

Appendix 4E

Preliminary Final Report

1. Name of entity

Kresta Holdings Limited

ABN

26 008 675 803

Financial year ended ("current year")

30 June 2014

Comparative prior year ended ("prior year")

30 June 2013

2. For announcement to the market

					\$'000
2.1	Revenue from ordinary activities	down	5.1%	to	95,611
2.2	Loss from ordinary activities after tax attributable to members	down	189.6%	to	(1,375)
2.3	Net loss for the period attributable to members	down	189.6%	to	(1,375)
2.4	Dividends (see section 7)	Amount per security		Franked amount per security	
	Final dividend	Nil		Nil	
	Interim dividend	Nil		Nil	
2.5	Record date for determining entitlements to the dividends	N/A			
2.6	Payment date of the dividends	N/A			
2.7	Brief explanation of any of the figures reported above: See audited financial statements.				

3. Consolidated statement of comprehensive income

	Note	2014 \$000	2013 \$000
Sale of goods		95,611	100,755
Revenue		95,611	100,755
Other income	3a	721	4,401
Changes in inventories of finished goods and work in progress		(536)	(1,742)
Raw materials and consumables used		(28,420)	(27,558)
Employee benefits expense	3b	(38,699)	(40,770)
Depreciation and amortisation charge	3c	(1,659)	(1,825)
Other expenses	3d	(28,822)	(31,412)
Results from operating activities		(1,804)	1,849
Finance income		95	193
Finance costs		(86)	(237)
Net finance income / (costs)	3e	9	(44)
(Loss) / profit before income tax		(1,795)	1,805
Income tax benefit / (expense)		420	(270)
Net (loss) / profit for the period		(1,375)	1,535
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Net foreign currency translation		(23)	(40)
Effective portion of changes in fair value of cash flow hedges, net of tax		(22)	23
Other comprehensive loss for the period, net of tax		(45)	(17)
Total comprehensive (loss) / income for the period		(1,420)	1,518
Total comprehensive (loss) / income attributable to owners of the Company		(1,420)	1,518
Earnings per share for profit attributable to the ordinary equity holders of the parent:			
Basic (losses) / earnings per share		(0.95 cents)	1.06 cents
Diluted (losses) / earnings per share		(0.95 cents)	1.06 cents

3. Other income and expenses

	2014	2013
	\$000	\$000
(a) Other income		
Government grants	34	70
Net gain from disposal of property, plant & equipment	-	3,580
Net unrealised gain from derivatives	28	55
Other	659	696
	<u>721</u>	<u>4,401</u>
(b) Employee benefits expense		
Wages and salaries	24,585	25,775
Superannuation expense	2,063	2,140
Employee share-based payment	315	64
Subcontractors	9,308	10,154
Other employee benefits expense	2,428	2,637
	<u>38,699</u>	<u>40,770</u>
(c) Depreciation and amortisation charge		
Depreciation	1,578	1,727
Amortisation of IT software	81	98
	<u>1,659</u>	<u>1,825</u>
(d) Other expenses		
Advertising	8,545	9,727
Property rent	7,892	8,144
Property outgoings	3,813	3,805
Communication expenses	2,182	2,234
Banking and transaction expenses	530	806
Impairment loss – receivables	76	3
Impairment loss – intangibles	-	1,686
Net loss from disposal of property, plant & equipment	359	-
Foreign exchange losses	128	179
Freight	1,998	2,054
Other expenses	3,299	2,774
	<u>28,822</u>	<u>31,412</u>
(e) Net finance income / (costs)		
Finance income	95	193
Finance charges payable under finance leases and hire purchase contracts	(16)	(20)
Other borrowing costs	(70)	(217)
Finance costs	(86)	(237)
Net finance income / (costs)	<u>9</u>	<u>(44)</u>

4. Consolidated statement of financial position

	2014	2013
	\$000	\$000
ASSETS		
Current assets		
Cash and cash equivalents	5,702	5,206
Trade and other receivables	2,330	2,338
Inventories	8,925	9,093
Prepayments	1,401	1,153
Derivative financial instruments	-	4
Income tax receivable	-	272
Total current assets	<u>18,358</u>	<u>18,066</u>
Non-current assets		
Trade and other receivables	41	50
Property, plant and equipment	11,352	12,220
Deferred tax assets	3,163	2,714
Intangible assets and goodwill	2,074	2,061
Total non-current assets	<u>16,630</u>	<u>17,045</u>
TOTAL ASSETS	<u>34,988</u>	<u>35,111</u>
LIABILITIES		
Current liabilities		
Trade and other payables	8,917	7,310
Interest-bearing loans and borrowings	366	1,315
Provisions	3,702	3,851
Derivative financial instruments	18	28
Government grants	-	34
Total current liabilities	<u>13,003</u>	<u>12,538</u>
Non-current liabilities		
Interest-bearing loans and borrowings	-	150
Provisions	1,479	1,112
Total non-current liabilities	<u>1,479</u>	<u>1,262</u>
TOTAL LIABILITIES	<u>14,482</u>	<u>13,800</u>
NET ASSETS	<u>20,506</u>	<u>21,311</u>
EQUITY		
Contributed equity	12,892	12,733
Employee reserved shares	(256)	(772)
Reserves	(122)	(392)
Retained earnings	7,992	9,742
TOTAL EQUITY	<u>20,506</u>	<u>21,311</u>

5. Consolidated statement of cash flows

	2014	2013
	\$000	\$000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	105,241	112,407
Payments to suppliers and employees (inclusive of GST)	(103,085)	(111,357)
Receipt of government grants	-	104
Interest received	95	193
Interest paid	(86)	(237)
Income tax received	243	403
Net cash flows from operating activities	<u>2,408</u>	<u>1,513</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	34	6,349
Purchase of property, plant and equipment	(1,030)	(958)
Purchase of intangibles	(94)	(19)
Net cash flows (used in) / from investing activities	<u>(1,090)</u>	<u>5,372</u>
Cash flows from financing activities		
Proceeds from issue of shares	660	-
Equity dividends paid	(360)	-
Proceeds from borrowings	841	1,083
Repayment of borrowings	(1,844)	(6,085)
Payment of finance lease liabilities	(92)	(83)
Net cash flows used in financing activities	<u>(795)</u>	<u>(5,085)</u>
Net increase in cash and cash equivalents	523	1,800
Net foreign exchange differences	(27)	(49)
Cash and cash equivalents at beginning of period	5,206	3,455
Cash and cash equivalents at end of period	<u>5,702</u>	<u>5,206</u>

5.1 Reconciliation of net profit after tax to net cash flows from operations

	2014	2013
	\$000	\$000
Net (loss) / profit	(1,375)	1,535
<i>Adjustments for:</i>		
Depreciation	1,578	1,727
Amortisation	81	98
Net loss / (gain) on disposal of property, plant and equipment	359	(3,580)
Net unrealised gain on derivatives	(28)	(55)
Share-based payment expense	315	64
Impairment – intangibles	-	1,686
<i>Changes in assets and liabilities</i>		
Decrease in trade and other receivables	17	569
Decrease in inventories	168	210
(Increase) / decrease in deferred tax assets	(449)	270
Increase in prepayments	(248)	(305)
Increase / (decrease) in trade and other payables	1,607	(818)
(Decrease) / increase in government grants	(34)	34
Increase in tax receivables/payable	272	404
Increase / (decrease) in provisions	145	(326)
Net cash from operating activities	<u>2,408</u>	<u>1,513</u>

5.2 Reconciliation of cash

	2014	2013
	\$000	\$000
Cash at bank and on hand	<u>5,702</u>	<u>5,206</u>

5.3 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows:

Nil

5.4 Financing facilities available

Total facilities of \$3.37m (2013: \$4.46m), consisting of \$2.08m (2013: \$2.08m) overdraft, \$0.74m (2013: \$0.74m) bank guarantee, \$0.18m (2013: \$0.18m) trade, \$0.0m (2013: \$0.09m) hire purchase and finance lease, \$0.37m (2013: \$0.46m) insurance finance loan, and \$0.0m (2013: \$0.91m) bill facilities.

5.5 Financing facilities used

Total facilities used of \$0.78m (2013: \$1.88m), consisting of \$0.41m (2013: \$0.42m) bank guarantee, \$0.0m (2013: \$0.09m) hire purchase and finance lease, \$0.37m (2013: \$0.46m) insurance finance loan, and \$0.0m (2013: \$0.91m) bill facilities.

6. Consolidated statement of changes in equity

	Ordinary shares	Employee reserved shares	Employee equity benefits reserve	Cashflow hedge reserve	Foreign currency translation reserve	Retained earnings	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
At 1 July 2013	12,733	(772)	112	4	(508)	9,742	21,311
Loss for the period	-	-	-	-	-	(1,375)	(1,375)
Other comprehensive income	-	-	-	(22)	(23)	-	(45)
Total comprehensive loss for the period	-	-	-	(22)	(23)	(1,375)	(1,420)
Dividends	-	15	-	-	-	(375)	(360)
Proceeds from issue of shares	-	660	-	-	-	-	660
Employee share plan issue	159	(159)	-	-	-	-	-
Share-based payments	-	-	315	-	-	-	315
At 30 June 2014	12,892	(256)	427	(18)	(531)	7,992	20,506
At 1 July 2012	11,961	-	48	(19)	(468)	8,207	19,729
Profit for the period	-	-	-	-	-	1,535	1,535
Other comprehensive income	-	-	-	23	(40)	-	(17)
Total comprehensive income for the period	-	-	-	23	(40)	1,535	1,518
Employee share plan issue	772	(772)	-	-	-	-	-
Share-based payments	-	-	64	-	-	-	64
At 30 June 2013	12,733	(772)	112	4	(508)	9,742	21,311

7. Dividends

Date dividend is payable	N/A
Record date to determine entitlements to the dividend (i.e. on the basis of security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules – securities are CHESS approved)	N/A
If it is a final dividend, has it been declared	N/A

7.1 Amount per security

	Amount per security	Franked amount per security at 30% tax
Final dividend: Current year	Nil	Nil
Prior year	0.25 cents	0.25 cents
Interim dividend: Current year	Nil	Nil
Prior year	Nil	Nil

7.2 Total dividend per security (interim plus final)

	Current year	Prior year
Ordinary securities	Nil	0.25 cents

7.3 Preliminary final report – final dividend on all securities

	Current year	Prior year
Ordinary securities	Nil	0.25 cents
Total	Nil	0.25 cents

Any other disclosures in relation to dividends

Nil

8. Dividend plan

Details of the dividend reinvestment plan are as follows:

There is no dividend reinvestment plan in place.
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The last date for receipt of election notices for participation in the dividend reinvestment plan

N/A

9. NTA backing

	Current year	Prior year
Net tangible asset backing per ordinary security	12.3 cents	12.9 cents

10. Details of entities over which control has been gained or lost during the period

Nil

11. Details of associates and joint venture entities

Nil

12. Other significant information

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position.

Refer audited financial statements

13. Foreign entities

For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Accounting Standards).

N/A

14. Commentary on results

A commentary on the results for the period. The commentary must be sufficient for the user to be able to compare the information presented with equivalent information for previous periods. The commentary must include any significant information needed by an investor to make an informed assessment of the entity's activities and results.

Refer audited financial statements

14.1 Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with AASB 133: <i>Earnings Per Share</i> are as follows:	Current year	Prior year
	\$'000	\$'000
Basic (losses) / earnings:	(1,375)	1,535
Diluted (losses) / earnings:	(1,375)	1,535
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic EPS:	144,565,367	144,158,518
Weighted average number of ordinary shares used in the calculation of diluted EPS:	144,748,780	144,507,272
Basic (losses) / earnings per security:	(0.95 cents)	1.06 cents
Diluted (losses) / earnings per security:	(0.95 cents)	1.06 cents

14.2 Returns to shareholders

Including distributions and buy backs.

N/A

14.3 Significant features of operating performance

Refer audited financial statements

14.4 Segment report

The consolidated entity operates predominantly in Australia and substantially in one business segment being the manufacturing and sale of window coverings.

14.5 Trends

Refer audited financial statements

14.6 Other factors

Any other factors which have affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified.

Nil

15. Status of audit or review

This report is based on accounts to which one of the following applies:

- | | | | |
|-------------------------------------|--|--------------------------|---|
| <input checked="" type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |

16. Dispute or qualification – accounts not yet audited or subject to review

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification.

N/A

17. Dispute or qualification – accounts audited or subject to review

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification.

N/A