

Stokes (Australasia) Limited

Results For Announcement To The Market For the Financial Year Ended 30 June 2010

Preliminary Final Report of *Stokes* *(Australasia) Limited* (ABN 24 004 554 929) for the Financial Year Ended 30 June 2010

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 2010

Previous Corresponding Period:

Financial Year ended 30 June 2009

Stokes (Australasia) Limited

Results For Announcement To The Market For the Financial Year Ended 30 June 2010

Revenue and Net Profit

		Percentage Change %		Amount \$
Revenue from ordinary activities	up	9.0	To	16,225,484
Profit from ordinary activities after tax Attributable to members	up	1,294.0	To	738,563
Profit attributable to members	up	1,294.0	To	738,563

Dividends (Distributions)

	Amount per security	Franked Amount per security
Final dividend (cents)	0	0
Interim dividend(cents)	0	0

Record date for determining entitlements
to the dividend:

N/A

- final dividend
- interim dividend

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

The group made a profit of \$738,563 for the year compared to a profit of \$51,507 last year. Sales for the year were \$16.2 million compared with last years sales of \$14.9 million.

Stokes (Australasia) Limited

Income Statement For the Financial Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Sales revenue (sale of goods)		16,225,484	14,882,848
Cost of sales	2	(9,981,441)	(10,546,589)
Gross Profit		6,244,043	4,336,259
Other revenue from ordinary activities		41,931	91,397
Distribution expenses		(1,205,853)	(886,820)
Selling expenses		(1,764,280)	(1,831,553)
Occupancy expenses		(575,702)	(381,338)
Administration expenses		(1,826,917)	(1,116,558)
Borrowing costs		(143,222)	(159,880)
Other expenses from ordinary activities		-	-
Profit Before Income Tax Expense	2	770,000	51,507
Income tax expense relating to ordinary activities		(31,437)	-
Profit After Income Tax Expense		738,563	51,507
Net profit attributable to outside equity interests		-	(1,476)
Net Profit Attributable to Members of the Parent Entity		738,563	52,983

Source Reference: ASX Appdx 4E.3

Basic earnings cents per share	10.20	0.82
Diluted earnings cents per share	10.20	0.82

Stokes (Australasia) Limited

Balance Sheet For the Financial Year Ended 30 June 2010

	Note	2010 \$	2009 \$
Current Assets			
Cash and cash equivalents	6(a)	461,322	198,854
Trade and other receivables		2,087,613	2,384,060
Inventories		3,207,283	3,015,001
Other		52,666	155,610
Total Current Assets		5,808,884	5,753,525
Non-Current Assets			
Financial Assets		-	-
Property, plant and equipment		299,615	389,303
Intangibles		25,001	1
Total Non-Current Assets		324,616	389,304
Total Assets		6,133,500	6,142,829
Current Liabilities			
Trade and other payables		1,370,790	1,220,994
Interest-bearing loans and borrowings		400,064	1,230,860
Income tax payable		31,437	-
Provisions		827,039	925,250
Other financial liabilities		-	-
Total Current Liabilities		2,629,330	3,377,104
Non-Current Liabilities			
Interest-bearing loans and borrowings		-	7,912
Provisions		51,464	38,008
Other financial liabilities		-	-
Total Non-Current Liabilities		51,464	45,920
Total Liabilities		2,680,794	3,423,024
Net Assets		3,452,706	2,719,805
Equity			
Contributed equity		6,208,884	6,064,546
Reserves		-	-
Accumulated losses	5	(2,756,178)	(3,493,265)
Parent Entity Interest		3,452,706	2,571,281
Outside Equity Interest		-	148,524
Total Equity		3,452,706	2,719,805

Stokes (Australasia) Limited

Cash Flow Statement For the Financial Year Ended 30 June 2010

	Note	2010 \$	2009 \$
<i>Cash Flows From Operating Activities</i>			
Receipts from customers		16,521,931	15,053,863
Payments to suppliers and employees		(15,191,385)	(14,965,937)
Interest received		6,723	-
Interest and other costs of finance paid		(143,222)	(159,880)
Dividend Received		-	-
Income tax paid		-	-
Net cash provided by/(used in) operating activities	6(c)	1,194,047	(71,954)
<i>Cash Flows From Investing Activities</i>			
Payment for plant and equipment	9	(64,486)	(39,302)
Proceeds from sale of property, plant and equipment		2,277	60,722
Payment for net business assets net of cash acquired		-	(279,000)
Payments for subsidiary acquired		(175,000)	-
Net cash provided by/(used in) operating activities		(237,209)	(257,580)
<i>Cash Flows From Financing Activities</i>			
Dividend Paid		-	-
Finance lease payments		(20,857)	(66,699)
Proceeds from issue of Share capital		144,338	319,546
Proceeds from borrowings		-	107,813
Repayment borrowings to related parties		(80,464)	80,464
Repayment of borrowings		(737,387)	-
Net cash provided by/(used in) financing activities		(694,370)	441,124
<i>Net Increase/(Decrease) In Cash Held</i>		262,468	111,590
<i>Cash & Cash equivalents at the Beginning of the Financial Year</i>		198,854	87,264
<i>Cash and Cash equivalents at the Beginning of the Financial Year</i>	6(a)	461,322	198,854

Source Reference: ASX Appdx 4E.5

Stokes (Australasia) Limited

Statement of Changes in Equity For the Financial Year Ended 30 June 2010

	Notes	Attributable to equity holders of the parent			Non-Controlling Interest	Total equity
		Issued capital	Accumulated losses	Other reserves		
At 1 July 2008	5,895,000	(3,546,248)	-	2,348,752	-	2,348,752
Profit /(loss) for the year	-	52,983	-	52,983	(1,476)	51,507
Foreign currency adjustment	-	-	-	-	-	-
Total recognised income/(expense) for the year	-	52,983	-	52,983	(1,476)	51,507
Issue of New shares	169,546	-	-	169,546	150,000	319,546
At 30 June 2009	6,064,546	(3,493,265)	-	2,571,281	148,524	2,719,805

YEAR ENDED 30 JUNE 2009

	Notes	Attributable to equity holders of the parent			Non-Controlling Interest	Total equity
		Issued capital	Accumulated losses	Other reserves		
At 1 July 2009	6,064,546	(3,493,265)	-	2,571,281	148,524	2,719,805
Profit attributable to members of the Parent Entity		738,563	-	738,563	-	738,563
Non Controlling Interests acquired		(1,476)	-	(1,476)	(148,524)	(150,000)
Share issue during the period	144,338	-	-	144,338	-	144,338
At 30 June 2010	6,208,884	(2,756,178)	-	3,452,706	-	3,452,706

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

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Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

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 2010 annual financial report.

Details of changes in accounting policies:

There have been no material changes in accounting policies.

2. Profit/(Loss) From Ordinary Activities

ASX Appdx
4E.3

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	9,981,441	10,546,589
Prov. for bad and doubtful debts	(8,226)	33,483
Non-current assets write down to recoverable amount		
Property, plant and equipment		
Depreciation of non-current assets	133,618	168,595
Amortisation of non-current assets	12,499	16,961

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source
Reference

2. Profit/(Loss) From Ordinary Activities

(c) Revision of Accounting Policies

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

Nil

3. Commentary on Results

ASX Appdx
4E.14

Net Profit/(Loss)

The consolidated group made a profit of \$738,563 for the year ended 30 June 2010. (2009 profit of (51,507)). Sales for the year were 16.2 million (2009 14.9 million)

Trading in Australia has been very challenging due to a decline in sales in the overall market reflecting the competitive trading conditions prevailing. The group improved its financial result by:

- Focusing more on margin management
- Reducing cost structure of the group
- Obtaining the benefit of the acquisition of Edis Pty Ltd for a full year.

No dividend has been paid or is payable by Stokes (Australasia) Limited in respect of the year ended 30 June 2010 or year ended 30 June 2009.

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source Reference		2010 \$	2009 \$
	4. Sale of Assets		
ASX Appdx 4E.3	Sales of assets in the ordinary course of business have given rise to the following profits and losses:	2,277	6,631
	Net Gain / (Loss)		
	Property, plant and equipment	(5,780)	6,631
	5. Accumulated Losses		
ASX Appdx 4E.8	Balance at beginning of financial year	(3,493,265)	(3,546,248)
	Non-Controlling interest acquired	(1,476)	-
	Net Profit / (Loss)	738,563	52,983
	Balance at end of financial year	(2,756,178)	(3,493,265)
	6. Notes to the Statement of Cash Flows		
ASX Appdx 4E.5	(a) <i>Reconciliation of Cash</i>		
	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 on hand	461,322	198,854

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source
Reference

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

ASX Appdx
4E.5

(b) Financing Facilities

Secured bank facility, subject to:-		
Amount used	309,019	1,129,539
Amount unused	2,190,981	2,870,461
	2,500,000	4,000,000
Secured overdraft facility, subject to:-		
Amount used	-	-
Amount unused	-	-
	-	-

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source
Reference

	2010 \$	2009 \$
<p>ASX Appdx 4E.5</p> <p>6. Notes to the Statement of Cash Flows (continued)</p> <p>(c) <i>Reconciliation of Profit / (Loss) from Ordinary Activities after Related Income Tax to Net Cash Flows from Operating Activities</i></p>		
Profit / (Loss) from ordinary activities after related income tax	738,563	51,507
(Profit)/Loss on disposal of non-current assets	5,780	(6,631)
Depreciation and amortisation of non-current assets	146,117	185,556
Inventory Provisions	(423,243)	225,279
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	296,447	136,056
Current inventories	230,961	(44,541)
Other current assets	102,944	(60,052)
Increase/(decrease) in liabilities:		
Current trade payables and accruals	149,796	(527,420)
Current tax liability	31,437	-
Provisions-employee benefits	(84,755)	(31,708)
Net cash from operating activities	1,194,047	(71,954)

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source
Reference

7. Details Relating to Dividends (Distributions)

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

		Date dividend payable	Amount per Share ¢	Amount per security of foreign sourced Dividend ¢
Final dividend	2009	N/A	-	-
	2008	N/A	-	-
	2007	N/A	-	-
Interim dividend	2006	N/A	-	-
	2005	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

	2010 ¢	2009 ¢
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

	2010	2009
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

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source
Reference

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

Stokes Australasia Limited	-	-
Minority shareholders	-	-
Total	-	-

8. Earnings Per Share

	2010	2009
	¢ per share	¢ per share
Basic EPS	10.2	0.82
Diluted earnings per share	10.2	0.82
Earnings used in the calculation of the basic and diluted earnings per share.	738,563	52,983
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:	7,239,177	6,498,978
	2010	2009
Earnings used in the calculation of basic EPS	738,563	52,983
	2010	2009
Weighted average number of ordinary shares	7,239,177	6,498,978

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source
Reference

9. Net Tangible Assets Per Share

	2010	2009
	<hr/>	<hr/>
ASX Appdx 4E.9	0.48	0.42

Net tangible assets per Share

10. Contingent Liabilities and Contingent Assets

Contingent Liabilities

None noted

Contingent assets

None noted

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source
Reference

11. SEGMENT INFORMATION

SEGMENT REVENUES

For management purposes, the consolidated entity is organised into two geographical segments. These segments are the basis on which the consolidated entity reports its Australia and New Zealand results.

Australia - Goods manufactured and bought in for resale in Australia.

New Zealand - Goods manufactured and bought in for resale in New Zealand.

	External Sales	
	2010 \$	2009 \$
Manufacturing	3,782,230	5,120,161
Merchandise	12,834,612	10,111,535
Inter segment Interest	6,723	-
Total of all segments	16,623,565	15,231,696
Eliminations	(398,091)	(348,848)
Unallocated	-	-
	-	-
Consolidated sales revenue	16,225,484	14,882,848

SEGMENT RESULTS

	2010 \$	2009 \$
Manufacturing	347,330	533,299
Merchandise	1,547,622	752,917
Total of all segments	1,894,952	1,286,216
Eliminations	(1,124,952)	(1,234,709)
Profit from ordinary activities before income tax expense	770,000	51,507
Income tax expense relating to ordinary activities	(31,437)	-
Profit from ordinary activities after related income tax expense	738,563	51,507
Extraordinary items	-	-
Net Profit	738,563	51,507

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source
Reference

11. SEGMENT INFORMATION (continued)

SEGMENT ASSETS AND LIABILITIES

	Assets		Liabilities	
	2010 \$	2009 \$	2010 \$	2009 \$
Manufacturing	1,782,910	2,024,401	738,297	832,050
Merchandise	4,555,825	4,073,263	1,706,194	1,295,252
Total of all segments	6,338,735	6,097,664	2,444,491	2,127,302
Eliminations	(263,286)	-	(263,286)	-
Unallocated	58,051	45,165	499,589	1,295,722
Consolidated	6,133,500	6,142,829	2,680,794	3,423,023

OTHER SEGMENT INFORMATION

	Acquisition of Assets		Depreciation and Amortisation	
	2010 \$	2009 \$	2010 \$	2009 \$
Manufacturing		9,102	(57,303)	(81,668)
Merchandise	64,486	15,301	(74,344)	(87,475)
Total of all segments	64,486	24,403	(131,646)	(169,143)
Unallocated	-	14,900	(14,471)	(16,413)
Consolidated	64,486	39,303	(146,117)	(185,556)

12. SUBSEQUENT EVENTS

No significant events have occurred after balance date.

Stokes (Australasia) Limited

Notes to the Financial Statements For the Financial Year Ended 30 June 2010

Source
Reference

13. 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.