Preliminary Final Report and Dividend Announcement

EMBELTON LIMITED ACN 004 401 496
For Year Ended 30 June 2015

Results for Announcement to the Market

				$A'000
Revenues	Up	16.5%	to	39,202
Profit after tax attributable to members	Up	26.4%	to	1,539
Net profit for the period attributable to members	Up	26.4%	to	1,539

Dividends (distributions)	Amount per security	Franked amount per security
Interim Dividends	14.0¢	14.0¢
Final Dividend		
Ordinary Dividend	20.0¢	20.0¢
Total Dividends for year	34.0¢	34.0¢
Previous Corresponding Period:		
Final Ordinary Dividend	17.5¢	17.5¢
	17.5¢	17.5¢

Record date for determining entitlements to the dividend 18 September 2015

Condensed consolidated statement of comprehensive income

	Current period ($A'000)	Previous corresponding period ($A'000)
Revenues	39,202	33,662
Expenses	37,004	31,894
Finance costs	7	18
Profit before tax	**2,191**	**1,750**
Income tax	652	532
Profit after tax	**1,539**	**1,218**
Other Comprehensive income	**33**	**-**
Total Comprehensive income	**1,572**	**1,218**
Net profit for the period attributable to members	**1,539**	**1,218**
Total Comprehensive income attributable to members	**1,572**	**1,218**

Consolidated retained profits

	Current period ($A'000)	Previous corresponding period ($A'000)
Retained profits at the beginning of the financial period	10,813	10,221
Net profit attributable to members	1,539	1,218
Dividends and other equity distributions paid	679	626
Retained profits at end of financial period	**11,673**	**10,813**

Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS	71 cents	56 cents
Diluted EPS	71 cents	56 cents

Notes to the condensed consolidated statement of comprehensive income

Revenue and expenses

	Current period ($A'000)	Previous corresponding period ($A'000)
Revenue from sales or services	38,870	33,401
Interest revenue	6	12
Other relevant revenue	326	249
Details of relevant expenses Cost of goods sold	26,510	22,068
Depreciation and amortisation excluding amortisation of intangibles	342	286

Comparison of half year profits

	Current year ($A'000)	Previous year ($A'000)
Consolidated profit after tax attributable to members reported for the 1st half year	817	622
Consolidated profit after tax attributable to members for the 2nd half year	722	596

Condensed consolidated statement of financial position

	At end of current period ($A'000)	At end of corresponding prior period ($A'000)
Current assets		
Cash and cash equivalents	1,302	507
Receivables	4,461	3,369
Inventories	8,289	8,388
Other	235	244
Total current assets	**14,287**	**12,508**
Non-current assets		
Property, plant and equipment (net)	3,550	3,631
Tax assets	474	428
Total non-current assets	**4,024**	**4,059**
Total assets	**18,311**	**16,567**
Current liabilities		
Bank overdraft	-	-
Payables	4,013	3,344
Tax liabilities	271	137
Provisions exc. tax liabilities	1,018	1,006
Total current liabilities	**5,302**	**4,487**
Non-current liabilities		
Tax liabilities	12	23
Provisions exc. tax liabilities	135	88
Total non-current liabilities	**147**	**111**
Total liabilities	**5,449**	**4,598**
Net assets	**12,862**	**11,969**
Equity		
Contributed equity	1,156	1,156
Reserves	33	-
Retained profits	11,673	10,813
Equity attributable to members of the parent entity	**12,862**	**11,969**
Total equity	**12,862**	**11,969**

Condensed consolidated statement of cash flows

	Current period ($A'000)	Previous corresponding period ($A'000)
Cash flows related to operating activities		
Receipts from customers	41,921	38,132
Payments to suppliers and employees	(39,601)	(36,399)
Interest and other items of similar nature received	6	12
Finance costs	(7)	(18)
Income taxes paid	(575)	(438)
Net operating cash flows	**1,744**	**1,289**
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment	(278)	(445)
Proceeds from sale of property, plant and equipment	9	28
Net investing cash flows	**(269)**	**(417)**
Cash flows related to financing activities		
Dividends paid	(680)	(626)
Net financing cash flows	**(680)**	**(626)**
Net increase in cash held	**795**	**246**
Cash and cash equivalents at beginning of period	507	261
Cash and cash equivalents at end of period	**1,302**	**507**

Notes to the Condensed Consolidated Statement of Cash Flows

Reconciliation of cash and cash equivalents

Reconciliation of cash at the end of the period (as shown in the consolidated cash flow statement) to the related items in the accounts is as follows.	Current period ($A'000)	Previous corresponding period ($A'000)
Cash on hand and at bank	301	507
Deposits at call	1,001	-
Total cash and cash equivalents at end of period	**1,302**	**507**

Statement of Changes in Equity

	Contributed Equity ($A'000)	Foreign Currency Translation Reserve ($A'000)	Retained Profits ($A'000)	Total ($A'000)
As at 1 July 2013	**1,156**	**-**	**10,221**	**11,377**
Profit for the period	-	-	1,218	1,218
Other Comprehensive income	-	-	-	-
Total Comprehensive income	-	-	1,218	1,218
Dividends paid	-	-	(626)	(626)
At 30 June 2014	**1,156**	**-**	**10,813**	**11,969**
Profit for the period	-	-	1,539	1,539
Other Comprehensive income	-	33	-	33
Total Comprehensive income	-	33	1539	1,572
Dividends paid	-	-	(679)	(679)
At 30 June 2015	**1,156**	**33**	**11,673**	**12,862**

Other notes to the condensed financial statements

Ratios	Current period	Previous corresponding period
Profit before tax / revenue Consolidated profit before tax as a percentage of revenue	5.6%	5.1%
Profit after tax / equity interests Consolidated net profit after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	12.0%	10.2%

NTA backing	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	$5.96	$5.55

Dividends

Date the dividend (distribution) is payable	9 October 2015
Record date to determine entitlements to the dividend	18 September 2015
If it is a final dividend, has it been declared?	This is a declared Final Dividend

Amount per security

	Amount per security	Franked amount per security (at 30% tax)	Amount per security of foreign source dividend
Final Dividend:			
Current Year			
Ordinary Final Dividend	20.0¢	20.0¢	Nil
Previous Year			
Ordinary Dividend	17.5¢	17.5¢	Nil
Interim dividend: Current year	14.0¢	14.0¢	Nil
Previous year	13.0¢	13.0¢	Nil

Total dividend per security (interim *plus* final)

	Current year	Previous year
Ordinary securities	34.0¢	30.5¢
Preference securities	-	-

Preliminary final report – total dividend for the year on all securities

	Current period ($A'000)	Previous corresponding period ($A'000)
Ordinary securities	734	658
Preference securities	-	-
Other equity instruments	**-**	**-**
Total	**734**	**658**

Segmental Information

	Merchandising Vic Tas SA ($A'000)	Merchandising Rest of Aust & Overseas ($A'000)	Manufacturing ($A'000)	Consolidated ($A'000)
12 months to June 2015				
Revenue				
Total Operating Revenue	18,658	19,225	4,234	42,117
Less Elimination on Consolidation	-	-	(3,247)	(3,247)
Total External Operating Revenue	**18,658**	**19,225**	**987**	**38,870**
Results				
Segment results	1,185	799	375	2,359
Unallocated expenses				(168)
TOTAL OPERATING PROFIT BEFORE INCOME TAX				2,191
Assets	7,968	8,276	2,056	18,300
Unallocated assets				11
TOTAL ASSETS				**18,311**

DIRECTORS COMMENTS

Growth in building activity during the year, particularly in the eastern states, underpinned the improvement in demand which led to better revenues and a pleasing profit result for the Group.

Each of the flooring and engineering divisions benefitted from stronger conditions in both commercial and residential construction segments served by the Company.

While the current levels of building activity are expected to continue, depreciation of the Australian dollar and resulting increase in the cost of imported goods has created pressure on margins in a market environment resistant to higher prices. That said, recent investment in new products across each division is expected to drive additional revenue growth in the year ahead, which should mitigate effects of the weaker currency.

Basis of financial report preparation

Material factors affecting the revenues and expenses of the economic entity for the current period.

NIL

A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

NIL

Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

NIL

Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

NIL

Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report.

NIL

Annual meeting

The annual meeting will be held as follows:

Place	147 Bakers Road, Coburg VIC 3058
Date	11 November 2015
Time	11.15am
Approximate date the annual report will be available	25 September 2015

Compliance statement

1. This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX .

2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed (see note 2).

4. This report is based on accounts to which one of the following applies.
   (Mark one)

☐	The accounts have been audited.	☐	The accounts have been subject to review.
☒	The accounts are in the process of being audited or subject to review.	☐	The accounts have *not* yet been audited or reviewed.

5. If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available.

6. The entity does not have a formally constituted audit committee.

James Embelton
Managing Director

24 August 2015