Results For Announcement To The Market
For the Financial Year Ended 30 June 2004

Preliminary Final Report Of *Stokes (Australasia) Limited* for the Financial Year Ended 30 June 2004

(ABN 24 004 554 929)

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

Current Reporting Period:	Financial Year ended 30 June 2004
Previous Corresponding Period:	Financial Year ended 30 June 2003

Results For Announcement To The Market
For the Financial Year Ended 30 June 2004

Revenue and Net Profit/(Loss)

		Percentage Change %		Amount $'000
Revenue from ordinary activities	down	14.1	to	28,896
Profit from ordinary activities after tax attributable to members	up	120.0	to	269
Profit attributable to members	up	120.0	to	269

Dividends (Distributions)

	Amount per security	Franked amount per security
Final dividend	-¢	-¢
Interim dividend	-¢	-¢
Record date for determining entitlements to the dividend:		N/A
• final dividend		
• interim dividend		

Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

Revenue

Revenue was down 14.1% on last year. The main factor was the loss of the Wire Baskets contract with Electrolux in November 2003.

Net Profit/(Loss)

Net Profit has increased by 120%.

Expenditure in most areas has remained comparatively consistent to June 2003, after excluding the Plant write down of $890K and the relocation of Appliance Parts Division of $700K that were provided for in the 2003 Accounts.

Profit on sale of building, plant & equipment amounted to $398K. Goodwill of $69K was written off, and relocation costs in excess of actual amounting to $368K previously provided for were written back to profit.

Dividends

The directors have decided not to pay a dividend for the 2003/04 year.

Statement of Financial Performance
For the Financial Year Ended 30 June 2004

	Note	2004 $'000	2003 $'000
Sales revenue (sales of goods)		28,783	33,195
Cost of sales	2	(20,999)	(24,831)
Gross Profit		7,784	8,364
Other revenue from ordinary activities		113	325
Distribution expenses		(1,537)	(1,569)
Selling expenses		(2,865)	(2,990)
Occupancy expenses		(569)	(503)
Administration expenses		(2,291)	(2,542)
Borrowing costs		(435)	(614)
Other income (expenses) from ordinary activities		256	(89)
Writedown to recoverable amount – plant and Equipment	2	-	(890)
Restructure costs	2	-	(700)
Profit / (Loss) From Ordinary Activities Before Income Tax Expense/(Benefit)	2	456	(1,208)
Income tax expense relating to ordinary activities		(133)	(111)
Profit / (Loss) from Ordinary Activities After Related Income Tax Expense		323	(1,319)
Net profit / (loss) attributable to outside equity interests		54	67
Net Profit / (Loss) Attributable to Members of the Parent Entity		269	(1,386)
Increase in foreign currency translation reserve arising on translation of self-sustaining foreign operations		16	11
Total Revenue, Expense and Valuation Adjustments Attributable to Members of the Parent Entity Recognised Directly in Equity		16	11
Total Changes In Equity Other Than Those Resulting From Transactions With Owners As Owners		285	(1,375)

Source Reference: ASX Appdx 4E.3

Stokes (Australasia) Limited

Statement of Financial Position
As at 30 June 2004

	Note	2004 $'000	2003 $'000
Current Assets			
Cash assets	6	696	425
Receivables		4,536	4,969
Inventories		5,761	5,498
Current tax assets		140	21
Land held for resale		-	2,185
Other		28	218
Total Current Assets		11,133	13,316
Non-Current Assets			
Property, plant and equipment		1,635	1,808
Intangibles		-	113
Other		-	104
Total Non-Current Assets		1,635	2,025
Total Assets		12,768	15,341
Current Liabilities			
Payables		3,182	3,491
Interest-bearing liabilities		96	5,878
Current tax liabilities		117	-
Provisions		1330	1,314
Total Current Liabilities		4,725	10,683
Non-Current Liabilities			
Interest-bearing liabilities		3,760	126
Provisions		208	793
Total Non-Current Liabilities		3,968	919
Total Liabilities		8,693	11,602
Net Assets		4,075	3,739
Equity			
Contributed equity		5,895	5,895
Reserves		194	189
Accumulated losses	5	(2,323)	(2,592)
Parent Entity Interest		3,766	3,492
Outside Equity Interest		309	247
Total Equity		4,075	3,739

Source Reference: ASX Appdx 4E.4

Statement of Cash Flows
For the Financial Year Ended 30 June 2004

	Note	2004 $'000	2003 $'000
Cash Flows From Operating Activities			
Receipts from customers		29,241	33,251
Payments to suppliers and employees		(28,762)	(32,663)
Interest received		22	8
Interest and other costs of finance paid		(435)	(614)
Foreign exchange gain		13	55
Income tax paid		(5)	(147)
Net cash provided by/(used in) operating activities	6(e)	74	(110)
Cash Flows From Investing Activities			
Payment for plant and equipment		(373)	(344)
Proceeds from sale of property, plant and equipment		2,692	107
Net cash provided by/(used in) investing activities		2,319	(237)
Cash Flows From Financing Activities			
Proceeds from borrowings		-	337
Repayment of borrowings		(2,121)	(211)
Net cash provided by/(used in) financing activities		(2,121)	126
Net Increase/(Decrease) In Cash Held		272	(221)
Cash At The Beginning Of The Financial Year		424	634
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	12
Cash At The End Of The Financial Year	6(a)	696	425

Source Reference: ASX Appdx 4E.5

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

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Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

Source Reference

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 2003 annual financial report.

Details of changes in accounting policies:

No material changes in accounting policies noted

2. Profit/(Loss) From Ordinary Activities

ASX Appdx 4E.3

	2004 $'000	2003 $'000
Profit/(loss) from ordinary activities before income tax includes the following items of revenue and expense:		
(a) Revenue		
Net increments arising from the revaluation of non-current assets:		
Investments		-
Property, plant and equipment		-
Intangibles		-
(b) Expenses		
Cost of sales	20,999	24,831
Net bad and doubtful debts	56	96
Non-current assets write down to recoverable amount		
Property, plant and equipment	-	890
Depreciation of non-current assets	540	818
Amortisation of non-current assets	113	158
Provision for restructure – Appliance Parts Division	-	700

Source
Reference

2. Profit/(Loss) From Ordinary Activities (continued)

(c) *Revision of Accounting Estimates*

Details of the nature and amount of revisions of accounting estimates:

Nil

3. Commentary on Results

ASX Appdx
4E.14

Revenue

Revenue was down 14.1% on last year. The main factor was the loss of the Wire Baskets contract with Electrolux in November 2003.

Expenses

Expenditure in most areas has remained comparatively consistent to June 2003, after excluding the Plant write down of $890K and the relocation of Appliance Parts Division of $700K that were provided for in the 2003 Accounts.

Profit on sale of building, plant & equipment amounted to $398K. Goodwill of $69K was written off, and relocation costs in excess of actual amounting to $368K previously provided for were written back to profit.

Net Profit/(Loss)

Net Profit has increased by 120% which has been primarily driven by the above mentioned one off items in the 2003 accounts, already covered under expenses.

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

	2004 $'000	2003 $'000

4. Sales of Assets

ASX Appdx 4E.3

Sales of assets in the ordinary course of business have given rise to the following profits and losses:

	2004 $'000	2003 $'000
Net Profits		
Property, plant and equipment	398	16
Net Losses		
Property, plant and equipment	-	-

5. Accumulated Losses

ASX Appdx 4E.8

	2004 $'000	2003 $'000
Balance at beginning of financial year	(2,592)	(1,206)
Net Profit / (loss)	269	(1,386)
Balance at end of financial year	(2,323)	(2,592)

Source
Reference

	2004 $'000	2003 $'000

6. Notes to the Statement of Cash Flows

ASX Appdx 4E.5

(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:

	2004 $'000	2003 $'000
Cash on hand	696	425

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

Source Reference

6. Notes to the Statement of Cash Flows (continued)

ASX Appdx 4E.5

(b) Non-Cash Financing and Investing Activities

ASX Appdx 4E.5

(c) Financing Facilities

	2004 $'000	2003 $'000
Secured bank facility, subject to periodic review		
Amount used	3760	5,727
Amount unused	2,240	4,631
	6,000	10,358
Secured overdraft facility, subject to periodic review:		
Amount used		-
Amount unused	270	270
	270	270

(d) Cash Balances Not Available for Use

ASX Appdx 4E.5

Whilst there is a loan facility in place for $6,000,000 there are certain conditions outlined in the Facility Agreement which limit the use of this facility.

Stokes (NZ) Ltd has guaranteed this Facility.

Source
Reference

6. Notes to the Statement of Cash Flows (continued)

ASX Appdx 4E.5

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

	2004 $'000	2003 $'000
Profit / (Loss) from ordinary activities after related income tax	323	(1,319)
(Profit) / Loss on disposal of non-current assets	(398)	(16)
Depreciation and amortisation of non-current assets	653	976
Bad debts expense	56	43
Amounts written off:		
Property, plant and equipment	-	890
Increase/(decrease) in current tax liability	128	(26)
Increase/(decrease) in deferred tax balances	-	(10)
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	432	201
Current inventories	(263)	(208)
Other current assets	89	(40)
Other non current assets	-	(104)
Increase/(decrease) in liabilities:		
Current trade payables and accruals	(112)	(1,019)
Other current liabilities		-
Provisions – employee benefits	(105)	(178)
- restructure	(729)	700
Net cash from operating activities	74	(110)

Source Reference

7. Details Relating to Dividends (Distributions)

ASX Appdx 4E.6, ASX Appdx 4E.14.2

		Date dividend payable	Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend	2004	N/A	-	-
	2003	N/A	-	-
Interim dividend	2004	N/A	-	-
	2003	N/A	-	-
Total	2004	N/A	-	-
	2003	N/A	-	-

Total dividend (distribution) per security (interim plus final)

ASX Appdx 4E.6, ASX Appdx 4E.14.2

	2004 ¢	2003 ¢
Ordinary securities (each class separately)	-	-
Preference securities (each class separately)	-	-
Other equity instruments (each class separately)	-	-

Interim and final dividend (distribution) on all securities

ASX Appdx 4E.6, ASX Appdx 4E.14.2

	2004 $'000	2003 $'000
Ordinary securities (each class separately)	-	-
Preference securities (each class separately)	N/A	N/A
Other equity instruments (each class separately)	N/A	N/A
Total	-	-

Any other disclosures in relation to dividends (distributions).

ASX Appdx 4E.6, ASX Appdx 4E.14.2

The directors have decided not to pay a dividend for the 2003/04 year

Source Reference

7. Details Relating to Dividends/(Distributions) (continued)

Dividend Reinvestment Plans

ASX Appdx 4E.7 The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the dividend or distribution plans	N/A

8. Earnings Per Share

	2004 ¢ per share	2003 ¢ per share
Basic EPS	4.9	(24.5)
Diluted EPS	4.9	(24.5)

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:

	2004 $'000	2003 $'000
Earnings (a)	269	(1,386)

	2004 No. '000	2003 No. '000
Weighted average number of ordinary shares	5,651,250	5,651,250

Source
Reference

8. Earnings Per Share (continued)

(a) Earnings used in the calculation of basic earnings per share reconciles to net profit in the statement of financial performance as follows:

	2004 $'000	2003 $'000
Net profit	269	(1,386)
Earnings used in the calculation of basic EPS	269	(1,386)

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 as follows:

	2004 $'000	2003 $'000
Earnings (a)	269	(1,386)

	2004 No. '000	2003 No. '000
Weighted average number of ordinary shares and potential ordinary shares	5,651,250	5,651,250

(a) Earnings used in the calculation of diluted earnings per share reconciles to net profit in the statement of financial performance as follows:

	2004 $'000	2003 $'000
Net profit	269	(1,386)
Earnings used in the calculation of basic EPS	269	(1,386)

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

9. Net Tangible Assets Per Security

		2004	2003
ASX Appdx 4E.9	Net tangible assets per security	0.72	0.64

10. Contingent Liabilities and Contingent Assets

	2004 $'000	2003 $'000

Contingent liabilities

A contingent liability exists at 30-June 2004 in relation to a purported agreement between Stokes (Australasia) Limited, Jaws, Pty Ltd, a company in which Mr William Stokes has an interest and Mr Walter Haller, whereby Stokes (Australasia) Limited is required to purchase the shareholdings of Jaws and Walter Haller in Stokes (New Zealand) Limited on a valuation at time of purchase.

The Directors other than William Stokes deny this claim

Contingent assets

Nil

11. Segment Information

Segment Revenues

	External Sales		Inter-Segment		Other		Total	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Manufactured	13,840	18,716		-		-	13,840	18,716
Merchandised	14,943	15,108		-		-	14,943	15,108
Total of all segments	28,783	33,824		-		-	28,783	33,824
Eliminations	-	(449)		-		-	-	(449)
Unallocated/ Other Income	113	145		-		-	113	145
Consolidated	28,896	33,520		-		-	28,896	33,520

Source
Reference

11. Segment Information (continued)

Segment Results

	2004 $'000	2003 $'000
Manufactured	1,155	1,073
Merchandising	2,189	1,056
Total of all segments	3,344	2,129
Eliminations		-
Unallocated	(2,888)	(3,337)
Loss from ordinary activities before income tax expense	456	(1,208)
Income tax expense relating to ordinary activities	(133)	(111)
Profit / (Loss) from ordinary activities after related income tax expense	323	(1,319)
Extraordinary items		-
Net Profit / (Loss)	323	(1,319)

Segment Assets and Liabilities

	Assets		Liabilities	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Manufactured	5,625	8,621	(2,285)	(2,714)
Merchandising	6,307	6,089	(2,179)	(2,804)
Total of all segments	11,932	14,710	(4,464)	(5,518)
Eliminations	-	(2,264)	-	2,080
Unallocated	836	2,895	(4,229)	(8,164)
Consolidated	12,768	15,341	(8,693)	(11,602)

Notes to the Financial Statements
For the Financial Year Ended 30 June 2004

Source
Reference

11. Segment Information (continued)

Other Segment Information

	Manufactured		Merchandised	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**
Acquisition of segment assets	206	275	217	223
Depreciation and amortisation of segment assets	265	(481	276	(388)
Recoverable write-down of segment assets	-	(797)	-	(93)

Products and Services within each Business Segment

Manufactured Products:

Represents products that are manufactured by Stokes (Australasia) Ltd. Major products consist of heating elements and spare parts.

Merchandised Products:

Represents products that are sourced both locally and overseas, catering mostly to the spare parts market for electrical goods. Major products consist of heating elements, dishwasher, washing machine, and vacuum cleaner spare parts.

Information on Geographical Segments (secondary reporting format)

	Revenues from External Customers		Segment Assets		Acquisition of Segment Assets	
	2004 $'000	**2003 $'000**	**2004 $'000**	**2003 $'000**	**2004 $'000**	**2003 $'000**
Australia	26,095	30,617	11,411	14,514	378	458
New Zealand	2,801	2,903	1,357	827	45	40

Source
Reference

11. Segment Information (continued)

Composition of each Geographical Segment

Stokes (Australasia) Ltd operates in Australia and New Zealand.

Australia and New Zealand operate in both the Manufactured and Merchandised business segments.

Each entity operates independently to each other.

12. Subsequent Events

Nil

Source Reference

13. Other Significant Information

SX Appdx 4E.12

Going Concern

The Company has maintained the key covenant relating to the "Fixed Charge Cover" ratio since June 2002.

In November 2003 the facility was renewed with GE Commercial for a further three years. The Directors believe that the company will continue to have the support of their financiers.

Impact of Adopting AASB equivalents to IASB Standards

Stokes (Australasia) Ltd has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). The company's financial controller has identified significant changes in accounting policies with the Audit committee. The financial controller will be responsible for regularly reporting IFRS impacts with the Audit committee on an ongoing basis for the company to be fully compliant for the first reporting period under IFRS. As Stokes (Australasia) Ltd has a 30 June year-end, priority has been given to considering the preparation of an opening balance sheet in accordance with AASB equivalents to IFRS as at 1 July 2004. Set out below are the key areas where accounting policies will change and may have an impact on the financial report of Stokes (Australasia) Ltd. At this stage the company has not been able to reliably quantify the impacts on the financial report.

Classification of Financial Instruments

Under AASB 139 Financial Instruments: Recognition and Measurement, financial instruments will be required to be classified into one of five categories which will, in turn, determine the accounting treatment of the item. The classifications are loans and receivables – measure at amortised cost, held to maturity – measured at amortised cost, held for trading – measured at fair value with fair value changes charged to net profit or loss, available for sale – measured at fair value with fair value changes taken to equity and non-trading liabilities – measured at amortised cost. This will result in a change in the current accounting policy that does not classify financial instruments.

Impairment of Assets

Under the Australian equivalent to IAS 36 Impairment of Assets the recoverable amount of an asset is determined as the higher of net selling price and value in use. This will result in a change in the group's current accounting policy which determines the recoverable amount of an asset on the basis of discounted cash flows. Under the new policy it is likely that impairment of assets will be recognised sooner and that the amount of write-downs will be greater. Reliable estimation of the future financial effects of this change in accounting policy is impracticable because the conditions under which impairment will be assessed are not yet known.

Share based payments

Under AASB 2 Share based Payments, the company will be required to determine the fair value of options issued to employees as remuneration and recognise an expense in the Statement of Financial Performance. This standard is not limited to options and also extends to other forms of equity-based remuneration. It applies to all share-based payments issued after 7 November 2002 which have not vested as at 1 January 2005. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the details of future equity based remuneration plans are unknown.

SX Appdx 4E.12

Income Taxes

Under the Australian equivalent to IAS 12 Income Taxes, the company will be required to use a balance sheet liability method which focuses on the tax effects of transactions and other events that affect amounts recognised in either the Statement of Financial Position or a tax-based balance sheet. The most significant impact will be the recognition of a deferred tax liability in relation to the asset revaluation reserve. Previously, the capital gains tax effects of asset revaluation were not recognised. It is not expected that there will be any further material impact as a result of adoption of this standard.

Foreign Currency

IFRS replaces the concepts of self-sustaining and integrated foreign operations with the functional and presentational currency concept. Under IFRS transitional provisions, the company has the option to reset the foreign currency translation reserve to zero, or recalculate the reserve as if IFRS had always applied.

14. Information on Audit or Review

ASX Appdx 4E.15

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

ASX Appdx 4E.16

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.

ASX Appdx 4E.17

Description of dispute or qualification if the accounts have been audited or subjected to review.

The audit report is likely to include an Emphasis of Matter in relation to uncertainty whether the company and consolidated entity will be able to continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.