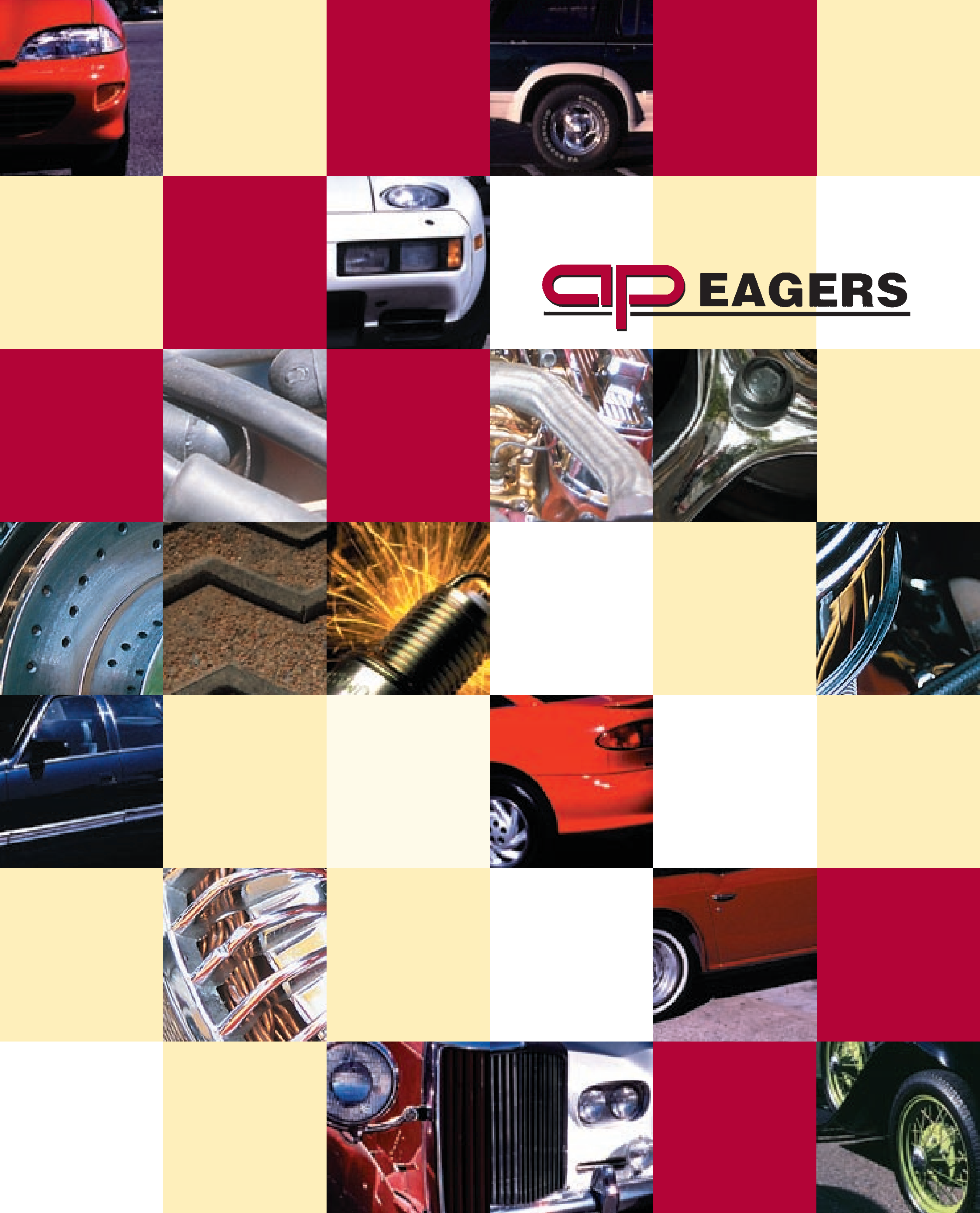

Annual Report 2004

A.P. EAGERS LIMITED and Controlled Entities

ANNUAL REPORT - 31 DECEMBER 2004

FINANCIAL REVIEW

Year ended	**31.12.04**	31.12.03	31.12.02	31.12.01	31.12.00
	$'000	$'000	$'000	$'000	$'000
Sales revenue	**910,788**	841,546	750,361	672,483	494,238
Earnings before interest and tax	**26,496**	22,124	18,558	15,634	10,369
Profit before tax	**17,230**	15,215	12,327	9,057	6,301
Profit after tax	**12,023**	10,498	8,562	6,251	4,292
Earnings per share - cents	**58.7**	54.9	51.9	40.4	28.2
Dividends per share - cents	**36.0**	33.0	31.0	28.0	24.0
Dividend franking -%	**100**	100	100	100	100
Net tangible asset backing per share - $	**6.34**	6.17	4.64	4.48	4.85
Shares on issue - 000's	**21,512**	19,564	17,078	15,679	15,328
Number of shareholders	**1,657**	1,695	1,512	1,280	1,196
Number of employees	**1,187**	1,048	1,031	1,028	608

Financial Calender

Financial Year End	31 December Annually
Full Year Results Announced	25 February 2005
Record Date for Final Dividend is	5 May 2005
Annual General Meeting	13 May 2005
Final Dividend Payable on	16 May 2005

ANNUAL GENERAL MEETING

The Annual General Meeting of A.P. Eagers Limited will be held at the Company's Registered Office, 80 McLachlan Street, Fortitude Valley, Brisbane on Friday, 13 May 2005 at 9.00 am. A formal Notice of Meeting is enclosed with this report.

EAGERS

A.P. EAGERS LIMITED and Controlled Entities

ANNUAL REPORT - 31 DECEMBER 2004

COMPANY PROFILE

A.P. Eagers Limited has its origins in the formation of E.G. Eager & Son Pty Ltd, a family automotive company established in Brisbane in 1913 by Edward Eager and his son Frederick.

After establishing the State's first motor car assembly plant, Eagers became the distributor of General Motor's products in Queensland and Northern New South Wales and listed as a public company in April 1957.

A merger in November 1992 with A.P. Group Ltd which owned a number of new vehicle franchises, saw the name change to A.P. Eagers Limited. Since that time further motor vehicle franchises have been added and growth has continued.

A.P. Eagers is currently Australia's largest listed automotive retail group, ranked by turnover and market capitalisation. At December 2004 the Group employed 1,187 people, had 1,657 shareholders and sales revenue of $911 million.

Operating predominantly in the Brisbane Metropolitan area the company's focus is on its core business of owning and operating motor vehicle dealerships which provide full facilities covering new motor vehicle sales, used motor vehicle sales, service, spare parts and the provision of allied consumer finance. These services are provided through some of Brisbane's best known dealerships as listed below.

	Franchise:	**Dealership:**
•	Holden	Eagers, Newstead / Windsor / Townsville
•	Ford	Southside Ford, Woolloongabba
		Metro Ford, Fortitude Valley / Eagle Farm
		Torque Ford, Redcliffe / Strathpine
•	Toyota	Southside Toyota, Woolloongabba/Mt Gravatt
		Torque Toyota, Redcliffe
		Strathpine Toyota, Strathpine
•	Honda	Southside Honda, Buranda - Austral Honda, Newstead
•	Land Rover	Southside Land Rover, Buranda - Austral Land Rover, Newstead
•	Volvo	Austral Motors, Fortitude Valley
•	Jaguar	Austral Motors, Fortitude Valley
•	VW	Austral Motors, Newstead
•	KIA	Eagers, Kedron / Windsor
•	Mazda	Eagers, Newstead
•	Porsche	Austral Motors, Newstead
•	MG Rover	Austral Motors, Newstead
•	Subaru	City Automotive Group, Newstead
		Westpoint Subaru, Indooroopilly / Moorooka
•	Peugeot	City Automotive Group, Newstead
•	Mitsubishi	City Automotive Group, Newstead

Contents

Your Directors present the forty-eighth Annual Report on the consolidated entity consisting of A.P. Eagers Limited and the entities it controlled at the end of, or during the year ended 31 December 2004.

Directors

The following persons were Directors of A.P. Eagers Limited during the whole of the financial year and up to the date of this report:

Benjamin Wickham Macdonald, Kenneth William Macdonald, Nicholas George Politis, Antony James Love and Denis Alan Aitken.

Principal Activities

The principal continuing activities during the year of the consolidated entity consisted of the selling of new and used motor vehicles, the distribution of parts and accessories and the provision of service, finance, leasing and extended warranty for motor vehicles. The products and services supplied by the consolidated entity are associated with and are an integral part of the consolidated entity's motor vehicle dealership operations. There were no significant changes in the nature of the consolidated entity's activities during the year.

Consolidated Results

Year ended 31 December	**2004**	2003
	$'000	$'000
Sales revenue	**910,788**	841,546
Other revenue	**1,860**	1,763
Total revenue	**912,648**	843,309
EBITDA	**31,192**	26,669
Depreciation/amortisation expense	**(5,080)**	(4,606)
EBIT	**26,112**	22,063
Interest expense	**(9,266)**	(6,909)
Profit from ordinary activities before income tax expense and equity accounting for an associate	**16,846**	15,154
Share of net profit of equity accounted associate	**384**	61
Net profit before tax	**17,230**	15,215
Income tax expense	**(5,207)**	(4,717)
Net profit after tax	**12,023**	10,498

Earnings Per Share (EPS)

	2004	2003
	Cents	Cents
Earnings per share - basic	**58.7**	54.9
Earnings per share - diluted	**58.7**	54.9

Dividends - A.P. Eagers Limited

Dividends paid to members during the financial year were as follows:

Year ended 31 December	**2004**	2003
	$'000	$'000
Final ordinary dividend for the year ended 31 December 2003 of 18 cents (2002 – 17 cents) per share paid on 31 May 2004	**3,521**	3,275
Interim ordinary dividend of 17 cents (2003 – 15 cents) per share paid on 27 September 2004	**3,602**	2,901
	7,123	6,176

DIRECTORS' REPORT (continued)

Review of Operations

Whilst total national new vehicle sales numbers increased 5% on 2003 to a record 955,299 units, overall new car margins were lower and noticeably declined in the December quarter ahead of anticipated price cuts in January 2005 following the impending reduction in the import tariff on passenger cars from 15% to 10%.

Despite this, industry conditions remained buoyant enabling the Group to post another record profit of $17.23M before tax, up 13.2% on 2003. Net profit to turnover improved marginally to 1.9%.

Turnover increased by $69.2M to $910.8M inclusive of $53.5M turnover from City Automotive Group and Westpoint Subaru acquired on 1 July 2004 and 1 October 2004 respectively.

The 2004 result was affected by the need to provide a one-off accrual of $930,000 for long service leave predominantly for non award employees following a decision by the Industrial Court in an unrelated case.

On 1 July 2004 the Group acquired all the shares in City Automotive Group Pty Ltd (CAG) and associated land and buildings for $14.1M. CAG operate Mitsubishi, Subaru and Peugeot franchises in the Newstead area of Brisbane. CAG's Subaru franchise was augmented by the acquisition of a further Subaru franchise, Westpoint Subaru, on 1 October 2004.

Both acquisitions traded profitably and to expectation. CAG's results were particularly pleasing given the much publicised difficulties faced by Mitsubishi Motors during the period since acquisition.

Solid profit results were also achieved by Eagers Holden and Eagers Mazda at Newstead, Torque Ford, Torque / Strathpine Toyota, Southside Toyota, Southside Honda / Land Rover and Austral Honda / VW.

Austral Porsche is consolidating following its move into state of the art premises in Newstead on 1 March 2004 while Metro Ford's results were disappointing due mainly to the lack of a suitable volume used vehicle sales outlet which management is looking to address in 2005.

Consolidated sales revenues and results are set out below.

	Revenue		Results	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Franchised operations	**910,772**	841,497	**11,799**	12,244
Finance	**16**	49	-	-
	910,788	841,546	**11,799**	12,244
Internal interest & rental charges			**8,778**	7,222
Operating contribution			**20,577**	19,466
Net unallocated expenses			**(3,347)**	(4,251)
Net profit before tax			**17,230**	15,215
Tax expense			**(5,207)**	(4,717)
Net profit after tax			**12,023**	10,498

	Revenue		Results	
Franchised Operations	**2004**	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
New Vehicle Departments	**592,121**	551,147	**4,968**	5,342
Used Vehicle Departments	**156,128**	152,118	**(1,193)**	451
Parts Departments	**121,596**	102,499	**5,051**	3,795
Service Departments	**40,927**	35,733	**2,973**	2,656
	910,772	841,497	**11,799**	12,244

New Vehicle Operations

Group new vehicles sales of 20,620 units for the year were up 1,854 units on 2003 boosted by the new acquisitions of CAG and Westpoint Subaru and a continuing strong national new car market which achieved a record total volume of 955,229 units. This is the third successive year of record retail volume by the Australian Automotive industry.

Of the 20,620 units sold, 56.4% were retail sales (2003 – 51%) and 43.6% were Government, fleet and rental sales (2003 – 49%). The percentage change being as a result of the new franchise acquisitions which operate predominantly in the retail sector and a greater concentration on increasing retail sales by the Group's larger volume Ford, Holden and Toyota dealerships.

Nationally, Toyota retained its market leadership with 21.1% followed by Holden with 18.6% and Ford increasing its market share to 14.2% following the success of the new model Territory. 2004 was Ford's highest annual volume since 1995.

The Group holds eight of the top ten volume franchises in the Australian market which together accounted for 87% of the total 2004 volume of 955,229 units. Franchises held by the Group that nationally sold fewer vehicles than last year were, Peugeot, VW, MG Rover, Land Rover, Mitsubishi and Jaguar. Ford's Premier Automotive Group marques of Volvo, Jaguar and Land Rover continued to disappoint while Porsche increased volume by 6.5%.

Of the Group's other franchises, Kia increased sales nationally by 41.9% after strong market acceptance whilst Honda improved by 18.4% and Subaru 12.7%. Mazda continued to perform well and increased volume by 5.8%.

Despite being $356,000 below last year, the Group's profit from new vehicle operations at $4.97M came after absorbing increased costs and tighter gross margins as previously mentioned.

<u>Used Vehicle Operations</u>
The pressure on used vehicle operations reported last year continued and increased through 2004 requiring strict control over inventory levels and trade-in valuations.

The Group sold 4,723 used cars at retail in 2004 compared to 4,966 in 2003. Used cars continued to be affected by the strong new vehicle market while the issue of increased private to private sales remains a concern to motor vehicle dealers.

Metro Ford's used vehicle operation at Moorooka encountered difficult trading conditions and consequently contributed substantially to the segment loss of $1.2M. As stated previously the issue is being addressed but is not an easy fix given the geographic position of the main Metro dealership site and the lack of a suitable used car yard in its market area.

<u>Parts Operations</u>
Parts and Accessory trading remained competitive throughout the year, particularly in the volume franchises of Holden, Ford and Toyota. Despite this, departmental profit increased by $1.25M to $5.05M.

Turnover increased by $19.1M (18.6%) on 2003 with the CAG and Westpoint acquisitions contributing $5.5M. Eagers Holden's turnover was boosted by the addition of Daewoo parts through General Motors decision to discontinue the Daewoo franchise in Australia and to allocate the ongoing Daewoo parts business to its Holden dealers.

The Metro Ford parts distribution centre performed strongly and contributed significantly to the overall increased profitability of the Group's parts operations.

<u>Service Operations</u>
Whilst service departmental profit increased by $317,000 to $2.97M on turnover of $40.9M (2003 - $35.7M) the result was disappointing in that the increase was attributable to CAG's contribution and not through increased market share or efficiency.

The Group's service departments were restricted to some degree by a lack of qualified technicians, a problem that is affecting dealers nationally, as well as the continuing threat from aftermarket service operators.

Likely Developments

Other than developments mentioned elsewhere in this report the Company continues to evaluate potential acquisition opportunities within the motor vehicle industry.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report as the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Investments

A.P. Eagers continues to hold 6,197,052 shares in Auto Group Limited (18.68%) whose principal business activity is the wholesale distribution of used vehicles by auction.

The Company also has a 15.86% investment (451,200 shares) in MTQ Insurance Services Limited (MTQ). The majority of shareholders in MTQ are motor vehicle dealers who use the company to provide consumer credit and gap insurance to purchasers of vehicles who buy from them on credit.

Significant Changes in the State of Affairs.

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

	2004 $'000
(a) An increase in contributed equity of $13,592,000 (from $59,034,000 to $72,626,000) as a result of:	
The issue of 1,324,675 ordinary shares as part payment for the acquisition of City Automotive Group Pty Ltd and associated land and buildings as approved by shareholders in general meeting on 28 May 2004.	**9,500**
The issue of 623,266 ordinary shares at between $6.56 and $6.58 each under the dividend reinvestment plan	**4,092**
	13,592

(b) The acquisition of all the shares in City Automotive Group Pty Ltd together with associated land and buildings for $14.1M. (Refer note 28 "Acquisition of controlled entity".)

(c) The purchase of freehold land and buildings at 157/159 Newmarket Road, Windsor and 1 James Street, Fortitude Valley for a total of $4.99M.

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 accounts.

Matters Subsequent to the End of the Financial Year.

Since the end of the Financial Year the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report or the consolidated financial statements that has arisen since 31 December 2004 that has significantly affected, or may significantly affect:

(a) the consolidated entity's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the consolidated entity's state of affairs in future financial years.

Environmental Regulation

The consolidated entity is subject to environmental regulation in respect of its property development and service centre operations as set out below.

<u>Property Development</u>
Planning approvals are required for property developments undertaken by the economic entity. These developments fall under the Queensland Environmental Protection Act 1994 and the Integrated Planning Act 1997. The relevant authorities are provided with appropriate details and to the best of the Directors' knowledge all activities have been undertaken in compliance with the requirements of the planning approvals.

<u>Service Centres</u>
The consolidated entity holds environmental licences for its service centres. These licences arise under the requirements of the Environmental Protection Act 1994, Environmental Protection (Interim Waste) Regulations 1996, Environment Protection (Water) Policy 1997, Environmental Protection (Noise) Policy 1997 and Environmental Protection (Air) Policy 1997.

Management continues to work with the local regulatory authority to achieve, where possible, best practice in environmental management so as to minimise risk to the environment, reduce waste and ensure compliance with regulatory requirements. There were no adverse environmental issues during the year.

Information on Directors

Details of directors' responsibilities, experience and relevant interest in ordinary shares of A.P. Eagers Limited at the date of this report are as follows:

B W Macdonald Chairman of the Board and a member of the Audit Committee.

Independent Non-Executive Director since January 1992. Company Director. Chairman of Queensland Cotton Holdings Limited, FKP Ltd and Reef Corporate Services Ltd. Director of Brisbane Bears-Fitzroy Football Club Ltd.

Mr Macdonald has a relevant interest in 75,000 ordinary shares of A.P. Eagers Limited.

N G Politis B.Com Director.

Non-Executive Director since May 2000. Motor Vehicle Dealer. Chairman of Sydney RJV Pty Ltd, a retail joint venture between Ford Motor Company and participating Sydney Dealers. Director of the Bank of Cyprus. Executive Chairman of WFM Motors Pty Ltd and a substantial number of other proprietary limited companies.

Mr Politis has a relevant interest in 8,980,256 ordinary shares of A.P. Eagers Limited.

K W Macdonald M.N.I.A. Managing Director and Chief Executive.

Executive Director since July 1999. Director of MTQ Insurance Services Limited.

Mr Macdonald has a relevant interest in 48,800 ordinary shares of A.P. Eagers Limited.

A J Love B.Com, A.A.U.Q., F.A.P.I. Director and Chairman of the Audit Committee.

Independent Non-Executive Director since March 1994. Real Estate Agent. Managing Director of McGee Isles Love Pty Ltd. Director of Campbell Brothers Limited and Bank of Queensland Limited.

Mr Love has a relevant interest in 24,000 ordinary shares of A.P. Eagers Limited.

D A Aitken B.Com, MBA, FCPA. Director and a member of the Audit Committee.

Non – Executive Director since March 2001. Motor Vehicle Dealer. Director of Auto Group Limited. Director of WFM Motors Pty Ltd and a substantial number of other proprietary limited companies.

Mr Aitken has a relevant interest in 1,000 shares of A.P. Eagers Limited

Meetings of Directors

The number of meetings of the company's directors (including meetings of committees of directors) and the number of meetings attended by each director during the year ended 31 December 2004 were:

Director	Board Meetings		Audit Committee Meetings	
	Held	Attended	Held	Attended
B W Macdonald*	14	14	2	2
A J Love*	14	14	2	2
K W Macdonald	14	14	-	-
N G Politis	14	9	-	-
D A Aitken*	14	13	2	2

*Audit committee members

Retirement, Election and Continuation in Office of Directors

Mr A J Love is the Director retiring by rotation in accordance with the Company's Constitution who, being eligible, offers himself for re-election.

Directors and Senior Executives Remuneration

The Board as a whole is responsible for recommending and reviewing remuneration arrangements for the Non-Executive Directors. Non-Executive Directors are remunerated for their services by way of fees (and where applicable, superannuation) from the maximum amount approved by shareholders in general meeting for that purpose. Directors' fees are currently $40,000 per annum. The Chairman receives $70,000 per annum. These fees are set after considering relevant market conditions and after taking into account the Non-Executives expectations that they will receive an allowance on their retirement from office paid under a shareholder approved retirement program. Under that program retiring Non-Executive Directors who have served for a period of not less than five years, may, at the discretion of the Directors, receive a retiring allowance. The allowance cannot exceed the total Director's fees paid to the Director by the Company during the period of three years immediately preceding retirement, resignation or death.

Non-Executive Directors do not participate in any schemes designed for the remuneration of executives nor do they participate in any equity schemes. For details on the breakdown of Directors' remuneration refer to Note 33 to the Financial Statements.

Executives of the Company, inclusive of the Managing Director / CEO, are those who are directly accountable and responsible for the operational management and strategic direction of the Company and the consolidated entity.

The full Board of Directors (excluding the Managing Director) sets the level of remuneration of the Managing Director. In consultation with the Managing Director, the Board sets the remuneration level of the consolidated entity's senior executives with due regard to performance and comparative market information.

Executives directly involved in the operational side of the business are remunerated by way of a base salary plus a commission linked to the profitability of the Company whilst other executives receive a base salary commensurate with relevant employment market conditions. Executive officers may also be paid a bonus linked to performance and the achievement of specified criteria. Details of the nature and amount of each element of the remuneration of executive Directors and each of the executive officers remuneration for the financial year are disclosed in Note 33 to the Financial Statements. There is no agreement between the Company and the CEO regarding a termination payment.

Details of the nature and amount of each major element of the remuneration of the directors and senior executive officers are set out in Note 33 to the Financial Statements.

Shares Under Option

There are no shares under option.

Indemnification and Insurance of Officers and Auditors

Indemnification of Officers
The Company's constitution provides that every Director Manager or officer of the Company or any person employed by the Company as auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director Manager officer or auditor in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 535 of the Statute in which relief is granted to him by the Court.

The constitution further provides that no Director Manager Secretary or other officer of the Company shall be liable for the acts receipts neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy insolvency or tortious act of any person with whom any moneys securities or effects shall be deposited or left or for any other loss damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happen through his own negligence wilful default breach of duty or breach of trust.

Insurance of Officers
During the financial year the Company paid insurance premiums in respect of a Directors and Officers Liability insurance contract. The contract insures each person who is or has been a director or executive officer of the company against certain liabilities arising in the course of their duties to the Company and its controlled entities. The directors have not disclosed details of the nature of the liabilities covered or the amount of the premium paid in respect of the insurance contract as such disclosure is prohibited under the terms of the contract.

DIRECTORS' REPORT (continued)

Rounding of Amounts to Nearest Thousand Dollars

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

Auditor

Horwath Sydney Partnership continues in office in accordance with section 327 of the Corporations Law.

This report is made in accordance with a resolution of the directors.

K W Macdonald
Director

Brisbane, 25 February 2005

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The format of this year's Corporate Governance Statement is different from previous years due to the introduction of the ASX Corporate Governance Council's "Principals of Good Corporate Governance and Best Practice Recommendations" (the "Recommendations").

Unless disclosed below, the Recommendations have been applied throughout the year ended 31 December 2004.

Principle 1. Lay solid foundations for management and oversight.

The Company has a small and dynamic Board which has, over many years, developed and implemented policies and practices designed to promote a culture of good corporate governance. During the year the Board has considered and adopted a Board charter which is published on the Company's website www.apeagers.com.au.

In recognition of the need for small Boards to operate effectively the Board believes it cannot fully regulate or document the relationships between its Directors or between the Chairman and the Chief Executive Officer.

Principle 2. Structure the Board to add value.

The Board currently comprises four Non-Executive Directors and one Executive Director (the Managing Director and Chief Executive Officer).

Of the four Non-Executive Directors, two are considered by the Board to be independent in terms of its adopted charter. They are Mr B W Macdonald and Mr A J Love.

An independent Director is one who is independent of management and free of any business or other relationship that could materially interfere with the exercise of the Directors unfettered and independent judgement.

Materiality is assessed on a case-by-case basis from the perspective of both the Company and Director concerned.

The two independent Directors also meet the ASX guidelines for independence except that both Directors have been in office for many years. The Board does not consider that the independence of a Director can be assessed by reference to an arbitrary or set period of time. The Company has grown considerably during the past twelve years, both in terms of new motor vehicle franchises, turnover and assets and the Board believes that all stakeholders in the Company derive benefit through the inclusion of long-serving industry knowledgeable Directors.

The Chairman of the Company is an independent Non-Executive Director. The roles of Chairman and Chief Executive Officer are exercised by separate individuals.

As the Board is relatively small and stable the Board as a whole acts as a nomination committee. Should a vacancy occur the Board identifies candidates with appropriate levels of experience, knowledge and a disposition that enables them to offer and resolve differing views and to ask discerning questions. The last Board change occurred in March 2001.

Each Director has the right to seek independent professional advice at the consolidated entity's expense. However, prior approval of the Chairman is required which would not be unreasonably withheld.

Information on Directors

The Directors in office during the financial year are listed below with a brief description of their qualifications, experience and relevant interest in ordinary shares in the Company at the date of the Directors' Report.

B W Macdonald Chairman of the Board and a member of the Audit Committee.

Independent Non-Executive Director, appointed January 1992. Company Director. Chairman of Queensland Cotton Holdings Limited, FKP Ltd and Reef Corporate Services Ltd. Director of Brisbane Bears-Fitzroy Football Club Ltd.

Mr Macdonald has a relevant interest in 75,000 ordinary shares of A.P. Eagers Limited.

N G Politis B.Com Director.

Non-Executive Director, appointed May 2000. Motor Vehicle Dealer. Chairman of Sydney RJV Pty Ltd, a retail joint venture between Ford Motor Company and participating Sydney Dealers. Director of the Bank of Cyprus. Executive Chairman of WFM Motors Pty Ltd and a substantial number of other proprietary limited companies.

Mr Politis has a relevant interest in 8,980,256 ordinary shares of A.P. Eagers Limited.

K W Macdonald M.N.I.A. Managing Director and Chief Executive.

Executive Director, appointed July 1999. Director of MTQ Insurance Services Limited.

Mr Macdonald has a relevant interest in 48,800 ordinary shares of A.P. Eagers Limited.

A J Love B.Com, A.A.U.Q., F.A.P.I. Director and Chairman of the Audit Committee.

Independent Non-Executive Director, appointed March 1994. Real Estate Agent. Managing Director of McGee Isles Love Pty Ltd. Director of Campbell Brothers Limited and Bank of Queensland Limited.

Mr Love has a relevant interest in 24,000 ordinary shares of A.P. Eagers Limited.

D A Aitken B.Com, MBA, FCPA. Director and a member of the Audit Committee.

Non – Executive Director, appointed March 2001. Motor Vehicle Dealer. Director of Auto Group Limited. Director of WFM Motors Pty Ltd and a substantial number of other proprietary limited companies.

Mr Aitken has a relevant interest in 1,000 shares of A.P. Eagers Limited

Directors are not appointed for specific terms. Their continuation in office is dependent on effective contribution as assessed by the Board on a regular basis.

Principle 3. Promote ethical and responsible decision making.

Whilst the Company does not have a formal code of conduct, it has established practices and policies that promote and encourage ethical and responsible decision making and which foster a sound "Culture of Compliance". These practices and policies are incorporated into an "Employee Information and Policy Manual" which is provided to all employees and Directors.

Where considered necessary training programs on issues such as Workplace Health and Safety, Fair Trading, Environmental Law compliance, Trade Practices Act and Industrial Relations requirements are held.

A formal Code of Conduct drawing together all of the Company's existing policies and practices is being considered.

Securities Trading and Trading Windows.

The Company's policy on trading in its securities is covered under three specific headings.

1. Share Dealings.

   a. Restriction applicable to all employees

      No Director or employee may buy or sell A.P. Eagers shares (or hint, suggest, ask or tell anyone else to do so) at any time when they are aware of information which would be likely to affect the share price if it were made public. This restriction also applies to other Companies shares where information is learned as a result of a person's position in A.P. Eagers.

   b. Additional restrictions applicable to those with regular access to sensitive information

      Directors of A.P. Eagers Limited, executive general managers, the Company Secretary, the Chief Financial Officer, employees having access to the monthly management reports (including employees in corporate head office involved in the preparation of those reports) and any other employees or group of employees nominated by the Managing Director, may only purchase or sell A.P. Eagers shares during the following "windows":

- The period of one month following the announcement of half yearly results;
- The period of one month following the announcement of the annual results; and
- The period of one month following the Annual General Meeting (assuming that an update of the Company's performance is given at the meeting)

And may only do so at those times if not prohibited by the general restriction in paragraph (a).

Trading in A.P. Eagers shares by Directors, senior executives and employees as nominated at times other than those set out in clause 1(b) above is prohibited except that a person may trade outside the allowable period under certain conditions with written authority as follows:

- Chairman – from another Non-Executive Director
- Chief Executive and Directors – from the Chairman or in his absence a Non-Executive Director nominated by the Chairman.
- All other nominated executives and employees – from the Chief Executive or in his absence a senior executive nominated by the Chief Executive.

1. Passing on sensitive information

   No one may "pass on" sensitive information about the Company.

2. Improper use of position or confidential information

   No one may improperly use their position with the Company or information obtained by virtue of their position for personal gain or to damage the Company.

Principle 4. Safeguard integrity in financial reporting.

Certification of the Financial Reports:

The Chief Executive Officer (CEO), the Company Secretary and the Chief Financial Officer (CFO) are required to state in writing to the Board that the Consolidated Entity's financial reports present a true and fair view, in all material respects, of the Consolidated Entity's financial condition and operational results and that they are in accordance with relevant accounting standards.

The statements by the CEO, Company Secretary and CFO are based on the completion of standard year end accounting practices and a review of the financial reports by the Audit Committee.

Audit Committee:

The Company has an established Audit Committee comprising three Non-Executive Directors, two of whom are considered to be independent. They are Messrs A.J. Love (Committee Chairman), B.W. Macdonald and D.A. Aitken. Their qualifications and experience are disclosed under Principle 1 and their committee attendance details are disclosed in the Directors' Report. The Committee Chairman is not also the Chairman of the Board.

The Managing Director, Company Secretary, Chief Financial Officer, Group Accountant and the external auditor may also attend committee meetings at the invitation of the committee.

The minutes of each committee meeting are reviewed at the subsequent meeting of the Board and the chairman of the committee reports on the committee's conclusions and recommendations.

The committee has a formal charter. Unless dealt with by the Board, its role and responsibilities are to:

a) Recommend to the Board the appointment of the external auditor

b) Review and / or evaluate:

   - The audit plan of the external auditor;
   - The performance of the external auditor;
   - The provision of non-audit services by the external auditor, including the quantum of fees and the types of activities performed;

- The effectiveness of the internal review processes;
- The management letters from the external auditor and management's responses;
- The adequacy and effectiveness of the reporting and accounting controls of the consolidated entity;
- The financial reports to be made to shareholders and / or the public prior to their release;
- The reports from management or the external auditor concerning any significant regulatory, accounting or reporting development to assess potential financial reporting issues;

c) approve and recommend acceptance to the Board of:

- all significant accounting policy changes;
- the consolidated entity's taxation position; and
- Half-yearly and annual financial statements.

d) Determine that no restrictions are being placed upon either the internal review processes or the external auditor;

e) Monitor the standard of corporate conduct in areas such as arms-length dealings and likely conflicts of interest;

f) Direct any special projects or investigations deemed necessary by the Board; and

g) Perform other duties as directed by the Board, from time to time.

Principle 5. Make timely and balanced disclosure.

In accordance with ASX Listing Rules the Company discloses any information that a reasonable person would expect to have a material effect on the value of its shares.

The Company Secretary is the nominated continuous disclosure officer and the matter of continuous disclosure is addressed at each Board meeting. All announcements made to the ASX by the Company are published on the Company's website.

Principle 6. Respect the rights of shareholders

Whilst the Company does not have a formal communications strategy in place,it keeps its shareholders fully informed of matters likely to be of interest to them through:

- Reports to the ASX and the press.
- Half yearly and full year profit announcements.
- Annual Reports
- The Chairman's address to the AGM.
- Placing the above reports and announcements on the Company's website.

At the Annual General Meeting the Chairman encourages questions and comment from shareholders. In the interest of clarity, questions on operational or accounting / financial issues may be answered by the Managing Director or Company Secretary or another appropriate member of senior management.

The external auditor attends the Company's Annual General Meeting and is available to respond to questions about the conduct of the audit and the preparation and content of the independent Audit Report.

Principle 7. Recognise and manage risk.

The Board as a whole is responsible for overseeing the risk management function. The Company places a high priority on the identification of risk and also opportunities throughout the Group's operations. To manage these risks and opportunities the Board receives a written compliance report at each Board meeting, reports from the Audit Committee Chairman after each committee meeting and considers strategic risk and opportunity on an ongoing basis. The Company has an established internal audit control function that operates independently from the external auditor but in consultation with them. The effectiveness of these controls are assessed on an ongoing basis.

<u>Risk Profile</u>

Major risks may arise from the actions of competitors, interest rate fluctuation, foreign currency exchange rate movements, government policy changes, environment, occupational health and safety, property, financial reporting and the use of information technology.

Certification of risk management controls

In conjunction with the certification of financial reports, the Managing Director, Company Secretary and Chief Financial Officer state in writing to the Board that:

- The statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board.
- The Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Principle 8. Encourage enhanced performance

Whilst no formal evaluation procedures exist the performance of individual Directors and senior executives is examined on an ongoing basis. There has been no formal performance evaluation of the Board, individual members of the Board or of the Audit Committee undertaken during the reporting period.

Board membership has remained unchanged since March 2001. Should new Directors be appointed in the future they will be provided with an appropriate induction program designed to meet ASX recommendations.

Each Director has the right to seek independent professional advice at the consolidated entity's expense. However, prior approval from the Chairman is required which would not be unreasonably withheld.

All Directors have access to the Company Secretary who attends all Board meetings. He is accountable to the Board on all governance matters.

Principle 9. Remunerate fairly and responsibly

The Company does not have a formal remuneration committee.

The Board as a whole is responsible for recommending and reviewing remuneration arrangements for the Non-Executive Directors. Non-Executive Directors are remunerated for their services by way of fees (and where applicable, superannuation) from the maximum amount approved by shareholders in general meeting for that purpose. Directors' fees are currently $40,000 per annum. The Chairman receives $70,000 per annum. These fees are set after considering relevant market conditions and after taking into account the Non-Executives expectations that they will receive an allowance on their retirement from office paid under a shareholder approved retirement program. Under that program retiring Non-Executive Directors who have served for a period of not less than five years, may, at the discretion of the Directors, receive a retiring allowance. The allowance cannot exceed the total Director's fees paid to the Director by the Company during the period of three years immediately preceding retirement, resignation or death.

Non-Executive Directors do not participate in any schemes designed for the remuneration of executives nor do they participate in any equity schemes. For details on the breakdown of Directors' remuneration refer to Note 33 to the Financial Statements.

Executives of the Company, inclusive of the Managing Director / CEO, are those who are directly accountable and responsible for the operational management and strategic direction of the Company and the consolidated entity.

The full Board of Directors (excluding the Managing Director) sets the level of remuneration of the Managing Director. In consultation with the Managing Director, the Board sets the remuneration level of the consolidated entity's senior executives with due regard to performance and comparative market information.

Executives directly involved in the operational side of the business are remunerated by way of a base salary plus a commission linked to the profitability of the Company whilst other executives receive a base salary commensurate with relevant employment market conditions. Executive officers may also be paid a bonus linked to performance and the achievement of specified criteria. Details of the nature and amount of each element of the remuneration of executive Directors and each of the executive officers remuneration for the financial year are disclosed in Note 33 to the Financial Statements. There is no agreement between the Company and the CEO regarding a termination payment.

Principle 10. Recognise the legitimate interests of stakeholders

The Company is in the process of drawing up a formal Code of Conduct that will draw together all of the Company's policies and procedures that collectively promote a culture of compliance with legal and ethical standard and recognise the Company's obligations to its legitimate stakeholders. When adopted the code of conduct will be posted on the Company's website.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF A. P. EAGERS LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, and accompanying notes to the financial statements for both A.P. Eagers Limited (the company) and the consolidated entity, and the directors' declaration for the year ended 31 December 2004. 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 and International Standards on Auditing, 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, including compliance with 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.

A.P. EAGERS LIMITED and Controlled Entities

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF A. P. EAGERS LIMITED (continued)

Audit opinion

In our opinion, the financial report of A.P. Eagers Limited 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 31 December 2004 and of their performance for the year ended on that date; and

  (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

HORWATH
Sydney Partnership
Chartered Accountants

David Cowper
Partner

Dated the 25th day of February 2005.

A.P. EAGERS LIMITED and Controlled Entities

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 17 to 50:

(a) comply with the 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 consolidated entity's financial position as at 31 December 2004 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; and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 28 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 29(b).

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

K W Macdonald
Director

Brisbane - 25 February 2005

A.P. EAGERS LIMITED and Controlled Entities

STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Sales revenue from ordinary activities	2	**910,788**	841,546	**-**	-
Cost of sales		**(795,716)**	(738,195)	**-**	-
Gross profit		**115,072**	103,351	**-**	-
Other revenues from ordinary activities	2	**1,860**	1,763	**124**	124
Employee benefits expenses		**(51,680)**	(46,598)	**-**	-
Borrowing expenses	3	**(9,266)**	(6,909)	**-**	-
Depreciation and amortisation expenses	3	**(5,080)**	(4,606)	**-**	-
Other expenses from ordinary activities		**(34,060)**	(31,847)	**-**	-
Share of net profits of associates accounted for using the equity method	39	**384**	61	**-**	-
Profit from ordinary activities before income tax expense		**17,230**	15,215	**124**	124
Income tax expense	4	**(5,207)**	(4,717)	**-**	-
Profit from ordinary activities after income tax expense	25(b)	**12,023**	10,498	**124**	124
Increase in retained profits due to adoption of accounting standard AASB 1020: Income Taxes	25(b)	**-**	325	**-**	-
Net increase (decrease) in asset revaluation reserve	25(a)	**1,949**	25,670	**-**	(722)
Total adjustments recognised directly in equity		**1,949**	25,995	**-**	(722)
Total change in equity other than those resulting from transactions with owners as owners	26	**13,972**	36,493	**124**	(598)
		Cents	Cents		
Earnings per share:					
Basic earnings per share	36	**58.7**	54.9		
Diluted earnings per share	36	**58.7**	54.9		

The above statements of financial performance are to be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED and Controlled Entities

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	Notes	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Current Assets					
Cash assets	6,27	**58**	55	**-**	-
Receivables	7,27	**42,976**	31,780	**-**	-
Inventories	8	**132,478**	103,437	**-**	-
Other	9	**1,900**	1,443	**-**	-
Total Current Assets		**177,412**	136,715	**-**	-
Non-Current Assets					
Receivables	10	**-**	-	**45,905**	44,529
Investments (equity accounted)	11(a)	**3,856**	3,596	**-**	-
Other financial assets	11(b),27	**4,599**	1,815	**40,378**	35,012
Property, plant and equipment	12	**174,529**	156,141	**-**	-
Deferred tax assets	13	**3,221**	2,455	**3,221**	2,455
Intangibles	14	**13,060**	8,375	**-**	-
Total Non-Current Assets		**199,265**	172,382	**89,504**	81,996
Total Assets		**376,677**	309,097	**89,504**	81,996
Current Liabilitites					
Payables	15,27	**25,279**	16,136	**-**	-
Interest bearing liabilities	16,27	**107,712**	82,749	**-**	-
Current tax liabilities	17	**1,567**	1,815	**1,567**	1,815
Provisions	18	**3,726**	3,173	**-**	-
Other	19	**3,549**	2,457	**-**	-
Total Current Liabilities		**141,833**	106,330	**1,567**	1,815
Non-Current Liabilities					
Interest bearing liabilities	20,27	**73,600**	63,900	**-**	-
Deferred tax liabilities	21	**10,496**	9,242	**11,452**	10,289
Provisions	22	**1,312**	630	**-**	-
Total Non-Current Liabilities		**85,408**	73,772	**11,452**	10,289
Total Liabilities		**227,241**	180,102	**13,019**	12,104
Net Assets		**149,436**	128,995	**76,485**	69,892
Equity					
Contributed equity	24(a)	**72,626**	59,034	**72,626**	59,034
Reserves	25(a)	**40,609**	38,660	**1,683**	1,683
Retained profits	25(b)	**36,201**	31,301	**2,176**	9,175
Total Equity		**149,436**	128,995	**76,485**	69,892

The above statements of financial position are to be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED and Controlled Entities

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Cash flows from operating activities					
Receipts from customers		**992,976**	922,652	**-**	-
Payments to suppliers and employees		(968,893)	(901,996)	**-**	-
		24,083	20,656	**-**	-
Dividends received		**328**	233	**-**	-
Interest received		**197**	152	**-**	-
Borrowing costs		**(8,936)**	(6,358)	**-**	-
Income taxes paid		**(5,809)**	(5,529)	**-**	-
Proceeds from other income		**201**	716	**-**	-
Proceeds from rental income		**1,253**	772	**-**	-
Net cash inflow from operating activities	37	**11,317**	10,642	**-**	-
Cash flows from investing activities					
Payment for acquisition of a controlled entity	28 (a)(iv)	**(4,743)**	-	**-**	-
Payment for acquisition of a business	28 (b)	**(2,072)**	-	**-**	-
Payments for property, plant and equipment		**(11,662)**	(34,981)	**-**	-
Net cash outflow from investing activities		**(18,477)**	(34,981)	**-**	-
Cash flows from financing activities					
Proceeds from issues of shares		**-**	8,736	**-**	-
Proceeds from borrowings		**8,700**	20,800	**-**	-
Repayment of borrowings		**-**	(3,000)	**-**	-
Dividends paid		**(3,031)**	(4,335)	**-**	-
Net cash inflow (outflow) from financing activities		**5,669**	22,201	**-**	-
Net increase (decrease) in cash held		**(1,491)**	(2,138)	**-**	-
Cash at the beginning of the financial year		**(687)**	1,451	**-**	-
Cash at the end of the financial year	6	**(2,178)**	(687)	**-**	-
Financing arrangements	20				

The above statements of cash flows are to be read in conjunction with the accompanying notes.

1. SUMMARY 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.

It is prepared in accordance with the historical cost convention, except for certain assets which, as noted, are stated at fair value. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

(a) Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all entities controlled by A.P. Eagers Limited ("parent entity") as at 31 December 2004 and the results of all controlled entities for the year then ended. A.P. Eagers Limited and its controlled entities together are referred to in this financial report as the consolidated entity. A list of controlled entities appears in note 28. 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.

Investments in associates are accounted for in the consolidated financial statements using the equity method. Under this method, the consolidated entity's share of the post-acquisition profits or losses of associates is recognised in the consolidated statement of financial performance, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of the investment. Associates are those entities over which the consolidated entity exercises significant influence, but not control.

(b) Income tax
The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and assessable temporary differences to measure the deferred tax assets or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilites are not recognised for temporary differences between the carrying amounts and tax bases of investments in controlled entities where the parent entity is able to control the timing of distributions from controlled entities and it is probable that the temporary differences will not reverse in the forseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Change in accounting policy for Income Tax
The above policy was adopted with effect from 1 January 2003 to comply with Accounting Standard AASB 1020 Income Taxes released in December 1999 and applied to the year ended 31 December 2003 in accordance with a written election by the directors under subsection 334(5) of the Corporations Act 2001. In previous years, income tax expense in the statement of financial performance was calculated by reference to the accounting profit after allowing for permanent differences and deferred tax liabilities were not recognised in relation to amounts recognised directly in equity.

An adjustment was made against the consolidated and parent entity revaluation reserves at the beginning of the financial year to recognise the deferred taxes attributable to amounts recognised directly in the asset revaluation reserves to 31 December 2002.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The adjustments were as follows:

- a decrease in consolidated and an increase in parent entity deferred tax liabilities and total liabilities of $325,000 and $722,000 respectively with a corresponding increase in consolidated net assets and a decrease in parent entity net assets
- an increase in consolidated and decrease in parent entity asset revaluation reserves of $2,738,000 and $722,000 respectively with a corresponding increase in consolidated total equity and a decrease in parent entity total equity

The restated statement of financial performance and the restatements and reclassifications of consolidated and parent entity deferred tax assets, deferred tax liabilities and asset revaluation reserves set out in note 1(v) show the information that would have been disclosed had the new accounting policy always been applied.

Tax consolidation legislation
A.P. Eagers Limited and its wholly-owned controlled entities implemented the tax consolidation legislation as of 1 January 2003. The Australian Taxation Office has been notified of this decision. As a consequence, A.P.Eagers Limited, as the head entity in the tax consolidation group, recognises current and deferred tax amounts relating to transactions, events and balances of the controlled entities in this group as if those transactions, events and balances were its own, in addition to the current and deferred tax amounts arising in relation to its own transactions, events and balances. Amounts receivable or payable under a tax sharing and a tax funding agreement with the tax consolidated entities are recognised separately as tax-related amounts receivable or payable. Expenses and revenues arising under the tax sharing and the tax funding agreement are recognised as a component of income tax expense (revenue).

(c) Acquisition of assets
The cost method of accounting is used for all acquisitions of assets regardless of whether shares or other assets are acquired. Cost is determined as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is their market price as at the acquisition date. Goodwill is brought to account on the basis described in note 1(k).

(d) Inventories
All inventories are valued at the lower of cost and net realisable value. Costs are assigned to individual items of parts stock on the basis of weighted average cost. Provisions have been made to cover potential loss and obsolescence of parts and also for the potential write down of demonstrators and used car inventories to net realisable value.

(e) Investments
The consolidated entity's interests in listed securities (other than associates) are brought to account at cost and dividend income is recognised in the statement of financial performance when received. Where, in the opinion of the directors, there has been a permanent diminution in the market value compared to the book value of any individual investment, a provision is made.

The consolidated entity adopts the "Fair Value" method of Accounting for unlisted investments.

(f) Revaluation of non-current assets
Subsequent to initial recognition as assets, land and buildings are measured at fair value being the amounts for which the assets could be exchanged on an existing use basis between willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of land and buildings does not differ materially from their fair value at the reporting date. Annual assessments will be made by the directors, supplemented by independent assessments at least every three years.

Revaluation increments, net of any related temporary tax differences, are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net profit or loss, the increment is recognised immediately as revenue in net profit or loss. Revaluation decrements, net of any related temporary tax differences, are recognised immediately as expenses in net profit or loss, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve. Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Recoverable amount of non-current assets
The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal. Where the carrying amount of an individual non-current asset is greater than its recoverable amount, the asset is written down to its recoverable amount. Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets.
The decrement in the carrying amount is recognised as an expense in the net profit or loss in the reporting period in which the recoverable amount write-down occurs. The expected net cash flows used in determining the recoverable amounts of non-current assets are not discounted to their present values.

(h) Depreciation of property, plant and equipment
Depreciation is calculated on a straight line basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Buildings	40 years
Plant & equipment	3-10 years

(i) Leasehold improvements
The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

(j) Employee entitlements
(i) Wages,salaries and annual leave
The provisions for employee entitlements to wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in other creditors in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave
The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above.

The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash flows.

(k) Purchased goodwill
The excess of the purchase consideration plus incidental expenses over the fair value of the identifiable net assets acquired is amortised on a straight line basis over the period during which the benefits are expected to arise, not exceeding twenty years.

(l) Receivables and revenue recognition

Receivables
Trade debtors
All trade debtors are recognised at the amounts receivable as they are due for settlement usually on a term not exceeding 30 days.

Term trade debtors
A receivable is recognised for this class of debtor when the loan documentation is signed. The carrying amount of the debt is net of unearned income. Income from lease and mortgage loan contracts is brought to account in accordance with the actuarial method so that income earned over the term of the contract bears a constant relationship to the funds employed.

In both classes of debtors above, collectability is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to collectability exists.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Sales revenue
Revenue from the sales of motor vehicles and parts is recognised when control of the goods has passed to the buyer. Control passes upon delivery of the item to the customer.

Service revenue
Service work on customers' motor vehicles is carried out under instructions from the customer. Service revenue is recognised based upon the percentage completion of the work requested. The percentage completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours for the service to be performed. Revenue arising from the sale of parts fitted to customers' vehicles during service is recognised upon delivery of the fitted parts to the customer upon completion of the service.

Rent revenue
Rent revenue is recognised on a straight line basis over the term of the lease agreement

Interest revenue
Interest revenue is recognised on a time proportionate basis, taking into account the effective yield on the financial asset.

Interest revenue arising from lease and mortgage loan contracts is accounted for as set out in theTerm trade debtors section above.

Dividends revenue
Dividend revenue is recognised when the right to receive the dividend is established upon declaration of the dividend.

Dividends on investments in associates are accounted for as described in Note 1(a)

Sales of non-current assets
Proceeds on the sale of non-current assets are recognised at the fair value of the consideration received or receivable when control of the assets has been passed to the buyer. Control passes upon delivery of the asset to the purchaser. Where settlement of the proceeds of sale is deferred, revenue is recognised at the present value of the deferred amount owing.

Gains and losses on disposals are calculated as the difference between the carrying amount of the asset at the time of disposal and the fair value of the consideration received, net of disposal costs.

Goods and Services Tax (GST)
All revenue is stated net of the amount of Goods and Services Tax (GST).

(m) Finance and operating leases
A distinction is made between leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of the asset (finance lease) and leases under which the lessor effectively retains all such risks and benefits (operating lease). In accordance with Accounting Standard AASB 1008: Accounting for Leases, finance leases are shown in the financial statements as receivables. The residual values of finance leases shown in note 7 are guaranteed by the lessees.

(n) Unearned income
Unearned income represents amounts received or receivable from suppliers in respect of vehicles in stock at the year end. This amount is progressively brought to income as vehicles are sold.

(o) Dividends
Provision is made for the amount of any dividend declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at balance date.

Change in accounting policy for providing for dividends
The above policy was adopted with effect from 1 January 2003 to comply with AASB 1044 Provisions, Contingent Liabilities and Contingent Assets released in October 2001. In previous years, in addition to providing for the amount of any dividends declared, determined or publicly recommended by the directors on or before the end of the financial year but not distributed at the balance date, provision was made for the dividends to be paid out of retained profits at the end of the financial year where the dividend was proposed, recommended or declared between the end of the financial year and the completion of the financial report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

An adjustment of $3,274,520 was made against the consolidated and parent entity retained profits at the beginning of the financial year to reverse the amount provided at 31 December 2002 for the proposed final dividend for that year that was recommended by the directors between the end of the financial year and the completion of the financial report. This reduced the consolidated and parent entity current liabilities - provisions and total liabilities at the beginning of the financial year by $3,274,520 with corresponding increases in their net assets, retained profits, total equity and the total dividends provided for or paid during the current year.

The restatements of consolidated and parent entity retained profits, provisions and total dividends provided for or paid during the year, set out in note 1(v) show the information that would have been disclosed had the new accounting policy above always been applied.

(p) Trade and other creditors
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are usually paid within 30 days of recognition.

(q) Borrowing Costs
Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include:
- interest on bank overdrafts, short and long-term borrowings
- interest on new vehicle bailment arrangements
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings

(r) Cash
For purposes of the statement of cash flows, cash includes deposits at call which are readily convertible to cash on hand and which are used in the cash management function on a day-to-day basis, net of outstanding bank overdrafts.

(s) Earnings per share

(i) Basic earnings per share
Basic earnings per share is determined by dividing net profit after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(t) New motor vehicle stock and related bailment
Motor vehicles secured under bailment plans are provided to the consolidated entity under bailment agreements between the floorplan loan providers and entities within the consolidated entity. The consolidated entity obtains title to the vehicles immediately prior to sale. The floor plan providers treat the vehicles from a practical point of view as forming part of the consolidated entity's trading stock. Motor vehicles financed under bailment plans held by the consolidated entity are treated as trading stock with the corresponding liability shown as owing to the finance provider.

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

(v) Restatements arising from adoption of new accounting policies in 2003
The 2003 restatements of consolidated and parent entity retained profits, provisions and total dividends provided for or paid during that year, deferred tax assets, deferred tax liabilities and asset revaluations set out below show the information that would have been disclosed had the new accounting policies set out in note 1 (b) and note 1 (o) always been applied.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Restatements arising from adoption of new accounting policies in 2003 (continued)

	CONSOLIDATED 2003 $'000 (Restated)	PARENT ENTITY 2003 $'000 (Restated)
Restatement of retained profits		
Previously reported retained profits at the end of the previous financial year (note 25 (b))	23,379	11,952
Change in accounting policy for providing for dividends	3,275	3,275
Adjustment due to adoption of accounting standard AASB 1020 Income Taxes	325	-
Restated retained profits at the beginning of the financial year	26,979	15,227
Net profit attributed to members of A.P. Eagers Limited	10,498	124
Dividends provided for or paid (see below)	(6,176)	(6,176)
Restated retained profits at the end of the financial year	31,301	9,175
Restatement of Statements of Financial Performance (extract)		
Profit from ordinary activities before income tax expense	15,215	124
Income tax expense	(4,717)	-
Profit from ordinary activities after income tax expense	10,498	124
Net increase (decrease) in asset revaluation reserve (refer to restatement of Asset Revaluation Reserve below)	25,670	(722)
Net increase (decrease) in retained profits (refer to restatement of retained profits above)	325	-
Total revenues, expenses and valuation adjustments attributable to members of AP Eagers Limited recognised directly in equity	25,995	(722)
Total changes in equity attributable to members of A.P. Eagers Limited other than those resulting from transactions with owners as owners	36,493	(598)
Restatement of deferred tax liabilities		
Previously reported deferred tax liabilities at the end of the previous financial year (note 21)	2,084	-
Adjustment for change in accounting policy for income tax	(325)	722
Restated deferred tax liabilities at the beginning of the year	1,759	722
Deferred income tax expense recognised directly in equity	7,396	-
Deferred income tax (revenue) expense for the year	87	-
Accounting for deferred tax liabilities in accordance with tax consolidation legislation (Note 1 (b))	-	9,567
Restated deferred tax liabilities at the end of the year	9,242	10,289

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Restatements arising from adoption of new accounting policies in 2003 (continued)

	CONSOLIDATED 2003 $'000 (Restated)	PARENT ENTITY 2003 $'000 (Restated)
Restatement of asset revaluation reserve		
Previously reported asset revaluation reserve at the end of the previous financial year (note 25 (a))	6,768	2,405
Adjustment for change in accounting policy for income tax	2,738	(722)
Restated asset revaluation reserve at the beginning of the financial year	9,506	1,683
Increment in revaluation of freehold land and building at the end of the financial year	33,066	-
Increment in revaluation of investment at the end of the financial year		
Deferred tax liability	(10,134)	-
Restated asset revaluation reserve at the end of the financial year	32,438	1,683

(w) Impact of adopting Australian Equivalents to International Financial Reporting Standards

Australian reporting entities will be required to comply with Australian Accounting Standard equivalents to International Financial Reporting Standards and their related pronouncements ("AEIFRS") for reporting periods beginning on or after 1 January 2005. The consolidated entity will report for the first time in accordance with AEIFRS when the results and interim financial reports for the half year ending 30 June 2005 are released. Comparative financial information will be required to be shown using AEIFRS which means that the consolidated entity's opening AEIFRS balance sheet will be restated at 1 January 2004, with most AEIFRS transition adjustments being made against opening retained earnings at 1 January 2004, and, where applicable, the restated income statement for the year ended 31 December 2004.

The consolidated entity has considered the impact of AEIFRS on specific accounting policies and at this stage concluded that there will be no significant impact with the exception of the following items:

Intangible Assets/Goodwill
Under AASB 3 - "Business Combinations", Goodwill reflected in the consolidated entity's balance sheet will not require a future amortisation charge (the current year amortisation charge included in the financial statements is $596,000). Instead, goodwill will be subject to an impairment test at least on an annual basis, with any impairment loss being recognised immediately in the income statement. The directors do not believe that any impairment of goodwill exists at the reporting date.

No adjustments to opening retained earnings will be required on adoption of this new standard. Furthermore no restatement of comparative financial information will be required.

Revaluation of Land and Buildings
Under AASB 116 - "Property, Plant and Equipment", rules on revaluation will require increases and decreases in the value of individual assets (as opposed to classes of assets at present) to be accounted for separately. The adoption of this standard will require an amount of $1,856,000, representing decreases in values of individual building assets which were previously offset against asset revaluation increments, now being shown as a debit adjustment to opening retained earnings at 1 January 2004, with an equivalent credit to the asset revaluation reserve balance in the restated 2004 balance sheet.

Investments in listed entities
AASB 139 - "Financial Instruments: Recognition and Measurement" requires investments in listed entities, other than equity accounted investments, to be valued at fair value being market price. Currently these investments are recognised at cost of acquisition in the parent entity's accounts. Adoption of this standard will require an estimated reduction of $296,000 in the book value of investments in listed entities in the parent entity's accounts, with $554,000 shown as a debit adjustment to opening retained earnings at 1 January 2004, $89,000 as a debit adjustment to deferred tax assets, and $347,000 as a credit adjustment to the restated 2004 income statement.

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Impact of adopting Australian Equivalents to International Financial Reporting Standards (continued)

Financial Instruments
AASB 139 requires all derivative financial instruments to be recognised at fair value in the balance sheet. The consolidated entity has not yet finalised its calculation of the financial impact of this requirement.

The above should not be regarded as a complete list of all changes in accounting policies and their financial impact that will result from the transition to AEIFRS as not all standards have been analysed as yet and some decisions have not yet been made where choices of accounting policies are available.

2. REVENUE FROM ORDINARY ACTIVITIES

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Revenue from operating activities				
Sale of goods	**869,845**	805,764	**-**	-
Services	**40,943**	35,782	**-**	-
	910,788	841,546	**-**	-
Revenue from outside the operating activities				
Rents	**1,253**	772	**-**	-
Interest	**202**	166	**-**	-
Dividends	**204**	109	**124**	124
Other	**201**	716	**-**	-
	1,860	1,763	**124**	124
Total revenue	**912,648**	843,309	**124**	124

3. PROFIT FROM ORDINARY ACTIVITIES

Net expenses
Profit from ordinary activities before income tax expense includes the following specific expenses:

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Depreciation				
Buildings	**1,610**	1,394	**-**	-
Plant and equipment	**2,647**	2,627	**-**	-
Total depreciation	**4,257**	4,021	**-**	-
Amortisation				
Leasehold improvements	**227**	101	**-**	-
Goodwill	**596**	484	**-**	-
Total Amortisation	**823**	585	**-**	-
Borrowing Costs				
Interest and Finance Charges - paid/payable				
New vehicle bailment	**4,810**	3,564	**-**	-
Other	**4,456**	3,345	**-**	-
Borrowing Costs Expensed	**9,266**	6,909	**-**	-
Operating leases - rental expense	**1,317**	1,908	**-**	-

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

3. PROFIT FROM ORDINARY ACTIVITIES (continued)

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Movement in provisions:				
Employee entitlements	**4,533**	3,099	**-**	-
Inventory obsolescence	**365**	250	**-**	-
Bad and doubtful debts - term and trade debtors	**385**	69	**-**	-
Warranties	**130**	158		
Total movement in provisions	**5,413**	3,576	**-**	-

4. INCOME TAX

(a) Income tax expense

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Current income tax expense	**5,333**	4,650	**-**	-
Deferred income tax (revenue) expense	**(114)**	73	**-**	-
Under (over) provision in prior years	**(12)**	(6)	**-**	-
	5,207	4,717	**-**	-
Attributable to:				
Profit from ordinary activities	**5,207**	4,717	**-**	-
Deferred income tax (revenue) expense included in income tax expense comprises:				
Decrease(increase) in deferred tax assets	**(549)**	(14)	**-**	-
(Decrease)increase in deferred tax liabilities	**435**	87	**-**	-
	(114)	73	**-**	-

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Pre-tax profit	**17,230**	15,215	**124**	10,248
Income tax calculated at 30% (2003 - 30%)	**5,169**	4,565	**37**	3,074
Tax effect of amounts which are not deductible (assessable) in calculating taxable income:				
Depreciation and amortisation	**216**	190	**-**	-
Rebateable dividends	**(61)**	(70)	**(37)**	(3,074)
Non allowable expenses	**43**	43	**-**	-
Income tax expense related to current and deferred tax transactions of the wholly-owned controlled entities in the tax consolidated group	**-**	-	**5,207**	4,717
Recovery of income tax expense under a tax funding agreement	**-**	-	**(5,207)**	(4,717)
Net deferred tax balances recognised by head entity in relation to wholly owned controlled entities with the tax consolidated group upon implementation of tax consolidation	**-**	-	**-**	(357)
Recovery of income tax expense under a tax funding agreement at transition	**-**	-	**-**	357
Sundry items	**(148)**	(5)	**-**	-
Current income tax expense	**5,219**	4,723	**-**	-
Under (over) provision in previous year	**(12)**	(6)	**-**	-
	5,207	4,717	**-**	-

(c) Amounts recognised directly in equity

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Aggregate deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited to equity (Note 21)	**835**	7,071	**-**	-

5. DIVIDENDS

	PARENT ENTITY	
	2004	2003
	$'000	$'000
Ordinary dividends fully franked based on tax paid @ 30%		
Final dividend for the year ended 31 December 2003 of 18 cents per share (2002 -17 cents) paid on 31 May 2004	**3,521**	3,275
Interim dividend of 17 cents (2003 - 15 cents) per share paid on 27 September 2004	**3,602**	2,901
Total dividends paid	**7,123**	6,176

Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the years ended 31 December 2004 and 31 December 2003 were as follows:

Paid in cash	**3,031**	4,335
Satisfied by issue of shares	**4,092**	1,841
	7,123	6,176

Dividends not recognised at year end

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 19 cents per share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 16 May 2005 out of the retained profits at 31 December 2004, but not recognised as a liability at year end, is:	**4,087**	3,522

Franked dividends

The final dividend recommended after 31 December 2004 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 31 December 2005.

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2003 - 30%)	**15,100**	12,450	**15,100**	12,450

The above amounts represent the balances of the franking accounts as at the end of the financial year, adjusted for:
(a) franking credits that will arise from the payment of the current tax liability
(b) franking debits that will arise from the payment of the dividends recognised as a liability at the reporting date
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date, and
(d) franking credits that may be prevented from being distributed in the subsequent financial years.

6. CURRENT ASSETS - Cash assets

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Cash at bank and on hand	**58**	55	**-**	-
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:				
Balances as above	**58**	55	**-**	-
Less: Bank overdrafts (note 16)	**(2,236)**	(742)	**-**	-
Balance per statement of cash flows	**(2,178)**	(687)	**-**	-

Deposits at call

Deposits at call were placed at interest rates between 6.42% and 6.58% (2003 - 5.68 % and 6.41 %)

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

7. CURRENT ASSETS - Receivables

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Trade debtors	**43,992**	32,242	**-**	-
Less: Provision for doubtful debts	**1,028**	620	**-**	-
	42,964	31,622	**-**	-
Term trade debtors -				
Finance lease receivables	**48**	187	**-**	-
Less: Unearned income	**1**	12	**-**	-
	47	175	**-**	-
Other receivables	**-**	41	**-**	-
Less: Unearned income	**-**	-	**-**	-
	-	41	**-**	-
Total term trade debtors (net)	**47**	216	**-**	-
Less: Provision for doubtful debts	**35**	58	**-**	-
	12	158	**-**	-
	42,976	31,780	**-**	-

Term Trade Debtors
Term debtors are secured by a charge over the underlying property. Where collection of the debt is doubtful and the assessed value of the property is less than the amount outstanding, a provision is created for the shortfall.
The debtors have a maximum maturity of 1 year. Interest rates are fixed at the time of entering into the contract.

8. CURRENT ASSETS - Inventories

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Bailment stock - At cost				
(Refer notes 1(t),16 and 20)	**95,196**	69,918	**-**	-
Less: Provision for diminution in value	**706**	732	**-**	-
	94,490	69,186	**-**	-
Other stock - At cost	**39,236**	34,954	**-**	-
Less: Provision for obsolescence	**1,248**	703	**-**	-
	37,988	34,251	**-**	-
Total inventories	**132,478**	103,437	**-**	-

9. CURRENT ASSETS - Other

Prepayments and deposits	**1,900**	1,443	**-**	-

10. NON-CURRENT ASSETS - Receivables

Amounts receivable from controlled entities (i)	**-**	-	**45,905**	44,529
	-	-	**45,905**	44,529

(i) Amounts receivable from controlled entities in the parent entity column includes the net tax receivable balance due from controlled entities of $5,207,000 (2003 :$8,601,000). (Refer note 1(b) Tax Consolidation Legislation)

11. NON-CURRENT ASSETS - Investments

(a) Investments (equity accounted)

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Shares in an associate - Auto Group Limited	**3,856**	3,596	**-**	-

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost in the parent entity (see note 11(b)).

Reconciliation
Reconciliation of the carrying amount of shares in associates is set out in note 39.

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
(b) Other financial assets				
Investments traded on organised markets				
Shares in other corporations - At cost (i)	**10**	10	**4,634**	4,634
Other (non-traded) investments				
Shares in controlled entities (note 28)				
At cost	**-**	-	**35,744**	30,378
	-	-	**35,744**	30,378
Shares in other corporations -				
At Directors' valuation - 31 December 2004 (ii)	**4,589**	-	**-**	-
At Directors' valuation - 31 December 2003	**-**	1,805	**-**	-
	4,599	1,815	**40,378**	35,012

(i) The carrying value in the parent entity of its investment in Auto Group Limited of $4,634,000 has not been written down to market value at balance date as Directors believe there has been no permanent diminution in the value of the investment.

The aggregate net fair values of traded investments are as follows:	**18**	18	**4,338**	3,842

(ii) The directors have valued the shares in other corporations based on a buy-back offer received from the relevant corporation during the financial year.

12. NON-CURRENT ASSETS - Property, plant and equipment

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Land and buildings				
Freehold land and buildings				
At directors' valuation - 31 December 2004	**160,625**	-		
At independent valuation - 31 December 2003	**-**	143,850	**-**	-
Construction in progress - at cost	**1,037**	3,732	**-**	-
Total land and buildings	**161,662**	147,582	**-**	-
Leasehold improvements				
At cost	**4,287**	261	**-**	-
Less: Accumulated amortisation	**337**	109	**-**	-
Total leasehold improvements	**3,950**	152	**-**	-

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

12. NON-CURRENT ASSETS - Property, plant and equipment (continued)

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Plant and equipment				
At cost	**19,553**	16,606	**-**	-
Less: Accumulated depreciation	**10,636**	8,199	**-**	-
Total plant and equipment	**8,917**	8,407	**-**	-
Total property, plant and equipment	**174,529**	156,141	**-**	-

Valuation of land and buildings
The basis of valuation of land and buildings is the assessed fair value being the amounts for which the assets could be exchanged, on an existing use basis, between willing parties in an arm's length transactions, based on current prices in an active market for similar properties in the same location and condition. The 2003 valuations were based on independent assessments by a member of the Australian Property Institute.

Reconciliations
Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current year is set out below:

	Freehold Land & Buildings $'000	Construction in Progress $'000	Leasehold improvements $'000	Plant & Equipment $'000	Total $'000
Consolidated 2004					
Carrying amount at start of year	143,850	3,732	152	8,407	156,141
Additions	15,393	4,323	-	5,197	24,913
Disposals/Transfers	2,992	(7,018)	4,025	(2,040)	(2,041)
Depreciation/amortisation expense (Note 3(a))	(1,610)	-	(227)	(2,647)	(4,484)
Carrying amount at end of year	160,625	1,037	3,950	8,917	174,529

13. NON-CURRENT ASSETS - Deferred tax assets

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Deferred tax assets	**3,221**	2,455	**3,221**	2,455
The balance comprises temporary differences attributable to:				
Amounts recognised directly in profit or loss				
Provisions - Doubtful debts	**319**	203	**319**	203
- Employee benefits	**2,197**	1,655	**2,197**	1,655
- Warranties	**338**	340	**338**	340
- Inventory write downs	**231**	163	**231**	163
	3,085	2,361	**3,085**	2,361
Sundry items	**136**	94	**136**	94
	3,221	2,455	**3,221**	2,455

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

13. NON-CURRENT ASSETS - Deferred tax assets (continued)

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
The deferred tax expense (revenue) included in income tax expense in respect of the above temporary differences resulted from the following movements :				
Deferred tax assets at start of the year	**2,455**	2,441	**2,455**	-
Deferred tax assets relating to acquisition of controlled entity	**225**	-	**225**	-
Reclassification to deferred tax liabilities (note 21)	**(8)**	-	**(8)**	-
Accounting for deferred tax assets in accordance with tax consolidation legislation (Note 1 (b))	**-**	-	**549**	2,455
	2,672	2,441	**3,221**	2,455
Less : Deferred tax assets at end of the year	**3,221**	2,455	**3,221**	2,455
Decrease (increase) in deferred tax assets included in income tax expense (note 4)	**(549)**	(14)	**-**	-

14. NON-CURRENT ASSETS - Intangibles

Goodwill - at cost	**14,960**	9,678	**-**	-
Less: Accumulated amortisation	**1,900**	1,303	**-**	-
	13,060	8,375	**-**	-

15. CURRENT LIABILITIES - Payables

Trade creditors	**18,398**	10,069	**-**	-
Other creditors	**6,881**	6,067	**-**	-
	25,279	16,136	**-**	-

16. CURRENT LIABILITIES - Interest bearing liabilities (secured)

Bailment finance - (Refer notes 1(t) and 8)	**102,476**	78,007	**-**	-
Bank overdrafts (note 6)	**2,236**	742	**-**	-
Revolving credit facility	**3,000**	1,000	**-**	-
Bills payable and fully drawn advances	**-**	3,000	**-**	-
	107,712	82,749	**-**	-

Information on the security provided for these liabilities is set out in note 20.

17. CURRENT LIABILITIES - Current tax liabilities

Income tax	**1,567**	1,815	**1,567**	1,815

18. CURRENT LIABILITIES - Provisions

Employee benefits	**2,598**	2,038	**-**	-
Warranties	**1,128**	1,135	**-**	-
	3,726	3,173	**-**	-

Warranties

Provision is made for the estimated claims in respect of extended warranties provided on the majority of the Group's retail used vehicle sales. These claims are expected to settle in the next financial year but some may be extended into the following year if claims are made late in the warranty period.

18. CURRENT LIABILITIES - Provisions (continued)

Movement in provisions
Movements in each class of provisions during the financial year, other than employee entitlements, are set out below:

	Warranties $'000
Consolidated - 2004	
Carrying amount at start of year	1,135
Provisions acquired	243
Additional provisions recognised	130
Payments/other sacrifices of economic benefits	(380)
Carrying amount at end of year	1,128

19. CURRENT LIABILITIES - Other

	CONSOLIDATED		**PARENT ENTITY**	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Unearned income	**3,549**	2,457	**-**	-
	3,549	2,457	**-**	-

20. NON-CURRENT LIABILITIES - Interest bearing liabilities

	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
Secured				
Bills payable and fully drawn advances	**73,600**	63,900	**-**	-
SECURED LIABILITIES				
Total secured liabilities (current and non-current) are:				
Bank overdrafts	**2,236**	742	**-**	-
Bills payable and fully drawn advances	**73,600**	66,900	**-**	-
Revolving credit facility	**3,000**	1,000	**-**	-
Bailment finance	**102,476**	78,007	**-**	-
Total secured liabilities	**181,312**	146,649	**-**	-

The bank overdraft, bills payable and fully drawn advances are secured by registered mortgages given by controlled entities over freehold land and buildings, a cross deed of covenant entered into by the Company and some of its controlled entities and by a floating charge over the consolidated entity's used vehicle and parts inventory. The borrowings are also secured by a negative pledge that states that the consolidated entity will not, without prior written consent, at any time allow the consolidated interest cover (as specifically calculated) to fall below 2.50:1. The revolving credit facility is secured by way of a registered mortgage over specific freehold land and buildings.

New vehicle bailment finance reflects a liability payable to the consolidated entity's bailment financiers. This liability is represented by debtors included in current assets receivables in respect of recent vehicle deliveries to customers and by new vehicles and demonstrator vehicles included in inventories (bailment stock) refer Note 8.

A portion of the consolidated entity's new vehicle bailment outstandings are secured by cross guarantees between specific controlled entities.

20. NON-CURRENT LIABILITIES - Interest bearing liabilities (continued)

ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security are:

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Non-current assets pledged as security -				
Freehold land and buildings -first mortgage	**141,953**	141,829	**-**	-
Current assets pledged as security -				
Inventories - Bailment finance	**94,490**	69,186	**-**	-
Floating charge	**37,253**	33,809	**-**	-
Total assets pledged as security	**273,696**	244,824	**-**	-

FINANCING ACTIVITIES
The consolidated entity has access to the following lines of credit:

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000	PARENT ENTITY 2004 $'000	PARENT ENTITY 2003 $'000
Total facilities				
Bank overdrafts	**5,000**	3,000	**-**	-
Bills & fully drawn advance facilities	**73,600**	73,600	**-**	-
Bailment finance	**124,464**	100,668	**-**	-
Revolving credit facility	**3,000**	3,000	**-**	-
	206,064	180,268	**-**	-
Used at balance date				
Bank overdrafts	**2,236**	742	**-**	-
Bills & fully drawn advance facilities	**73,600**	66,900	**-**	-
Bailment finance	**102,476**	78,007	**-**	-
Revolving credit facility	**3,000**	1,000	**-**	-
	181,312	146,649	**-**	-
Unused at balance date				
Bank overdrafts	**2,764**	2,258	**-**	-
Bills & fully drawn advance facilities	**-**	6,700	**-**	-
Bailment finance	**21,988**	22,661	**-**	-
Revolving credit facility	**-**	2,000	**-**	-
	24,752	33,619	**-**	-

Certain bill facilities and fully drawn advance facilities are on fixed repayment schedules whilst others are of a floating nature. The revolving credit facility is utilised in conjunction with the bank overdraft facility to cover short term cash flow requirements. All facilities are subject to annual review. Interest rates on borrowings are either fixed or variable.

21. NON-CURRENT LIABILITIES - Deferred tax liabilities

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Deferred tax liabilities	**10,496**	9,242	**11,452**	10,289
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Depreciation	**1,471**	1,288	**1,471**	1,288
Inventory valuation	**667**	530	**667**	530
Prepayments	**299**	337	**299**	337
Sundry items	**22**	16	**22**	16
	2,459	2,171	**2,459**	2,171

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

21. NON-CURRENT LIABILITIES - Deferred tax liabilities (continued)

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Amounts recognised directly in equity				
Revaluation of land and buildings	**7,015**	7,015	**7,015**	7,015
Revaluation of investment in other corporations	**1,216**	381	**1,216**	381
Equity accounted investment in associate	**(234)**	(325)	**-**	-
Acquisition of a controlled entity during the year	**40**	-	**40**	-
Revaluation of investment in controlled entities	**-**	-	**722**	722
	8,037	7,071	**8,993**	8,118
Total deferred tax liabilities	**10,496**	9,242	**11,452**	10,289
The deferred tax expense (revenue) included in income tax expense in respect of the above temporary differences resulted from the following movements :				
Deferred tax liabilities at start of the year after reclassification (note 1(v))	**9,242**	2,084	**10,289**	-
Adjustment for change in accounting policy for income tax (note 1(v))	**-**	(325)	**-**	722
Deferred tax recognised directly in equity (note 25(a))	**835**	7,396	**835**	-
Accounting for deferred tax liabilities in accordance with tax consolidation legislation (Note 1 (b))	**-**	-	**328**	9,567
Reclassification to deferred tax assets (note 13)	**(8)**	-	**-**	-
Other reclassification	**(8)**	-	**-**	-
	10,061	9,155	**11,452**	10,289
Less : Deferred tax liabilities at end of the year	**10,496**	9,242	**11,452**	10,289
Decrease (increase) in deferred tax liabilities included in income tax expense (note 4)	**(435)**	(87)	**-**	-

22. NON-CURRENT LIABILITIES - Provisions

Employee benefits	**1,312**	630	**-**	-
Employee benefits and related on-cost liabilities				
Included in other creditors - current (note 15)	**3,414**	2,848	**-**	-
Provision for employee benefits - current (note 18)	**2,598**	2,038	**-**	-
Provision for employee benefits - non-current (as above)	**1,312**	630	**-**	-
	7,324	5,516	**-**	-

23. SEGMENT INFORMATION

Primary Reporting - Business Segments
The consolidated entity operates wholly within the motor industry in Queensland, Australia across the following segments:

Business Segments	**Products/Services**
New vehicle operations	- Sale of new motor vehicles and the attendant provision of finance, leasing and extended warranty.
Used vehicle operations	- Sale of used motor vehicles and the attendant provision of finance, leasing and extended warranty.
Service operations	- Provision of motor vehicle servicing.
Parts operations	- Distribution and sale of motor vehicle parts and accessories.

Inter segment sales are comprised of the sale of parts and accessories and internal labour priced on an arms length basis.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

23. SEGMENT INFORMATION (continued)

Segment reporting 2004

	New vehicle department $'000	Used vehicle department $'000	Parts department $'000	Service department $'000	Eliminations $'000	Consolidated $'000
REVENUE						
External revenue	592,121	156,128	121,596	40,927	-	910,772
Inter-segment revenue	-	-	20,834	11,712	(32,546)	-
Total segment revenue	592,121	156,128	142,430	52,639	(32,546)	910,772
Unallocated revenue						1,876
TOTAL REVENUE						912,648
PROFIT RESULT						
Segment Result	4,968	(1,193)	5,051	2,973	-	11,799
Internal interest and rental charges						8,778
SEGMENT CONTRIBUTION						20,577
Share of net profit of equity accounted investments						384
Unallocated corporate expenses						(3,731)
						17,230
Income tax expense						(5,207)
NET PROFIT						12,023
Amortisation of Goodwill						596
Depreciation and other amortisation						4,484
TOTAL DEPRECIATION AND AMORTISATION						5,080
Non cash expenses other than depreciation and amortisation						2,343
ASSETS						
Segment assets	170,476	34,084	61,955	54,572	-	321,087
Equity accounted investments						3,596
Unallocated corporate assets						51,994
CONSOLIDATED TOTAL ASSETS						376,677
LIABILITIES						
Segment liabilities	146,290	9,570	17,532	26,578	-	199,970
Unallocated corporate liabilities						27,271
CONSOLIDATED TOTAL LIABILITIES						227,241
Acquisitions of non current assets						24,913

Segment reporting 2003

	New vehicle department $'000	Used vehicle department $'000	Parts department $'000	Service department $'000	Eliminations $'000	Consolidated $'000
REVENUE						
External revenue	551,147	152,118	102,499	35,733	-	841,497
Inter-segment revenue	-	-	21,625	10,079	(31,704)	-
Total segment revenue	551,147	152,118	124,124	45,812	(31,704)	841,497
Unallocated revenue						1,812
TOTAL REVENUE						843,309
PROFIT RESULT						
Segment Result	5,342	451	3,795	2,656	-	12,244
Internal interest and rental charges						7,222
SEGMENT CONTRIBUTION						19,466

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

Segment reporting 2003 (continued)

	New vehicle department $'000	Used vehicle department $'000	Parts department $'000	Service department $'000	Eliminations $'000	Consolidated $'000
Share of net profit of equity accounted investments						61
Unallocated corporate expenses						(4,312)
						15,215
Income tax expense						(4,717)
NET PROFIT						10,498
Amortisation of Goodwill						484
Depreciation and other amortisation						4,122
TOTAL DEPRECIATION AND AMORTISATION						4,606
Non cash expenses other than depreciation and amortisation						731
ASSETS						
Segment assets	133,053	30,427	50,268	47,738	-	261,486
Equity accounted investments						3,596
Unallocated corporate assets						44,015
CONSOLIDATED TOTAL ASSETS						309,097
LIABILITIES						
Segment liabilities	102,105	7,032	16,083	24,098	-	149,318
Unallocated corporate liabilities						30,784
CONSOLIDATED TOTAL LIABILITIES						180,102
Acquisitions of non current assets						37,834

24. CONTRIBUTED EQUITY

	CONSOLIDATED		PARENT ENTITY	
	2004 $'000	2003 $'000	**2004 $'000**	2003 $'000
(a) Paid up capital				
Ordinary shares fully paid	**72,626**	59,034	**72,626**	59,034

(b) Movements in ordinary share capital of the company during the past two years were as follows:

Date	Details	Number of shares	Issue price	$'000
1 January 2003	Balance	17,077,811		48,457
31 January 2003	Options exercised	2,184,072	$4.00	8,736
26 May 2003	Dividend reinvestment plan issue	76,298	$5.35	408
29 September 2003	Dividend reinvestment plan issue	225,906	$6.34	1,433
31 December 2003	Balance	19,564,087		59,034
31 May 2004	Dividend reinvestment plan issue	298,935	$6.56	1,959
1 July 2004	Part settlement on acquisition of a business	1,324,675	$7.17	9,500
27 September 2004	Dividend reinvestment plan issue	324,331	$6.58	2,133
31 December 2004	Balance	21,512,028		72,626

(c) The company has a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash. Shares are issued under the plan at a 5% discount to the market price.

(d) On 1 July 2004 the company acquired City Automotive Group Pty Ltd (CAG) and the land and buildings from which CAG operates, from W.F.M. Motors Pty Ltd (WFM), a related party, details of which are reported in note 35 "Related Parties". The acquisition was partly funded through the issue of 1,324,675 shares to WFM for $9.5million.

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

25. RESERVES AND RETAINED PROFITS

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
(a) Reserves:				
Capital profits reserve	**6,222**	6,222	**-**	-
Asset revaluation reserve	**34,387**	32,438	**1,683**	1,683
	40,609	38,660	**1,683**	1,683
Movements:				
Asset revaluation reserve -				
Balance 1 January 2004	**32,438**	6,768	**1,683**	2,405
Revaluation of land and buildings at the end of financial year	**-**	33,066	**-**	-
Revaluation of shares in other corporations	**1,949**	-	**-**	-
Deferred tax liability recognised on adoption of AASB 1020	**-**	(7,396)	**-**	(722)
Balance 31 December 2004	**34,387**	32,438	**1,683**	1,683

(b) Retained Profits

	CONSOLIDATED 2004	CONSOLIDATED 2003	PARENT ENTITY 2004	PARENT ENTITY 2003
Retained profits at the beginning of the financial year	**31,301**	23,379	**9,175**	11,952
Net profit attributed to members of A.P. Eagers Limited	**12,023**	10,498	**124**	124
Adjustment resulting from the change in accounting policy in respect of providing for dividends (note 1(v))	**-**	3,275	**-**	3,275
Adjustment resulting from the change in accounting policy in respect of income tax (note 1(v))	**-**	325	**-**	-
Dividends paid (note 5)	**(7,123)**	(6,176)	**(7,123)**	(6,176)
Retained profits at the end of the financial year	**36,201**	31,301	**2,176**	9,175

(c) Nature and purpose of reserves.

(1) Capital profits reserve
Capital profits reserve represents realised gains on disposal of properties and is fully available for distribution to shareholders as dividends.

(2) Asset revaluation reserve.
The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1 (f). The balance standing to the credit of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of unfranked cash dividends in limited circumstances as permitted by law.

26. EQUITY

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Total equity at the beginning of the financial year	**128,995**	84,826	**69,892**	62,814
Adjustment to retained earnings at the beginning of the financial year resulting from change in accounting policy for providing for dividends (note 1 (o))	**-**	3,275	**-**	3,275
Total changes in equity recognised in the statement of financial performance	**13,972**	36,493	**124**	(598)
Transactions with owners as owners:				
Contributions of equity (net)	**13,592**	10,577	**13,592**	10,577
Dividends provided for or paid	**(7,123)**	(6,176)	**(7,123)**	(6,176)
Total equity at the end of the financial year	**149,436**	128,995	**76,485**	69,892

27. FINANCIAL INSTRUMENTS

(a) Credit Risk
The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position, other than investment in shares, is generally the carrying amount, net of any provision for doubtful debts.

(b) Interest Rate Risk
The consolidated entity's exposure to interest rate risk and the effective weighted average interest rates for each class of financial assets and financial liabilities is set out below.
Exposure arises predominantly from assets and liabilities bearing variable interest rates. The consolidated entity intends to hold fixed rate assets and liabilities to maturity.

	Notes	Floating interest rate $'000	Fixed interest maturing in: 1 year or less $'000	over 1 to 5 years $'000	more than 5 years $'000	Non interest bearing $'000	Total $'000
31 December 2004							
Financial Assets							
Cash and deposits	6	36	-	-	-	22	58
Receivables	7,10	-	47	-	-	42,929	42,976
Investments	11	-	-	-	-	4,599	4,599
		36	47	-	-	47,550	47,633
Weighted average interest rate - %		4.25	11.35	-	-	-	-
Financial Liabilities							
Bank overdrafts	16	2,236	-	-	-	-	2,236
Trade and other creditors	15	-	-	-	-	25,279	25,279
New vehicle bailment	16	102,476	-	-	-	-	102,476
Bills payable and fully drawn advances	20	44,700	16,400	12,500	-	-	73,600
Other loans	16,20	3,000	-	-	-	-	3,000
		152,412	16,400	12,500	-	25,279	206,591
Weighted average interest rate - %		6.43	6.66	6.90	-	-	-
Net Financial Assets(Liabilities)		(152,376)	(16,353)	(12,500)	-	22,271	(158,958)
31 December 2003							
Financial Assets							
Cash and deposits	6	36	-	-	-	19	55
Receivables	7,10	-	216	-	-	31,564	31,780
Investments	11	-	-	-	-	1,815	1,815
		36	216	-	-	33,398	33,650
Weighted average interest rate - %		4.75	10.49	-	-	-	-
Financial Liabilities							
Bank overdrafts	16	742	-	-	-	-	742
Trade and other creditors	15	-	-	-	-	16,136	16,136
New vehicle bailment	16	78,007	-	-	-	-	78,007
Bills payable and fully drawn advances	20	39,000	14,500	13,400	-	-	66,900
Other loans	16,20	1,000	-	-	-	-	1,000
		118,749	14,500	13,400	-	16,136	162,785
Weighted average interest rate - %		6.40	5.97	6.63	-	-	-
Net Financial Assets(Liabilities)		(118,713)	(14,284)	(13,400)	-	17,262	(129,135)

The consolidated entity enters into interest rate layered swaps to hedge against its interest rate risk associated with floating interest rates on borrowings. Layered swaps have potentially two fixed rates for the term, a best case rate and a worst case rate determined by the BBSY rate at each roll against a nominated BBSY range.

27. FINANCIAL INSTRUMENTS (continued)

At 31 December 2004 the notional principal amounts and periods of expiry of the interest rate layered swaps contracts are as follows:

	Floating interest rate $'000	Fixed interest maturing in: 1 Year or less $'000	Over 1 to 5 years $'000	More than 5 years $'000	Rates Best case rate %	Rates Worst case rate %
Layered swap set against Australian BBSY rate	(40,000)	40,000	-	-	5.00	6.90

Reconciliation of Net Financial Liabilities to Net Assets

	Notes	2004 $'000	2003 $'000
Net financial liabilities as above		**(158,958)**	(129,135)
Non-financial assets and liabilities			
Equity accounted investments	11(a)	**3,856**	3,596
Inventories	8	**132,478**	103,437
Property, plant and equipment	12	**174,529**	156,141
Intangibles	14	**13,060**	8,375
Other assets	9,13	**5,121**	3,898
Provisions and tax liabilities	17,18,21,22	**(17,101)**	(14,860)
Other liabilities	19	**(3,549)**	(2,457)
Net assets per statement of financial position		**149,436**	128,995

(c) Net Fair Value of Financial Assets and Liabilities

(i) On-Statement of financial position

The net fair value of cash and cash equivalent and non-interest bearing monetary financial assets and financial liabilities approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists.

Equity investments traded on organised markets have been valued by reference to market prices prevailing at balance date (refer also to note 11). For non-traded equity investments, the net fair value is an assessment by the directors based on the underlying net assets, future maintainable earnings and any special circumstances pertaining to a particular investment (refer also to note 11).

(ii) Off-Statement of financial position

The parent entity and certain controlled entities have potential financial liabilities which may arise from certain contingencies disclosed in note 29. As explained in that note, no material losses are anticipated in respect of any of those contingencies and the net fair value disclosed below is the directors' estimate of amounts which would be payable by the consolidated entity.

The carrying amounts and net fair values of financial assets and liabilities at balance date are as follows:

	2004 Carrying amount $'000	2004 Net fair value $'000	2003 Carrying amount $'000	2003 Net fair value $'000
On-Statement of financial position financial instruments				
Financial assets				
Term debtors	**12**	**12**	158	158
Other debtors	**42,964**	**42,964**	31,622	31,622
Traded investments	**10**	**18**	10	18
Non-traded investments	**4,589**	**4,589**	1,805	1,805
Other assets	**58**	**58**	55	55
	47,633	**47,641**	33,650	33,658

27. FINANCIAL INSTRUMENTS (continued)

	2004		2003	
	Carrying amount $'000	**Net fair value $'000**	Carrying amount $'000	Net fair value $'000
Financial liabilities				
Bank overdrafts	**2,236**	**2,236**	743	743
Bills payable and fully drawn advances	**73,600**	**73,600**	66,900	66,900
New vehicle bailment	**102,476**	**102,476**	78,007	78,007
Other loans	**3,000**	**3,000**	1,000	1,000
Other liabilities	**25,279**	**25,279**	16,135	16,135
	206,591	**206,591**	162,785	162,785

28. INVESTMENT IN CONTROLLED ENTITIES

Name of entity	**Cost of parent entity's investment**		**Equity holding**	
	2004 $'000	2003 $'000	**2004 %**	2003 %
At cost:				
Eagers Retail Pty Ltd	**4,676**	4,676	**100**	100
Eagers Parts & Equipment Pty Ltd	**40**	40	**100**	100
Eagers Finance Pty Ltd	**102**	102	**100**	100
Nundah Motors Pty Ltd	**93**	93	**100**	100
Eagers Nominees Pty Ltd	**50**	50	**100**	100
Austral Pty Ltd	**413**	413	**100**	100
E G Eager & Son Pty Ltd	**3,516**	3,516	**100**	100
A.P. Group Ltd	**21,488**	21,488	**100**	100
A.P. Ford Pty Ltd	**-**	-	**100**	100
A.P. Motors Pty Ltd	**-**	-	**100**	100
A.P. Motors (No.1) Pty Ltd	**-**	-	**100**	100
A.P. Motors (No.2) Pty Ltd	**-**	-	**100**	100
A.P. Motors (No.3) Pty Ltd	**-**	-	**100**	100
Associated Finance Pty Limited	**-**	-	**100**	100
Leaseline & General Finance Pty Ltd	**-**	-	**100**	100
City Automotive Group Pty Ltd	**5,366**	-	**100**	-
	35,744	30,378		

All controlled entities are either directly controlled by A.P. Eagers Limited, or wholly owned within the consolidated entity, have ordinary class of shares and are incorporated in Australia.

(a) Acquisition of controlled entity

On1 July 2004 the parent entity acquired 100% of the issued capital of City Automotive Group Pty Ltd (CAG) from WFM Pty Ltd (WFM), a company controlled by Mr N G Politis, a director of and substantial shareholder in A P Eagers Limited. The acquisition of CAG was made contemporaneously with the acquisition by Associated Finance Pty Ltd, a subsidiary of A P Eagers Limited, of land and buildings owned by WFM from which the operations of CAG are conducted. The transaction was approved by the shareholders of A P Eagers Limited in general meeting on 28 May 2004. The operating results of CAG have been included in the consolidated statement of financial performance since the date of acquisition. The details of acquisition are as follows:

28. INVESTMENT IN CONTROLLED ENTITIES (continued)

(i) The fair value of assets acquired:

	$'000
Receivables	3,890
Inventories	9,161
Property, plant & equipment	10,534
Other assets	234
Creditors and borrowings	(12,912)
Provisions	(200)
Bank overdraft	(158)
Fair value of net assets acquired	10,549
Acquisition cost (ii), (iii)	14,085
Goodwill paid on acquisition	3,536
(ii) Acquisition cost was settled by way of:	
a) cash consideration (iv)	4,585
b) issue of shares	9,500
	14,085
(iii) Total acquisition cost is accounted for by:	
a) A.P. Eagers Limited	5,366
b) Associated Finance Pty Limited	8,719
	14,085

	CONSOLIDATED 2004 $'000
(iv) Outflow of cash to acquire controlled entity, net of cash acquired :	
Cash consideration	4,585
Less:Balances acquired - Bank overdraft	(158)
Outflow of cash	4,743

(b) Acquisition of other business

On 1 October 2004 the group acquired the business of Westpoint Subaru and incorporated the business into CAG.

	$'000
The fair value of assets acquired:	
Inventory	1,716
Plant and equipment	132
Creditors and borrowings	(1,521)
Fair value of net assets acquired	327
Acquisition cost	2,072
Goodwill paid on acquisition	1,745

29. CONTINGENT LIABILITIES

(a) Parent entity

Unsecured guarantees, indemnities and undertakings have been given by the parent entity in the normal course of business in respect of financial and trade arrangements entered into by its controlled entities. It is not practicable to ascertain or estimate the maximum amount for which the parent entity may become liable in respect thereof. At 31 December 2004 no controlled entity was in default in respect of any arrangement guaranteed by the parent entity and all amounts owed have been brought to account as liabilities in the financial statements.

A.P. EAGERS LIMITED and Controlled Entities

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29. CONTINGENT LIABILITIES (continued)

(b) Deed of cross guarantee
A.P. Eagers Limited and its controlled entities are parties to a deed of cross guarantee which has been lodged with and approved by the Australian Securities and Investments Commission. Under the deed of cross guarantee each of these companies guarantees the debts of the other named companies.

30. COMMITMENTS FOR EXPENDITURE

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Capital Commitments				
Commitments for the construction of buildings and acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:				
Within one year	**5,194**	3,020	**-**	-
Operating Lease Commitments				
Commitments for minimum lease payments in relation to non-cancellable operating leases for premises are payable as follows:				
Within 1 year	**869**	927	**-**	-
Later than 1 year but not later than 5 years	**931**	1,239	**-**	-
Later than 5 years	**451**	659	**-**	-
	2,251	2,825	**-**	-

The consolidated entity leases property under non-cancellable operating leases with expiry dates between 31 August 2004 and 27 February 2012. Leases generally provide for a right of renewal at which time the leases are renegotiated. Lease rental payments comprise a base amount plus an incremental contingent rental based on movements in the consumer price index.

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
Remuneration Commitments				
Commitments for the payment of salaries and other remuneration under long term employment contracts in existence at the reporting date but not recognised as liabilities, payable:				
Within one year	**257**	246	**-**	-
Later than one year but not later than 5 years	**-**	246	**-**	-
	257	492	**-**	-

31. ECONOMIC DEPENDENCY

The normal trading activities of a number of entities in the consolidated entity depend on franchise agreements with the following vehicle manufacturers or their appointed agents for the supply of new vehicles, parts and accessories:
- Holden Ltd
- Ford Motor Company of Australia Limited
- Toyota Motor Corporation Australia Limited

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

32. REMUNERATION OF AUDITOR

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$	$	**$**	$
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:				
Auditor of parent entity				
- Parent entity	**9,000**	9,000	**9,000**	9,000
- Controlled entities	**176,000**	151,000	**-**	-
	185,000	160,000	**9,000**	9,000
Remuneration for other services by the parent entity auditor:				
- Parent entity	**-**	-	**-**	-
- Controlled entities	**80,790**	39,140	**-**	-
	80,790	39,140	**-**	-

33. DIRECTORS AND EXECUTIVES DISCLOSURES

The corporate governance statement sets out the remuneration policies of the consolidated entity and the relationship between these policies and the consolidated entity's performance.
The following are the directors of the company (specified directors) and the executives (other than executive directors) with the greatest authority for the strategic direction and management of the consolidated entity.

(a) Details of specified directors and specified executives

(i) Specified directors

B W Macdonald	Chairman (non-executive)
K W Macdonald	Managing Director and Chief Executive Officer
D A Aitken	Director (non-executive)
A J Love	Director (non-executive)
N G Politis	Director (non-executive)

(ii) Specified executives

D W Hull	Group Company Secretary
G I Walker	Chief Financial Officer
A Syer	General Manager Dealer Operations

(b) Remuneration of specified directors and specified executives

The following tables provide the details of all directors of the company (specified directors) and the executives of the consolidated entity with the greatest authority (specified executives) and the nature and amount of the elements of their remuneration for the year ended 31 December 2004.

	Primary		Post employment		Equity	Other (ii)	Total
	Salary and fees	Bonus and commissions	Superannuation benefits	Directors Retiring Allowance accrual (i)			
	$	$	$	$	$	$	$
Specified directors							
B W Macdonald	65,000	-	1,950	15,000	-	643	82,593
K W Macdonald	320,300	318,344	40,038	-	-	159,607	838,289
D A Aitken	40,000	-	3,600	40,000	-	643	84,243
A J Love	40,000	-	3,600	10,000	-	643	54,243
N G Politis	40,000	-	3,600	45,000	-	643	89,243
	505,300	318,344	52,788	110,000	-	162,179	1,148,611
Specified executives							
D W Hull	218,300	20,000	27,288	-	-	66,986	332,574
A Syer	240,225	255,093	21,620	-	-	66,184	583,122
G I Walker	150,000	25,000	18,750	-	-	55,657	249,407
	608,525	300,093	67,658	-	-	188,827	1,165,103

33. DIRECTORS AND EXECUTIVES DISCLOSURES (continued)

Total remuneration of directors and executives for the year ended 31 December 2003 is set out below. Information for individuals is not shown as this is the first financial report prepared since the issue of AASB 1046: Director and Executive Disclosures by Disclosing Entities.

	Primary		Post employment		Equity	Other (ii)	Total
	Salary and fees	Bonus and commissions	Superannuation benefits	Directors Retiring Allowance accrual (i)			
	$	$	$	$	$	$	$
Directors	496,100	290,779	55,538	60,000	21,000	88,562	1,011,979
Executives	580,325	313,078	64,375	-	49,600	184,458	1,191,836

(i) Accrued but not paid until retirement
(ii) Includes benefits such as the provision for motor vehicles, insurance policy costs and the movement in the individuals provision for employee entitlements. Following a decision made in 2004 by the Industrial Court in an unrelated case that an employee is entitled to long service leave on "full pay" and that "full pay" included commission, employee entitlements were reviewed so as to take this court decision into account. Mr K W Macdonald's other benefits include an amount of $82,695 in respect of this adjustment to his long service leave provision.

(c) Equity Instruments

No director or executive has any entitlement to options in the company.

(d) Relevant Interest in Shares Held by Specified Directors and Specified Executives

	At 1 January 2004	Dividend reinvestment plan	Consideration for sale of business	Sold	At 31 December 2004
Specified directors					
B W Macdonald	75,000	-	-	-	75,000
K W Macdonald	48,800	-	-	-	48,800
D A Aitken	1,000	-	-	-	1,000
A J Love	24,000	-	-	-	24,000
N G Politis	7,231,050	424,531	1,324,675	-	8,980,256
Specified executives					
D W Hull	47,777	-	-	-	47,777
A Syer	60,000	-	-	-	60,000
G I Walker	5,281	286	-	-	5,567
	7,492,908	424,817	1,324,675	-	9,242,400

(e) Loans with Specified Directors and Specified Executives

There are no loans made to Specified Directors or Specified Executives

(f) Other transactions with Specifed Directors and Specified Executives

Other transactions with Specifed Directors and Specified Executives are detailed in note 35: Related parties

34. EMPLOYEE ENTITLEMENTS

Superannuation benefits
The consolidated entity makes contributions to several Superannuation Funds which provide accumulated benefits based on the value of the accumulated contributions and investment returns which are credited to each member's account.

35. RELATED PARTIES

Directors
The names of persons who were directors of A.P.Eagers Limited at any time during the financial year are N G Politis, B W Macdonald, A J Love, K W Macdonald and D A Aitken. All of these persons were also directors for the full year ended 31 December 2003.

Remuneration and retirement benefits
Information on the remuneration of directors is disclosed in note 33.

Transactions of directors and director-related entities concerning shares or share options
Aggregate number of shares and share options of A.P. Eagers Limited acquired or disposed of by directors of the company and consolidated entity or their director-related entities from the company:

	Parent entity and consolidated	
	2004	2003
	Number	Number
Acquisitions		
Ordinary shares (converted from options)	**-**	348,547
Ordinary shares issued as part settlement of business acquisition	**1,324,675**	-
Ordinary shares issued under Dividend Reinvestment Plan	**424,531**	166,917
Disposals		
Options (converted to shares)	**-**	348,547

All transactions relating to shares and options of the Company, including the payment and receipt of dividends, were on the same basis as similar transactions with other shareholders.

Aggregate number of shares and share options of A.P. Eagers Limited held directly, indirectly or beneficially by directors of the company or the consolidated entity or their director-related entities at balance date:

	2004	2003
	Number	Number
Ordinary shares	**9,129,056**	7,379,850

Other transactions of directors and director related entities

The aggregate amount of "Other transactions" with directors are as follows:

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$	$	**$**	$
(i) Professional fees paid to - McGee Isles Love Pty Ltd	**25,362**	22,630	**-**	-

Mr A J Love is a director of McGee Isles Love Pty Ltd which provided professional services to the consolidated entity. All dealings with this firm are in the ordinary course of business and are on normal commercial terms and conditions.

(ii) Mr N.G.Politis and Mr D A Aitken are directors and shareholders of a number of companies involved in the motor industry with whom the consolidated entity transacts business. These transactions, sales of $2,419 (2003 :$2,000) and purchases of $9,245 (2003 - $14,000) during the last 12 months, are primarily the sale and purchase of spare parts and accessories and are carried out under terms and conditions no more favourable than those which it is reasonable to expect would have applied if the transactions were at arm's length.

(iii) Mr N G Politis and Mr D A Aitken were directors and indirect shareholders of City Automotive Group Pty Ltd (CAG). On 1 July 2004 the group acquired CAG and the land and buildings from which CAG operates from W F M Motors Pty Ltd (WFM), a company controlled by Mr N G Politis, for $13,638,150. The purchase price was settled by the issue of 1,324,675 shares to WFM for $9.5million with the balance paid in cash. The related party transaction was approved by shareholders in general meeting on 28 May 2004.

(iv) Controlled entities may, from time to time, sell motor vehicles, parts and servicing of motor vehicles for domestic use to directors of entities in the consolidated entity or their director-related entities within a normal employee relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the directors or their director-related entities at arm's length in the same circumstances.

A.P. EAGERS LIMITED and Controlled Entities

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
31 DECEMBER 2004 (continued)

35. RELATED PARTIES (continued)

Wholly-owned group

The parent entity in the wholly-owned group is A.P.Eagers Limited. Information relating to the wholly-owned group is set out in note 28.

Transactions between the parent entity and its controlled entities and amongst the various controlled entities consist of the payment and receipt of dividends, rent (on a commercial basis) and administration charges (on a recoupment basis), the transfer of funds amongst the companies for day to day financing and investment of surplus funds, and the payment and receipts of interest on net working capital.

Amounts receivable from related parties in the wholly owned group at balance date are shown in note 10.

36. EARNINGS PER SHARE

	CONSOLIDATED	
	2004	2003
	Cents	Cents
Basic earnings per share	**58.7**	54.9
Diluted earnings per share	**58.7**	54.9
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	**20,490,718**	19,128,358
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	**20,490,718**	19,128,358

37. RECONCILIATION OF PROFIT FROM ORDINARY ACTIVITIES AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	CONSOLIDATED		PARENT ENTITY	
	2004	2003	**2004**	2003
	$'000	$'000	**$'000**	$'000
Profit from ordinary activities after income tax	**12,023**	10,498	**124**	124
Depreciation and amortisation	**5,080**	4,606	**-**	-
Share of profits of associates	**(384)**	(61)	**-**	-
Dividends from other investments	**124**	124	**(124)**	(124)
(Increase) decrease in assets -				
Receivables	**(7,590)**	(792)	**-**	-
Inventories	**(18,708)**	1,814	**-**	-
Prepayments	**(400)**	131	**-**	-
Future income tax benefit	**(524)**	(14)	**-**	-
Increase (decrease) in liabilities -				
Creditors (including bailment finance)	**20,867**	(5,200)	**-**	-
Provisions	**907**	320	**-**	-
Taxes payable	**(78)**	(784)	**-**	-
Net cash inflow from operating activities	**11,317**	10,642	**-**	-

38. NON-CASH FINANCING ACTIVITIES

(a) Payment of dividend of $4,092,541 (2003: $1,840,732) under the Dividend Reinvestment Plan was settled by way of issue of 623,266 shares (2003: 302,204 shares).

(b) On 1 July 2004 the Group acquired 100% of the issued capital of City Automotive Group Pty Ltd (CAG) and contemporaneously acquired the land and buildings from which CAG conducts its business. The cost of this transaction of $14,058,000 was partly funded by the issue to the vendor of 1,324,675 ordinary shares valued at $9,500,000.

39. INVESTMENTS IN ASSOCIATES

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost in the parent entity (see Note 11(a)). Information relating to the associates is set out below.

Name of company	Principal activity	Ownership interest 2004 %	Ownership interest 2003 %	Consolidated carrying amount 2004 $'000	Consolidated carrying amount 2003 $'000	Parent entity carrying amount 2004 $'000	Parent entity carrying amount 2003 $'000
Traded on organised markets							
Auto Group Ltd	Used Motor vehicle auctions	**18.68**	18.68	**3,856**	3,596	**4,634**	4,634

Auto Group Ltd was deemed to be an associate in February 2001.

	CONSOLIDATED 2004 $'000	CONSOLIDATED 2003 $'000
Movement in carrying amounts of investments in associate -		
Carrying amount at the beginning of the financial year	**3,596**	3,659
Equity share of profit/(loss) from ordinary activities after income tax	**384**	61
Dividends received during current year	**(124)**	(124)
Carrying amount at the end of the financial year	**3,856**	3,596
Results attributable to associates		
(based on the last published 12 month's results of the associate)		
Profit from ordinary activities before income tax	**694**	266
Income tax expense	**(310)**	(205)
Profit/(loss) from ordinary activities after income tax	**384**	61
Dividends received	**(124)**	(124)
Equity share of associates profits(losses) after adjusting for current year dividends	**260**	(63)
Accumulated losses attributable to associates at the beginning of the financial year	**(1,039)**	(976)
Accumulated losses attributable to associates at the end of the financial year	**(779)**	(1,039)
Share of associate's contingent liabilities		
Guarantees given on behalf of controlled entities for borrowing facilities	**5,516**	3,810

39. INVESTMENTS IN ASSOCIATES (continued)

	CONSOLIDATED	
	2004	2003
	$'000	$'000
Share of associate's expenditure commitments		
Lease commitments	**6,236**	7,352

Summary of performance and financial position of associates

The aggregate profits, assets and liabilities of associates are:		
Profits from ordinary activities after income tax expense	**2,416**	682
Assets	**87,485**	72,409
Liabilities	**67,987**	55,249

Reporting date of associates

Auto Group Ltd's reporting date is 30 June annually.

SHAREHOLDER INFORMATION

Class of Securities

As at 4 March 2005 the company's only quoted security comprised 21,512,028 fully paid ordinary shares.

The shareholder information set out below was applicable as at 4 March 2005.

Twenty largest holders – ordinary shares

Name	Number of Ordinary Shares Held	Percentage of Issued Shares
WFM Motors Pty Ltd	9,203,028	42.78
Paterson Cheney Investments Pty Ltd	1,557,581	7.24
Alan Piper Investments (No.1) Pty Ltd	1,281,250	5.96
Milton Corporation Limited	700,000	3.25
Argo Investments Limited	667,106	3.10
Mrs L M Porter	378,104	1.76
Mrs D Colman	376,342	1.75
Ms C Blackley	315,190	1.46
J P Morgan Nominees Australia Limited	206,921	0.96
Wagreen Pty Ltd	171,788	0.80
Mrs J E Green	160,262	0.74
ANZ Executors & Trustee Company Limited	122,159	0.57
Mrs P J McKerrell	121,932	0.57
Choiseul Investments Limited	101,000	0.47
Mr B W Macdonald	75,000	0.35
Akir Pty Ltd	71,470	0.33
Mr W F Holland	64,157	0.30
Veresdale Properties Pty Ltd	60,000	0.28
Alan Syer Pty Ltd	60,000	0.28
Capital Funding Pty Ltd	57,500	0.27
	15,750,790	73.22

Distribution of Holdings of Ordinary Shares

Range			No of Holders
1	-	1,000	586
1,001	-	5,000	765
5,001	-	10,000	161
10,001	-	100,000	120
100,001		and over	15
			1,647

The number of ordinary shareholders with less than a marketable parcel was 72.

Substantial Shareholders

An extract from the company's register of substantial shareholders giving details of the number of ordinary shares in which they have a relevant interest, is set out below.

	Date of Notice	No. of Shares	Percentage of Shares then issued
WFM Motors Pty Ltd	2 February 2005	9,205,028	42.79
Patterson Cheney Investments Pty Ltd	19 March 2003	1,406,465	7.30
Alan Piper Investments (No.1) Pty Ltd	15 July 2004	1,281,250	6.05

SHAREHOLDER INFORMATION (continued)

Stock Exchange Listing
A.P. Eagers Limited shares are quoted on the Australian Stock Exchange Limited under the symbol APE. Brisbane is the Home Exchange.

Voting Rights Of Members

- Article 69 states:

Every member entitled to vote who is present in person or by proxy or by attorney or in the case of a corporation by representative shall upon a show of hands have one (1) vote only and on a poll every member entitled to vote shall whether present in person or by proxy or attorney or in the case of a corporation by representative have one (1) vote for every share held by him.

- Article 70 states:

Where there are joint registered holders of any shares any one (1) of such persons may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one (1) of such joint holders be present at any meeting personally or by attorney or proxy that one (1) of the said persons whose name stands first in the register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any shares stand shall for the purpose of this clause be deemed joint holders thereof.

A.P. EAGERS LIMITED and Controlled Entities

CORPORATE INFORMATION

A.P. EAGERS LIMITED
A.B.N. 87 009 680 013

Incorporation
Incorporated in Queensland on
17 April 1957

Registered Office
80 McLachlan Street, Fortitude Valley,
Brisbane Qld 4006

Telephone
(07) 3248 9455

Facsimile
(07) 3248 9459

Issued Capital
21,512,028 ordinary shares
fully paid (as at 4 March 2005)

Board of Directors
B W Macdonald, Chairman
K W Macdonald, Managing Director
A J Love
N G Politis
D A Aitken

Secretary
D W Hull, F.C.I.S.

Auditor
Horwath Sydney Partnership
1 Market Street
Sydney NSW 2000

Solicitors
Nicol Robinson Halletts
Level 10
175 Eagle Street, Brisbane Qld 4000

Bankers
Australia and New Zealand Banking
Group Limited
Level 3 324 Queen Street,
Brisbane Qld 4000

Share Registry
Computershare Investor Services Pty Ltd
Central Plaza One
Level 27 345 Queen Street
Brisbane Qld 4000
Tel: (07) 3237 2100
Fax: (07) 3229 9860

Executive Management

Ken Macdonald	- Managing Director
Dennis Hull	- Company Secretary
Geoff Walker	- Chief Financial Officer
Alan Syer	- General Manager – Dealer Operations

Dealership General Managers

John Wells	- Southside Ford
Jim Keegan	- Southside Toyota
Ashley George	- Southside Honda/Land Rover
Marc Caton	- Eagers Holden - Newstead
	- Eagers Mazda - Newstead
Sam Bohner	- Eagers Holden - Windsor
	- Eagers Kia – Kedron & Windsor
Warwick Stansfield	- Austral Porsche
Keith Thornton	- Austral Honda/VW/MG Rover
Grant Torta	- Metro Ford
John Dobson	- Torque / Strathpine Toyota
Bob Kendall	- Austral Volvo/Jaguar/ Land Rover
Michael Niven	- City Automotive Group / Westpoint Subaru
Peter Niebling	- Torque Ford

Controlled Entities

Eagers Retail Pty Ltd
A.B.N. 91 009 662 211

Austral Pty Ltd
A.B.N. 89 009 662 202

Nundah Motors Pty Ltd
A.B.N. 52 009 681 556

Eagers Nominees Pty Ltd
A.B.N. 98 009 723 488

Eagers Finance Pty Ltd
A.B.N. 65 009 721 288

Eagers Parts & Equipment Pty Ltd
A.B.N. 58 009 727 753

E.G. Eager & Son Pty Ltd
A.B.N. 20 009 658 306

A.P. Group Ltd
A.B.N. 53 010 030 994

A.P. Ford Pty Ltd
A.B.N. 43 010 602 383

A.P. Motors Pty Ltd
A.B.N. 76 010 579 996

A.P. Motors (No.1) Pty Ltd
A.B.N. 95 010 585 234

A.P. Motors (No.2) Pty Ltd
A.B.N. 97 010 585 243

A.P. Motors (No.3) Pty Ltd
A.B.N. 99 010 585 252

Associated Finance Pty Limited
A.B.N. 76 009 677 678

Leaseline & General Finance Pty Ltd
A.B.N. 51 010 131 361

City Automotive Group Pty Ltd
A.B.N. 14 067 985 602

A.P Eagers Limited
A.B.N. 87 009 680 013

80 McLachlan Street, Fortitude Valley, Qld 4006
Postal Address: PO Box 199, Fortitude Valley, Qld 4006

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