues to comply with the conditions for deductibility imposed by the law; and
- (iii) no changes in tax legislation adversely affect the relevant company and/or the consolidated entity in realising the benefit.

5. EARNINGS PER SHARE

The following securities have been classified as ordinary shares and included in basic earnings per share:

- (a) ordinary shares

Classification of securities as potential ordinary shares

The options outstanding have been classified as potential ordinary shares and included in diluted earnings per share only.

	Consolidated	
	2003	2002
	\$	\$
Earnings reconciliation		
Basic earnings	<u>(277,430)</u>	<u>(3,204,645)</u>
Diluted earnings	<u>(277,430)</u>	<u>(3,204,645)</u>
	2003	2002
	Number	Number
Weighted average number of shares used as the denominator		
Number for basic earnings per share	<u>30,740,832</u>	<u>27,537,470</u>
Number for diluted earnings per share	<u>30,740,832</u>	<u>27,537,470</u>

As at 30 June 2003, 9,283,334 (2002: 13,955,427) options were on issue, entitling the holder to 1 share for every option held. 8,533,334 options are exercisable at \$0.30 and 750,000 options are exercisable at \$0.25. These potential ordinary shares are not dilutive and are therefore not included in the calculation of diluted earnings per share.

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NOTES TO FINANCIAL STATEMENTS
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6. SEGMENT INFORMATION

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The consolidated entity comprised the following main business segments, based on the consolidated entity's management reporting system:

Product:	software sales and support of Four D/X (Analyser), Three-D/Orion and Opti-Cut (disposed of 1 July 2002)
Website Development:	developing high-end websites (disposed of 1 July 2002)
Consulting	assisting mining companies to address strategic planning issues using resource blending and scheduling optimisation technology (disposed of 1 July 2002)
Aquaculture:	research and development of technologies to hatch tiger prawn commercially
Other:	Investment activities

Geographical segments

No reportable geographical segments have been identified as the consolidated entity operates predominantly in Australia.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

6. SEGMENT INFORMATION (CONTINUED)

Primary reporting by business segments	Aquaculture		Product		Website Development		Consulting		Other		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue												
External segment revenue	-	-	-	974,746	-	2,350,922	-	178,595	-	2,157,822	658,093	5,662,085
Total segment revenue	-	-	-	974,746	-	2,350,922	-	178,595	-	2,157,822	658,093	5,662,085
Other unallocated revenue											3,879	90,415
Total segment revenue											661,972	5,752,500
Result												
Segment result	-	-	-	(59,698)	-	(957,035)	-	(163,085)	(277,430)	(615,871)	(277,430)	(1,795,689)
Unallocated expenses											-	(1,408,956)
Net Loss											(277,430)	(3,204,645)
Assets												
Depreciation	-	-	-	13,809	-	148,691	-	16,656	1,021	-	1,021	179,156
Other non-cash expenses	-	-	-	-	-	116,028	-	-	-	-	-	116,028
Segment assets	436,912	-	-	-	-	1,751,436	-	48,281	648,268	360,000	1,085,180	2,159,717
Unallocated corporate assets											-	-
Consolidated total assets											1,085,180	2,874,291
Liabilities												
Segment liabilities	200,000	-	-	-	-	1,759,531	-	24,349	33,861	-	233,861	1,783,880
Unallocated corporate liabilities											-	-
Consolidated total liabilities											233,861	1,862,224

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NOTES TO FINANCIAL STATEMENTS
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7. DISCONTINUING OPERATIONS

Website Development

On 1 July 2002, the Company disposed of its interest in Icon Medialab Holdings Pty Ltd, which represented the Website Development segment. In accordance with terms of the sale agreement, the purchasers of Icon Medialab Holdings Pty Ltd acquired certain assets and liabilities of the Company. The fair value of the consideration at the date of sale was \$628,093. The carrying amount of the net assets disposed of was \$333,852 at 1 July 2003 and a profit before income tax of \$324,241 has been recorded in the financial statements at that date.

Consulting

On 1 July 2002, the Company disposed of its interest in Whittle Consulting Pty Ltd, which represented the Consulting segment. The sale price was \$30,000 cash. As at 30 June 2002, the value of the investment in Whittle Consulting Pty Ltd had been written down to \$30,000. Accordingly, a nil profit or loss was made on disposal in the current financial year.

Financial information in relation to the segments disposed, which has been included in the consolidated financial statements, was as follows.

In 2002 the Board finalised the sale of Whittle Programming Pty Ltd which formed the product segment.

	Website Development		Consulting		Product	
	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$
Revenue from ordinary activities	-	2,350,922	-	178,595	-	974,746
Expenses from ordinary activities	-	(3,307,957)	-	341,680	-	(981,369)
Segment result	-	(957,035)	-	(163,085)	-	(6,623)
Income tax expense	-	-	-	-	-	(53,075)
Net Profit / (Loss)	-	(957,035)	-	(163,085)	-	(59,698)
Financial position as at 30 June						
Segment assets	-	1,751,436	-	48,281	-	-
Segment liabilities	-	1,759,531	-	(24,349)	-	-
Net assets	-	(8,095)	-	23,932	-	-

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NOTES TO FINANCIAL STATEMENTS
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	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
8. CASH ASSETS				
Cash at Bank	459,907	56,836	459,907	-
Short term deposits	-	1,028,541	-	1,028,541
	<u>459,907</u>	<u>1,085,377</u>	<u>459,907</u>	<u>1,028,541</u>
9. RECEIVABLES				
Current				
Trade debtors	-	1,124,455	-	-
Provision for doubtful debts	-	(178,648)	-	-
	<u>-</u>	<u>945,807</u>	<u>-</u>	<u>-</u>
Other debtors	-	7,553	-	3,937
	<u>-</u>	<u>953,360</u>	<u>-</u>	<u>3,937</u>

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NOTES TO FINANCIAL STATEMENTS
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	Consolidated		Company	
	2003 \$	2002 \$	2003 \$	2002 \$
10. PLANT AND EQUIPMENT				
Current				
Furniture and fittings				
- at recoverable amount	-	19,699	-	-
Office equipment				
- at recoverable amount	-	126,483	-	-
Computer equipment				
- at recoverable amount	-	174,986	-	-
Computer software				
- at recoverable amount	-	31,015	-	-
Total plant and equipment net book value - current	-	352,183	-	-
Non-Current				
Furniture and fittings				
- at cost	958	-	958	-
Accumulated depreciation	(59)	-	(59)	-
	899	-	899	-
Computer equipment				
- at cost	4,550	-	4,550	-
Accumulated depreciation	(962)	-	(962)	-
	3,588	-	3,588	-
Total plant and equipment net book value – non-current	4,487	-	4,487	-
Total plant and equipment net book value	4,487	352,183	4,487	-

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NOTES TO FINANCIAL STATEMENTS
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	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
10. PLANT AND EQUIPMENT (CONTINUED)				
Reconciliation of the carrying amounts of each class of plant and equipment are set out below:				
<i>Furniture and fittings</i>				
Carrying value at beginning of year	19,699	10,765	-	-
Additions	958	21,546	958	-
Transfers in	-	-	-	10,344
Transfers out	-	(6,000)	-	(8,217)
Acquisition through entity acquired	-	27,232	-	-
Disposals through sale of entity	(19,699)	(10,478)	-	-
Depreciation	(59)	(7,421)	(59)	(2,127)
Writedown	-	(15,945)	-	-
Carrying amount at end of year	899	19,699	899	-
<i>Office equipment</i>				
Carrying value at beginning of year	126,483	13,353	-	-
Additions	-	27,894	-	1,770
Transfers in	-	6,000	-	9,004
Transfers out	-	-	-	(6,039)
Acquisition through entity acquired	-	205,987	-	-
Disposals through sale of entity	(126,483)	(9,641)	-	-
Depreciation	-	(56,294)	-	(4,735)
Writedown	-	(60,816)	-	-
Carrying amount at end of year	-	126,483	-	-
<i>Computer equipment</i>				
Carrying value at beginning of year	174,986	60,888	-	-
Additions	4,550	5,617	4,550	1,365
Transfers in	-	-	-	32,409
Transfers out	-	-	-	(15,032)
Acquisition through entity acquired	-	297,367	-	-
Disposals through sale of entity	(174,986)	(55,223)	-	-
Depreciation	(962)	(96,253)	(962)	(18,742)
Writedown	-	(37,410)	-	-
Carrying amount at end of year	3,588	174,986	3,588	-

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NOTES TO FINANCIAL STATEMENTS
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	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
10. PLANT AND EQUIPMENT (CONTINUED)				
<i>Computer software</i>				
Carrying value at beginning of year	31,015	4,213	-	-
Additions	-	46,388	-	-
Disposals through sale of entity	(31,015)	(16,656)	-	-
Depreciation	-	(2,930)	-	-
Writedown	-	-	-	-
Carrying amount at end of year	-	31,015	-	-
	<u>4,487</u>	<u>352,183</u>	<u>4,487</u>	<u>-</u>
11. OTHER				
Current				
Prepayments	-	59,375	-	38,398
Loan to controlled entity	-	-	-	247,178
GST receivable	5,874	-	5,874	-
	<u>5,874</u>	<u>59,375</u>	<u>5,874</u>	<u>285,576</u>

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**NOTES TO FINANCIAL STATEMENTS
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	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD				
Non-Current				
Investments in associate	436,912	-	436,912	-
	<u>436,912</u>	<u>-</u>	<u>436,912</u>	<u>-</u>

On 25 October 2002, the Company acquired a 25% interest in Tiger International Hatchery Pty Ltd, a company incorporated in Australia, focussed on developing technologies to hatch tiger prawns in a commercial environment for a cost of \$186,912.

On 31 March 2003, the Company acquired a further 24% interest in Tiger International Hatchery Pty Ltd, for a cost of \$250,000 taking its interest to 49% of Tiger International Hatchery Pty Ltd for a total cost of \$436,912.

On 30 June 2003, the Company announced its intention, subject to shareholder approval, to acquire a further 31% interest in Tiger International Hatchery Pty Ltd, taking its interest to 80% of Tiger International Hatchery Pty Ltd and to acquire an 80% interest of Tiger International Farms Pty Ltd.

(a) Interest in Associate

Name	Balance Date	Ownership interest of consolidated entity	
		2003	2002
Tiger International Hatchery Pty Ltd - ordinary shares		49%	-

(i) *Principal activity*

Research and development of technologies to cultivate and hatch tiger prawn larvae in controlled conditions

(ii) *Share of associate's profits / (losses)*

Share of associate's net profits

During the period the associate did not record a profit or loss.

Consolidated	
2003	2002
-	-

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NOTES TO FINANCIAL STATEMENTS
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	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
13. OTHER FINANCIAL ASSETS				
Non-Current				
Investments in controlled entities	-	-	-	30,000

On 15 January 2002, the Company acquired 1,440,000 shares in Gemcom Software International Inc., a company incorporated in Canada, in part consideration for the sale of Whittle Programming Pty Ltd.

This investment is recorded in the financial statements of the Company as follows:

Investments in other entities

Gemcom Software International Inc – at cost	446,470	440,000	446,470	440,000
Provision for diminution in value	(268,470)	(80,000)	(268,470)	(80,000)
	178,000	360,000	178,000	360,000
	178,000	360,000	178,000	390,000

14. PAYABLES

Trade creditors ⁽ⁱ⁾	22,861	168,886	22,861	-
Other creditors and accruals ⁽ⁱⁱ⁾	11,000	1,272,072	11,000	78,525
Deferred consideration ⁽ⁱⁱⁱ⁾	200,000	-	200,000	-
	233,861	1,440,958	233,861	78,525

(a) Terms and conditions relating to the above financial instruments:

- (i) Trade creditors are non-interest bearing and are normally settled on 30 day terms.
- (ii) Other creditors and accruals are non-interest bearing and are normally settled on 30 day terms.
- (iii) Deferred consideration for the acquisition of Tiger International Hatchery Pty Ltd is non-interest bearing and will be paid progressively over a period not exceeding 6 months.

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	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
15. DEFERRED REVENUE				
Unearned revenue	-	171,859	-	-
16. INTEREST-BEARING LIABILITIES				
Current				
Bank overdraft	-	-	-	375,698
Lease liability	-	53,306	-	-
	-	53,306	-	375,698
17. PROVISIONS				
Current				
Employee Entitlements	-	196,101	-	-
	-	196,101	-	-

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	Consolidated		Company	
	2003 \$	2002 \$	2003 \$	2002 \$
18. CONTRIBUTED EQUITY				
Issued and paid-up share capital				
31,587,330 (2002: 24,896,391) ordinary shares, fully paid	4,188,414	3,221,732	4,188,414	3,221,732
Other contributed equity				
Nil (2002: 3,740,000) redeemable convertible notes – equity portion	-	850,000	-	850,000
	4,188,414	4,071,732	4,188,414	4,071,732
(a) Ordinary shares				
Balance at the beginning of the year	3,221,732	3,437,598	3,221,732	3,437,598
Shares issued				
- 2,486,939 (2002: Nil) as part consideration for an interest in Tiger International Hatchery Pty Ltd at a fair value of \$0.045 each.	111,912	-	111,912	-
- Nil (2002: 1,333,334) as part-purchase of Icon Medialab Australia Holdings Pty Ltd	-	173,333	-	173,333
- Nil (2002: 835,000) in lieu of employee services	-	66,800	-	66,800
- 90,000 (2002: 412,269) employee shares at \$0.053 each.	4,770	39,001	4,770	39,001
- 4,114,000 (2002: Nil) conversion of convertible notes to ordinary shares	850,000	-	850,000	-
Shares bought back				
- nil (2002: 4,500,000)	-	(495,000)	-	(495,000)
Balance at year end	4,188,414	3,221,732	4,188,414	3,221,732

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceed of liquidation.

(b) Convertible Notes

Balance at the beginning (3,740,000 notes) of the year	850,000	850,000	850,000	850,000
Increment of 374,000 (2002:340,000) in convertible notes on anniversary date ⁽ⁱ⁾	-	-	-	-
Conversion of 4,114,000 notes to 4,114,000 ordinary shares	(850,000)	-	(850,000)	-
Balance at end of year	-	850,000	-	850,000

(i) The number of convertible notes outstanding on each anniversary being 20 October each year will be increased by a factor of 1.1 times.

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NOTES TO FINANCIAL STATEMENTS
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(c) Options over ordinary shares

At the end of the year, there were 8,533,334 (2002: 8,533,334) unlisted options (class A) expiring 30 June 2006. Exercise price of \$0.30 on or before 30 June 2006.

At the end of the year, there were 750,000 (2002: 750,000) unlisted options (class B) expiring 18 October 2003. Exercise price of \$0.25 on or before 18 October 2003.

No options were issued or have been exercised during the year. During the year, 4,672,093 listed options with an exercise price of \$0.40 on or before 30 September 2002, expired.

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$

19. ACCUMULATED LOSSES

Accumulated loss/retained profits at the beginning of the year	(3,059,665)	144,980	(2,817,901)	(242,777)
Net loss	(277,430)	(3,204,645)	(519,194)	(2,575,124)
Accumulated losses at the end of year	(3,337,095)	(3,059,665)	(3,337,095)	(2,817,901)

20. COMMITMENTS

Non-cancellable operating lease expense commitments

Future operating lease commitments not provided for in the financial statements

Within one year	-	257,129	-	-
One year or later and no later than five years	-	16,439	-	-
	-	273,568	-	-

21. CONTROLLED ENTITIES

(a) Acquisition of controlled entities

During the 2002 financial year the Company purchased 100% of the voting shares of Icon Medialab Australia Holdings Pty Ltd. Details of the acquisition are as follows:

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

21. CONTROLLED ENTITIES (CONTINUED)

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
<i>Icon Medialab Australia Holdings Pty Ltd</i>				
Cash consideration				
Cash	-	550,000	-	550,000
Transaction costs	-	2,482	-	2,482
	-	552,482	-	552,482
Cash acquired	-	(424,019)	-	(424,019)
Outflow of cash	-	128,463	-	128,463
Fair value of net assets of entity acquired				
Plant and equipment	-	558,720	-	558,720
Cash assets	-	424,019	-	424,019
Other assets	-	250	-	250
Inventories	-	62,456	-	62,456
Trade debtors	-	749,425	-	749,425
Payables	-	(1,191,301)	-	(1,191,301)
Tax liability	-	(119,239)	-	(119,239)
Other provisions	-	(185,451)	-	(185,451)
Borrowings	-	(229,134)	-	(229,134)
	-	68,745	-	68,745
Goodwill on acquisition	-	656,070	-	656,070
Total consideration	-	725,815	-	725,815
Less: Shares issued as consideration	-	(173,333)	-	(173,333)
Consideration (cash)	-	552,482	-	552,482

(b) Disposal of controlled entities

During the 2003 financial year the consolidated entity disposed of 100% of its holding in Icon Medialab Australia Holdings Pty Ltd on 1 July 2002 and 100% of its holding in Whittle Consulting Pty Ltd on 1 July 2002. Details of the disposals are as follows:

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

21. CONTROLLED ENTITIES (CONTINUED)

	Consolidated		The Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
<i>Icon Medialab Australia Holdings Pty Ltd and Whittle Consulting Pty Ltd</i>				
Cash	135,926	-	79,090	-
Bank overdraft	-	-	(375,698)	-
Trade receivables	945,807	-	-	-
Other debtors	7,553	-	3,937	-
Inventories	63,996	-	-	-
Plant and equipment	352,183	-	-	-
Other assets	59,375	-	38,398	-
Loan to controlled entity	-	-	247,178	-
Investment in controlled entity	-	-	30,000	-
Payables	(1,392,958)	-	(30,525)	-
Deferred revenue	(171,859)	-	-	-
Lease liability	(53,306)	-	-	-
Employee entitlements	(196,101)	-	-	-
Expenses paid by purchaser	(74,857)	-	(74,857)	-
Net liabilities disposed	(324,241)	-	(82,477)	-
Consideration	-	-	-	-
Profit on disposal	(324,241)	-	(82,477)	-

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

	Note	Consolidated		Company	
		2003	2002	2003	2002
		\$	\$	\$	\$
22. NOTES TO THE STATEMENTS OF CASH FLOWS					
(a) Reconciliation of cash					
For the purposes of the statements of cash flows, cash includes cash on hand, cash at bank and short term deposits at call. 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:					
Cash assets	8	459,907	1,085,377	459,907	1,028,541
Interest-bearing liabilities	16	-	-	-	(375,698)
		459,907	1,085,377	459,907	652,843

(b) Reconciliation of profit from operating activities after income tax to net cash provided by operating activities

Profit/(loss) after income tax		(277,430)	(3,204,645)	(519,194)	(2,575,124)
Add/(less) non-cash items:					
Shares issued to employees		4,770	105,801	4,770	105,801
Fixed asset write-down		-	117,101	-	-
Write-down investment in Gemcom		188,470	80,000	188,470	80,000
Software amortisation		-	48,477	-	-
Write off in Whittle Consulting		-	-	-	587,157
Write off of Icon receivable		-	-	-	825,600
Write off of investment in Icon		-	-	-	723,333
Loss on sale of Whittle Programming		-	454,301	-	(320,739)
Amortisation		-	760,768	-	-
Depreciation		1,021	204,760	1,021	25,604
Loss on disposal of investments		480	-	480	-
Profit on sale of Icon Medialab		(324,241)	-	(82,477)	-
Net cash provided by operating activities before change in assets and liabilities		(406,930)	(1,433,437)	(406,930)	(548,368)

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

Note	Consolidated		Company	
	2003 \$	2002 \$	2003 \$	2002 \$
22. NOTES TO THE STATEMENTS OF CASH FLOWS (CONT)				
Changes in assets and liabilities				
(Increase)/decrease in receivables	-	(62,341)	-	(1,377)
(Increase)/decrease in other assets	(5,874)	(204,098)	(5,874)	-
(Increase)/decrease in other financial asset	-	-	-	(354,000)
(Increase)/decrease in deferred taxes	-	(64,089)	-	3,951
(Increase)/decrease in inventories	-	(9,071)	-	-
(Decrease)/increase in deferred revenue	-	22,884	-	-
(Decrease)/increase in accounts payable	22,693	461,915	22,693	43,778
(Decrease)/increase in provisions	-	8,846	-	(9,555)
	(390,111)	(1,279,391)	(390,111)	(865,571)

(c) Non-cash investing and financing activities

- (i) As set out in Note 18(a) the Company issued 2,486,939 shares at 4.5 cents per share as part of consideration for an interest in Tiger International Hatchery Pty Ltd.
- (ii) As set out in 18(b) the convertible notes have been converted to ordinary shares.
- (iii) An additional 374,000 (2002: 340,000) convertible notes were issued during the year on the anniversary date.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
23. EMPLOYEE ENTITLEMENTS				
Aggregate employee entitlements including on-costs:				
Current	-	196,101	-	-
Non-Current	-	-	-	-
	-	196,101	-	-

The present values of employee benefits not expected to be settled within 12 months of balance date have been calculated using the following weighted averages:

Assumed rate of increase in wage and salary rates	-	2%	-	-
Discount rate	-	5.82%	-	-
Settlement term (years)	-	10	-	-
Number of employees at year end	2	39	-	1

24. DIRECTORS REMUNERATION

Company

The number of directors whose income from the Company or any related party falls within the following bands:

\$0 and \$9,999	5	1
\$50,000 and \$59,999	-	-
\$80,000 and \$89,999	-	1
\$200,000 and \$209,999	-	1

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
Total income paid or payable, or otherwise made available, to all directors of the Company and controlled entities from the Company or any related party, excluding related party transactions disclosed in note 26.	-	312,540	-	312,540

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

	Consolidated		Company	
	2003	2002	2003	2002
	\$	\$	\$	\$
25. EXECUTIVE REMUNERATION				
The number of Australian based executive officers of the Company and of controlled entities, whose remuneration from the Company or any related party falls, and from entities in the consolidated entity, within the following bands:				
\$40,000 and \$49,999	1	-	1	-
\$50,000 and 59,999	1	-	1	-
\$90,000 and \$99,999	-	1	-	1
\$100,000 and \$109,999	-	1	-	1
Total income in respect of the financial year received, or due and received, from the Company, entities in the consolidated entity or related parties by executive officers of the Company and of controlled entities whose income is \$100,000 per annum or more:				
	-	197,240	-	102,290

Executive officers are those officers involved in the strategic direction, general management or control of business at a company or operating division level.

26. RELATED PARTY DISCLOSURES

Directors

The names of each person holding the position of Director of the Company during the financial year are:

- Dr Tor Theunissen (appointed 16 September 2002)
- Mr Miles Kennedy
- Mr Karl Simich (appointed 8 August 2002)
- Wayne Rudland (resigned 13 September 2002)
- Jeff Whittle (resigned 15 July 2002)

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

26. RELATED PARTY DISCLOSURES (CONTINUED)

Details of directors' remuneration are set out in Note 24.

Apart from details disclosed in this note, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

Directors' holdings of shares and share options

The interests of directors of the reporting entity and their director-related entities in shares and share options of entities within the consolidated entity at year-end are set out below.

	2003	2002
	Number held	Number held
Technology Incubation Group Ltd:		
Ordinary shares	5,114,977	6,055,354
Options	1,280,001	6,826,315
Convertible notes	-	3,740,000

Directors' transactions in shares and share options

During the year the Company:

- issued nil (2002: nil) shares,
- bought back nil (2002: 4,500,000) shares,
- issued nil (2002: 750,000) unlisted options,
- issued 374,000 (2002: 340,000) convertible notes, and
- issued 4,114,000 (2002: nil) ordinary shares by way of conversion of convertible notes,

to directors and their director-related entities.

Directors' transactions with the Company or its controlled entities

A number of directors of the Company, or their director-related entities, hold positions in other entities that result in them having control or significant influence over their financial or operating policies of these entities.

The terms and conditions of the transactions with directors and their director related entities were no favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

26. RELATED PARTY DISCLOSURES (CONTINUED)

The aggregate amounts paid during the year relating to directors and their director-related entities were as follows:

Director Related Entities	Transaction	Consolidated		Company	
		2003	2002	2003	2002
		\$	\$	\$	\$
Psytec Consultants Pty Ltd – Dr Tor Theunissen	Provision of executive director services	50,000	-	50,000	-
Resource Development Company – Miles Kennedy and Karl Simich	Provision of administration, accounting and office services	30,000	-	30,000	-

27. EVENTS SUBSEQUENT TO BALANCE DATE

The following significant events occurred after balance date:

- On 10 September 2003, the Company gave notice to its members of a general meeting to be held on 10 October 2003 to consider, and if thought fit, to pass, resolutions dealing with:
 - (i) the acquisition of shares in Tiger International Hatchery Pty Ltd to take its interest to 80% and the acquisition of an 80% interest in Tiger International Farms Pty Ltd in consideration of the Company issuing 11,425,061 ordinary fully paid shares to Faustus Pty Ltd; and
 - (ii) a change of company name to Tiger International Limited.
- On 18 September 2003, the Company announced it had concluded an agreement to purchase the entire issued capital of Aussie Prawns Pty Ltd (“APPL”) for the sum of \$3.5 million, payable in full by 24 December 2003. The transaction is conditional upon the Company

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

27. EVENTS SUBSEQUENT TO BALANCE DATE (CONTINUED)

- conducting and accepting the results of a full “due diligence” investigation into APPL prior to 28 October 2003.

28. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

(a) Interest rate risk

Interest rate risk exposures

The consolidated entity’s exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

28. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (CONT)

		Fixed interest maturing in:						
	Note	Weighted average interest	Floating interest rate \$	1 year or less \$	1 to 5 years \$	More than 5 years \$	Non- interest bearing \$	Total \$
2003								
<i>Financial Assets</i>								
Cash assets	8	4.71%	459,907	-	-	-	-	459,907
Other financial assets	13	-	-	-	-	-	178,000	178,000
			459,907	-	-	-	178,000	637,907
<i>Financial Liabilities</i>								
Payables	14	-	-	-	-	-	233,861	233,861
			-	-	-	-	233,861	233,861

		Fixed interest maturing in:						
	Note	Weighted average interest	Floating interest rate \$	1 year or less \$	1 to 5 years \$	More than 5 years \$	Non- interest bearing \$	Total \$
2002								
<i>Financial Assets</i>								
Cash assets	8	4.06%	1,085,377	-	-	-	-	1,085,377
Receivables	9	-	-	-	-	-	953,360	953,360
Other financial assets	13	-	-	-	-	-	360,000	360,000
			1,085,377	-	-	-	1,313,360	2,398,737
<i>Financial Liabilities</i>								
Payables	14	-	-	-	-	-	1,440,958	1,440,958
Employee entitlements	17	-	-	-	-	-	196,101	196,101
Interest bearing liabilities	16	-	-	-	-	-	53,306	53,306
			-	-	-	-	1,690,365	1,690,365

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

28. ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE (CONT)

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

Recognised financial instruments

The credit risk on financial assets, excluding investments, of the consolidated entity which have been recognised on the statement of financial position, is the carrying amount, net of any provision for doubtful debts.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers.

The consolidated entity is not materially exposed to any individual overseas country or individual customer.

(c) Net fair values of financial assets and liabilities

Valuation approach

Net fair values of financial assets and liabilities are determined by the consolidated entity on the following bases:

Recognised financial instruments

The net fair value of monetary financial assets and financial liabilities, including redeemable convertible notes, not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows.

Net fair values

Recognised financial instruments

The carrying amounts of financial assets and liabilities as at the reporting date approximate their fair values.

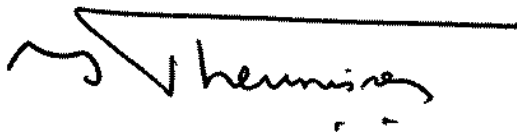
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DIRECTOR' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2003

In the opinion of the directors of Technology Incubation Group Ltd:

- (a) the financial statements and notes, as set out on pages 11 to 46 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company and consolidated entity as at 30 June 2003 and of their performance, as represented by the results of their operations and their cash flows, for the period then ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 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 Board of Directors.

A handwritten signature in black ink, appearing to read 'Theunissen', is written over a horizontal line. The signature is stylized and cursive.

Dr Tor Theunissen
Executive Chairman

Perth
30 September 2003



Independent audit report to members of Technology Incubation Group Ltd

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Technology Incubation Group Ltd (the "Company") and the Consolidated Entity, for the year ended 30 June 2003. The Consolidated Entity comprises both the company and the entities it controlled during that year.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's and the Consolidated Entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.





Audit opinion

In our opinion, the financial report of Technology Incubation Group Ltd 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 financial year ended on that date; and
 - ii. complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) other mandatory professional reporting requirements in Australia.

KPMG

T R HART
Partner

Perth
30 September 2003