Results For Announcement To The Market
For the Financial Year Ended 30 June 2003

APPENDIX 4E: Preliminary Final Report
Amskan Ltd
Financial Year Ended 30 June 2003

(ACN 006 024 764)

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period:	Financial Year ending 30 June 2003
Previous Corresponding Period:	Financial Year ending 30 June 2002

Results For Announcement To The Market
For the Financial Year Ended 30 June 2003

Revenue and Net Profit

		Percentage Change %	Amount $
Revenue from ordinary activities	Up	777%	to 7,318,747
Profit from ordinary activities after tax attributable to members	Up	452%	to 4,896,261
Net profit attributable to members	Up	452%	to 4,896,261

Dividends

	Amount per security	Franked amount per security
Final dividend	N/A¢	N/A¢
Interim dividend	N/A¢	N/A¢

Record date for determining entitlements to the dividend:	
• final dividend	N/A
• interim dividend	N/A

Earnings Per Share

	Note	2003 ¢ per share	2002 ¢ per share
Basic Earnings per Share	8	212.9	(60.5)
Diluted Earnings per Share	8	212.9	(60.5)

Brief Explanation of Revenue and Net Profit/(Loss)

Revenue and net profit includes other revenue of $5,844,746 in respect of the forgiveness of inter-company balances between the Amskan consolidated entity and related parties within the HRL Limited group. (parent entity group). This is reflected in the results for the 2003 year, with the Amskan consolidated entity achieving a net profit of $4,896,261 (2002: $1,391,789 loss).

Statement of Financial Performance
For the Financial Year ended 30 June 2003

	Note	2003 $	2002 $
Sales revenue	2	1,472,712	827,196
Cost of sales		(618,476)	(466,467)
Gross Profit		854,236	360,729
Other revenue from ordinary activities	2	5,846,035	7,772
Marketing expenses		(127,447)	(111,517)
Occupancy expenses		(97,371)	(97,050)
Administration expenses		(1,260,672)	(1,307,762)
Borrowing costs		(318,520)	(243,961)
Profit/(Loss) From Ordinary Activities Before Income Tax Expense/(Benefit)	2	4,896,261	(1,391,789)
Income tax expense/(benefit) relating to ordinary activities		-	-
Profit/(Loss) From Ordinary Activities After Related Income Tax Expense/(Benefit)		4,896,261	(1,391,789)
Profit/loss from extraordinary items after related income tax expense/(benefit)		-	-
Net Profit/(Loss)		4,896,261	(1,391,789)
Net Profit/(Loss) Attributable to Members of the Parent Entity		4,896,261	(1,391,789)
Total Changes In Equity Other Than Those Resulting From Transactions With Owners As Owners		4,896,261	(1,391,789)
Basic Earnings per Share	8	212.9¢	(60.5) ¢
Diluted Earnings per Share	8	212.9¢	(60.5) ¢

Notes to the financial statements are included on pages 7 - 16

Statement of Financial Position
as at 30 June 2003

	Note	2003 $	2002 $
Current Assets			
Cash assets	6	47,669	39,672
Receivables		262,601	131,985
Inventories		172,758	24,891
Other		3,190	-
Total Current Assets		486,218	196,548
Non-Current Assets			
Other financial assets		170,027	170,027
Plant and equipment		74,278	88,831
Total Non-Current Assets		244,305	258,858
Total Assets		730,523	455,406
Current Liabilities			
Payables		176,118	428,183
Provisions		67,824	67,636
Total Current Liabilities		243,942	495,819
Non-Current Liabilities			
Interest-bearing liabilities		-	4,396,991
Provisions		19,832	26,963
Other		34,855	-
Total Non-Current Liabilities		54,687	4,423,954
Total Liabilities		298,629	4,919,773
Net Assets		431,894	(4,464,367)
Equity			
Contributed equity		575,000	575,000
Accumulated losses	5	(143,106)	(5,039,367)
Total Equity		431,894	(4,464,367)

Notes to the financial statements are included on pages 7 - 16

Statement of Cash Flows
For the Financial Year ended 30 June 2003

	Note	2003 $	2002 $
Cash Flows From Operating Activities			
Receipts from customers		1,345,895	800,964
Payments to suppliers and employees		(1,833,736)	(1,631,319)
Interest and bill discounts received		343	1,408
Net cash used in operating activities	6(b)	(487,498)	(828,947)
Cash Flows From Investing Activities			
Payment for property, plant and equipment		(3,005)	(15,100)
Proceeds from sale of property, plant and equipment		500	-
Net cash used in investing activities		(2,505)	(15,100)
Cash Flows From Financing Activities			
Proceeds from related party borrowings		498,000	890,386
Repayment of related party borrowings		-	(15,000)
Net cash provided by financing activities		498,000	875,386
Net Increase In Cash Held		7,997	31,339
Cash At The Beginning Of The Financial Year		39,672	8,333
Cash At The End Of The Financial Year	6(a)	47,669	39,672

Notes to the financial statements are included on pages 7 - 16

Notes to the Financial Statements
For the Financial Year Ended 30 June 2003

Notes to the Financial Statements
For the Financial Year Ended 30 June 2003

1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the 2002 annual financial report.

(a) Going Concern

The financial report has been prepared on the basis that the company is a going concern, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

This basis has been applied as the directors have received undertakings from HRL Limited, the ultimate parent entity, that they will continue to provide sufficient financial support to enable the company and consolidated entity to pay its debts as and when they fall due for a period of 24 months from the date of signing this financial report.

If the company is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to that stated in the financial report.

No adjustments have been made to the financial report relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the company and the consolidated entity not continue as a going concern.

Details of changes in accounting policies:

In accordance with Accounting Standard AASB 1028 'Employee Benefits', on 1 July 2002 the consolidated entity changed its policy for recognising provisions for annual leave. Under the new policy the amount of the provision is calculated using the remuneration rate expected to apply at the time of the settlement, rather than the remuneration rate that applies at reporting date. The balance in the Provision for Employee Benefits account has not been adjusted at the previous reporting date as the change in accounting policy did not have a material effect on the balances reported at that date.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2003

2. Profit From Ordinary Activities

	2003 $	2002 $
Profit from ordinary activities before income tax includes the following items of revenue:		
Sale of goods	1,439,124	777,962
Rendering of services	33,588	49,234
Interest revenue	343	7,772
Other revenue (i)	5,845,692	-
	7,318,747	834,968

(i) Other revenue includes revenue of $5,844,746 in respect of the forgiveness of debts as detailed at page 2 of the financial report.

3. Commentary on Results

The 78% increase in sales revenue was mainly due to increased sales of forkalert and road products.

However, the increase in sales was more than absorbed by the continuing level of administration expenses which were impacted in the reporting period by restructuring costs, costs associated with sales and marketing, and borrowing costs. This resulted in an operating loss, for the year before the abnormal forgiveness of intercompany debts, of $948,350.

4. Sales of Assets

	2003 $	2002 $
Sales of assets in the ordinary course of business have given rise to the following losses:		
Net Profits		
Plant and equipment	309	-

5. Accumulated Losses

Balance at beginning of financial year	(5,039,367)	(3,647,578)
Net profit/(loss)	4,896,261	(1,391,789)
Balance at end of financial year	(143,106)	(5,039,367)

	2003 $	2002 $

6. Notes to the Statement of Cash Flows

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	47,669	39,672

(b) Reconciliation of Profit From Ordinary Activities After Related Income Tax to Net Cash Flows From Operating Activities

Profit/(loss) from ordinary activities after related income tax	4,896,261	(1,391,789)
(Profit)/loss on sale of non-current assets	(309)	-
Depreciation of non-current assets	17,367	18,366
Writedown of plant & equipment held for resale	-	8,020
Inventory writedown	27,880	260,301
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	(130,616)	(76,238)
Current inventories	(175,747)	(198,251)
Other current assets	(3,190)	749
Increase/(decrease) in liabilities:		
Current trade payables	(252,065)	266,339
Other current liabilities	(6,943)	18,831
Non-current liabilities	(4,860,136)	264,725
Net cash from operating activities	(487,498)	(828,947)

Notes to the Financial Statements
For the Financial Year Ended 30 June 2003

7. Details Relating to Dividends

		Date dividend payable	Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend	2003	N/A	N/A	N/A
	2002	N/A	N/A	N/A
Interim dividend	2003	N/A	N/A	N/A
	2002	N/A	N/A	N/A

Total dividend per security

	2003 ¢	2002 ¢
Ordinary securities (each class separately)	N/A	N/A

Interim and final dividend on all securities

	2003 $	2002 $
Ordinary securities (each class separately)	N/A	N/A

Franking Account

	2003 $	2002 $
Franking account balance	-	-

(i) Due to the changes in Australian income tax legislation, from 1 July 2002 franking accounts are maintained on a "tax paid" rather than an "after tax distributable profits" basis. The comparative franking account balance as at 30 June 2002 has been restated on the "tax paid basis" so as to be comparable with the disclosure as at 30 June 2003.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2003

8. Earnings Per Share

	2003 ¢ per share	2002 ¢ per share
Basic EPS	212.9	(60.5)
Diluted EPS	212.9	(60.5)

Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2003 $	2002 $
Earnings (a)	4,896,261	(1,391,789)

	2003 No.	2002 No.
Weighted average number of ordinary shares (b)	2,300,000	2,300,000

(a) Earnings used in the calculation of basic earnings per share is the same as net profit in the statement of financial performance. There are no required reconciling items

(b) There are 2,300,000 fully paid ordinary shares. There are no potential ordinary shares.

Diluted Earnings per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted earnings per share are the same as for Earnings per share

9. Net Tangible Assets Per Security

	2003 $	2002 $
Net tangible assets per security	0.19	($1.94)

Notes to the Financial Statements
For the Financial Year Ended 30 June 2003

10. Segment Information

Segment Revenues

	External & Total	
	2003 **$**	**2002** **$**
Electronics & Communication	1,472,712	827,196
Research & Development	-	-
Total of all segments	1,472,712	827,196
Eliminations	-	-
Unallocated	5,846,035	7,772
Consolidated	7,318,747	834,968

Segment Results

	2003 **$**	**2002** **$**
Electronics & Communication	(73,948)	(545,609)
Research & Development	(81,622)	(222,101)
Total of all segments	(155,570)	(767,710)
Unallocated (i)	5,051,831	(624,079)
Profit/(loss) from ordinary activities before income tax expense	4,896,261	(1,391,789)
Income tax expense relating to ordinary activities	-	-
Net profit/(loss)	4,896,261	(1,391,789)

10. Segment Information (continued)

Segment Assets and Liabilities

	Assets		Liabilities	
	2003 $	2002 $	2003 $	2002
Electronics & Communication	491,697	197,446	263,774	703,587
Research & Development	21,130	25,852	-	-
Total of all segments	512,827	223,298	263,774	703,587
Unallocated	217,696	232,108	34,855	4,216,186
Consolidated	730,523	455,406	298,629	4,919,773

(i) "Unallocated" represents the forgiveness of debts as detailed in page 2 of the financial report and other items of revenue and expense.

Other Segment Information

	Electronics & Communication		*Research & Development*	
	2003 $	2002 $	2003 $	2002 $
Depreciation and amortisation of segment assets	17,367	18,366	-	-

Products and Services within each Business Segment

The consolidated entity is organised into two major operating divisions – electronics & communication and research & development. These divisions are the basis on which the company reports its primary segment information. The principal products and services of each of these divisions are as follows:

- Electronics & Communication – the production and sale of variety of products including Fork-alert, Iris 2000 and laser profilers within Australia and overseas
- Research & Development – research and development undertaken for the AVI project

Notes to the Financial Statements
For the Financial Year Ended 30 June 2003

10. Segment Information (continued)

Geographical Segments

	Revenues from External Customers		Segment Assets	
	2003 **$**	**2002** **$**	**2003** **$**	**2002** **$**
Australia	756,621	642,560	653,970	398,124
North America	540,678	184,636	76,553	57,282
Other	175,413	-	-	-
	1,472,712	827,196	730,523	455,406

Composition of each Geographical Segment:

The consolidated entity's two divisions operate in two principal geographic areas – Australia and North America. The compositions of each geographical segment is as follows:

- Australia – The consolidated entity manufactures and sells its full range of products in Australia.
- North America – The consolidated entity sells its Fork-alert product to customers located in North America

Notes to the Financial Statements
For the Financial Year Ended 30 June 2003

11. Subsequent Events

On 27 August 2003 interest bearing loans of $5,844,746 payable by Amskan Ltd to various other related parties within the HRL Limited group (as detailed below) were forgiven by those entities. The forgiveness of those loans has been recognized in the financial statements for the year ended 30 June 2003

HRL Limited
HRL Treasury Pty Ltd
HRL Marketing Pty Ltd
HRL Technology Pty Ltd
HRL Finance Pty Ltd
HRL Developments Pty Ltd
ETRS Pty Ltd
Acirl Ltd

On 28 August 2003 Amskan Ltd purchased 100% of the ordinary share capital of Embridge Lake for nil consideration.

On 23 May 2003 the Amskan Board resolved to seek expressions of interest for the sale of the Amskan business. As at the date of this report this process is continuing.

There has not been any other matter or circumstance that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2003

12. Information on Audit or Review

This preliminary final report is based on accounts to which one of the following applies.

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

Signed by: Bruce Paterson
Company Secretary

Date: 10 September, 2003