

25 February 2014

Announcements Officer
ASX Market Announcements
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Stokes Limited
- Finance report for the half-year ended 31 December 2013

I attach the following documents in relation to the half year ended 31 December 2013:

Appendix 4D – Half Year Report; and
Half Year Financial Report, including the Directors' Report, Financial Report and
Independent Auditor's Review Report.

The attached documents comprise the half year results information required by ASX Listing
Rule 4.2A. The information should be read in conjunction with the Stokes Limited 2013 Annual
Report.

The attached information will be posted to Goodman Fielder's website once released to the
market.

Yours sincerely



Hemant Amin
Company Secretary

Appendix 4D - Half Year Report for six months ended 31 December 2013**Results for announcement to the market**

Name of entity STOKES LIMITED

ABN 24 004 554 929

1 Reporting Period

Half Year Ended 31 December 2013

Previous Corresponding Reporting Period 31 December 2012

2 Results for announcement to the market

Revenue from ordinary activities	up	16%	to	7,428,178
Profit from ordinary activities after tax attributable to members	up	101%	to	13,170
Net profit for the period attributable to members	up	101%	to	13,170
	Amount per Security		Franked amount per Security	
Interim Dividend - Current period		Nil		Nil
- Previous corresponding period		Nil		Nil
Final Dividend - Current period		Nil		Nil
- Previous corresponding period		Nil		Nil
No interim dividend has been declared for the half-year ending 31 December 2013.				
Commentary on Result				
The financial performance of the company has improved significantly compared to the previous corresponding period with sales reaching \$7,428,178 (2012: \$ 6,400,595) a 16% increase and a reported profit of \$13,170 (2012: loss of \$2,341,249 inclusive of restructuring costs and inventory write down or loss of \$645,541 excluding restructuring costs and inventory write down) the first profit the company has reported in three and a half years.				
The company's appliance parts division has now consolidated. The industrial division has undergone a dramatic turnaround and has added significant profit contribution to the group and the recently acquired appliance service division is performing above internal budgets.				
Refer to interim Financial Report for the Half-Year ended 31 December 2013 for more information.				
This half yearly financial report is to be read in conjunction with the most recent annual financial report.				

3 Net tangible assets per security

	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	\$0.08	\$0.06

4. Details of entities over which control has been gained or lost during the period: (item 4)

Control gained over entities

Name of entities (item 4.1)	- Not Applicable -	
Date(s) of gain of control (item 4.2)		
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities since the date(s) in the current period on which control was acquired (item 4.3)	\$	
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	\$	

Loss of control of entities

Name of entities (item 4.1)	- Not Applicable -	
Date(s) of loss of control (item 4.2)		
Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was lost (item 4.3).	\$	
Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 4.3)	\$	

5. Dividends *(item 5)*

	Date of payment	Total amount of dividend
Interim dividend year ended 30 June 2013		Nil
Final dividend year ended 30 June 2013		Nil

Amount per security

	Amount per security	Franked amount per security at % tax	Amount per security of foreign sourced dividend
Total dividend: Current year	Nil	Nil	Nil
Previous year	Nil	Nil	Nil

Total dividend on all securities

	Current period \$A'000	Previous corresponding Period - \$A'000
Ordinary securities <i>(each class separately)</i>	Nil	Nil

6. Details of dividend or distribution reinvestment plans in operation are described below
(item 6):

- Not Applicable -

The last date(s) for receipt of election notices for participation in the dividend or distribution reinvestment plan

7. Details of associates and joint venture entities *(item 7)*

Name of associate or joint venture entity	%Securities held
- Not Applicable -	

Aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2013 \$	2012 \$
Profit (loss) from ordinary activities before tax		
Income tax on ordinary activities		
Net profit (loss) from ordinary activities after tax		
Adjustments		
Share of net profit (loss) of associates and joint venture entities		

8. The financial information provided in the Appendix 4D is based on the half year condensed financial report (attached).

9. Independent review of the financial report *(item 9)*

The financial report has been independently reviewed. The financial report is not subject to a qualified independent review statement.



STOKES LIMITED
and Controlled Entities

ABN 24 004 554 929

Interim Financial Report
for the half-year ended 31 December 2013

The half-year financial report is to be read in conjunction with the Financial report for the year ended 30 June 2013



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Directors' Report

The directors present their report together with the condensed financial report of the consolidated entity consisting of Stokes Limited and the entities it controlled, for the half-year ended 31 December 2013 and independent review report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors

The names of the company's directors in office during the half-year and until the date of this report are set out below. Each of the directors was in office for this entire period, unless otherwise stated.

Con Scrinis, Managing Director

Greg Jinks, Executive Director

Peter Jinks, Chairman

REVIEW AND RESULTS OF OPERATIONS

The Directors of Stokes Limited take great pleasure in reporting to you the substantial work and progress that has been made in the past six months to restructure and rebuild this great company.

A number of major milestones have been achieved and the company can now advise that it has completed the restructuring program on time and on budget and expects the full benefits to flow through in the 2014 calendar year.

The company has also continued to reduce costs with further redundancies and cost reductions that have had the effect of reducing fixed costs by 30%. We have also upgraded the company's enterprise resource planning systems, launched a new e-commerce website, and consolidated warehousing facilities as well as installing an experienced and motivated senior management team.

The financial performance of the company has improved significantly compared to the previous corresponding period with sales reaching \$7,428,178 (2012: \$6,428,178) a 16% increase and a reported profit of \$13,170 (2012: loss of \$2,341,249 inclusive of restructuring costs and inventory write down or loss of \$645,541 excluding restructuring costs and inventory write down) the first profit the company has reported in three and a half years.

The company's appliance parts division has now consolidated. The industrial division has undergone a dramatic turnaround and has added significant profit contribution to the group and the recently acquired appliance service division is performing above internal budgets.

The company has also added a new technologies division with the introduction of LED lighting and an audiovisual products range. These two new product lines have started generating sales revenue with recent contract wins and we expect to continue to see the results of this work in the year ahead.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Over the past six months we have completed the acquisitions of assets of two businesses (predominantly inventory) in the appliance parts and service division, which has resulted in the much-needed consolidation of the industry.

The company successfully raised \$2,012,500 (2012: 2,340,128) via a placement to sophisticated investors in November 2013 and these funds have been deployed to complete the restructuring program and reduce debt.

Directors' Report (Cont'd)

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporation Act 2001* in relation to the review for the half-year is provided with this report on page 3.

Signed in accordance with a resolution of the directors.



Con Scrinis
Director

Melbourne
Date: 25 February 2014

STOKES LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF STOKES LIMITED

In relation to the independent review for the half-year ended 31 December 2013, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of any applicable code of professional conduct.



D A KNOWLES
Partner

25 February 2014



PITCHER PARTNERS
Melbourne

Condensed Consolidated Statement of Comprehensive Income for the half-year ended 31 December 2013

		Half- year	
	Notes	December 2013	December 2012
Revenue	2	7,428,178	6,400,594
Other income	2	73,773	157,558
Expenses			
Cost of sales		(4,862,133)	(5,081,719)
Selling expense		(1,183,548)	(2,159,604)
Occupancy expense		(315,854)	(318,128)
Administration expense		(1,030,801)	(1,237,877)
Depreciation and amortisation		(29,450)	(34,603)
Borrowing costs		(66,995)	(67,470)
Total expenses		(7,488,781)	(8,899,401)
Profit/(loss) before income tax expense		13,170	(2,341,249)
Income tax expense		-	-
Profit/(loss) from continuing operations		13,170	(2,341,249)
Other comprehensive income for half-year		-	-
Total comprehensive income for half-year		13,170	(2,341,249)
Total comprehensive income attributable to members		13,170	(2,341,249)
Non-Controlling Interests		-	-
Total comprehensive income for half-year		13,170	(2,341,249)
Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:			
Basic earnings per share (cents per share)		0.05	(10.0)
Diluted earnings per share (cents per share)		0.05	(10.0)
Earnings per share for profit attributable to the equity holders of the parent entity:			
Basic earnings per share (cents per share)		0.05	(10.0)
Diluted earnings per share (cents per share)		0.05	(10.0)

Condensed Consolidated Statement of Financial Position as at 31 December 2013

	Notes	December 2013	June 2013
Current assets			
Cash and cash equivalents		643,740	732,663
Trade and other Receivables		1,962,027	1,789,562
Inventories		2,385,646	1,792,222
Other		29,936	61,037
Total current assets		5,021,349	4,375,484
Non-current assets			
Plant and equipment		378,666	231,664
Goodwill		199,486	199,486
Total Non-current assets		578,152	431,150
Total assets		5,599,501	4,806,634
Current liabilities			
Trade and other Payables		1,584,618	1,520,352
Borrowings		770,500	1,261,984
Provision for restructuring		-	575,105
Provisions - Employee Entitlement		638,073	721,556
Total current liabilities		2,993,191	4,078,997
Non-current liabilities			
Provisions - Employee Entitlement		70,975	110,805
Total non-current liabilities		70,975	110,805
Total Liabilities		3,064,166	4,189,802
Net assets		2,535,335	616,832
Equity			
Contributed capital		10,426,352	8,521,019
Accumulated losses		(7,891,017)	(7,904,187)
Total equity		2,535,335	616,832

Condensed Consolidated Statement of Changes in Equity**Half-year ended 31 December 2012**

Consolidated	Contributed equity	Accumulated losses	Total equity
At 1 July 2012	6,321,134	(4,679,217)	1,641,917
Profit attributable to members of the Parent Entity	-	(2,341,249)	(2,341,249)
Capital raising costs for the share issue	(146,334)	-	(146,334)
Share issue during the period	2,340,128		2,340,128
At 31 December 2012	8,514,928	(7,020,466)	1,494,462

Half-year ended 31 December 2013

Consolidated	Contributed equity	Accumulated losses	Total equity
At 1 July 2013	8,521,019	(7,904,187)	616,832
Profit attributable to members of the Parent Entity	-	13,170	13,170
Share issue during the period	2,012,500		2,012,500
Capital raising costs for the share issue	(107,167)	-	(107,167)
At 31 December 2013	10,426,352	(7,891,017)	2,535,335

Condensed Consolidated Statement of Cash Flows for the half-year ended 31 December 2013

	Half-year	
Notes	December 2013	December 2012
Cash flows from operating activities		
Receipts from customers	8,060,993	7,574,456
Payments to suppliers and employees	(9,321,629)	(7,517,768)
Interest received	1,311	1,763
Interest paid	(66,995)	(67,470)
Net cash flows used in operating activities	(1,326,320)	(9,019)
Cash flows from investing activities		
Payment for plant and equipment	(176,452)	(9,947)
Payment for Grimwood	-	(302,594)
Net cash flows used in investing activities	(176,452)	(312,541)
Cash flows from financing activities		
Proceeds from share issue net of capital raising costs	1,905,333	2,193,794
Repayment of borrowings	(491,484)	(346,428)
Net cash provided by financing activities	1,413,849	1,796,700
Net increase/(decrease) in cash and cash equivalents	(88,923)	1,525,806
Cash and cash equivalents at beginning of year	732,663	116,322
Cash and cash equivalents at end of the year	643,740	1,642,128

Notes to the Half-Year Financial Statements

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report does not include all notes of the type normally included within the annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements.

The half-year financial report should be read in conjunction with the annual financial statements of Stokes Limited for the year ended 30 June 2013.

It is also recommended that the half-year financial report be considered together with any public announcements made by Stokes Limited and its controlled entities during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Stokes Limited is a for-profit entity for the purpose of preparing the financial statements.

The half-year financial report was authorised for issue by the directors on 21 February 2014.

(a) Basis of accounting

This half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report has been prepared in accordance with the historical cost convention.

(b) Statement of significant accounting policies

The half year consolidated financial report has been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2013.

(c) Basis of consolidation

The group has applied AASB 10 retrospectively in accordance with the transition provisions. The group has determined that AASB 10 has no impact on the composition of the consolidated group. Therefore, no adjustments to any of the carrying amounts are required.

(d) Financial Risk Management

The consolidated entity's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements for the year ended 30 June 2013.

Notes to the Half-Year Financial Statements

2. MATERIAL ITEMS OF INCOME AND EXPENSE

Profit / (loss) before income tax expense includes the following income items whose disclosure is relevant in explaining the financial performance of the entity:

	Consolidated	
	December 2013	December 2012
Revenue		
Revenue from services or sale of goods	7,428,178	6,400,594
Other income		
Interest income	1,311	1,763
Damage - Litigation case	-	150,000
Other	72,462	5,795
	73,773	157,558

3. CONTINGENT ASSETS AND LIABILITIES

Since the last annual reporting date, there has been no material change in any contingent assets and liabilities.

4. ACQUISITION OF BUSINESS ASSETS

On 20 September 2013, the parent entity acquired the business assets (predominantly inventory) of ANZ Appliance Parts and Janda Electric Co, two Melbourne-based appliance parts and service businesses for a combined value of \$50,000.

5. OPERATING SEGMENTS

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed on the basis of products category and service offerings. Operating segments are therefore determined on the same basis

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Types of services by segments are manufacturing and merchandise and distribution (appliance parts).

Assets and liabilities of the entity are used across all of the above operating segments and are not identified and allocated to each operating segment.

Notes to the Half-Year Financial Statements (Continued)**5. OPERATING SEGMENTS (Cont'd)****(a) SEGMENTS PERFORMANCE**

December 2013	Manufacturing	Merchandising and distribution	All other segments	Total
Revenue				
External sales	1,462,688	5,964,897	593	7,428,178
Other income	5,812	8,125	59,836	73,773
Total group revenue	1,468,500	5,973,022	60,429	7,501,951
Segment net profit before tax	470,068	492,692	(949,590)	13,170
Net profit before tax from continuing operations	470,068	492,692	(949,590)	13,170

December 2012	Manufacturing	Merchandising and distribution	All other segments	Total
Revenue				
External sales	1,503,402	4,897,192	-	6,400,594
Other income	-	1,763	155,795	157,558
Total group revenue	1,503,402	4,898,955	155,795	6,558,152
Segment net profit before tax	(736,852)	91,311	-	(645,541)
Amounts not included in segment result but reviewed by Board	-	-	(1,695,708)	(1,695,708)
Net profit before tax from continuing operations	(736,852)	91,311	(1,695,708)	(2,341,249)

6. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

There were no dividends proposed or recognised during the half-year ended 31 December 2013.

7. CONTRIBUTED CAPITAL

	December 2013	June 2013
23,401,281 ordinary shares (June 2013: 23,401,281)	8,521,019	8,521,019
Placement of 5,750,000 ordinary shares	2,012,500	-
Cost of capital raising	(107,167)	-
29,151,281 ordinary shares (June 2013: 23,401,281)	10,426,352	8,521,019

Notes to the Half-Year Financial Statements (Continued)**8. SUBSEQUENT EVENTS**

There were no matters or circumstances specific to Stokes Limited that have arisen since 31 December 2013 that have significantly affected or may significantly affect

- the Group's operation in future financial years or
- the results of those operation in future financial years or
- the Group's state of affairs in future financial years.

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 5 to 12 in accordance with the *Corporations Act 2001*:

- (a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2013 and of its performance for the half-year ended on that date

In the directors' opinion there are reasonable grounds to believe that Stokes Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors.



Con Scrinis
Director

Date: 25 February 2014

**STOKES LIMITED
ABN 24 004 554 929**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
STOKES LIMITED AND CONTROLLED ENTITIES**

We have reviewed the accompanying half-year financial report of Stokes Limited and controlled entities, which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Stokes Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

STOKES LIMITED
ABN 24 004 554 929

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
STOKES LIMITED AND CONTROLLED ENTITIES

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Stokes Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



D A KNOWLES
Partner

25 February 2014



PITCHER PARTNERS
Melbourne