2014

BSA Limited

Appendix 4E & Preliminary Final Report

FOR THE YEAR ENDED **30 JUNE 2014**

PRELIMINARY FINAL REPORT

GIVEN TO THE ASX UNDER LISTING RULE 4.3A

REPORTING PERIOD	**FINANCIAL YEAR ENDED 30 JUNE 2014**
PREVIOUS CORRESPONDING PERIOD	**FINANCIAL YEAR ENDED 30 JUNE 2013**

APPENDIX 4E

1 RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Up/Down	Movement		$'000
Revenue from ordinary activities	Up	3.7%	to	491,613
Profit (loss) from ordinary activities after income tax attributable to members	Down	(1,557.5%)	to	(54,847)
Net profit (loss) for the period attributable to members	Down	(1,557.5%)	to	(54,847)

AMOUNT OF DIVIDEND PER SECURITY

	Amount per security	Percentage franked
Interim Dividend		
In respect of 2014 financial year	0.00 cent	n/a
In respect of 2013 financial year	0.50 cent	100%
Final Dividend		
In respect of 2014 financial year	0.00 cent	n/a
In respect of 2013 financial year	0.00 cent	n/a

EXPLANATIONS

Refer to Commentary on Results attached.

2 COMMENTARY ON RESULTS

Financial Highlights

BSA's revenue increased to $492 million (2013:$474 million), and the Group has managed to build a strong forward workload in all Business Units for FY2015 and future years.

Despite the increase in revenue, loss before interest, taxes, impairment, depreciation and amortisation (EBITDA) was $10.7 million (2013: profit $12.8 million) and net loss after tax for the year was $54.8 million (2013: profit $3.8 million). This EBITDA loss was predominantly due to the non-recurring provisions and project profit reductions of $24 million taken during FY14, relating largely to completed projects. EBITDA in H2 returned to profit of $3.1 million after recognising further project provisions and write downs relating to projects tendered in prior periods.

Goodwill has been assessed based on value in use using discounted future cash flows. In light of the performance of the business over the last 24 months, and considering the current market capitalisation of BSA, the Board has resolved to write down the carrying value of goodwill in the three divisions of the business by a total of $40 million. This impairment is non cash and does not affect the business fundamentals or the future improving and positive outlook for FY15 and beyond.

We are pleased to report a reduction in net debt to $18.8 million (2013: $20.5 million); which includes a second half net debt reduction of $13.9 million. This significant improvement in cash management resulted in net operating cash inflows of $5.6 million (2013: cash outflows of $16.5 million) in the year.

The return to positive EBITDA of $3.1 million in H2 reflects immediate action taken by the new management team and across all Business Units during the second half to enhance margins and improve the balance sheet. EBITDA in the second half was $6.9 million excluding key project provisions, project write downs and debtor provisions largely relating to legacy issues.

BSA has continued to enjoy the on-going support of our financiers, and we have extended key banking facilities with an increased capacity to match future working capital requirements. We have extended our term debt facilities to 31 March 2016 and enhanced flexibility within the current arrangements with the creation of a $17 million multi option facility. This facility includes the previously announced overdraft facility which is on track for repayment by December 2014.

The key operational improvements, net debt reduction and banking arrangements outlined have been taken with an objective of providing a stable platform for the future growth and development for BSA Limited.

The Directors have not declared a final dividend for 2014.

Review of Operations

Technical Design and Construction Projects

TDCP Revenue $234.2 million (2013: $249.7 million)

TDCP EBITDA $12.4 million loss (2013: $6.0 million profit)

NB: Excludes Corporate Recharges and Impairment

Technical Design and Construction Projects (TDCP), including Group Companies BSA, Allstaff Airconditioning and Triple 'M', continue to be major providers of heating, ventilation, air conditioning (HVAC) and Fire Protection Services in all mainland states and territories, they also continue to be robust businesses in a sometimes volatile market that has seen the failure of a number of our competitors.

The TDCP EBITDA result was impacted by the take up of non-recurring project provisions and write downs in the year. The projects at the heart of these issues are largely completed, and enhanced bid gate processes, embedding of Corporate Contractual Benchmarks along with additional project controls, strengthened project delivery processes and formal reviews have been put in place in order to protect the Business Unit from experiencing these issues in the future.

The 2014 financial year saw the resolution of a number of outstanding claims for variations and modifications on existing TDCP Projects. As outlined above, Corporate Contractual Benchmarks have been embedded within the Business Unit. This ensures that any contract that falls outside these benchmarks or standard clauses will be subject to rigorous negotiation and risk mitigation strategies.

Our offering of a complete in-house facility for design, engineering, fabrication, installation, commissioning and service and our work with specialist subcontractors, has allowed the Group to compete on a wide variety of projects and has resulted in TDCP being awarded some of the largest HVAC and Fire Protection contracts in Australia.

FY14 has seen the TDCP Business Unit undertake works on landmark projects including:

- New Royal Adelaide Hospital (completion due April 2016)
- Indooroopilly Shopping Centre in Queensland (completed July 2014)
- Park Lane (mixed used residential and retail towers) in Sydney (Completed April 2014)
- Charles Perkins Centre in Sydney (Mechanical and Fire) (Completed February 2014)
- Fiona Stanley Hospital in Perth (Completed December 2013)
- Olivia Newton John Wellness Centre in Melbourne (Completed June 2013)

TDCP commences financial year 2015 with a healthy forward order book of $250 million, and have recently been awarded the following projects:

- Wagga Wagga Hospital
- Dubbo Hospital
- 5 Martin Place in Sydney
- Royal Victorian Eye and Ear Hospital Stage 2 works
- Eastland Shopping Centre in Melbourne
- Werribee Shopping Centre in Victoria
- IKEA Marsden Park in Sydney
- Pacific Fair Redevelopment on the Gold Coast
- Old Treasury Building in Perth
- Barangaroo in Sydney (Fire Services JV with Premier Fire)
- Kings Square 2 and 3 in Perth

The new Royal Adelaide Hospital (nRAH) is Australia's first fully integrated 6D Building Information Modeling (BIM) Project. The BSA scope as the Tier One Mechanical Services Contractor includes the documentation and construction of Mechanical, Infrastructure and Essential Services, and being the lead BIM Coordinator for all services within a BIM MEP Aus national standard environment.

The nRAH project has a number of significant and as yet unapproved variations which are the subject of ongoing negotiations. They will be submitted for payment in the normal course of carrying out the subcontract. Despite this, work on nRAH is progressing well and the working relationship is excellent.

With the Triple 'M' Companies celebrating 20 years in business in 2014 and Allstaff achieving 40 years in Victoria in 2015, our business model strategy has seen longevity and continued growth within a diverse market. This can be directly attributed to our loyal and dedicated workforce.

Technical Field Force Solutions

TFFS Revenue $158.9 million (2013: $134.8 million)

TFFS EBITDA $3.6 million (2013: $5.1 million)

NB: Excludes Corporate Recharges and Impairment

The Technical Field Force Solutions Business Unit had another successful year in 2014, completing approximately 600,000 installations, upgrades and service calls across Australia, as the Business Unit continues to position itself as a leader in high volume ticket of work order management. The EBITDA was affected by $1.5 million mobilisation costs of key new contracts which extend to 2017.

As reported in last year's Annual Report, resulting from Foxtel's acquisition of Austar, and following a formal tender process, TFFS was awarded a contract to complete 100% of all regional works (along with an extension of our Metro works through to 2017). In November 2013, TFFS successfully completed its field work force transition into regional Australia. This move has increased the Business Unit's footprint across Australia in its provision of installation and maintenance services to Foxtel.

In December 2013, after 15 years, our partnership with one of Australia's largest telecommunications providers, Optus, grew even stronger. TFFS was awarded a contract with Optus to deliver Hybrid Fibre Coax (HFC), Unconditioned Local Loop (ULL) and National Broadband Network (NBN) Installation, Maintenance and Service Assurance services for Consumer, Wholesale and Optus Business customers for a term of 3 years.

In February 2014, TFFS successfully completed our contract with the Department of Broadband, Communication and the Digital Economy to provide services to convert customers under the Household Assistance Scheme (HAS) and Satellite Subsidy Scheme (SSS) to digital television. The HAS provided practical and technical in home assistance, to vulnerable Australians who may otherwise have difficulty converting to digital television.

BSA's Registered Training Organisation, BSA Advanced Learning (BAL), continues to grow, providing training to over 2,000 students this financial year. A new General Manager with extensive education organisation experience has been appointed to this expanding business. Over the next 12 months, focus will shift to growing and diversifying revenue streams for this business, with an emphasis on online training courses.

BSA was represented by BAL on the Western Sydney Vocational Training Committee and had the opportunity to provide a representative to sit on selection panels for Apprentice and Trainee of the Year for Western Sydney.

BAL Management has also assisted the Industry Skills Council in the development of competencies in telecommunications, specifically for NBN works and has participated in workshops conducted for the amalgamation of the Telecommunications and IT Training Packages.

TFFS has invested significant time and resources into a number of information technology (IT) development based initiatives, which have resulted in improvements to operational efficiency. These initiatives include onboarding and compliance, systems workflow management solutions and other systems to enhance efficiency and improved customer service.

Technical Maintenance Services

TMS Revenue $98.5 million (2013: $89.8 million)

TMS EBITDA $3.1 million (2013: $5.5 million)

NB: Excludes Corporate Recharges and Impairment

TMS had a positive EBITDA of $3.1 million despite being affected by a number of project write downs in FY14 totaling $1.5 million. TMS has now completed these legacy projects and has strengthened the controls and procedures around project management.

During FY14 TMS was awarded a number of contracts, including:

- Harvey Norman National Multi-Services
- Monash University Maintenance Contracts
- Maintenance Services at Gold Coast University Hospital

On the back of these contract wins TMS has also been expanding our national capabilities in both Fire and Electrical Maintenance Services.

Whilst our maintenance work bid pipeline is increasing, price competition remains tight, so we have focused on improving value adding solutions for our clients – which we see as key to the success of future TMS bids. We have continued to enhance our mobility systems by expanding features such as customer portal reporting, detailed asset level reporting, real-time service records, dashboard reporting, work order management and data capture from the field.

Customer feedback about our mobility systems is very positive and this value-add solution provides TMS with a significant market advantage.

IT system activities undertaken within 2014 include automating and integrating field technician and customer systems and general enhancements of our full mobility solutions.

In response to the FY14 results, TMS management have undertaken a full operational efficiency review. This review, which covered all areas of the TMS Business Unit, aimed to refine business processes, enhance productivity, increase the focus on building a recurring revenue base, and expand services across Fire and Electrical Maintenance markets. A range of initiatives identified throughout this review have been undertaken and will continue throughout 2015. These include initiatives to optimise overhead structures, labour productivity, reduce travel time and focus on less working capital intensive projects.

NSW Office of State Revenue

BSA has previously advised the market about a possible payroll-tax related liability with the NSW Office of State Revenue (OSR). BSA has continued, along with our legal representatives to constructively work with the OSR to ensure an equitable and timely conclusion to this matter. BSA has a provision in its FY14 accounts of $2.0 million (FY13 $2.0 million) and at this time there is no further information that would suggest this provision should be changed.

Looking Forward

The new Managing Director & Chief Executive Officer, appointed in March 2014 has commenced a full review of all operations for each Business Unit and our Corporate functions with a focus on reducing operating expenses and increasing operational efficiencies across the board. This in-depth Group-wide process will cover all discretionary spend areas, office and facility accommodation, head count and remuneration. It will also include further development in areas where we can improve efficiency by automating manual processes, refining reporting requirements and optimising productivity.

Encouraging market conditions are leading to emerging untapped opportunities across all market sectors. The BSA management team are actioning plans to capitalise on business unit capabilities across these sectors. In addition, a strong focus continues on improving margins and optimising working capital and cashflows.

2 COMMENTARY ON RESULTS (CONT'D)

DISCLOSING NON-IFRS FINANCIAL INFORMATION

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

	FY14 A$'000	H1 FY14 A$'000	H2 FY14 A$'000	FY13 A$'000
(Loss)/Profit for the year from continuing operations	(54,847)	(23,367)	(31,480)	3,763
Add back				
Income tax benefit	(6,455)	(5,642)	(813)	(965)
Finance costs	2,319	1,098	1,221	1,932
Interest revenue	(94)	(69)	(25)	(357)
Depreciation	6,888	3,441	3,447	7,002
Amortisation expense	1,441	720	721	1,440
Impairment of intangibles	40,000	10,000	30,000	-
EBITDA	**(10,748)**	**(13,819)**	**3,071**	**12,815**
Total Key Project Provisions and Write Downs	24,222	20,353	3,869	-
EBITDA excluding Key Profit Provisions	**13,474**	**6,354**	**6,940**	**12,815**

EARNINGS PER SHARE

		30 June 14 A$'000	Consolidated 30 June 13 A$'000
	Earnings per share:		
	Basic earnings per share	(23.97) cents	1.64 cents
	Diluted earnings per share	(23.97) cents	1.60 cents
(a)	**Reconciliation of earnings to (loss)/profit**		
	(Loss)/Profit	(54,847)	3,763
	Net profit attributable to outside equity interests	-	-
	Earnings used to calculate basic EPS and dilutive EPS	(54,847)	3,763

		No.	No.
(b)	**Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS**	228,861,202	228,861,202
	Weighted average number of rights outstanding	-	5,785,247
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	228,861,202	234,646,449

(c) Information concerning the classification of securities

Rights

Rights granted to employees under the BSA Limited Employee Performance Rights Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The rights have not been included in the determination of basic earnings per share.

DIVIDENDS

		30 June 14 A$'000	30 June 13 A$'000 (Consolidated)
(a)	**Ordinary Shares**		
	There was no final dividend for the year ending 30 June 2013 (2012:1.00 cent)		
	Fully franked based on tax paid @ 30%	-	2,289
	There was no interim dividend for the year ending 30 June 2014 (2013:0.50 cent)		
	Fully franked based on tax paid @ 30%	-	1,144
	Total dividends provided for or paid	-	3,433
(b)	**Dividends not recognised at year end**		
	The directors have not recommended the payment of a final dividend in respect of the year ending 30 June 2014, (2013: no final dividend recommended).	-	-
(c)	**Franked dividends**		
	The Directors have not recommended the payment of a final dividend in respect of the year ending 30 June 2014.		
	Franking credits available for subsequent financial years based on a tax rate of 30% (2013 - 30%)	17,767	17,361

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;

(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

	Revenue Year Ended		Segment Profit Year Ended	
	30 Jun 14 A $'000	30 Jun 13 A $'000	30 Jun 14 A$'000	30 Jun 13 A $'000
Continuing operations				
Technical Field Force Solutions	158,933	134,805	(9,356)	3,660
Technical Design and Construction Projects	234,239	249,706	(33,734)	3,521
Technical Maintenance Services	98,525	89,763	(9,436)	2,631
Other	94	310	-	-
Revenue from external customers	491,791	474,584	(52,526)	9,812
Corporate costs including acquisition, legal and advisory			(6,457)	(5,082)
Finance costs			(2,319)	(1,932)
(Loss)/Profit before tax			(61,302)	2,798
Income tax benefit			6,455	965
Consolidated segment revenue and (loss)/profit for the period	491,791	474,584	(54,847)	3,763

2 COMMENTARY ON RESULTS (CONT'D)

The following is an analysis of the Group's assets/liabilities by reportable operating segment:

	Year Ended	
	30 Jun 14 A$'000	**30 Jun 13 A $'000**
Segment assets		
Technical Field Force Solutions	86,105	100,561
Technical Design & Construction Projects	54,083	60,311
Technical Maintenance Services	3,738	16,522
Total Assets	**143,926**	**177,394**
Segment liabilities		
Technical Field Force Solutions	57,977	44,073
Technical Design & Construction Projects	53,775	42,592
Technical Maintenance Services	12,244	15,934
Total Liabilities	**123,996**	**102,599**

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The preliminary final report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars unless otherwise indicated.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

Going Concern

As at 30 June 2014, the consolidated entity has a deficiency of current net assets of $13,936,000. Notwithstanding this deficiency, the Directors have concluded that it is appropriate to prepare the financials on a going concern basis based upon:

- forward cash flow projections for the Group;
- strong ongoing support by our financiers;
- improved trading position; and
- strong forward order book.

3 CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30 June 2014 A$'000	30 June 2013 $'000
Revenue from continuing operations - refer 3.1 below	491,613	474,180
Other income - refer 3.2 below	178	404
Expenses - refer 3.3 below	(550,774)	(469,854)
Finance costs	(2,319)	(1,932)
(Loss)/Profit before income tax	(61,302)	2,798
Income tax benefit - refer 3.8	6,455	965
(Loss)/Profit for the year from continuing operations	(54,847)	3,763
Other comprehensive income for the year	35	(16)
Total comprehensive income for the year, net of tax	(54,812)	3,747
	Cents	**Cents**
Basic Earnings Per Share	(23.97)	1.64
Diluted Earnings Per Share	(23.97)	1.60

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

3.1 Revenue from continuing operations

	30 June 2014 A$'000	30 June 2013 A$'000
Revenue from Sales	18,781	18,235
Revenue from Services	140,082	116,545
Contract Revenue	332,750	339,400
	491,613	**474,180**

3.2 Other income

	30 June 2014 A$'000	30 June 2013 A$'000
Net gain on disposal of property, plant and equipment	84	47
Interest Revenue - other persons	20	213
Interest Revenue - bank deposits	74	144
	178	**404**

3.3 Expenses

	30 June 2014 A$'000	30 June 2013 A$'000
Changes in inventories of finished goods and WIP	506	(2,202)
Subcontractors and raw materials used	424,213	390,673
Employee benefits expense	42,189	44,499
Depreciation	6,888	7,002
Amortisation expense (including intangibles)	1,441	1,440
Impairment of intangibles	40,000	-
Occupancy	6,542	6,084
Other Expenses	28,995	22,358
	550,774	**469,854**

3.4 Individually Significant Items

	30 June 2014 A$'000	30 June 2013 A$'000
Impairment of intangible assets (goodwill)	40,000	-
Non-recurring provisions	20,579	-
Key profit write downs	3,643	-
	64,222	**-**

3.5 Impairment Expenses

	Before tax A$'000	Related tax A$'000	Related outside equity interests A$'000	Amount (after tax) attributable to members A$'000
Impairment of goodwill	40,000	-	-	40,000
Total impairment write-downs	40,000	-	-	40,000

3.6 Capitalisation of Borrowing Costs

Borrowing costs capitalised that are **not** included in finance cost expenses disclosed above include:

	30 June 2014 A$'000	30 June 2013 A$'000
Interest costs capitalised in asset values	-	-
Interest costs capitalised in intangibles (unless arising from an acquisition of a business)	-	-
	-	**-**

3.7 Comparison of Half-Year Profits

	30 June 2014 A$'000	30 June 2013 A$'000
Consolidated (loss)/profit after tax attributable to members reported for the 1st half yearly report	(23,367)	1,838
Consolidated (loss)/profit after tax attributable to members for the 2nd half year	(31,480)	1,925

3.8 Income Taxes

	30 June 2014 A$'000	30 June 2013 A$'000
The prima facie income tax benefit/(expense) on (loss)/profit before tax reconciles to the income tax benefit as follows:		
(Loss)/Profit before tax	(61,302)	2,798
Prima facie tax benefit/(expense) at the Australian tax rate of 30%	18,391	(840)
Adjusted for:		
Non deductible expenses	(12,065)	(25)
Research and development allowance	251	693
Over/(Under) provisions in prior periods		
Research and development allowance	-	1,039
Other	(122)	98
Income Tax Benefit	6,455	965

4 CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2014 A$'000	30 June 2013 A$'000
CURRENT ASSETS		
Cash and cash equivalents	5,297	2,009
Trade and other receivables	86,403	85,190
Inventories	4,696	5,202
Current tax assets	3,962	1,206
Total Current Assets	**100,358**	**93,607**
NON-CURRENT ASSETS		
Trade and other receivables	1,279	1,279
Property, plant and equipment	14,819	17,866
Intangible assets	21,385	62,661
Deferred tax assets	6,085	1,981
Total Non-Current Assets	**43,568**	**83,787**
TOTAL ASSETS	**143,926**	**177,394**
CURRENT LIABILITIES		
Trade and other payables	78,488	70,532
Borrowings	16,068	8,545
Provisions	19,738	8,054
Total Current Liabilities	**114,294**	**87,131**
NON-CURRENT LIABILITIES		
Borrowings	8,029	14,008
Provisions	1,673	1,218
Other liabilities	-	242
Total Non-Current Liabilities	**9,702**	**15,468**
TOTAL LIABILITIES	**123,996**	**102,599**
NET ASSETS	**19,930**	**74,795**
EQUITY		
Issued Capital	77,797	77,797
Reserves	1,295	1,313
Accumulated Losses	(63,024)	(8,177)
Profit Reserve	3,862	3,862
TOTAL EQUITY	**19,930**	**74,795**

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.1 Consolidated Accumulated Losses

	30 June 2014 A$'000	30 June 2013 A$'000
Accumulated losses at the beginning of the financial year	(8,177)	(8,177)
Net loss attributable to members	(54,847)	-
Accumulated Losses at the end of the financial year	**(63,024)**	**(8,177)**

4.2 Consolidated Profit Reserve

	30 June 2014 A$'000	30 June 2013 A$'000
Accumulated profits at the beginning of the financial year	3,862	3,532
Net profit attributable to members	-	3,763
Dividends and other equity distributions paid or payable	-	(3,433)
Accumulated profits at the end of the financial year	**3,862**	**3,862**

4.3 Impairment Disclosures

	Carrying Value of Goodwill	Carrying Value of Goodwill
CGU	**30 June 2014 A$'000**	**30 June 2013 A$'000**
Goodwill has been allocated for impairment testing purposes to the following cash-generating units:		
Technical Field Force Solutions	-	11,490
Tehnical Design and Construction Projects	15,185	34,885
Technical Maintenance Services	-	8,810
Total	**15,185**	**55,185**

The Directors have undertaken a review of the goodwill relating to the Cash Generating Units (CGU) of BSA, being the three operating Business Units, Technical Field Force Solutions (TFFS), Technical Design and Construction Projects (TDCP), and Technical Maintenance Services (TMS). As a result the Board has resolved to write down the value of goodwill in the three CGU's by a total of $40 million.

The value of goodwill has been assessed using value in use modelling on the identified CGU's by discounting future cash flows to be generated from the continuing use of the units. As required under the accounting standards no benefit has been taken into consideration of the expected benefit of future restructurings and improvement initiatives to enhance the company's performance. Key assumptions used in the value in use modelling include:

Assumption	How assessed
Cash Flows	Cash flows were projected based on a three year period. Cash flows to determine a terminal value were extrapolated using a constant growth rate of 2.0% per annum for TFFS and TDCP, and 2.5% for TMS, deemed to be a conservative view of the markets in which the CGU's operate.
Discount Rate	A pre-tax discount rate has been used in discounting the projected cash flows of the CGU's reflecting a market estimate of the weighted average cost of capital of the respective CGU's: TFFS 17.0%, TDCP 18.0%, and TMS 16.8%.
Gross Margin	A conservative view has been taken of future gross margin of the respective CGU's based on historical performance adjusted for any non-recurring items.
Operating Expenses	A conservative view has been taken of future operating expenses of the respective CGU's based on historical performance adjusted for any non-recurring items.
Working Capital	Key Working Capital components that can affect the value in use assessment include debtor day collections, accounts payable days, and project work in progress days. A conservative view has been taken of these working capital components which have been based on historical performance adjusted for any non-recurring items, for assessing future performance of respective CGU's.

5 CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30 June 2014 A$'000	30 June 2013 A$'000
CASH FLOWS RELATED TO OPERATING ACTIVITIES:		
Receipts from customers	547,434	511,962
Payments to suppliers and employees	(539,202)	(521,227)
Interest received	94	144
Interest and other costs of finance paid	(2,340)	(1,953)
Income taxes received/(paid)	(405)	(5,450)
Net operating cash flows	**5,581**	**(16,524)**
CASH FLOWS RELATED TO INVESTING ACTIVITIES:		
Payments for plant and equipment	(3,480)	(5,439)
Proceeds from sale of plant and equipment	195	422
Payment to equity-accounted investment	(165)	(188)
Net investing cash flows	**(3,450)**	**(5,205)**
CASH FLOWS RELATED TO FINANCING ACTIVITIES:		
Payment for shares issued for vesting rights	(95)	(39)
Proceeds from borrowings	12,140	10,444
Repayment of borrowings	(8,065)	(5,058)
Repayment of executive loans	-	4
Payment of finance lease liabilities	(2,823)	(2,914)
Dividends paid	-	(3,433)
Net financing cash flows	**1,157**	**(996)**
Net increase (decrease) in cash held	**3,288**	**(22,725)**
Cash at beginning of year - refer 5.1 below	2,009	24,734
Cash at end of year - refer 5.1 below	**5,297**	**2,009**

NOTES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT

5.1 Reconciliation of Cash

	30 June 2014 A$'000	30 June 2013 A$'000
Cash on hand and at bank	5,297	2,009
Total cash at end of year	**5,297**	**2,009**

5.2 Non-Cash Financing and Investing Activities

During the year the consolidated entity acquired plant and equipment with an aggregate value of $470,000 (2013 : $3,942,000) by means of finance leases. These acquisitions are not reflected in the cash flow statement.

6 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital $'000	Accumulated losses $'000	Profit Reserve $'000	Share-based payment reserve $'000	Cash flow hedge reserve $'000	Total equity $'000
Balance at 1 July 2012	**77,797**	**(8,177)**	**3,532**	**1,522**	**(25)**	**74,649**
Profit for the year	-	-	3,763	-	-	3,763
Other comprehensive income for the year	-	-	-	-	(16)	(16)
Total comprehensive income for the year	-	-	3,763	-	(16)	3,747
Dividends paid	-	-	(3,433)	-	-	(3,433)
Shares issued in satisfaction of performance conditions	-	-	-	(39)	-	(39)
Share-based payments expense	-	-	-	(129)	-	(129)
Balance at 30 June 2013	**77,797**	**(8,177)**	**3,862**	**1,354**	**(41)**	**74,795**
Loss for the year	-	(54,847)	-	-	-	(54,847)
Other comprehensive income for the year	-	-	-	-	35	35
Total comprehensive income for the year	-	(54,847)	-	-	35	(54,812)
Dividends paid	-	-	-	-	-	-
Shares issued during year	-	-	-	-	-	-
Shares issued in satisfaction of performance conditions	-	-	-	(95)	-	(95)
Share-based payments expense	-	-	-	42	-	42
Balance as at 30 June 2014	**77,797**	**(63,024)**	**3,862**	**1,301**	**(6)**	**19,930**

7 NET TANGIBLE ASSETS PER ORDINARY SHARE (NTA backing)

	30 June 2014	30 June 2013
	-3.29 cents	4.44 cents

8 DETAILS OF SUBSIDIARIES

8.1 Control Gained Over Entities During the Period

Name of entity	N/A
Date control acquired, i.e. date from which profit(loss) has been calculated	
Profit (loss) of the subsidiary (or group of entities) during the current period since the date on which control was acquired	
Profit (loss) of the subsidiary (or group of entities) for the whole of the previous corresponding period	

8.2 Loss of Control of Entities During the Period

Name of entity	
Date of loss of control, i.e. date until which profit(loss) has been calculated	N/A
Profit (loss) from the subsidiary (or group of entities) during the current period to the date on which control was lost	
Profit (loss) from the subsidiary (or group of entities) for the whole of the previous corresponding period	
Contribution to consolidated profit (loss) from sale of interest leading to loss of control	

9 DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

9.1 Equity Accounted Associates and Joint Venture Entities

	%Ownership Interest		Contribution to Net Profit	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013
Triple M and Premier Fire JV Co Limited	50%	0%	101	-

9.2 Aggregate Share of Profits(Losses) of Associates and Joint Venture Entities

	30 June 2014 A$'000	30 June 2013 A$'000
Group's Share of Associates and Joint Venture Entities:		
Profit(Loss) before income tax	101	-
Income tax expense	(30)	-
Net profit(loss)	71	-
Adjustments	-	-
Share of net profit(loss) of associates and joint venture entities	71	-

10 DIVIDENDS

10.1 Dividends Paid per Share

	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign source dividend
Final			
- current period	- cents	- cents	- cents
- previous corresponding period	1.00 cents	1.00 cents	- cents
Interim			
- current period	- cents	- cents	- cents
- previous corresponding period	0.50 cents	0.50 cents	- cents

10.2 Total Dividends

	30 June 2014 A$'000	30 June 2013 A$'000
Interim	-	1,144
Final	-	2,289
	-	**3,433**

There was no final dividend for FY 2013 paid during the year. There was no interim dividend for FY 2014 paid during the year.
There has been no final dividend declared for FY 2014.

11 ACCOUNTING STANDARDS

Australian accounting standards have been used.

12 OTHER INFORMATION REGARDING THE ACCOUNTS

12.1 The information contained in this Appendix 4E is based on accounts which (choose one):

- have been audited ○
- are in the process of being audited ●
- have not yet been audited ○

12.2 Audit Disputes or Qualifications

At the time of this report the directors are not aware of any disputes or qualifications

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