

HORIZON GLOBAL LIMITED

ACN 009.207.763

**FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2002**

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Horizon Global Limited and the entities it controlled at the end of, and during, the half year ended 31 December 2002.

DIRECTORS

The following persons were directors of Horizon Global Limited during the whole of the half year and up to the date of this report:

Mark Richard SCOTT
Lindsay George DUDFIELD
Paul Gregory BURGE

REVIEW OF OPERATIONS

A summary of consolidated revenues and results for the half year by significant industry segment is set out below:

	Segment Revenues		Segment Results	
	2002	2001	2002	2001
	\$	\$	\$	\$
Mineral exploration	-	21,733	-	(129,219)
Development of internet intellectual property	15,377	-	(117,494)	-

Comments on the operations and the results of those operations are set out in the "Commitments Test Entity – Second Quarter Report", which was lodged by the company with the Australian Stock Exchange on 31 January 2003.

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

M R SCOTT
Chairman of Directors
Sydney
28th February 2003

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
For the half year ended 31 December 2002

	Note	Half Year	
		2002	2001
		\$	\$
Revenue from outside operating activities		15,377	21,733
Revenue from ordinary activities		<u>15,377</u>	<u>21,733</u>
Depreciation and amortisation expenses		4,316	29,062
Exploration expenditure written off		-	42,514
Other expenses from ordinary activities		101,255	67,576
Diminution in value of listed investments		<u>27,300</u>	<u>11,800</u>
Profit / (loss) from ordinary activities before income tax expense		(117,494)	(129,219)
Income tax (expense) / benefit		<u>-</u>	<u>-</u>
Profit / (loss) from ordinary activities after income tax expense		(117,494)	(129,219)
Net profit / (loss) attributable to outside equity interests		-	-
Net profit / (loss) attributable to members of Horizon Global Limited		<u>(117,494)</u>	<u>(129,219)</u>
Basic earnings per share (cents)		(0.29)	(0.32)

The consolidated statement of financial performance should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2002

	Note	Half Year	
		2002	2001
		\$	\$
CURRENT ASSETS			
Cash assets		679,133	889,150
Receivables		11,136	26,204
Other financial assets – listed investments		33,902	68,800
Total Current Assets		724,171	984,154
NON CURRENT ASSETS			
Property, plant and equipment		5,702	35,456
Other financial assets - investments		-	404,552
Other assets – development of internet technology		-	421,084
Intangible assets		-	703,209
Total Non-Current Assets		5,702	1,564,301
TOTAL ASSETS		729,873	2,548,455
CURRENT LIABILITIES			
Payables		36,858	23,659
Total Current Liabilities		36,858	23,659
TOTAL LIABILITIES		36,858	23,659
NET ASSETS		693,015	2,524,796
EQUITY			
Contributed Equity		15,593,412	16,048,126
Retained profits / (accumulated losses)		(14,900,397)	(13,703,330)
Total parent entity interest		693,015	2,344,796
Outside equity interests in controlled entities		0	180,000
TOTAL EQUITY		693,015	2,524,796

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the half year ended 31 December 2002

	Note	Half Year	
		2002	2001
		\$	\$
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities		-	-
Cash receipts in the course of operations			
Cash payments in the course of operations		(52,896)	(85,270)
Interest received		15,377	21,733
Interest paid		-	-
Net cash inflow / (outflow) from operating activities		(37,519)	(63,537)
Cash flows from investing activities			
Payments for plant and equipment		-	(3,082)
Payments for investments		-	-
Payments for exploration, evaluation and development expenditure		-	(88,064)
Payments for development of internet technology		(62,062)	(131,878)
Proceeds from sale of investments		-	-
Proceeds from sale of plant and equipment		-	-
Net cash inflow / (outflow) from investing activities		(62,062)	(223,024)
Cash flows from financing activities			
Loans to related entities		184,322	(573)
Net cash inflow / (outflow) from financing activities		184,322	(573)
Net increase / (decrease) in cash held		84,741	(287,134)
Cash at the beginning of the reporting period		594,392	1,176,284
Cash at the end of the reporting period		679,133	889,150

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2002

1. BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2002 has been prepared in accordance with Accounting Standard AASB 1029 *Interim Financial Reporting*, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2002 and any public announcements made by Horizon Global Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. SEGMENT INFORMATION

Primary Reporting – business segments

	Mineral Exploration \$	Development of Internet Intellectual Property \$	Consolidated \$
Half Year 2002			
Total segment revenue	-	15,377	15,377
Segment result	-	(117,494)	(117,494)
Half Year 2001			
Total segment revenue	21,733	-	21,733
Segment result	(129,219)	-	(129,219)

3. DIVIDENDS

	Half Year 2002	2001
Ordinary shares		
Dividends provided for or paid during the half year	-	-

4. EARNINGS PER SHARE

	Half Year	
	2002	2001
	cents	cents
Basic earnings per share	(0.29)	(0.32)
Earnings used in calculating earnings per share	(117,494)	(129,219)
Issued ordinary shares used in calculating earnings per share	40,419,061	40,419,061

Diluted earnings per share is not materially different from basic earnings per share and therefore has not been disclosed.

5. EVENT OCCURRING AFTER REPORTING DATE

At the date of this report there is no other matter or circumstance which has arisen since 31 December 2002 that has significantly affected or may significantly affect:

- a) the operations in the financial period subsequent to 31 December 2002 of the Consolidated Entity constituted by Horizon Global Limited and the entities it controls from time to time; or
- b) the results of those operations; or
- c) the state of affairs in the financial period subsequent to 31 December 2002 of that Consolidated Entity.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 2 to 5;

- a) comply with Accounting Standards, the Corporations Regulations and other mandatory professional reporting requirements, and
- b) give a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Horizon Global Limited will be able to pay its debts as and when they become due and payable.

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

M R SCOTT
Chairman of Directors
Sydney
28th February 2003

Independent Review Report to the members of Horizon Global Limited

Scope

We have reviewed the financial report of Horizon Global Limited for the half-year ended 31 December 2002. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", other mandatory professional reporting requirements and the Corporations Act 2001 in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing standards applicable to review engagements. A review is limited primarily to inquiries of the company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Horizon Global Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2002 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Dated the 7 day of March 2003.

William Buck
Chartered Accountants
A.B.N. 16 021 300 521


Michael Benson
Partner

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)