PROGRAMMED MAINTENANCE SERVICES

PEOPLE TAKING CARE OF PROPERTY

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ASX Announcement

25 May 2005

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 – Preliminary Final Report announcing the Annual Results for the year ended 31st March 2005.

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 2005

Previous corresponding period: 31 March 2004

Results for Announcement to the Market				**$A'000**
Revenue from ordinary activities	up	13.2%	to	233,071
Profit from ordinary activities after tax attributable to members	up	11.2%	to	18,111
Net profit for the period attributable to members	up	11.2%	to	18,111

Dividends

	Amount per security	Franked amount per security	Record date for determining entitlements to the dividend
Dividends paid			
Interim 2004 - 23 Jan. 2004	5.5 cents	2.75 cents	
Final 2004 - 23 July 2004	6.5 cents	3.25 cents	
Interim 2005 – 27 Jan. 2005	6.5 cents	3.9 cents	
Dividends to be paid			
Final 2005 - 22 July 2005	8.5 cents	6.8 cents	7 July 2005

In accordance with the Rules of the Dividend Reinvestment Plan (DRP), the Board of Directors have decided to suspend the DRP for the final dividend. The improved cashflows from the changing business mix and the increasing financial strength have significantly reduced the need to retain cash by issuing shares under the DRP.

Programmed Maintenance Services Limited

ABN 61 054 742 264

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RESULTS COMMENTARY

11.2% full year profit increase

Dividends for full year up 25%

Programmed Maintenance Services Limited, Australia's leading property maintenance and infrastructure services group, today announced an 11.2 per cent increase in profit after tax to a record $18.1 million for the year to 31 March 2005. Revenue increased by 13.2 per cent to $233.1 million.

The directors have increased the final dividend by 31 per cent to 8.5 cents per share franked to 80 per cent (2003/4: 6.5 cents franked to 50 per cent), payable on 22 July 2005 to shareholders on the register at 7 July. This brings total dividends for 2004/5 to 15.0 cents franked to 71 per cent, compared with 12.0 cents franked to 50 per cent in 2003/4 and 9.0 cents franked to 41 per cent in 2002/3. The dividend payout ratio for 2004/5 will be 57% (2003/4: 50%). The dividend reinvestment plan has been suspended.

Results summary for the year ended	**31 – 3 – 05 A$m**	**31 – 3 – 04 A$m**	**% increase**
Revenue	233.1	205.9	13.2
Earnings before interest, tax, depreciation and amortisation	38.0	34.1	11.5
Earnings before interest and tax	29.9	26.6	12.5
Profit before tax	26.7	24.0	11.0
Income tax expense	8.5	7.7	10.3
Profit after tax	**18.1**	**16.3**	**11.2**
Earnings per share (cents)	26.1	23.9	9.2
Final dividend (cents)	8.5	6.5	31.0
Franking (%)	80	50	

'This strong result demonstrates the value our customers place on our services and the continuing potential of our business model and growth strategy. It is the seventh consecutive year that Programmed Maintenance Services has increased both its revenue and earnings by more than 10 per cent, and over these seven years our profit after tax has increased by more than 115 per cent,' said Mr Max Findlay, managing director.

'This growth has been achieved through expanding our range of services and increasing our geographical footprint. Twenty years ago we were a maintenance painting business, based only in Australia; in 1986 we extended the business to New Zealand; and over the past twelve years we have added building services in Australia and New Zealand, grounds management and underground asset maintenance services in Australia, and painting services in the United Kingdom. During the past year, we have enlarged our service offering again with the addition of infrastructure services, which have a different business model based on strategic alliances with customers.

'Our 'building block' approach – introducing a service in one Australian state and progressing to other states and then internationally – has diversified and strengthened the group's business. Fifty-eight per cent of last year's revenue came from businesses other than Australian painting, compared with fifty-two per cent the previous year and forty-four per cent five years ago, and this trend will accelerate as we benefit from a full year's revenue from the new Infraserv division and as the group continues to expand.

'We are also pleased that the group's average EBIT to sales margin has remained above 12 per cent.'

Outlook

'There has been a solid start to the new year and, based on current works projections, we expect to continue earnings growth for the year to 31 March 2006,' said Mr Findlay.

AUSTRALIA
Property maintenance

Results for year ended	31 – 3 – 05 A$m	31 – 3 – 04 A$m	% increase
Revenue	158.5	139.5	13.6
Earnings before interest and tax	17.2	16.6	3.2

The Australian property maintenance business continued to increase its revenue, with non-painting services providing 37 per cent of revenue, compared with 29 per cent in 2003/4. Second half earnings, however, were constrained by wet weather during the Christmas period, when a significant proportion of school painting takes place, and by one-off costs related to contract tenders and corporate activity.

The painting division was restructured during the year as a national unit to improve operational consistency and strategic alignment. Offices were opened at Port Macquarie, NSW and Sunshine Coast, Queensland. A new apprenticeship program was introduced, increasing the number of apprenticeships by 20 per cent to 120 to address a shortage of tradespeople.

The building services division continued to grow strongly, with a 29 per cent increase in revenue and significantly higher earnings and operational cash flow. Results in Victoria, New South Wales and South Australia were particularly encouraging. The division now has a presence in every state and national coverage has been expanded with the opening of regional offices at Newcastle, NSW and Lismore, NSW.

The building services division's tender for New South Wales schools maintenance from July 2005 was unsuccessful. While we are disappointed at not retaining this business (2004/5 revenue of $15 million), future revenue would have been at lower margins. We have won other significant contracts that will contribute revenue in 2005/6, and we will continue our marketing efforts to maintain our revenue momentum.

The grounds management division also grew strongly, increasing revenue by 28 per cent, due partly to the Transfield/Telstra contract which covers over 6,000 sites and is progressing successfully. The division completed its national network with the opening in June of a Queensland branch which was profitable in its first year.

All five Infraserv contracts were successfully integrated into PMS and met or exceeded their first year targets. The Infraserv division, which provides infrastructure services through strategic alliances under which the benefits of performance improvements are shared with customers, has further expanded the group's diverse range of skills. The division has developed a focused growth strategy, and has already signed a contract with a Queensland power station to provide services which previously had been outsourced to a number of suppliers.

With the continuing investment in Occupational Health and Safety, it is pleasing to note our safety record has shown further improvement. During the 2004/5 year, there was a 35% reduction in the average lost time injury frequency rate, and the vast majority of injured employees returned to work within one day.

Industrial services

Results for year ended	31 – 3 – 05 A$m	31 – 3 – 04 A$m	% increase
Revenue	20.9	18.8	11.2
Earnings before interest and tax	1.6	1.3	23.0

The industrial services business, which trades as Barry Bros. Specialised Services and provides sewer and underground asset maintenance, had a very strong second half. Revenue was higher in Victoria, New South Wales and Queensland; plant utilisation improved; and margins increased. Revenue from non-destructive digging services, which use high-pressure air or water to locate or excavate underground cables and pipes, increased by 77 per cent.

The business expanded its operations to Tasmania and South Australia, and investment of $5 million in new equipment, including three additional non-destructive digging units, will facilitate further growth. Two water recycling plants were opened at Parramatta, NSW, and these and a similar plant operated in conjunction with City of Port Phillip, Victoria are now processing every month more than one million litres of water.

NEW ZEALAND

Results for year ended	31 – 3 – 05 A$m	31 – 3 – 04 A$m	% increase
Revenue	32.1	29.1	10.3
Earnings before interest and tax	10.0	8.5	18.2

The New Zealand property maintenance business recovered strongly in the second half, after first half results were affected by wet weather. Revenue increased in all regions, and operating cash flow was strong. The building services division continued to expand its customer base.

Customer appraisals showed increased customer satisfaction; and the lost time injury frequency rate (LTIFR) was zero, reflecting the group's focus on workplace safety.

The New Zealand business has increased its revenue by an average of 12 per cent per annum over the past four years, and its continuing growth indicates further market potential.

UNITED KINGDOM

Results for year ended	31 – 3 – 05 A$m	31 – 3 – 04 A$m	% change
Revenue	21.6	18.5	16.6
Earnings before interest and tax *	1.1	0.2	626.7
** Earnings are after deduction of goodwill amortisation and UK head office costs*			

Following a strong first half, the company's UK business, Whittle Painting Group, continued to increase its earnings in the second half, when winter weather constrains painting activity. A change in business mix resulted in higher margins and all branches were profitable. Importantly, the Manchester branch, following a change in management, returned to profitability after making a loss of £200,000 (A$0.5m) in the previous year.

Long-term maintenance programmes contributed 19 per cent of revenue; and 80 new programmes were sold during the year, bringing sales to date to over 210 with a total value of $16.25 million. The customer profile is similar to that in New Zealand, with most of the new programmes sold to local education authority schools and the remainder spread across hospitals, aged care facilities, racecourses, retail groups and historic buildings.

Programmes, which in the UK market are unique to Whittle, are achieving targeted margins and the business' earnings increases in both half-years demonstrate the potential for further significant growth.

CASH FLOW AND BALANCE SHEET

Growth in contract recoverables, together with increased income tax payments in Australia and higher interest charges resulted in an 18 per cent decrease in net operating cash flow to $13.0 million. While the purchase of the Infraserv contracts, together with higher capital expenditure, increased net debt to $47.2 million from $41.7 million at 31 March 2004, the group's debt: equity ratio declined minimally to 40 per cent from 41 per cent at 31 March 2004. Contract recoverables at 31 March 2005 totalled $161.3 million, compared with $147.9 million at 31 March 2004, and the ratio of net debt to contract recoverables remained unchanged at 28 per cent.

The total equity base at 31 March 2004 was $118.38 million, an increase of 15 per cent over 31 March 2004 ($102.6 million), due to the solid operating results and equity contributions from the dividend reinvestment plan and the exercise of share options. Net tangible assets per share at 31 March 2005 were $1.55, compared with $1.41 at 31 March 2004.

The company currently has over 3,600 shareholders, which is an increase of 30 per cent since May 2004, reflecting greater recognition of the company's value and potential by the investment community.

Programmed Maintenance Services Limited
Statement of Financial Performance
For The Year Ended 31 March 2005

	Note	2005 $'000	2004 $'000
Revenue from ordinary activities		233,071	205,868
Changes in inventories of finished goods		496	(128)
Raw materials and consumables used		(19,700)	(18,220)
Personnel costs		(97,493)	(84,401)
Sub-contractor costs		(53,528)	(47,532)
Depreciation and amortisation expense		(8,109)	(6,789)
Borrowing costs		(3,395)	(2,668)
Equipment and vehicle costs		(11,328)	(8,575)
Information technology and telecommunication costs		(2,673)	(2,638)
Other expenses from ordinary activities		(10,687)	(10,892)
Profit From Ordinary Activities before Income Tax Expense	2	26,654	24,025
Income tax expense relating to ordinary activities	4	(8,543)	(7,734)
Profit From Ordinary Activities after related Income Tax Expense		18,111	16,291
Increase/(decrease) in foreign currency translation reserve arising on translation of self-sustaining foreign operations		1,567	(1,248)
Total Revenue, Expense and Valuation Adjustments attributable to Members of the Parent Entity recognised directly in Equity		1,567	(1,248)
Total Changes in Equity other than those resulting from Transactions with Owners as Owners		19,678	15,043
Earnings Per Share:			
Basic (cents per share)		26.1	23.9
Diluted (cents per share)		26.1	23.9

Notes to the financial statements are included on pages 10 to 21.

Programmed Maintenance Services Limited
Statement of Financial Position
As At 31 March 2005

	Note	2005 $'000	2004 $'000
Current Assets			
Cash assets		2,209	2,059
Receivables	6	109,303	96,754
Inventories	7	15,449	12,978
Other financial assets		26	-
Current tax assets		-	245
Other		3,081	3,794
Total Current Assets		130,068	115,830
Non-Current Assets			
Receivables	8	83,589	73,535
Inventories	9	7,782	7,300
Other financial assets		-	282
Property, plant and equipment		26,009	20,802
Intangibles	10	4,868	2,335
Deferred tax assets		4,019	3,305
Total Non-Current Assets		126,267	107,559
Total Assets		256,335	223,389
Current Liabilities			
Payables		27,640	23,362
Interest-bearing liabilities		6,159	5,531
Current tax liabilities		2,334	2,845
Provisions		7,125	5,630
Total Current Liabilities		43,258	37,368
Non-Current Liabilities			
Interest-bearing liabilities		43,297	38,266
Deferred tax liabilities		48,548	44,344
Provisions		2,854	804
Total Non-Current Liabilities		94,699	83,414
Total Liabilities		137,957	120,782
Net Assets		118,378	102,607
Equity			
Contributed equity	12	26,219	21,082
Reserves		8,263	6,695
Retained profits	13	83,896	74,830
Total Equity		118,378	102,607

Notes to the financial statements are included on pages 10 to 21.

Programmed Maintenance Services Limited
Statement of Cash Flows
For The Year Ended 31 March 2005

	Note	2005 $'000	2004 $'000
Cash Flows From Operating Activities			
Receipts from customers		237,178	202,333
Payments to suppliers and employees		(215,675)	(180,812)
Interest received		218	102
Interest and other costs of finance paid		(3,395)	(2,668)
Income tax paid		(5,374)	(2,996)
Net cash provided by operating activities	14(b)	12,952	15,959
Cash Flows From Investing Activities			
Amounts advanced to related parties		-	83
Payment for property, plant and equipment		(4,812)	(3,616)
Proceeds from sale of property, plant and equipment		1,069	1,589
Payments for acquisition of long-term contracts		(2,080)	-
Net cash used in investing activities		(5,823)	(1,944)
Cash Flows From Financing Activities			
Repayment of borrowings		(2,747)	(12,177)
Proceeds from issue of equity securities		2,552	1,472
Dividends paid		(6,458)	(4,914)
Net cash used in financing activities		(6,653)	(15,619)
Net Decrease In Cash Held		476	(1,604)
Cash At The Beginning Of The Year		71	1,663
Effect of exchange rate changes on the balance of cash held in foreign currencies		(39)	12
Cash At The End Of The Year	14(a)	508	71

Notes to the financial statements are included on pages 10 to 21.

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

Significant Accounting Policies

The accounting policies adopted in the preparation of this preliminary final report are consistent with those adopted and disclosed in the 2004 annual financial report, except as discussed below:-

Value of long term contracts acquired

Included in intangible assets is the value of long term contracts acquired. The consolidated entity recognises the value o these intangible assets as the total of the purchase consideration and the fair value of the net liabilities acquired. These intangible assets are being amortised over the anticipated life of the contracts.

a) Value of long term contracts acquired

On 5th April 2004, the Company announced it had signed an agreement to purchase a number of infrastructur services contracts from Serco Australia Pty. Ltd. with total annualised revenue of $12 million excluding recoverables The novation of these contracts was subject to the consent of various customers. Five customers, from a total o seven, consented to novate the contracts. The transfer of employees and assets associated with the contracts took place on 1st July 2004 for four customers, and on 1st September 2004 for the remaining customer. These fiv contracts have formed the basis of a new division in the Australian property maintenance business called 'Infraserv'

The financial details of the acquisition of these long term contracts are:-

	2005 $'000
Fair value of net liabilities acquired	
Current assets	
Receivables	(99)
Inventories	(2,075)
Current tax asset	(624)
Non-current assets	
Receivables	(933)
Property, plant and equipment	(148)
Deferred tax asset	(883)
Current liabilities	
Payables	1,782
Interest-bearing liabilities	8
Provisions	655
Non-current liabilities	
Deferred tax liabilities	931
Provisions	2,343
Total fair value of net liabilities acquired	957
Consideration	
Cash	2,080
Value of long term contracts acquired	3,037

2. Profit from Ordinary Activities

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

	2005 $'000	2004 $'000
(a) Operating Revenue		
Sales Revenue		
Rendering of Services:		
Invoiced	217,758	190,641
Not Yet Invoiced		
- Increase in amounts recoverable	11,251	6,772
- Work in progress	2,546	6,481
	231,555	203,894
Interest revenue		
- other entities	124	102
Other Income	323	283
Total Operating Revenue	232,002	204,279
(b) Non-Operating Revenue		
Proceeds from sale of assets		
Non-current (Note 3)		
- Property, plant & equipment	1,069	1,589
Total Non-Operating Revenue	1,069	1,589
Revenue From Ordinary Activities	233,071	205,868
(c) Expenses		
Borrowing costs		
Interest:		
- Other entities	2,213	1,766
Finance lease finance charges	1,182	902
	3,395	2,668
Net bad and doubtful debts arising from:		
- Other entities	114	326
Depreciation of non-current assets		
- Property, plant and equipment	3,563	3,218
Amortisation of non-current assets		
- Finance lease assets	4,042	3,427
- Goodwill	144	144
- Value of long-term contracts acquired	360	-
	4,546	3,571
Net transfers to provisions		
- Employee benefits	800	1,028
Operating lease rental expense		
- Minimum lease payments	1,793	1,226

	2005 $'000	2004 $'000

3. Sale of Assets

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

	2005 $'000	2004 $'000
Net Profits		
Property, plant & equipment	583	687
Net Losses		
Property, plant & equipment	173	172

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:

	2005 $'000	2004 $'000
Profit from Ordinary Activities	26,654	24,025
Income tax expense calculated at 30%	7,996	7,207
Permanent differences:		
Amortisation of intangibles	151	43
Non-deductible expenses	253	257
Effect of different rates of tax on overseas income	267	246
	671	546
(Over)/Under provision of income tax in previous year	(124)	(19)
	547	527
Income tax expense relating to ordinary activities	8,543	7,734

5. Share Options

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 at various expiry dates up to 29 September 2006.

	2005 No.	2004 No.
Balance at beginning of the financial year (i)	1,412,000	2,270,000
Granted during the financial year (ii)	-	-
Exercised during the financial year (iii)	(1,218,500)	(736,000)
Lapsed during the financial year (iv)	-	(122,000)
Balance at end of the financial year (v)	193,500	1,412,000

5. Share Options (continued)

(i) Balance at beginning of the financial year 2005

Options - Series	No.	Vesting Date	Expiry/ Exercise Date	Exercise Price $
(2) Granted 29 September, 1999	546,000	29.09.02	29.09.04	2.00
(3) Granted 29 September, 1999	546,000	29.09.03	29.09.05	2.00
(4) Granted 8 May, 2002	128,000	29.09.02	29.09.04	2.49
(5) Granted 8 May, 2002	96,000	29.09.03	29.09.05	2.54
(6) Granted 8 May, 2002	96,000	29.09.04	29.09.06	2.57
	1,412,000			

(ii) Granted during the financial year 2005

No share options were granted during the financial year and the previous financial year.

(iii) Exercised during the financial year 2005

Options - Series	No. of Options Exercised	Vesting Date	Expiry/ Exercise Date	Exercise Price $	No. of Shares Issued	Fair Value Received $	Fair Value of shares at date of issue $
(2) Granted 29 Sept., 1999	546,000	29.09.02	29.09.04	2.00	546,000	1,092,000	1,829,100
(3) Granted 29 Sept., 1999	448,500	29.09.03	29.09.05	2.00	448,500	897,000	1,502,475
(4) Granted 8 May, 2002	128,000	29.09.02	29.09.04	2.49	128,000	318,720	428,800
(5) Granted 8 May, 2002	96,000	29.09.03	29.09.05	2.54	96,000	243,840	321,600
	1,218,500				1,218,500	2,551,560	4,081,975

The fair value of shares at date of exercise was determined by using the market price of the company's ordinary shares on 27 September 2004. At this date, the market price was $3.35 per share.

Exercised during the previous financial year 2004

Options - Series	No. of Options Exercised	Vesting Date	Expiry/ Exercise Date	Exercise Price $	No. of Shares Issued	Fair Value Received $	Fair Value of shares at date of issue $
(1) Granted 29 Sept., 1999	736,000	29.09.01	29.09.03	2.00	736,000	1,472,000	1,759,040

The fair value of shares at date of exercise was determined by using the market price of the company's ordinary shares on 29 September 2003. At this date, the market price was $2.39 per share.

(iv) Lapsed during the financial year 2005

Options - Series	2005 No.	2004 No.
(1) Granted 29 September, 1999	-	44,000
(2) Granted 29 September, 1999	-	39,000
(3) Granted 29 September, 1999	-	39,000
	-	122,000

5. Share Options (continued)

(v) Balance at end of the financial year 2005

Options - Series	No	Vested No	Unvested No	Vesting Date	Expiry/ Exercise Date	Exercise Price $
(3) Granted 29 September, 1999	97,500	97,500	-	29.09.03	29.09.05	2.00
(6) Granted 8 May, 2002	96,000	96,000	-	29.09.04	29.09.06	2.57
	193,500	193,500	-			

Executive share options carry no rights to dividends and no voting rights.
The market price of the company's ordinary shares at 31 March 2005 was $3.17.

6. Current Receivables

	2005 $'000	2004 $'000
Trade receivables	48,265	40,047
Allowance for doubtful debts	(990)	(1,100)
	47,275	38,947
Contracts in progress at recoverable value	61,857	57,807
Other amounts due from customers under long-term contracts	171	-
	109,303	96,754

7. Current Inventories

At cost:		
Raw materials and stores	1,185	904
Work in progress	5,250	2,690
Finished goods	6	24
At recoverable amount:		
Work in progress	9,008	9,360
	15,449	12,978

8. Non-Current Receivables

Contracts in progress at recoverable value	82,827	73,535
Other amounts due from customers under long term contracts	762	-
	83,589	73,535

9. Non-Current Inventories

At cost:		
Work in progress	144	144
At recoverable amount:		
Work in progress	7,638	7,156
	7,782	7,300

10. Intangibles

Goodwill	2,870	2,870
Accumulated amortisation	(679)	(535)
	2,191	2,335
Value of long-term contracts acquired	3,037	-
Accumulated amortisation	(360)	-
	2,677	-
	4,868	2,335

11. Contracts and Work in Progress at Recoverable Value

	2005 $'000	2004 $'000
Contracts in Progress		
Balance at beginning of year	131,342	126,579
Increase in amounts recoverable	11,251	6,772
Effect of foreign currency movements	2,091	(2,009)
Balance at end of year	144,684	131,342
Shown in the financial statements as:		
Current (Note 6)	61,857	57,807
Non-Current (Note 8)	82,827	73,535
	144,684	131,342
Work in Progress		
Balance at beginning of year	16,516	12,970
Increase in amounts recoverable	(13)	3,647
Effect of foreign currency movements	143	(101)
Balance at end of year	16,646	16,516
Shown in the financial statements as:		
Current (Note 7)	9,008	9,360
Non-Current (Note 9)	7,638	7,156
	16,646	16,516
Total Contracts and Work in Progress		
Shown in the financial statements as:		
Current	70,865	67,167
Non-Current	90,465	80,691
	161,330	147,858

12. Contributed Equity

70,806,135 fully paid ordinary shares (2004: 68,800,123)	26,219	21,082

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

Fully Paid Ordinary Shares	2005 No.'000	2005 $'000
Balance at beginning of financial year	68,800	21,082
Issue of shares under dividend reinvestment plan		
23 July 2004, DRP share price of $3.09	313	968
27 January 2005, DRP share price of $3.41	474	1,618
Issue of new shares	1,219	2,551
Balance at end of financial year	70,806	26,219

13. Retained Profits

	2005 $'000	2004 $'000
Balance at beginning of financial year	74,830	62,396
Adjustments to opening retained profits on initial adoption of AASB 1028 'Employee Benefits'	-	(96)
Adjustments to opening retained profits on initial adoption of AASB 1044 'Provisions, Contingent Liabilities and Contingent Assets'		
Write-back of prior year dividend provision	-	3,357
Profit from ordinary activities after related income tax expense	18,111	16,291
Dividends provided for or paid	(9,045)	(7,118)
Balance at end of financial year	83,896	74,830

14. Notes to Statement of Cash Flows

(a) Reconciliation of Cash

	2005 $'000	2004 $'000
Cash	2,209	2,059
Bank overdraft	(1,701)	(1,988)
	508	71

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

	2005 $'000	2004 $'000
Profit from ordinary activities after related income tax	18,111	16,291
Profit on sale of non current assets	(410)	(515)
Depreciation and amortisation of non-current assets	8,109	6,789
(Increase)Decrease in current tax assets	256	(220)
Increase(Decrease) in current tax liability	66	2,428
Increase(Decrease) in deferred tax balances	2,847	2,531
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
current receivables	(9,082)	(8,217)
current inventories	496	(6,366)
other current assets	679	(164)
non-current receivables	(11,299)	(3,986)
Increase/(decrease) in liabilities		
current payables	2,393	6,436
current provisions	800	886
non-current provisions	(14)	66
Net Cash provided by Operating Activities	12,952	15,959

14. Notes to Statement of Cash Flows (cont'd)

	2005 $'000	2004 $'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 and finance leases. These acquisitions are not reflected in the statement of cash flows	8,436	6,052

15. Earnings per share

	2005 Cents per share	2004 Cents per share
Basic earnings per share	26.1	23.9
Diluted earnings per share	26.1	23.9

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:

	2005 $'000	2004 $'000
Earnings	18,111	16,291

	2005 No.'000	2004 No.'000
Weighted average number of ordinary shares	69,378	68,073

The share options are considered to be potential ordinary shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. These securities have been included in the determination of diluted earnings per share on the basis that each share option will convert to one ordinary share.

Diluted Earnings per Share
The earnings and weighted average number of ordinary and potential ordinary and potential ordinary shares used in the calculation of diluted earnings per share are as follows:

	2005 $'000	2004 $'000
Earnings	18,111	16,291

	2005 No.'000	2004 No.'000
Weighted average number of ordinary shares and potential ordinary shares	69,433	68,275

Weighted average number of ordinary shares and potential ordinary shares in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:	No.'000	No.'000
Weighted average number of ordinary shares used in the calculation of basic EPS	69,378	68,073
Employee options	55	202
Weighted average number of ordinary shares and potential ordinary shares used in the calculation of diluted EPS	69,433	68,275

16. Net Tangible Assets per share

	2005 Cents per share	2004 Cents per share
Net Tangible Assets per ordinary security	154.6	140.8

17. Financial Reporting by Segments

Segment Revenues

	External Sales							
	Property Maintenance		Industrial Services		Other		Total	
	2005	2004	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Australia	157,227	137,871	20,653	18,382	1,445	1,940	179,325	158,193
New Zealand	32,002	29,052	-	-	29	8	32,031	29,060
United Kingdom	21,549	18,487	-	-	42	26	21,591	18,513
Total of all segments							232,947	205,766
Unallocated							124	102
Consolidated							233,071	205,868

Segment Results

	Property Maintenance		Industrial Services		Total	
	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000
Australia	18,453	18,415	1,147	555	19,600	18,970
New Zealand	10,015	8,475	-	-	10,015	8,475
United Kingdom	1,116	154	-	-	1,116	154
Total of all segments					30,731	27,599
Unallocated					(682)	(906)
Profit from ordinary activities before interest and income tax expense					30,049	26,693
Net borrowing and financing charges					(3,395)	(2,668)
Profit from ordinary activities before income tax expense					26,654	24,025
Income tax expense relating to ordinary activities					(8,543)	(7,734)
Profit from ordinary activities after income tax expense					18,111	16,291

17. Financial Reporting by Segments (continued)

Segment Assets

	Property Maintenance Services		Industrial Services		Total	
	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000
Australia	163,888	144,372	16,402	12,310	180,290	156,682
New Zealand	58,003	48,985	-	-	58,003	48,985
United Kingdom	12,638	11,757	-	-	12,638	11,757
Total of all segments					250,931	217,424
Unallocated					5,404	5,965
Consolidated					256,335	223,389

Segment Liabilities

	Property Maintenance Services		Industrial Services		Total	
	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000
Australia	28,634	19,577	2,292	2,050	30,926	21,627
New Zealand	3,627	3,504	-	-	3,627	3,504
United Kingdom	3,246	3,798	-	-	3,246	3,798
Total of all segments					37,799	28,929
Unallocated					100,158	91,853
Consolidated					137,957	120,782

Other Segment Information

	Property Maintenance		Industrial Services		Total	
	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000
Acquisition of segment assets						
Australia	1,974	1,200	2,250	1,816	4,224	3,016
New Zealand	551	525	-	-	551	525
United Kingdom	37	75	-	-	37	75
					4,812	3,616
Depreciation and amortisation of segment assets						
Australia	4,009	3,124	2,372	1,794	6,381	4,918
New Zealand	428	383	-	-	428	383
United Kingdom	670	580	-	-	670	580
Total of all segments					7,479	5,881
Unallocated					630	908
Consolidated					8,109	6,789

17. Financial Reporting by Segments (continued)

Other Segment Information

	Property Maintenance		Industrial Services		Total	
	2005	2004	2005	2004	2005	2004
	$'000	$'000	$'000	$'000	$'000	$'000
Other non-cash expenses						
Australia	769	1,261	113	(12)	882	1,249
New Zealand	(18)	33	-	-	(18)	33
United Kingdom	39	73	-	-	39	73
					903	1,355

The consolidated entity operates in three principal geographic locations - Australia, New Zealand and the United Kingdom. The composition of each geographical segment is as follows:

Australia - - Property maintenance services includes maintenance painting, corporate signage, grounds maintenance, building services and infrastructure services
- Industrial services includes sewerage and drainage maintenance, vacuum high pressure cleaning and non-destructive digging

New Zealand - Property maintenance services - maintenance painting and building services

United Kingdom - Property maintenance services - painting

18. Dividends

	2005		2004	
	Cents per Share	Total $'000	Cents per Share	Total $'000
Recognised Amounts				
Fully Paid Ordinary Shares				
Interim Dividend				
- franked to 60% at 30% tax rate	6.5	4,572	-	-
- franked to 50% at 30% tax rate	-	-	5.5	3,761
Final Dividend				
- franked to 50% at 30% tax rate	6.5	4,473	5.0	3,357
		9,045		7,118
Unrecognised Amounts				
Fully Paid Ordinary Shares				
Final Dividend				
- franked to 80% at 30% tax rate	8.5	6,019	6.5	4,473
		6,019		4,473

The final dividend in respect of ordinary shares for the year ended 31 March 2005 has not been recognised in this financial report because the final dividend was declared subsequent to 31 March 2005.

19. Contingent Liability

During the financial year, a legal action was commenced against Programmed Maintenance Services Limited regarding entitlement to provide services under a long-term agreement. Our intial legal advice is that the company has acted in accordance with its contractual obligations. While awaiting quantification of the claims, the directors have provided $250,000 in these financial statements towards the cost of defending this action.

20. Other Information

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, 180 Lonsdale Street, Melbourne, Victoria
Date:	3rd August 2005
Time:	11:00am

The approximate date the Annual Report will be available is 30th June 2005