

Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	USCOM LIMITED
ABN	35 091 280 090
Financial Year Ended	30 JUNE 2004
Previous Corresponding Reporting Period	Note 1

Results for Announcement to the Market

	\$	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	948,342	N/A
Profit / (loss) from ordinary activities after tax attributable to members	(1,251,684)	N/A
Net profit / (loss) for the period attributable to members	(1,251,684)	N/A
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividends (if any)	N/A	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
<p>Note 1: USCOM Limited listed on the ASX on 10 December 2003. There were no comparatives as at 30 June 2003 given to ASX.</p>		

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	38 ¢	N/A

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

Refer attached financial statements and commentary in Attachment 1.

Commentary on the Results for the Period

The earnings per security and the nature of any dilution aspects :

Refer Statement of Financial Performance in Attachment 1.

Returns to shareholders including distributions and buy backs :

N/A

Significant features of operating performance :

Refer Commentary in Attachment 1.

The results of segments that are significant to an understanding of the business as a whole:

Refer Commentary and Note 20 in Attachment 1.

Discussion of trends in performance :

Refer Attachment 1.

Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified:


None.

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	√	The accounts have been subject to review	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:			
N/A			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
N/A			

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Financial Reports

Signed By Director	
Print Name	Gary Davey
Date	20 August 2004



USCOM

**Commentary to Appendix 4E
Preliminary final report
Period ending June 30, 2004**

For Publication: August 20, 2004

USCOM Limited is pleased to present its financial results for the year ending June 30, 2004.

We closed the financial year having announced a total of 34 device sales in 11 different countries. This has allowed the company to report revenues from sales of \$384,390. While this represents a modest beginning, it is a significant achievement given the company's international marketing effort began in the second half of the financial year. We are highly encouraged by the response of customers and we look forward to our first full year of sales activity.

On the cost side, the company's financial results clearly illustrate its commitment to tight cash control, with relatively low fixed costs and a determination to outsource all but essential cost items. At the end of June, the company had cash resources of \$13,324,934, a clear demonstration of the company's prudent resources management.

Financial Highlights:

• Cash in hand at June 30	\$13,324,934
• Revenue from product sales	\$384,390
• Product related costs	\$92,888
• Operating costs	\$2,257,070
• Total costs	\$2,351,762
• Total revenues	\$948,342
• Loss after income tax	(\$1,251,684)
• Net operating cash outflow	(\$1,467,103)
• Earnings (loss) per share	(3.6 cents)

ATTACHMENT 1

COMMENTARY TO APPENDIX 4E (CONTINUED)

The company has made important progress against its mission to establish the USCOM non-invasive heart technology as a standard tool of medical practice. Our goal is to provide non-invasive solutions for improved patient care at lower cost and reduced risk.

USCOM is a newly listed company with big ambitions, marketing a unique product with proven demand and a huge global market.

These are still early days for USCOM. But in just the 6 months to June 30, after our ASX listing, the company has met significant milestones in proving its science. Studies have been published confirming the application of USCOM as a tool for patient management. These papers show the utility of USCOM in intensive care (ICU), anaesthetics, fluid management and cardiac resynchronisation therapy (CRT).

Another milestone was achieved in establishing the core of a global marketing network through partnering with leading medical device distributors and obtaining regulatory approval for major markets. These partnerships mean that USCOM is positioned to address two thirds of the global population.

The regulatory approvals obtained since listing on the ASX include:

ISO 13488 compliant Quality Management System

CE Mark – this allows USCOM to be marketed throughout the European Union (EU)

SFDA – Authority to market USCOM in China

Following on from the establishment of our distributor network and the approval process we have been successful in securing initial hospital sales in Australia, Asia and Europe. Since 30 June 2004 we have continued to develop these markets with positive results. USCOM is being evaluated for regulatory approval in Taiwan and Japan, and we have consultants working on an FDA submission for the USA market.

Overall the company is pleased with its achievements during the second half of the financial year and believes it is well positioned for growth in the current year.

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ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED
Statement of Financial Performance
For the year ended 30 June 2004

	Note	2004 \$	2003 \$
Revenues from ordinary activities	2	948,342	189,585
Raw materials and consumables used		(92,888)	-
Expenses from ordinary activities, excluding borrowing cost expenses	3	(2,257,070)	(1,327,180)
Borrowing cost expenses		(1,804)	-
Loss from ordinary activities before income tax		(1,403,420)	(1,137,595)
Income tax credit relating to ordinary activities		151,736	287,417
Net loss from ordinary activities after income tax	4	(1,251,684)	(850,178)
Total changes in equity		(1,251,684)	(850,178)
Basic earnings per share (cents per share)		(3.6)	(2.8)
Diluted earnings per share (cents per share)		(3.6)	(2.8)

This Statement of Financial Performance is to be read in conjunction with the attached notes.

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED
Statement of Financial Position
As at 30 June 2004

	Note	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	5	13,324,934	389,302
Receivables	6	293,868	29,639
Inventories	8	197,941	79,189
Current tax assets	9	22,981	31,605
Other	12	349,932	213,060
TOTAL CURRENT ASSETS		14,189,656	742,795
NON-CURRENT ASSETS			
Receivables	6	10,004	10,000
Investments	7	100,030	100,030
Plant and equipment	10	158,461	113,558
Intangible assets	11	146,266	55,174
TOTAL NON-CURRENT ASSETS		414,761	278,762
TOTAL ASSETS		14,604,417	1,021,557
CURRENT LIABILITIES			
Payables	13	231,453	62,648
Non interest bearing liabilities	14	-	81,808
Provisions	15	37,314	7,692
Lease incentives	16	12,938	-
TOTAL CURRENT LIABILITIES		281,705	152,148
NON-CURRENT LIABILITIES			
Provisions	15	10,581	-
Lease incentives	16	19,406	-
TOTAL NON-CURRENT LIABILITIES		29,987	-
TOTAL LIABILITIES		311,692	152,148
NET ASSETS		14,292,725	869,409
EQUITY			
Contributed equity	17	16,644,265	1,969,265
Accumulated losses	4	(2,351,540)	(1,099,856)
TOTAL EQUITY		14,292,725	869,409

This Statement of Financial Position is to be read in conjunction with the attached notes.

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED
Statement of Cash Flows
For the year ended 30 June 2004

	Note	2004 \$	2003 \$
Cash flows from operating activities			
Receipts from customers		144,523	-
Grants received		122,830	200,730
Payments to suppliers and employees		(2,210,011)	(1,401,865)
Interest received		264,440	27,596
Interest and other costs of finance paid		(1,945)	
Income tax receipt		213,060	74,357
Net operating cash flows	18	(1,467,103)	(1,099,182)
Cash flows from investing activities			
Payments for purchase of plant and equipment		(85,493)	(107,430)
Payments for purchase of patents and trademarks		(104,963)	(55,704)
Net investing cash flows		(190,456)	(162,504)
Cash flows from financing activities			
Proceeds from issue of shares		16,029,990	1,700,000
Share issue cost		(1,354,990)	(151,300)
Repayment of non interest bearing liabilities		(77,093)	-
Net financing cash flows		14,597,907	1,548,700
Net increase in cash held		12,940,348	287,014
Cash at 01 July 2003		384,586	97,572
Cash at 30 June 2004	18	13,324,934	384,586

This Statement of Cash Flows is to be read in conjunction with the attached notes.

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report and it has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the corporations Act 2001.

The financial report covers USCOM Ltd. USCOM Ltd is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values. Cost is based on fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies used by USCOM LIMITED in the preparation of the financial report.

(a) Cash

For the purpose of the statement of cash flows, cash includes the following, net of bank overdrafts, all cash on hand, at call deposits with banks or financial institutions and investments in money market instruments maturing within less than two months.

(b) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Interest revenue is recognised in the period in which it is derived. Dividend revenue is recognised when the right to receive a dividend has been established. Government grants revenue is recognised when earned.

(c) Inventories

Inventories are measured at the lower of cost or net realisable value. Cost is based on the weighted average principle. The cost of manufactured products includes direct materials (including contracted costs), direct labour and an appropriate portion of variable and fixed overheads. The costs are recognised when materials are delivered to the company.

(d) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant & Equipment

Items of plant and equipment are measured on the basis of lower of cost or recoverable value and are depreciated over 2 to 7 years.

(e) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated over the useful life of the asset to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Leases

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments for operating leases are charged as expenses in the periods in which they are incurred.

(g) Investments

Non-current investments are measured on the lower of cost or recoverable value. The recoverable amount is assessed from the underlying net assets for non-listed investments.

(h) Research & Development Expenditure

Research costs are charged to profit from ordinary activities before income tax as incurred or deferred where it is expected beyond any reasonable doubt that sufficient future benefits will be derived so as to recover those deferred costs.

(i) Intangibles

Patents and Trademarks

Patents and Trademarks are valued in the accounts at cost of acquisition and are amortised on a straight-line basis over 8 years.

(j) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance sheet date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

(k) Income Tax

The Company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

account as either a provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

(l) Provisions

Employee Entitlements

Provision is made for the company liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year, together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Other employee benefits later than one year have been measured at the present value of the estimated future cash outflow to be made for those benefits.

Contributions are made by the Company to employees' superannuation funds and are charged as expenses when incurred.

Provision for Warranties

Provision is made in respect of the Company's estimated liability on all products and services under warranty at balance date. The provision is measured at the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the company's history of warranty claims.

Doubtful Debts

Amounts owing to the Company are assessed and a general provision is made to cover likely doubtful debts.

(m) Liabilities

Liabilities are carried on the Statement of Financial Position at their principal amount. Any interest expense is accrued at the contracted rate and the accrued amount, if any, is included in accruals and sundry creditors.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2004	2003
	\$	\$

NOTE 2: REVENUE FROM ORDINARY ACTIVITIES

Operating revenue		
Sale of goods	384,390	29,639
Grants received	122,830	132,350
Exchange gains	11,989	-
Total operating revenue	<u>519,209</u>	<u>161,989</u>
Non-operating revenue		
Interest received	429,133	27,596
Total non-operating revenue	<u>429,133</u>	<u>27,596</u>
Total revenue from ordinary activities	<u>948,342</u>	<u>189,585</u>

NOTE 3: EXPENSES FROM ORDINARY ACTIVITIES, EXCLUDING BORROWING COST EXPENSES

Depreciation and amortisation expenses	57,127	11,598
Employee expenses	700,332	120,977
Research and development expenses	342,052	560,087
Advertising and marketing expenses	737,055	542,661
Occupancy expenses	139,506	46,562
Auditors remuneration (audit)	27,500	-
Auditors remuneration (audit review)	11,660	-
Regulatory expenses	91,825	858
Administrative expenses	142,724	38,655
Other expenses from ordinary activities	7,289	5,782
Total expenses from ordinary activities, excluding borrowing cost expenses	<u>2,257,070</u>	<u>1,327,180</u>

NOTE 4: ACCUMULATED LOSSES

Accumulated losses at the beginning of the financial year	(1,099,856)	(249,678)
Net loss attributable to members of the company	(1,251,684)	(850,178)
Accumulated losses at the end of the financial year	<u>(2,351,540)</u>	<u>(1,099,856)</u>

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2004	2003
	\$	\$
NOTE 5: CASH ASSETS		
Cash on hand	336	-
Bank: Cheque accounts	161,685	-
Bank: Cash management	2,136,444	389,302
Bank: Term deposits	11,026,469	-
Total cash assets	<u>13,324,934</u>	<u>389,302</u>

NOTE 6: RECEIVABLES

<u>Current</u>		
Trade debtors	293,868	29,639
Total current receivables	<u>293,868</u>	<u>29,639</u>
<u>Non-current</u>		
Rental bond	10,004	10,000
Total non-current receivables	<u>10,004</u>	<u>10,000</u>

NOTE 7: INVESTMENTS

<u>Non-current</u>		
Shares in unlisted companies		
Coefficient Systems Pty Ltd (at Cost)	100,030	100,030
Total investments	<u>100,030</u>	<u>100,030</u>

Coefficient Systems operates in the distribution of medical equipment.

USCOM holds 10% of the issued shares in Coefficient Systems Pty Ltd. (Refer to Note 19)

NOTE 8: INVENTORIES

<u>Current inventories at cost:</u>		
Raw materials	28,241	79,189
Finished products	169,700	-
Total inventories	<u>197,941</u>	<u>79,189</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2004	2003
	\$	\$

NOTE 9: CURRENT TAX ASSETS

GST receivable	22,981	31,605
Total current tax assets	<u>22,981</u>	<u>31,605</u>

NOTE 10: PLANT AND EQUIPMENT

Plant and equipment at cost	133,550	98,664
Less accumulated depreciation	28,851	7,461
	<u>104,699</u>	<u>91,203</u>

Office furniture and equipment at cost	42,997	9,396
Less accumulated depreciation	9,889	485
	<u>33,108</u>	<u>8,911</u>

Computer software at cost	9,788	3,732
Less accumulated depreciation	3,531	1,576
	<u>6,257</u>	<u>2,156</u>

Low value asset pool at cost	21,856	12,820
Less accumulated depreciation	7,459	1,532
	<u>14,397</u>	<u>11,288</u>

Total plant and equipment	<u>158,461</u>	<u>113,558</u>
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Movements

	<u>Plant and equipment</u>	<u>Office furniture</u>	<u>Computer software</u>	<u>Low value asset pool</u>
	\$	\$	\$	\$
Useful life	2-7 years	2-7 years	3 years	3 years
Opening value 01/07/2003	91,203	8,911	2,156	11,288
Additions	36,799	33,601	6,056	9,037
Depreciation expense	(23,303)	(9,404)	(1,955)	(5,928)
Closing value 30/06/2004	<u>104,699</u>	<u>33,108</u>	<u>6,257</u>	<u>14,397</u>

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2004	2003
	\$	\$

NOTE 11: INTANGIBLE ASSETS

Non-current

Patents at cost	165,678	58,049
Less accumulated amortisation	19,412	2,875
	<u>146,266</u>	<u>55,174</u>

NOTE 12: OTHER ASSETS

Current

Income tax credit	151,736	213,060
Accrued income	164,694	-
Prepayments	33,502	-
Total other assets	<u>349,932</u>	<u>213,060</u>

NOTE 13: PAYABLES

Current

Trade creditors	151,141	18,464
Accruals and sundry creditors	32,486	22,485
Employee related payables	47,826	21,699
Total payables	<u>231,453</u>	<u>62,648</u>

NOTE 14: NON INTEREST BEARING LIABILITIES

Current

Bank: Cheque account	-	4,716
Loans - Unsecured	-	-
Loan: Northern Cardiac Sonography Pty Ltd (refer to Note 19)	-	77,092
Total non interest bearing liabilities	<u>-</u>	<u>81,808</u>

NOTE 15: PROVISIONS

Current

Provision for annual leave	37,314	7,692
	<u>37,314</u>	<u>7,692</u>

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2004	2003
	\$	\$

NOTE 15: PROVISIONS (CONTINUED)

Non-current

Provision for long service leave	10,581	-
	<u>10,581</u>	<u>-</u>

NOTE 16: LEASE INCENTIVES

Current	12,938	-
Non-current	19,406	-
Total lease incentive	<u>32,344</u>	<u>-</u>

NOTE 17: CONTRIBUTED EQUITY

Issued capital

Ordinary shares	16,644,265	1,969,255
Ordinary (partly paid) shares	-	10
	<u>16,664,265</u>	<u>1,969,265</u>

Contributed equity movement

Shares on issue at beginning of the year	1,969,265	420,560
Payments of balance of partly paid shares	29,990	-
Payments from issues of shares	16,000,000	1,700,005
Costs relating to share issue	(1,354,990)	(151,300)
Shares on issue at end of the year	<u>16,664,265</u>	<u>1,969,265</u>

	2004	2003
	No.	No.

Ordinary Shares

Fully paid ordinary	9,075,000	29,999,000
Partly paid ordinary	-	1,000
Fully paid ordinary – escrow 12 months from 10 th December 2003	3,197,500	-
Fully paid ordinary – escrow 24 months from 10 th December 2003	25,727,500	-
Total fully paid ordinary shares	<u>38,000,000</u>	<u>30,000,000</u>

Fully paid ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held. At shareholders meetings, each ordinary share is entitled to one vote when a poll is called, or via a show of hands.

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2004 No.	2003 No.
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**NOTE 17: CONTRIBUTED EQUITY
(CONTINUED)**

Options

Issued to directors	200,000	-
Issued to medical advisory board and USCOM staff in relation to IPO on 27 October 2003	480,000	-
Issued to USCOM staff on 01 June 2004	215,000	-
Lapsed	(40,000)	-
Total outstanding options	855,000	-

There are no further options issued subsequent to the year end.

	2004 No.	2004 Exercise Price
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Issued in relation to IPO on 27 October 2003

To directors	200,000	\$2.00
To medical advisory board and USCOM staff	480,000	\$2.00
	680,000	

Issued on 01 June 2004

To USCOM staff	50,000	\$2.00
	30,000	\$2.01
	20,000	\$2.28
	15,000	\$2.18
	50,000	\$2.00
	50,000	\$2.17
	215,000	

Options issued in relation to IPO expire on or before 27 October 2007.

Options issued on 01 June 2004 expire on or before 01 June 2008. Exercise price is based on average price for the 5 days prior to offer / acceptance to the employee, in accordance with the USCOM Ltd share option plan.

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2004	2003
	\$	\$

NOTE 18: CASH FLOW INFORMATION

(a) Reconciliation of cash		
Cash at bank and on hand	13,324,934	389,302
Bank overdraft	-	(4,716)
Total cash at end of year	<u>13,324,934</u>	<u>384,586</u>
(b) Reconciliation of net cash provided by operating activities to loss from ordinary activities after income tax		
Loss from ordinary activities after income tax	(1,251,684)	(850,178)
<i>Non cash flows in loss from ordinary activities</i>		
Depreciation	40,590	8,723
Amortisation	16,537	2,875
<i>Change in assets and liabilities</i>		
<i>(Increase)/Decrease in assets</i>		
Debtors	(264,229)	(29,639)
Inventories	(118,752)	(79,189)
Prepayments	(33,502)	50,010
Income tax	61,324	(213,060)
Accrued income	(164,694)	-
GST assets	8,624	(20,553)
Bond deposits	(4)	(10,000)
<i>Increase/(Decrease) in liabilities</i>		
Creditors	132,677	(7,313)
Accruals and sundry creditors	7,335	22,485
Employee related payables	26,128	18,965
Employee provisions	40,203	7,692
Lease incentive	32,344	-
Net cash used by operating activities	<u>(1,467,103)</u>	<u>(1,099,182)</u>

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2004	2003
	\$	\$

NOTE 19: RELATED PARTIES INFORMATION

Financial performance and position with Coefficient Systems Pty Ltd

Sales to Coefficient Systems Pty Ltd	43,341	29,639
	<u>43,341</u>	<u>29,639</u>
Current receivables	66,524	29,639
	<u>66,524</u>	<u>29,639</u>
Current payables	883	-
	<u>883</u>	<u>-</u>

Financial performance and position with Northern Cardiac Sonography Pty Ltd

Non interest bearing liabilities (repaid during the year)	-	77,092
	<u>-</u>	<u>77,092</u>

NOTE 20: SEGMENT INFORMATION

USCOM operates in the health products industry

Geographic Segment Revenues

Australia	55,817	-
North Asia	250,102	-
South-East Asia	43,341	-
Middle East	-	29,639
Europe	35,130	-
Segment total	<u>384,390</u>	<u>29,639</u>

ATTACHMENT 1

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

USCOM LIMITED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2004	2003
	\$	\$

NOTE 20: CONTINGENCIES

There are no contingencies as at 30 June 2004.

NOTE 21: COMMITMENTS

Operating lease commitments

Less than 1 year	12,938	-
Between 1 and 5 years	19,406	-
	<hr/>	<hr/>
	32,344	-
