ASX Announcement

24 May 2004

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

APPENDIX 4E – PRELIMINARY FINAL REPORT

Please find attached a copy of the Appendix 4E announcing the Annual Results for the year ended 31st March 2004.

Yours sincerely,
PROGRAMMED MAINTENANCE SERVICES LIMITED

Ian H. Jones

Ian H. Jones
Secretary

ASX Announcement

Programmed Maintenance Services Limited

ABN 61 054 742 264

Appendix 4E – Preliminary Final Report

Year ended: 31 March 2004

Previous corresponding period: 31 March 2003

Results for Announcement to the Market

				$A'000
Revenue from ordinary activities	up	11.2%	to	205,868
Profit from ordinary activities after tax attributable to members	up	13.8%	to	16,291
Net profit for the period attributable to members (**SEE EXPLANATION BELOW**)	up	13.8%	to	16,291

Programmed Maintenance Services Limited is announcing a 17.1% increase in net profit attributable to members over the previous corresponding period. That period included a $0.412m "one off" gain, described in the Appendix 4B issued on 4th June 2003, arising from the change in accounting policy relating to the valuation of work in progress. Excluding this "one off" gain would result in a net profit attributable to members of $13.907m for the previous corresponding period. On a comparable basis, the net profit attributable to members of $16.291m for the current year represents a 17.1% increase over the net profit of $13.907m for the previous corresponding period.

Dividends

	Amount per security	Franked amount per security	Record date for determining entitlements to the dividend
Dividends paid			
Interim 2003 - 24 Jan. 2003	4.0 cents	1.2 cents	
Final 2003 - 24 July 2003	5.0 cents	2.5 cents	
Interim 2004 – 23 Jan. 2004	5.5 cents	2.75 cents	
Dividends to be paid			
Final 2004 - 23 July 2004	6.5 cents	3.25 cents	8 July 2004

All shareholders entitled to receive the interim dividend payable on 23 July 2004 will be able to participate in the Dividend Reinvestment Plan (DRP). Shareholders who wish to participate in the DRP and have not previously advised the Company, must lodge an election to participate with Computershare, the Company's share registrar, by 8 July 2004. The shares issued via the DRP will be at the average market price for the five trading days prior to and including 8 July 2004.

Programmed Maintenance Services Limited

ABN 61 054 742 264

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RESULTS COMMENTARY

Record 17.1% profit increase

Final dividend up 30%

Programmed Maintenance Services Limited, Australia's leading property services group, today announced a record $16.3 million profit after tax for the year to 31 March 2004. This represents an increase of 17.1 per cent on a comparable basis over the previous year, when reported profit after tax was increased by a $400,000 one-off gain resulting from a change in accounting policy for valuing work in progress. Revenue exceeded $200 million for the first time.

Results summary for the year ended	**31 – 3 – 04 A$m**	**31 – 3 – 03 A$m**	**% increase**
Revenue	205.9	185.1	11.2%
Earnings before interest, tax, depreciation and amortisation	34.1	30.8	10.7%
Earnings before interest and tax	26.6	24.2	9.9%
Profit before tax	24.0	21.0	14.1%
Income tax expense	7.7	6.7	14.6%
Reported profit after tax	16.3	14.3	13.8%
Work in progress adjustment	-	0.4	-
Profit after tax – comparable basis	16.3	13.9	17.1%
Earnings per share (cents) – comparable basis	24.0	21.2	13.1%
Final dividend (cents)	6.5	5.0	30.0%
Franking (%)	50	50	

The directors have declared a final dividend of 6.5 cents per share franked to 50 per cent, payable on 23 July 2004 to shareholders on the register at 8 July. This compares with a final dividend of 5.0 cents per share franked to 50 per cent for 2002/3 and brings dividends for 2003/4 to 12.0 cents per share franked to 50 per cent (2002/3: 9 cents franked to 41 per cent). The company's dividend reinvestment plan will apply to this dividend, with shares issued at market price without any discount, and will not be underwritten.

'This record 17.1 per cent profit increase is another outstanding result', said Mr Max Findlay, managing director. 'It is the sixth consecutive year that Programmed Maintenance Services has increased both revenue and profit by more than 10 per cent, demonstrating the strength and potential of our business model.

'Our continuing growth reflects the success of our strategy to build an international, integrated property services group. Over the past six years, while group revenue has more than doubled, revenue from businesses other than Australian painting has grown from 41 per cent to 52 per cent of the total.

'This trend will accelerate with the acquisition from Serco of Australian integrated services contracts which, subject to the consent of the customers, will be transferred to Programmed Maintenance Services on 1 July. These contracts, which provide annual revenue of over $25 million and are based on strong customer alliances, will broaden our range of property-related services and increase the group's non-painting revenue by approximately 40 per cent. After acquisition and integration costs, they will make a small contribution to earnings in the current year and a material contribution from 2005/6.

'The company's growth rate is also benefiting from our recent investment in technology, including a web-based system that enables customers to monitor the progress of our work, and in upgrading business processes. This is in line with our strategy to differentiate our services through systems that add value for our customers.

'At this early stage, we expect our double digit earnings growth to continue for the year to 31 March 2005. Our broader range of services has improved the company's cash flow and ability to pay franked dividends, and this trend will continue as our operations expand.'

AUSTRALIA

Property maintenance

Results for year ended	**31 – 3 – 04 A$m**	**31 – 3 – 03 A$m**	**% increase**
Revenue	139.5	124.4	12.2%
Earnings before interest and tax	16.6	15.1	10.2%

The Australian property maintenance business performed well, helped by significant earnings increases in building services and grounds management. These non-painting businesses contributed 29 per cent of Australian property maintenance revenue and this proportion is expected to grow as the businesses continue to develop.

The Australian painting business performed well in New South Wales and Queensland, overcoming lower demand by the tourism and rural industries in the first half. Results in Western Australia, however, were affected by a downturn in work from the mining sector. Victoria's earnings were disappointing due to a large underperforming contract and some operational deficiencies which are being addressed. A national account management structure has been introduced, and a nationwide, three-year contract to wash and maintain BP service stations is currently under way, using recycled water in Victoria from our industrial services facility.

The corporate imaging business is currently undertaking external signage programmes for Landmark and Repco, and there has been increased demand for illuminated signage from car dealerships around the country.

The building services business achieved significant growth in revenue and earnings. This growth was underpinned by contract extensions with the South Australian Housing Trust and the New South Wales government schools, as well as by further extensions of our services within the aged care and retirement sectors. The national roll-out of building audit services, using new technology, has been widely accepted by our customers and generated a significant increase in demand.

The grounds management business, which provides landscaping and grounds maintenance services, had a successful year, especially in Victoria and South Australia where strong growth was helped by new contracts and improved operational controls. In New South Wales, the division overcame recent difficulties to make a positive contribution, and Western Australia performed in line with expectations. We have been successful in renewing our grounds contract with Adelaide University for five years. A national contract with Transfield was secured to provide grounds services to 6,000 Telstra sites throughout the country, and several major contracts were renewed.

INDUSTRIAL SERVICES

Results for year ended	**31 – 3 – 04 A$m**	**31 – 3 – 03 A$m**	**% increase**
Revenue	18.8	16.9	11.3%
Earnings before interest and tax	1.3	0.5	178.5%

The industrial services business, which trades as Barry Bros. Specialised Services, achieved record revenue and earnings due to business restructuring and a focus on planned, rather than reactive, operational activities. Growth was assisted by the introduction of new processes and procedures to upgrade quality, environmental performance, safety and training.

Recent new services, including non-destructive digging and water recycling, have added further capabilities to the business. The water recycling plant operated for the City of Port Phillip has produced over five million litres of water over the past year, and has led to Barry Bros.' nomination as a finalist for a National Banksia Environmental award.

The industrial services business provides a range of underground asset maintenance services, industrial vacuuming, high pressure cleaning, non-destructive digging and water recycling services.

NEW ZEALAND

Results for year ended	**31 – 3 – 04 A$m**	**31 – 3 – 03 A$m**	**% increase**
Revenue	29.1	26.0	11.7%
Earnings before interest and tax	8.5	7.9	6.6%

The New Zealand business had another very strong year, with revenue growth of 13 per cent and EBIT growth of 8 per cent in New Zealand dollars.

All regions performed well, with a significant recovery in Auckland and the new branches in Invercargill and Whangarei exceeding expectations. A national contract to refurbish the interior of 165 Westpac branches over a three month period was completed on schedule. The management team, operational procedures and OH&S systems were all strengthened during the year.

The new building services business, established in October 2003 to expand the services offered to customers, made a small positive earnings contribution in line with expectations. Considerable growth in building services revenue and earnings is expected in the current year, especially in the education sector where we already have a significant market presence.

UNITED KINGDOM

Results for year ended	31 – 3 – 04 A$m	31 – 3 – 03 A$m	% change
Revenue	18.5	17.8	3.8%
Earnings before interest and tax *	0.2	0.7	(77.3%)
** Earnings are after deduction of goodwill amortisation and UK head office costs*			

The company's UK business, Whittle Painting Group, continued to build demand for its long-term maintenance programmes which are unique in the market. A further 50 programmes have been signed since 31 March 2003, bringing the total to 135 with a value of over $10.5 million. Approximately 50 per cent of the programmes to date are with government or private schools, and the high enquiry rate demonstrates the interest in the concept and the excellent opportunities for future growth.

Maintenance contracts now provide 16 per cent of revenue compared with 10 per cent a year ago and, while Whittle's earnings have been constrained by the re-orientation of the business from one-off painting work, management is increasingly optimistic about future prospects. The PPP (public private partnership) contract, worth $3 million over four years, to paint and maintain 4,300 council-owned houses at Lancaster is proving a great success for both the council and Whittle. It is a valuable reference site and has already led to a similar contract at Derby. The business has also won several contracts to maintain historic houses, and these will open up further opportunities.

The Birmingham branch continued to grow strongly and the Nottingham branch performed well. Manchester produced an inadequate return for 2004, but new management has begun to improve results. As part of the strategy to expand into the south of England, an additional branch was opened in Bristol earlier this month.

HUMAN RESOURCES

The company made a significant investment during the year in developing the skills and capabilities of its workforce. Training workshops, focused on business processes, safety, communications and service delivery, were held for team leaders and supervisors, and over 100 executives received leadership training in consultation with organizations including Mt. Eliza Business School and the Australian Institute of Management.

Several key business processes were re-engineered and accredited in line with the ISO 9000: 2000 standard. These improvements were supported by a communication programme throughout the company aimed at ensuring a consistently high level of customer service.

Upgraded occupational health and safety processes have significantly reduced the company's LTIFR (lost time injury frequency rate), with the vast majority of those suffering a lost time injury returning to work within one day. This has improved the productivity and morale of our staff and reduced the impact of workers' compensation premiums on our results.

STATEMENT OF FINANCIAL PERFORMANCE

Group revenue grew over 11%, with each of Australian Property Maintenance, Industrial Services and New Zealand having similar increases over the previous year. Within Australian Property Maintenance, building services had revenue growth of 37% while grounds management and painting had increases of 7%.

The increases in personnel costs were broadly in line with revenue across all of the businesses, with an increase of 11.7% over the expenses of 2003. The major expense of the building services division is sub contractor costs, and the rapid growth in building services revenue was matched by these costs being 37% than the previous year. New Zealand also showed significant growth in sub contractor costs, with the total group expense in this category increasing 24.6%.

There was a reduction of 17.5% in borrowing costs, due to the reduction in net debt by over $5 million and the relatively low interest rates in both Australia and New Zealand.

CASH FLOW AND BALANCE SHEET

Net operating cash flow increased by 23 per cent to $16.0 million, reflecting the changing mix in group revenues. The increased operating cash flow was used primarily to reduce borrowings, with net debt falling to $41.7 million (41 per cent of equity) compared with $46.9 million (54 per cent of equity) at 31 March 2003. The ratio of net debt to contract recoverables and work in progress fell to 28 per cent, compared with 34 per cent at 31 March 2003.

The total equity base is now $102.6 million, an increase of 17 per cent over 31 March 2003 ($87.7 million), due to the solid operating results and the equity contributions from the dividend reinvestment plan and from the exercising of share options. Net tangible assets per share at 31 March 2004 were $1.41, compared with $1.27 at 31 March 2003.

The company currently has over 2,700 shareholders, which is an increase of 12 per cent over May 2003.

Statement of Financial Performance
For The Financial Year Ended 31 March 2004

	Note	2004 $'000	2003 $'000
Revenue from ordinary activities	2	205,868	185,113
Changes in inventories of finished goods		(141)	77
Raw materials and consumables used		(18,220)	(18,962)
Personnel costs		(84,401)	(75,575)
Sub-contractor costs		(47,532)	(38,147)
Depreciation and amortisation expense		(6,789)	(6,618)
Borrowing costs		(2,668)	(3,232)
Equipment and vehicle costs		(8,575)	(6,495)
Information technology and telecommunication costs		(2,638)	(2,308)
Other expenses from ordinary activities		(10,879)	(12,804)
Profit From Ordinary Activities Before Income Tax Expense	2	24,025	21,049
Income tax expense relating to ordinary activities	4	(7,734)	(6,730)
Profit From Ordinary Activities After Related Income Tax Expense		16,291	14,319
Increase/(decrease) in foreign currency translation reserve arising on translation of self-sustaining foreign operations		(1,248)	2,435
Total Revenue, Expense and Valuation Adjustments Attributable to Members of the Parent Entity Recognised Directly in Equity		(1,248)	2,435
Total Changes in Equity Other than those Resulting from Transactions with Owners as Owners		15,043	16,754
Earnings Per Share:			
Basic (cents per share)		23.9	21.8
Diluted (cents per share)		23.9	21.8

Statement of Financial Position
As At 31 March 2004

	Note	2004 $'000	2003 $'000
Current Assets			
Cash assets		2,059	2,920
Receivables	6	96,754	89,811
Inventories	7	12,978	8,716
Other financial assets		-	-
Current tax assets		245	28
Other		3,794	3,636
Total Current Assets		115,830	105,111
Non-Current Assets			
Receivables	8	73,535	70,807
Inventories	9	7,300	5,310
Other financial assets		282	426
Property, plant and equipment		20,802	19,029
Intangibles	10	2,335	2,479
Deferred tax assets		3,305	2,902
Total Non-Current Assets		107,559	100,953
Total Assets		223,390	206,064
Current Liabilities			
Payables		23,362	17,136
Interest-bearing liabilities		5,531	5,981
Current tax liabilities		2,845	424
Provisions		5,630	8,014
Total Current Liabilities		37,368	31,555
Non-Current Liabilities			
Interest-bearing liabilities		38,266	43,891
Deferred tax liabilities		44,344	41,994
Provisions		804	879
Total Non-Current Liabilities		83,415	86,764
Total Liabilities		120,783	118,319
Net Assets		102,607	87,745
Equity			
Contributed equity	12	21,082	17,406
Reserves		6,695	7,943
Retained profits	13	74,830	62,396
Total Equity		102,607	87,745

Statement of Cash Flows
For The Financial Year Ended 31 March 2004

	Note	2004 $'000	2003 $'000
Cash Flows From Operating Activities			
Receipts from customers		187,723	179,704
Payments to suppliers and employees		(166,202)	(161,169)
Interest received		102	88
Interest and other costs of finance paid		(2,668)	(3,264)
Income tax paid		(2,996)	(2,429)
Net cash provided by operating activities	14(b)	15,959	12,930
Cash Flows From Investing Activities			
Proceeds on sale of investment securities		-	-
Proceeds from repayment of related party receivables		-	-
Amounts advanced to related parties		83	-
Payment for property, plant and equipment		(3,616)	(3,857)
Proceeds from sale of property, plant and equipment		1,589	1,279
Payments for businesses		-	-
Net cash used in investing activities		(1,944)	(2,578)
Cash Flows From Financing Activities			
Proceeds from borrowings		-	90
Repayment of borrowings		(12,177)	(9,529)
Proceeds from issue of equity securities		3,676	2,018
Dividends paid		(7,118)	(2,020)
Net cash provided by/(used in) financing activities		(15,619)	(9,441)
Net Increase In Cash Held		(1,604)	911
Cash At The Beginning Of The Financial Year		1,663	889
currencies		12	(137)
Cash At The End Of The Financial Year	14(a)	71	1,663

1 Summary of Accounting Policies

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 with the exception of the following changes in accounting policies:

a) Employee Benefits

In accordance with Accounting Policy AASB 1028 'Employees Benefits', on 1 April 2003 the consolidated entity changed its policy for recognising employee liabilities. Previously, the consolidated entity measured the provision for employee benefits based on remuneration rates at balance date. In accordance with the requirements of the revised Standard, the provision for employee benefits is now measured based on the remuneration rates expected to apply at the time of settlement. The effect of this change in accounting policy is to increase current provisions (employee entitlements) by $135,000 and decrease tax liabilities by $40,000, and decrease opening retained earnings by $95,000.

b) Provision for Dividends

In accordance with Accounting Policy AASB 1044 'Provisions, Contingent Liabilities and Contingent Assets', the consolidated entity changed its policy for providing for dividends. Previously, the consolidated entity recognised a provision for dividend based on the amount that was proposed or declared after the reporting date. In accordance with the requirements of the revised Standard, a provision for dividend is recognised when the directors have declared, determined or publicly recommended the dividend. The effect of this change in accounting policy is to decrease current provisions (dividends) by $3,357,000 and increase opening retained earnings by $3,357,000.

2. Profit from Ordinary Activities

Profit from ordinary activities before income tax includes the following items of revenue and expenses:

	2004 $'000	2003 $'000
(a) Operating Revenue		
Sales Revenue		
Rendering of Services:		
Invoiced	190,641	166,402
Not Yet Invoiced		
- Increase in amounts recoverable	6,772	5,975
- Work in progress	6,481	10,887
	203,894	183,264
Interest revenue		
- other entities	102	88
Other Income	283	481
Total Operating Revenue	204,279	183,833
Proceeds from sale of assets		
Non-current (Note 3)		
- Property, plant & equipment	1,589	1,280
Total Non-Operating Revenue	1,589	1,280
Revenue From Ordinary Activities	205,868	185,113
(c) Expenses		
Borrowing costs		
Interest:		
- Other entities	1,766	2,323
Finance lease finance charges	902	909
	2,668	3,232
Net bad and doubtful debts arising from:		
- Other entities	326	155
Depreciation of non-current assets		
- Property, plant and equipment	6,637	6,403
Amortisation of non-current assets		
- Lease assets	8	71
- Goodwill	144	144
	152	215
Net transfers to provisions		
- Employee benefits	841	735
Operating lease rental expense		
- Minimum lease payments	642	1,375

3. Sale of Assets

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 & equipment	687	399
Net Losses		
Property, plant & equipment	172	157

4. Income Tax

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

	2004 $'000	2003 $'000
Profit from Ordinary Activities	24,025	21,049
Income tax expense calculated at 30%	7,207	6,315
Permanent differences:		
Amortisation of intangibles	43	43
Non-deductible expenses	257	269
Effect of different rates of tax on overseas income	246	171
	546	483
(Over)/Under provision of income tax in previous year	(19)	(68)
	527	415
Income tax expense attributable to Operating Profit	7,734	6,730

5. Share Option Scheme

The company has a share option scheme for directors and senior executives.

In accordance with the provisions of the scheme, as approved by shareholders' consent, certain directors, senior executives and employees have been offered and accepted options which can be exercised between the period 29 September 2001 and 29 September 2006.

Executive Share Option Plan	2004 No.	2003 No.
Balance at beginning of the financial year (i)	2,270,000	1,950,000
Granted during the financial year (ii)	-	320,000
Exercised during the financial year (iii)	(736,000)	-
Lapsed during the financial year (iv)	(44,000)	-
Balance at end of the financial year (v)	1,490,000	2,270,000

5. Share Option Scheme (continued)

(i) Balance at beginning of the financial year

Options - Series	No	Commence -ment	Expiry/ Exercise Date	Exercise Price $
(1) Issued 29 September, 1999	780,000	29.09.01	29.09.03	2.00
(2) Issued 29 September, 1999	585,000	29.09.02	29.09.04	2.00
(3) Issued 29 September, 1999	585,000	29.09.03	29.09.05	2.00
(1) Issued 8 May, 2002	128,000	29.09.02	29.09.04	2.49
(2) Issued 8 May, 2002	96,000	29.09.03	29.09.05	2.54
(3) Issued 8 May, 2002	96,000	29.09.04	29.09.06	2.57
	2,270,000			

(ii) Granted during the financial year

No options were granted during the financial year

(iii) Exercised during the financial year

Options - Series	No. of Options Exercised	Commence -ment Date	Expiry/ Exercise Date	Exercise Price $	No. of Shares Issued
(1) Issued 8 May, 2002	736,000	29.09.01	29.09.03	2.00	736,000

(iv) Lapsed during the financial year

Options - Series	2004 No.	2003 No.
(1) Issued 8 May, 2002	44,000	-

(v) Balance at end of the financial year 2004

Options - Series	No	Vested No	Unvested No	Commence -ment Date	Expiry/ Exercise Date	Exercise Price $
(1) Issued 29 September, 1999	585,000	585,000	-	29.09.02	29.09.04	2.00
(2) Issued 29 September, 1999	585,000	-	585,000	29.09.03	29.09.05	2.00
(1) Issued 8 May, 2002	128,000	128,000	-	29.09.02	29.09.04	2.49
(2) Issued 8 May, 2002	96,000	-	96,000	29.09.03	29.09.05	2.54
(3) Issued 8 May, 2002	96,000	-	96,000	29.09.04	29.09.06	2.57
	1,490,000	713,000	777,000			

Executive share options carry no rights to dividends and no voting rights.

The market price of the company's ordinary shares at 31 March 2004 was $2.60.

	2004 $'000	2003 $'000

6. Current Receivables

	2004 $'000	2003 $'000
Trade receivables	40,047	35,073
Allowance for doubtful debts	(1,100)	(1,034)
	38,947	34,039
Contracts in progress at recoverable value	57,807	55,772
	96,754	89,811

7. Current Inventories

	2004 $'000	2003 $'000
At cost:		
Raw materials and stores	904	890
Finished goods	24	166
At recoverable amount:		
Work in progress	12,050	7,660
	12,978	8,716

8. Non-Current Receivables

	2004 $'000	2003 $'000
Contracts in progress at recoverable value	73,535	70,807

9. Non-Current Inventories

	2004 $'000	2003 $'000
At recoverable amount:		
Work in progress	7,300	5,310

10. Intangibles

	2004 $'000	2003 $'000
Goodwill	2,870	2,870
Accumulated amortisation	(535)	(391)
	2,335	2,479
Aggregated amortisation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year of patents, trademarks and licences	144	144

11. Contracts and Work in Progress at Recoverable Value

	2004 $'000	2003 $'000
Contracts in Progress		
Balance at beginning of year	126,579	116,884
Increase in amounts recoverable (Note 2)	6,772	5,975
Effect of foreign currency movements	(2,009)	3,720
Balance at end of year	131,342	126,579
Shown in the financial statements as:		
Current (Note 6)	57,807	55,772
Non-Current (Note 8)	73,535	70,807
	131,342	126,579
Work in Progress		
Balance at beginning of year	12,970	1,711
Increase in amounts recoverable (Note 2)	6,481	10,887
Effect of foreign currency movements	(101)	372
Balance at end of year	19,350	12,970
Shown in the financial statements as:		
Current (Note 7)	12,050	7,660
Non-Current (Note 9)	7,300	5,310
	19,350	12,970
Total Contracts and Work in Progress		
Shown in the financial statements as:		
Current	69,857	63,432
Non-Current	80,836	76,117
	150,693	139,549

12. Contributed Equity

	2004 $'000	2003 $'000
68,800,123 fully paid ordinary shares (2003: 67,141,771)	21,082	17,406

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Fully Paid Ordinary Shares	2004 No.'000	2004 $'000
Balance at beginning of financial year	67,142	17,406
Issue of shares under dividend reinvestment plan	923	2,204
Issue of new shares	736	1,472
	68,801	21,082

	2004 $'000	2003 $'000

13. Retained Profits

	2004 $'000	2003 $'000
Balance at beginning of financial year	62,396	54,061
Net profit	16,291	14,319
Dividends provided for or paid	(3,761)	(5,984)
Other appropriations	(96)	-
Balance at end of financial year	74,830	62,396

14. Notes to Statement of Cash Flows

(a) Reconciliation of Cash

	2004 $'000	2003 $'000
Cash	2,059	2,920
Bank overdraft	(1,988)	(1,257)
	71	1,663

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

	2004 $'000	2003 $'000
Profit from ordinary activities after related income tax	16,291	14,319
Profit on sale of non current assets	(515)	(242)
Depreciation and amortisation of non-current assets	6,789	6,618
(Increase)Decrease in current tax assets	(217)	505
Increase(Decrease) in current tax liability	2,428	(679)
Increase(Decrease) in deferred tax balances	2,530	4,474
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
current receivables	(8,217)	(1,837)
current inventories	(6,366)	(11,818)
other current assets	(164)	87
non-current receivables	(3,986)	(4,426)
Increase/(decrease) in liabilities		
current payables	6,436	5,181
current provisions	887	569
other current liabilities	-	45
non-current trade payables	-	-
non-current provisions	63	134
Net Cash provided by Operating Activities	15,959	12,930

	2004 $'000	2003 $'000
(c) Non-cash financing and investing activities		
Aggregate amount of property, plant and equipment acquired during the financial year by entering into hire purchase agreements and finance leases. These acquisitions are not reflected in the statement of cash flows	6,047	3,112

15. Earnings per share

	2004 Cents per share	2003 Cents per share
Basic earnings per share	23.9	21.8
Diluted earnings per share	23.9	21.8

Basic Earnings per Share

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

	2004 $'000	2003 $'000
Earnings	16,291	14,319

	2004 No.'000	2003 No.'000
Weighted average number of ordinary shares	68,073	65,624

The share options are considered to be potential ordinary shares and are therefore excluded from the weighted average

Diluted Earnings per Share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculation of diluted

	2004 $'000	2003 $'000
Earnings	16,291	14,319

	2004 No.'000	2003 No.'000
Weighted average number of ordinary shares and potential ordinary shares	68,189	65,740

Weighted average number of ordinary shares and potential ordinary shares in the calculation of diluted earnings per share

	No.'000	No.'000
Weighted average number of ordinary shares used in the	68,073	65,624
Employee options	116	116
Weighted average number of ordinary shares and potential	68,189	65,740

16. Net Tangible Assets per share

	2004 Cents per share	2003 Cents per share
Net Tangible Assets per ordinary security	140.8	127.0

17. Financial Reporting by Segments

Segment Revenues

	External Sales							
	Property Maintenance		Industrial Services		Other		Total	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Australia	137,871	123,397	18,382	16,655	1,940	1,137	158,193	141,189
New Zealand	29,052	25,317	-	-	8	685	29,060	26,002
United Kingdon	18,487	17,808	-	-	26	27	18,513	17,835
Total of all segments							205,766	185,026
Unallocated							102	87
Consolidated							205,868	185,113

Segment Results

	Property Maintenance		Industrial Services		Total	
	2004 $'000	2003 $'000	2004 $'000	2003 $'000	2004 $'000	2003 $'000
Australia	18,415	16,547	555	280	18,970	16,827
New Zealand	8,475	7,953	0	0	8,475	7,953
United Kingdom	154	676	0	0	154	676
Total of all segments					27,599	25,456
Unallocated					(906)	(1,175)
Profit from ordinary activities before interest and income tax expense					26,693	24,281
Net borrowing and financing charges					(2,668)	(3,232)
Profit from ordinary activities before income tax expense					24,025	21,049
Income tax expense relating to ordinary activities					(7,734)	(6,730)
Profit from ordinary activities after income tax expense					16,291	14,319

17. Financial Reporting by Segments (continued)

Segment Assets

	Assets					
	Property Maintenance		Industrial Services		Total	
	2004	2003	2004	2003	2004	2003
	$'000	$'000	$'000	$'000	$'000	$'000
Australia	144,372	134,824	12,310	10,297	156,682	145,121
New Zealand	48,985	45,419	-	-	48,985	45,419
United Kingdom	11,757	9,778	-	-	11,757	9,778
Total of all segments					217,424	200,318
Unallocated					5,966	5,746
Consolidated					223,390	206,064

Segment Liabilities

	Liabilities					
	Property Maintenance		Industrial Services		Total	
	2004	2003	2004	2003	2004	2003
	$'000	$'000	$'000	$'000	$'000	$'000
Australia	19,577	16,275	2,050	2,265	21,627	18,540
New Zealand	3,504	2,756	-	-	3,504	2,756
United Kingdom	3,798	2,141	-	-	3,798	2,141
Total of all segments					28,929	23,437
Unallocated					91,854	94,882
Consolidated					120,783	118,319

Other Segment Information

	Property Maintenance		Industrial Services		Total	
	2004	2003	2004	2003	2004	2003
	$'000	$'000	$'000	$'000	$'000	$'000
Acquisition of segment assets						
Australia	1,200	1,650	1,816	1,982	3,016	3,632
New Zealand	525	143	-	-	525	143
United Kingdom	75	82	-	-	75	82
					3,616	3,857
Depreciation and amortisation of segment assets						
Australia	4,032	3,232	1,794	1,780	5,826	5,012
New Zealand	383	411	-	-	383	411
United Kingdom	580	510	-	-	580	510
					6,789	5,933

17. Financial Reporting by Segments (continued)

Other Segment Information

	Property Maintenance		Industrial Services		Total	
	2004	**2003**	**2004**	**2003**	**2004**	**2003**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Other non-cash expenses						
Australia	1,261.4	705.0	- 11.8	50.0	1,248.6	755.0
New Zealand	- 168.8	97.0	-	-	- 168.8	97.0
United Kingdom	73.0	33.0	-	-	73.0	33.0
					1,152.8	885.0

The consolidated entity operates in three principal geographic locations - Australia, New Zealand and the United Kingdom.

Australia - - Property maintenance services includes painting, grounds maintenance and building services
- Industrial services includes sewerage and drainage maintenance, vacuum loading, high pressure cleaning

New Zealand - Property maintenance services - painting

United Kingdon - Property maintenance services - painting

18. Dividends

	2004		2003	
	Cents per Share	**Total $'000**	**Cents per Share**	**Total $'000**
Fully Paid Ordinary Shares				
Interim Dividend				
- franked to 50% at 30% tax rate	5.5	3761	-	-
- franked to 30% at 30% tax rate	-	-	4.0	2,627
Final Dividend				
- franked to 50% at 30% tax rate	6.5	4,472	5.0	3,357
		8233		5984.089

Unrecognised Amounts

Fully Paid Ordinary Shares				
Final Dividend				
- franked to 70% at 30% tax rate	6.5	4,472	-	-

The final dividend in respect of ordinary shares for the year ended 31 March 2004 has not been recognised in this financial report because the final dividend was declared subsequent to 31 March 2004.

Information on Audit or Review

This preliminary final report is based upon accounts which are in the process of being audited.

Annual General Meeting

The Annual General Meeting will be held as follows:-

Place:	Deloitte Touche Tohmatsu, Level 21, 505 Bourke Street, Melbourne, Victoria
Date:	4th August 2004
Time:	11:00am

The approximate date the Annual Report will be available is 28th June 2004