Rules 4.2A.3

Appendix 4E

Preliminary final report

Introduced 1/1/2003

Name of entity

MAXITRANS INDUSTRIES LIMITED

ABN 58 006 797 173	**Year Ended 30 June 2015**

Results for announcement to the market

(All comparisons to year ended 30 June 2014)

				$A'000
Revenues from ordinary activities	down	6.5%	to	329,165
Net profit after tax (excluding significant items) attributable to members of the company	down	63.1%	to	6,303
Net profit after tax (including significant items) attributable to members of the company	down	73.7%	to	4,497

	2015	2014
Basic earnings per share (cents per share)	2.43¢	9.26¢
Diluted earnings per share (cents per share)	2.43¢	9.16¢
Net Tangible Assets Backing (cents per ordinary share)	42.35¢	41.00¢

Dividends (distributions) - Note 13	Amount per security	Franked amount per security
Final dividend – Ordinary shares	-	-
Interim dividend – Ordinary shares	2.00¢	2.00¢
Previous corresponding period:		
Final dividend – Ordinary shares	2.25¢	2.25¢
Interim dividend – Ordinary shares	3.75¢	3.75¢

Record date for determining entitlements to the dividend.	Not Applicable

Refer attached ASX announcement regarding commentary on revenue, earnings and business outlook.
Refer attached Report of Directors and Financial Report.

This report is based on the consolidated financial statements which have been audited by KPMG.

MaxiTRANS Profit Announcement 30 June, 2015

MaxiTRANS has delivered revenue of $329 million in FY15, representing a 6.5% reduction from the previous year. Underlying net profit after tax[3] attributable to MaxiTRANS equity holders of $6.3 million was in line with the trading update provided to the market in April 2015. However, as recently announced, an impairment charge of $2.58m pre-tax has also been recognised against the carrying value of the AZMEB intangible assets, resulting in a reported net profit after tax attributable to MaxiTRANS equity holders of $4.50 million.

Consequently, the Directors have resolved that a final dividend for FY15 will not be paid. The Company paid an interim fully franked dividend of 2.0 cents per share in April, 2015, representing a full year payout ratio of 82% of reported net profit after tax attributable to MaxiTRANS shareholders (59% of underlying net profit after tax[3] attributable to MaxiTRANS shareholders).

(A$'000)	Year ended 30/06/15	Year ended 30/06/14	% Increase
Sales revenue	**329,165**	**351,968**	**-6%**
EBIT [1, 2]	**8,024**	**25,185**	**-68%**
Interest expense	(2,525)	(2,013)	
Net profit before tax	**5,499**	**23,172**	**-76%**
Tax expense	(1,036)	(6,027)	
Net profit after tax	**4,463**	**17,145**	**-74%**
Non-controlling interests	34	(70)	
Net profit attributable to MXI equity holders	**4,497**	**17,075**	**-74%**
Underlying net profit attributable to MXI equity holders[2,3]	**6,303**	**17,075**	**-63%**
EPS (basic) (cents per share)	**2.43**	**9.26**	**-74%**
Underlying EPS (basic) (cents per share)[2,3]	**3.41**	**9.26**	**-63%**

1. EBIT refers to profit for the period before income tax expense and finance costs.
2. Non-IFRS measures have not been subject to audit or review by external auditors.
3. Represents net profit attributable to MXI equity holders excluding the after tax value of the AZMEB impairment charge of $1.806m.

The cyclical downturn experienced in FY14 continued throughout FY15 together with further contraction in the resources sector which adversely impacted most segments of the Australian business.

TRAILER BUSINESS

Australia

Continuing slow Australian economic conditions, further contraction in the resources sector and prolonged drought conditions, particularly in Queensland, led to an overall market decline in trailer registrations in 2015. MaxiTRANS' trailer sales declined by 9.8% during FY15.

However, against this backdrop MaxiTRANS increased its share of the Australian trailer market during the year through competitive pricing and a superior product offering.

Strong demand for refrigerated vans, combined with competitive pricing made possible by the continuous improvement cost reduction program resulted in sales of Maxi-CUBE vans increasing by 24% in FY15. We expect these market conditions to continue well into FY16 and this is currently reflected in the strong order book.

The successful continuous improvement program is now being extended to MaxiTRANS' other products where similar benefits are expected to be achieved.

An aggressive pricing strategy saw market share for Freighter trailers increase during the year. However, revenue declined 5% on prior year in what was considered a declining trailer market.

In May 2015, MaxiTRANS launched the new VersaBOLT tipper product at the Brisbane Truck Show, a versatile and cost-effective product aimed at increasing share of the tipper market. This innovative product was awarded 'Trailer of the Show' and has so far received very positive feedback from the market. The product is being commercialised in FY16.

External market conditions most significantly impacted sales of the tipper product range with sales down 53% on the prior year. With the outlook for the resources sector not expected to improve in the foreseeable future and to ensure an optimal manufacturing model, subsequent to the end of FY15, the Company decided to close its Bundaberg manufacturing facility at which the AZMEB product was produced and relocate production to its other facilities.

New Zealand

The Company is delighted the New Zealand business capitalised on strong market conditions and launched a number of new Freighter products to achieve revenue growth of 39%, the second consecutive year of double digit growth. The business is the market leader in refrigerated and non-refrigerated vans in New Zealand and continued to gain market share in FY15. Profit growth exceeded revenue growth due to favourable product mix and continued realisation of procurement efficiencies.

PARTS & SERVICE BUSINESS

Revenue for the Parts & Service business decreased 6.7% from the prior year largely due to a weaker performance from the MaxiPARTS business. However, net profit before tax declined by 84% largely due to the poor trading conditions and the product recall impacting the MaxiPARTS business.

Australia

The MaxiPARTS business experienced a softening in the truck and trailer parts market in FY15, in particular in Queensland where further contraction in resources activity and continued drought has had a significant economic impact. MaxiPARTS derives approximately one third of its revenue in Queensland and consequently those conditions were a significant contributor to the result. As a result, three under-performing stores in Queensland were closed during the year. Furthermore, the wholesale business was also impacted by lower sales to other trailer manufacturers due to lower trailer sales across the market, in particular in Western Australia.

MaxiPARTS was also adversely impacted by a product recall initiated during the year which had a cost impact of $2.45 million in FY15. The recall was in relation to a third-party supplied suspension product of which MaxiPARTS had experienced strong sales in recent years. An alternate source of supply has been secured and sales of the product resumed in late FY15.

China
The market for MTC's refrigerated and dry freight panel product softened over the year as the sales of heavy duty trucks in China declined by 33%, particularly in the second half of FY15. However, the Company remains confident that this business will achieve strong growth as supply chains in China continue to develop to support the growth in local consumption.

OUTLOOK

The Trailer business expects to benefit from the buoyant market for refrigerated vans, which together with the continued manufacturing efficiency initiatives, will drive growth of the Maxi-CUBE product in FY16. This is supported by a strong order book for Maxi-CUBE as we enter FY16. As product improvements and manufacturing efficiencies are attained in the Freighter products, the Company expects to grow market share in this market segment as well. The launch of the VersaBOLT tipper in FY16 should also bolster tipper sales in an otherwise soft market.

The opening of the new Company-owned NSW trailer dealership in early FY16 will build on the national distribution network and will create opportunities to further increase MaxiTRANS' share of the Australian trailer market.

With the profit impact of the product recall in FY15 behind us, the Company expects an improved contribution from the Parts & Service business over the outlook period. A number of new sales initiatives such as the MaxiPARTS online purchasing portal launched in early FY16 and new, valued added service offerings to the major truck and trailer fleets should see MaxiPARTS increase share in its market. Growth in the product range including the relaunch of the CS suspension product should also benefit the Parts & Service business during FY16.

Whilst the Company expects the market in Australia in FY16 will continue to be subdued, the strategies put in place are aimed at increasing market share in all of its segments and rigorous management of costs and the continuous improvement program should deliver significant profit improvement over FY15.

In the offshore markets, New Zealand should continue to build on its momentum to further gain market share from its expanding Freighter and Maxi-CUBE product range.

As Chinese markets start to improve and a number of new, value added products are launched during the year in both its local and export markets, the Chinese business is well positioned to take advantage of improving market conditions.

Notwithstanding the soft trading conditions experienced, MaxiTRANS is putting the strategies in place to deliver growth ahead of its markets and capitalise on improving market conditions.

Ian Davis
Chairman

Michael Brockhoff
Managing Director

21 August 2015

Financial Summary

		F2011	F2012	F2013	F2014	F2015
Revenue	$'000	202,476	276,767	362,534	351,968	**329,165**
EBITDA (excluding significant items)[2]	$'000	11,230	23,549	44,219	30,594	**16,247**
EBIT (excluding significant items)[2]	$'000	5,879	18,116	38,316	25,185	**10,604**
NPBT (excluding significant items)[2]	$'000	4,341	16,795	36,358	23,172	**8,079**
NPAT (excluding significant items)[2][3]	$'000	4,171	12,334	25,965	17,075	**6,303**
Significant Items	$'000	(70)	–	–	–	**(1,806)[1]**
NPAT – attributable to equity holders	$'000	4,171	12,334	25,965	17,075	**4,497**
Basic EPS	cents	2.27	6.70	14.11	9.26	**2.43**
Ordinary dividends/share declared	cents	1.50	4.25	8.50	6.00	**2.00**
Depreciation	$'000	3,697	3,818	3,309	3,600	**3,967**
Amortisation – leased assets	$'000	874	835	1,446	690	**550**
Amortisation – intangibles	$'000	780	780	1,148	1,119	**1,126**
Capex additions	$'000	3,888	4,701	6,706	13,239	**10,893**
Operating cash flow	$'000	9,058	17,567	23,543	16,612	**12,138**
NTA	$'000	64,652	55,033	71,662	75,876	**78,380**
Net assets	$'000	91,722	98,695	115,764	121,813	**120,612**
Interest bearing liabilities	$'000	16,161	29,884	26,218	42,580	**47,302**
Finance costs	$'000	1,538	1,321	1,958	2,013	**2,525**
Total bank debt	$'000	12,700	26,000	23,013	39,713	**45,196**
Net debt/equity	%	11%	26%	21%	31%	**36%**
Interest cover (excluding significant items)[2]	times	3.87	13.71	19.57	12.51	**4.20**

[1] Relates to impairment loss on AZMEB intangible assets of $2.58m net of tax.

[2] EBIT, EBITDA, NPBT and NPAT excluding significant items are non-IFRS financial measures, which have not been subject to review or audit by the Group's external auditors. These measures are presented to enable understanding of the underlying performance of the Group by users.

[3] Also referred to as underlying net profit after tax attributable to MaxiTRANS equity holders.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2015

Your directors submit their report together with the consolidated financial report of MaxiTRANS Industries Limited ("the Company") and its subsidiaries (together referred to as the "Group"), and the Group's interest in joint ventures for the year ended 30 June 2015 and the auditor's report thereon.

Directors

The names of directors in office at any time during or since the end of the financial year are:

Mr Ian R. Davis	(Chairman since 1994)
Mr James R. Curtis	(Deputy Chairman since 1994)
Mr Michael A. Brockhoff	(Managing Director since 2000)
Mr Geoffrey F. Lord	(Director since 2000)
Mr Robert H. Wylie	(Director since 2008)
Mr Joseph Rizzo	(Director since 2014)

Principal Activities

The principal activities of the Group during the year consisted of the design, manufacture, sale, service and repair of transport equipment and related components and spare parts.

There were no changes in the nature of the Group's principal activities during the financial year.

Dividends

Dividends paid or declared for payment are as follows:

Ordinary shares

A fully franked dividend of 2.25 cents per share was paid on 10 October 2014 totalling $4,164,206.

A fully franked dividend of 2.00 cents per share was paid on 16 April 2015 totalling $3,701,513.

No final divided was proposed by the directors for year ended 30 June 2015.

State of Affairs

There were no significant changes in the state of affairs of the Group which occurred during the financial year.

Events Subsequent to Balance Date

There were no material events subsequent to balance date impacting on the financial statements.

Corporate Governance Statement

The Corporate Governance Statement of the Directors, and the accompanying Appendix 4G, is separately lodged with ASX, and forms part of this Directors' Report. It may also be found on the Company's website at www.maxitrans.com.

Environmental Regulation

The Group's environmental obligations are regulated under Local, State and Federal Law. All environmental performance obligations are internally monitored and subjected to regular government agency audit and site inspections. The Group has a policy of complying with its environmental performance obligations. No breach of any environmental regulation or law has been notified to the Group during or since the year ended 30 June 2015.

Operating & Financial Review

REVIEW OF OPERATIONS

MaxiTRANS operates two types of businesses: the manufacture and sale of trailing solutions in Australia and New Zealand (the "Trailer business"); and a trailer service and truck and trailer parts business down the eastern seaboard of Australia ("the Parts and Service business"). The Parts and Service business also has an 80% share in a Chinese company, Yangzhou Maxi-CUBE Tong Composites Co Ltd ("MTC"), that manufactures panels for refrigerated and dry freight trailers in China. MTC sells these products in both its domestic and export markets.

The cyclical downturn experienced in FY14 continued throughout FY15 together with further contraction in the resources sector which adversely impacted most segments of the Australian business.

Trailer business

The Trailer business has a diverse portfolio of trailing solutions with market leading brands and a reputation for high quality with customers. Sales of products through our dealer network, comprising both owned dealerships and licenced dealerships provides a full solution including after sales service and parts to those customers.

Continuing slow Australian economic conditions, further contraction in the resources sector and prolonged drought conditions, particularly in Queensland, led to an overall market decline in trailer registrations in 2015.

MaxiTRANS' trailer sales declined by 6.5% during FY15.

However, against this backdrop, notwithstanding the overall market decline, MaxiTRANS increased its share of the trailer market during the year through competitive pricing and a superior product offering.

Vans, Trailers and Rigid Bodies (Australia)

Strong demand for refrigerated vans combined with competitive pricing made possible by the continuous improvement cost reduction program resulted in sales of Maxi-CUBE vans increasing by 24% in FY15. We expect these market conditions to continue well into FY16 and this is currently reflected in the strong order book.

The success from the continuous improvement program has now been extended to MaxiTRANS' other products where similar benefits are expected to be obtained.

Notwithstanding an aggressive pricing strategy to gain market share, sales of Freighter trailers declined 5% on prior year in what was considered a competitive trailer market.

Tippers (Australia)

External market conditions most significantly impacted sales of the tipper product range with sales down 53% on prior year. With the outlook for equipment requirements into the resources sector not expected to improve in the foreseeable future and to ensure an optimal manufacturing model in Australia, subsequent to the end of FY15, the Board decided to close its Bundaberg manufacturing facility at which the AZMEB product was produced and relocate production to its other manufacturing facilities. As a result of this outlook, an impairment charge of $2.6m pre-tax has been made against the carrying value of the AZMEB intangible assets.

In May 2015, MaxiTRANS launched the new VersaBOLT tipper product at the Brisbane Truck Show, a versatile and cost-effective product aimed at increasing share of the tipper market. This innovative product was awarded 'Trailer of the Show' and has so far received positive feedback from the market. The product is being commercialised in FY16.

New Zealand

The New Zealand business capitalised on strong market conditions and launched a number of new Freighter products in achieving revenue growth of 39%, the second consecutive year of double digit growth. This has led to the business continuing to gain market share in FY15 and is the market leader in refrigerated and non-refrigerated vans in New Zealand. Profit growth exceeded revenue growth due to favourable product mix and continued realisation of procurement efficiencies.

Parts & Service business

The Parts & Service business sells truck and trailer parts at both a wholesale and retail level in Australia. The retail business sells parts to road transport operators as well as truck and trailer service and repair providers mainly along the eastern seaboard of Australia. The wholesale business operates in Victoria, Queensland, New South Wales and Western Australia. Wholesale customers are typically truck dealers and trailer manufacturers. At the end of FY15, MaxiPARTS operated 22 wholesale sites and retail stores.

As outlined above, the Parts & Service business also includes the panel manufacturing operation in China through our 80% shareholding in MTC.

Revenue for the Parts & Service business decreased 6.7% from prior year largely due to a weaker performance from the MaxiPARTS business. However, net profit before tax declined 84% largely due to the poor trading conditions and the product recall impacting the MaxiPARTS business.

Australia

The MaxiPARTS business experienced a softening in the truck and trailer parts market in FY15, in particular in Queensland where further contraction in resources activity and continued drought has had a significant economic impact. The MaxiPARTS business derives approximately one third of its revenue in Queensland and consequently those conditions were a significant contributor to the result. As a result, three under-performing stores in Queensland were closed during the year. Furthermore, the wholesale business was also impacted by lower sales to other trailer manufacturers due to lower trailer sales across the market, in particular in Western Australia.

The MaxiPARTS business was also adversely impacted by a major product recall initiated during the year which had a cost impact of $2.45 million pre-tax. The recall was in relation to a third party supplied suspension product of which MaxiPARTS had experienced strong sales in recent years. An alternate source of supply has been secured and sales of the product have resumed.

China

The market for MTC's refrigerated and dry freight panel product softened over the year as the sales of heavy duty trucks in China declined by 33%, particularly in the second half of FY15. However, we remain confident that this business will achieve strong growth as supply chains in China continue to develop to support the growth in local consumption.

FINANCIAL REVIEW

Sales

Total revenue declined by 6.5% to $329 million for FY15, down from $352 million in FY14.

The Trailer business achieved external sales revenue of $200 million, a 6.5% decrease over FY14 revenue. A strong performance from sales of Maxi-CUBE vans and continued strong growth from the New Zealand business assisted in mitigating the significant decline in the Australian tipper business.

The Parts & Service business recorded a 6.7% external revenue decline to finish FY15 with revenue of $127.2 million.

Profit

Reported net profit after tax and significant items attributable to MXI equity holders was $4.5 million in FY15, a decrease of 74% on FY14. Underlying net profit after tax attributable to MXI equity holders was $6.3m, a decrease of 63%.

Trading margins in the Australian Trailer business further declined in FY15, due to lower production volumes and continuing aggressive price competition in the market.

Profitability in the Parts & Service businesses declined by 84% due to the following:

- Lower sales volumes, particularly in the MaxiPARTS Queensland stores;
- Costs associated with the recall of a core suspension product;
- Further start-up losses on the greenfields MaxiPARTS stores in Darwin and Mackay; and
- Costs of relocating to the new MaxiPARTS Victorian warehouse.

Financing costs of $2.5 million were higher than FY14 due to higher net borrowings arising from the lower trading performance.

Cash Generation & Capital Management

Operating cash flow of $12.1 million was generated during FY15 which was 27% lower than FY14 due to the weaker trading results of both the Trailer business and the Parts & Service business.

Working capital has improved on the prior year with a particular focus on inventory management and this continues to be rigorously managed.

Net cash outflows from investing activities were lower than prior year. The major investment activity during the year was associated with Project TRANSform. No businesses were acquired during the year.

Due to the weaker operating cash flows, gearing levels were higher at the end of FY15 than at the end of FY14. Net debt for FY15 increased to 36% of equity, up from 31% in FY14.

External Financing Facilities

MaxiTRANS has syndicated debt facilities, totalling $75 million with the ANZ Banking Group and Westpac Banking Corporation. The facility is used to fund ongoing business requirements and facilitate funding future growth opportunities. The facility has both three year and five year maturities.

These facilities are sufficient to support the business in its current form.

The facilities have a number of covenant and ratio requirements and the Group has complied with these throughout FY15.

In addition, MTC has an RMB 20 million facility with China Merchant Bank to support its ongoing requirements. Subsequent to the end of the financial year, ANZ Banking Group in China replaced China Merchant Bank and has provided debt facilities guaranteed by the parent company totalling RMB 25 million to MTC.

Dividends

The total dividend to shareholders for the year was 2.0 cents per share and was fully franked. The total ordinary dividend of 2.0 cents per share compared with 6.0 cents per share in the prior year and represents an 82% pay out ratio of FY15 net profit after tax attributable to MXI shareholders.

RISK

The MaxiTRANS Audit & Risk Management Committee, a sub-committee of the Board, governs the framework and process for the identification and mitigation of material business risks. A business risk is the threat that an event or action will pose to MaxiTRANS' ability to meet its business objectives or capture an opportunity.

This process requires the business to identify the material business risks and classify them as between "very high", "high", "medium" or "low" based on the consequences arising from the occurrence of the risk and the likelihood of it occurring. The business is then required to develop action plans to mitigate these risks and determine action plans in the event they occur.

Operational Risks

The Group has identified the following operational risks as "very high" in its most recent risk assessment:

- The Trailer business, which contributes in excess of 60% of Group revenue and net profit before tax, is engaged in the manufacture and sale of high value discretionary capital goods. The success of this business is largely dependent on the prosperity of the economy driving freight movement. There is a risk that any decline in the domestic economy will reduce freight movement and therefore the demand for new trailing solutions and expanding customer fleets.

  The Group has sought to mitigate this risk by:

  - ensuring that its products are of consistently high quality;
  - expanding into other sectors;
  - expanding the Service & Parts business to provide more stable recurring income; and
  - expanding into international markets including by improving product offerings in New Zealand and improving manufacturing capacity in China.

- The risk of greater competition from competitors selling imported trailers in the Australian market resulting in a potential loss of market share.

  The Group has sought to mitigate this risk by:

  - ensuring that product quality remains high thereby protecting its brands;
  - investigating low cost country sourcing opportunities to maintain margins;
  - reducing the manufacturing cost base through efficiencies to maintain margins; and
  - minimising lead times to delivery.

Foreign Exchange & Commodities Risk

The Group has exposure to the United States dollar and the Euro. The Trailer business has exposures to these currencies arising from the purchase of raw materials and components consumed in the manufacture of trailers. The Trailer business also has significant exposure to commodity price fluctuations for steel and aluminium used in the manufacturing process. Similarly, the Parts & Service business also has exposure to these currencies as a result of importing parts for sale.

The Group has a policy of only hedging foreign currency cash flow risk utilising forward contracts to protect against movements in short term committed expenditure. The Group does not hedge against currency risk arising from the translation of foreign operations.

Depreciation of the Australian dollar may:

- adversely affect the operating cost base and therefore margins. The Group currently hedges short term committed foreign currency purchases. Some or all of this risk may be further mitigated by price management and efficiency improvement, however;
- may also benefit the Group insofar as it also acts as a potential barrier to entry for imports that may be uncompetitive in price against locally produced products.

Conversely, an appreciating Australian dollar against major currencies increases the risk of import competition. The specialised and customised nature of the trailer industry, together with demand for short delivery times, reduces this risk.

HEALTH & SAFETY

In FY14, the Company commenced a major program to step change the safety culture of the organisation and provide a high level of care for all employees.

This program, known as "MaxiSAFE" will initially be conducted over a three year period at eight principal sites. It will equip and empower management to drive improvements in health and safety and engage all employees in a cultural shift in respect of work health and safety. The same improvements will be progressively implemented across all Company sites.

In FY15, the program yielded the lowest injury frequency rate in a decade and is on track to achieve the aggressive targets set at the commencement of the program. This has also had a positive effect on organizational culture and employee engagement.

The Board currently monitors, and will continue to monitor, the Group's health and safety performance on a monthly basis.

STRATEGY

MaxiTRANS' strategy focuses on the following pillars that will continue to drive superior shareholder returns:

- continue to develop innovative products that improve our customers' business performance;
- continuing to build the Parts & Service business through a combination of organic and acquisitive growth initiatives;
- continuing to improve the efficiency and capacity of manufacturing facilities;
- continuing to diversify participation, both in terms of industry sectors and geographic presence; and
- identifying strategic acquisitions that continue to build upon our vertically integrated business model and integrating them successfully.

Successfully identifying and integrating acquisitions

The Group continually assesses acquisition opportunities for their potential to diversify industry sector and geographical participation, and will pursue those opportunities as and when suitable, value accretive targets become available.

Increasing the contribution of the Parts & Service business

The Parts & Service business comprised 38% of the Group's revenue in FY15.

As previously outlined, the Parts business encountered a number of challenges in FY15. However, notwithstanding these challenges, the Group still supports the pursuit of increasing the contribution from the Parts & Service business.

To support the future growth of the Parts business, the business opened a new, larger Victorian office and warehouse on more favourable terms than its previous facility.

The Group will continue to review future growth opportunities for the Parts & Service business to satisfy customer demand.

Improving manufacturing efficiency

MaxiTRANS' has undertaken significant capital investment in its manufacturing facilities in recent years, including the construction of a new facility in New Zealand in FY11 and the completion of construction of the new facility in China in FY14.

The focus now is optimising the utilisation of these facilities by:

- improving the efficiency of manufacturing processes;
- continually improving the quality of product produced at these facilities; and
- managing the volume and mix of products produced at each facility.

Consistent with this strategy, the Company has decided to relocate the production of its AZMEB products to its other manufacturing facilities and close the Bundaberg manufacturing facility in FY16 due to the poor outlook for the resources sector into the foreseeable future. The Company will continue to manufacture, sell and support the AZMEB products in Australia and to explore international opportunities.

Expanding industry sector and geographical coverage

The current product portfolio provides the Company with opportunities in most freight based industry sectors throughout Australia.

The Board will continue to identify organic growth and acquisition opportunities in both the product portfolio and distribution channels to increase our geographic coverage.

During FY15, a new Company owned trailer dealership commenced in NSW, replacing its former independent dealer. The dealership will relocate to new premises in early FY16 and will provide the company with improved opportunities to further increase market share.

Business Transformation Program

Recognising the Company's history of growth through acquisitions, each with their own legacy systems the Company has committed to a significant investment in a business transformation program known as "Project TRANSform".

The program will replace thirteen outdated legacy IT systems with a single enterprise resource planning system across the business. This will allow the Company to streamline many business processes, thus creating operational efficiencies and mitigating business risk.

OUTLOOK

The Trailer business expects to benefit from the buoyant market for refrigerated vans, which together with the continued manufacturing efficiency initiatives, will drive growth of the Maxi-CUBE product in FY16. This is supported by a strong order book for Maxi-CUBE as we enter FY16. As product improvements and manufacturing efficiencies are attained in our Freighter products, we expect to grow market share in this market segment as well. The launch of the VersaBOLT tipper in FY16 should also bolster tipper sales in an otherwise soft market.

The opening of our new Company owned NSW trailer dealership in early FY16 will build on our national distribution network and will create opportunities to further increase our share of the Australian trailer market.

With the profit impact of the product recall in FY15 behind us, we expect an improved contribution from the Parts & Service business over the outlook period. A number of new sales initiatives such as the MaxiPARTS online purchasing portal launched in early FY16 and new, valued added service offerings to the large truck and trailer fleets should see MaxiPARTS increase share in its market. Growth in the product range including the relaunch of the CS suspension product should also benefit the Parts & Service business during FY16.

Whilst we expect the market in Australia in FY16 will continue to be subdued, the strategies put in place are aimed at increasing market share in all of our segments and rigorous management of costs should deliver significant profit improvement over FY15.

In our offshore markets, New Zealand should continue to build on its momentum to further gain market share from its expanding Freighter and Maxi-CUBE product range.

As Chinese markets start to improve and a number of new, value added products are launched during the year in both its local and export markets, our Chinese business is well positioned to take advantage of improving market conditions.

Notwithstanding the soft trading conditions experienced, MaxiTRANS is putting the strategies in place to deliver growth ahead of its markets and capitalise on improving market conditions.

Information of Directors

Mr. Ian R. Davis	Chairman, Independent Non-Executive, Age 70
Qualifications & Experience:	Law degree with honours from University of Melbourne. Appointed Chairman 1994. Head of Private Wealth and previously National Chairman of international law firm, Minter Ellison, Mr. Davis has extensive experience in the corporate and commercial area of law in which he practices. He was formerly a Non-Executive Director of Redflex Holdings Ltd from October 2009 to February 2013, and is a former Non-Executive Chairman and former Non-Executive Director of a number of publicly listed and private companies.
Special Responsibilities:	Chairman of Corporate Governance Committee, Remuneration Committee and Nomination Committee. Member of Audit & Risk Management Committee.
Interest in Shares:	1,502,193 ordinary shares beneficially held.
Options over Ordinary Shares:	Nil

Mr. James R. Curtis	Deputy Chairman, Non-Executive, Age 80
Qualifications & Experience:	Appointed Deputy Chairman in 1994. Mr. Curtis was one of the founders of the Group in 1972. He has over 50 years' experience in the transport equipment industry and is a pioneer of fibreglass road transport equipment in Australia.
Special Responsibilities:	Member of Corporate Governance Committee, Audit & Risk Management Committee, Remuneration Committee and Nomination Committee.
Interest in Shares:	24,943,030 ordinary shares beneficially held.
Options over Ordinary Shares:	Nil

Mr. Michael A. Brockhoff	Managing Director, Executive, Age 62
Qualifications & Experience:	Appointed Managing Director in June 2000. Thirty-eight years' experience in the road transport industry.
Special Responsibilities	Member of Nomination Committee
Interest in Shares:	3,090,172 ordinary shares beneficially held.
Options over Ordinary Shares:	Nil

Mr. Geoffrey F. Lord	Independent Non-Executive Director, Age 70
Qualifications & Experience:	B. Econ. (Honours), M.B.A. (Distinction), ASSA, Fellow of the Australian Institute of Company Directors. Appointed Director in October 2000. Chairman and Chief Executive Officer of Belgravia Group. Chairman of Terrain Capital Ltd. Former chairman of LCM Litigation Fund Pty Ltd. Former Chairman and current Deputy Chairman of UXC Limited since September 2002. Deputy Chairman of Institute of Drug Technology Limited since October 1998. Board member of the Melbourne Business School. Formerly a Director of Northern Energy Corporation from December 2007 to October 2011. Former Chairman/inaugural member of Melbourne Victory.
Special Responsibilities:	Member of Audit & Risk Management Committee, Corporate Governance Committee, Remuneration Committee and Nomination Committee.
Interest in Shares:	1,049,604 ordinary shares beneficially held.
Options over Ordinary Shares:	Nil

Mr. Robert H. Wylie	Independent Non-Executive Director, Age 65
Qualifications & Experience:	Fellow of the Institute of Chartered Accountants in Australia, a member of the Institute of Chartered Accountants of Scotland and a Fellow of the Australian Institute of Company Directors. Appointed Director in September 2008. Currently a Director of The Walter + Eliza Hall Institute of Medical Research, Mr. Wylie has wide ranging experience in professional service in a variety of management roles with Deloitte. He has previously held senior positions with Deloitte Touche USA LLP. Prior to this, he was Deputy Managing Partner Asia Pacific. This followed a long career with Deloitte Australia, including eight years as National Chairman. Mr. Wylie also served on the Global Board of Directors and the Governance Committee of Deloitte Touche Tohmatsu and the Global Board of Directors of Deloitte Consulting. Mr Wylie is also a former National President of the Institute of Chartered Accountants in Australia. Formerly a Director of Elders Limited from November 2009 to August 2012 and Director of both Centro Properties Limited and CPT Manager Limited from October 2008 to December 2011.
Special Responsibilities:	Chairman of Audit & Risk Management Committee. Member of Corporate Governance Committee and Nomination Committee.
Interest in Shares:	21,364 ordinary shares beneficially held.
Options over Ordinary Shares:	Nil

Mr. Joseph Rizzo	Independent Non-Executive Director, Age 59
Qualifications & Experience:	Bachelor of Economics (Monash University), Executive Program (University of Michigan), Graduate of the Australian Institute of Company Directors (GAICD). Appointed Non-Executive Director 2014. Formerly Managing Director of PACCAR Australia Pty Ltd with thirty-five years' experience in the road transport equipment manufacturing industry. Mr. Rizzo has a wide knowledge of the industry generally along with strong manufacturing, sales and marketing experience in a directly related field. Former Vice President of the Truck Industry Council.
Special Responsibilities:	Member of Audit & Risk Management Committee, Corporate Governance Committee, Remuneration Committee and Nomination Committee.
Interest in Shares:	50,000 ordinary shares beneficially held.
Options over Ordinary Shares:	Nil

Company Secretaries

Mr. Campbell R. Richards	B. Bus. (Acc), CA Appointed to the position of Company Secretary in June 2013.
Mr. David Poldrugovac	B. Eco. (Acc), CA Appointed to the position of Assistant Company Secretary in March 2014.

Details of attendances by directors at Board and committee meetings during the year are as follows:

	Directors' Meetings		Audit & Risk Management Committee		Remuneration Committee		Nomination Committee (i)		Corporate Governance Committee (ii)	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number Attended
Ian Davis	**15**	15	**4**	4	**2**	2	**–**	–	**–**	–
James Curtis	**15**	13	**4**	3	**2**	2	**–**	–	**–**	–
Michael Brockhoff	**15**	15	**–**	–	**2**	2	**–**	–	**–**	–
Geoffrey Lord	**15**	14	**4**	4	**2**	1	**–**	–	**–**	–
Robert Wylie	**15**	15	**4**	4	**2**	2	**–**	–	**–**	–
Joseph Rizzo	**15**	15	**4**	4	**2**	2	**–**	–	**–**	–

(i) The Nomination Committee did not meet during the year.

(ii) The Corporate Governance Committee meeting for the year ended 30 June 2014 was held in July 2014.

Remuneration Report

Information contained in the Remuneration Report is audited.

Remuneration levels for directors, secretaries and executives of the Company, and relevant group executives of the Group **("the directors and senior executives")** are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. The Remuneration Committee obtains independent advice on the appropriateness of remuneration of non-executive directors and the Managing Director having regard to trends in comparative companies and the objectives of the Group's remuneration strategy.

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account:

- The capability and experience of the directors and senior executives;
- The directors' and senior executives' ability to control the relevant segment/s' performance;
- The Group's performance including the Group's earnings per share; and
- The amount of incentives within each director's and senior executive's remuneration.

The Directors continue to be focussed on ensuring that MaxiTRANS provides a remuneration structure which genuinely attracts, motivates and retains executive talent and aligns the interests of management and shareholders.

The following is a summary of the key elements of the structure of remuneration for executive directors and senior management:

- the structure of executive director and senior management remuneration includes a mix of fixed and performance-linked components;
- the mix of total remuneration between fixed and performance-linked components to average 60% and 40% respectively;
- the performance-linked component of total remuneration comprises a Short Term Incentive ('STI') scheme and a Long Term Incentive ('LTI') scheme; and
- the mix of performance-linked remuneration (as a percentage of total remuneration) between STI and LTI components to average 15% and 25% respectively;

The Directors are of the view that the remuneration structure supports alignment between the Group and shareholders.

Each of the components of total remuneration for executive directors and senior management are described in more detail below.

Fixed remuneration

Fixed remuneration consists of base remuneration, including any FBT charges related to employee benefits which have been salary sacrificed, as well as employer contributions to superannuation funds.

Remuneration levels are reviewed annually by both the Remuneration Committee and the Managing Director through a process that considers individual, segment and overall performance of the Group. In addition and as required, external consultants may be engaged to provide analysis and advice to ensure the directors' and senior executives' remuneration is competitive in the market place. A senior executive's remuneration is also reviewed on promotion.

Performance-linked remuneration

Performance linked remuneration includes both STI's and LTI's and is designed to reward executive directors and senior executives for meeting or exceeding specified objectives. The STI includes an "at risk" incentive provided in the form of cash.

The LTI is provided in the form of Performance Rights. The MaxiTRANS Performance Rights Plan ('PRP') was approved by the shareholders at the Annual General Meeting held on 15 October 2010.

STI

Each year KPIs (key performance indicators) are set for senior executives and executive directors. The KPIs generally include measures relating to the Group, the relevant segment, and the individual, and include financial, people, customer, strategy and risk measures. The measures are chosen as they directly align the individual's reward to the KPIs of the Group and to its strategy and performance.

The key financial performance objective is "net profit before tax" compared to budgeted amounts. The non-financial objectives vary with position and responsibility and include measures such as achieving strategic outcomes, safety and environmental performance, customer satisfaction and staff development.

At the end of the financial year the actual performance of the Group, the relevant segment and individual is measured against the KPIs set at the beginning of the financial year. The method of assessment was chosen as it provides an objective assessment of the individual's performance.

In line with the Group's philosophy of rewarding employees for performance, STI's based on the achievement of KPIs are also available to staff other than executive directors and senior management.

LTI

The LTI scheme available to executive directors and to senior management is based on the annual grant of a specified number of Performance Rights which can be converted by executive directors and senior management into a specified number of ordinary shares in the Company.

Performance Rights will vest and will be able to be exercised upon the achievement of specified long term performance targets in a period not less than three years after the date upon which the Performance Rights are granted to executive directors and senior management provided they remain in the employment of the Group throughout that period.

Traditionally, the Board has set a long term incentive target for management to achieve an increase in the Group's Return on Invested Capital ('ROIC'). During financial year 2015 the Board introduced a secondary LTI target based on Earnings Per Share growth. Both targets are weighted equally and operate independently of the other. The parameters that have been set by the Board are set out in Note 15.

If the minimum ROIC target is reached, 50% of the Performance Rights will vest. The percentage of Performance Rights that vest increases on a sliding scale once the minimum target is reached. 100% of the Performance Rights will vest where the target is fully achieved or exceeded. No director or senior executive has entered a hedging arrangement with respect to the value of unvested Performance Rights.

The Earnings Per Share target represents an absolute hurdle with no sliding scale for achievement below the target.

Other benefits

Non-executive directors are not entitled to receive additional benefits as a non-cash benefit. Non-executive directors may receive a component of their directors' fees as superannuation.

Senior executives can receive additional benefits as non-cash benefits, as part of the terms and conditions of their appointment. Other benefits typically include payment of superannuation, motor vehicles, telephone expenses and allowances, and where applicable, the Group pays fringe benefits tax on these benefits.

Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the remuneration committee have regard to the indices highlighted in the table on page 24. Net profit before tax is considered as one of the financial performance targets in setting the STI.

Service agreements

It is the Group's policy that service contracts for executive directors and senior executives be unlimited in term but capable of termination on up to six months notice and that the Group retains the right to terminate the contract immediately, by making payment of up to twelve months' pay in lieu of notice.

The Group has entered into service contracts with each executive director and senior executive that entitle those executives to receive, on termination of employment, their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

The service contract outlines the components of remuneration paid to the executive directors and senior executives but does not prescribe how remuneration levels are modified year to year. Remuneration levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the remuneration policy including performance related objectives if applicable.

Mr Michael Alan Brockhoff, Managing Director, has a contract of employment with the Company dated 3 May 2000. The contract specifies the duties and obligations to be fulfilled by the Managing Director and provides that the Board and Managing Director will early in each financial year, consult and agree objectives for achievement during that year. The service contract can be terminated either by the Company or Mr Brockhoff providing six months notice. The Company may make a payment in lieu of notice of six months, equal to base salary, motor vehicle allowance and superannuation. This payment represented market practice at the time the terms were agreed. The Managing Director has no entitlement to a termination payment in the event of removal for misconduct or breach of any material terms of his contract of employment.

Mr Campbell Richards, Company Secretary, has a contract of employment with the Company dated 3 May 2013. The contract can be terminated either by the Company or Mr Richards providing three months notice. The Company may make a payment in lieu of notice of three months, equal to base salary and superannuation.

Non-executive directors

Total remuneration for all non-executive directors, last voted upon by shareholders at the 2012 AGM, is not to exceed $600,000 per annum and directors' fees are set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies. Directors' base fees (inclusive of superannuation) for the year were $75,000 per annum. The Chairperson received $140,000 per annum. Non-executive directors do not receive performance related remuneration and are not entitled to either a STI or LTI. Directors' fees cover all main board activities and membership or chairing of all committees. Non-executive directors are not entitled to any retirement benefits.

Services of remuneration consultant

In keeping with the above policies, the Remuneration Committee engaged Mercer as remuneration consultant to review the amount of non-executive director and senior executive remuneration during the year. Mercer was paid $7,088 for the remuneration recommendations.

Remuneration recommendations regarding senior executives were provided directly to the Remuneration Committee. A declaration was received from Mercer as part of its report that advice provided was made free from undue influence of senior executives.

Directors' and executive officers' remuneration

Details of the nature and amount of each major element of remuneration of each director of the Company and other key management personnel of the Group:

		Primary			Post	Equity	Other (iv)	Total	Proportion of remuneration performance related	Value of PR's as proportion of remuneration
	Year	Salary & fees (i) $	STI (ii) $	Non-cash benefits $	Super $	PR's (iii) $	$	$	%	%
DIRECTORS										
Non-executive										
Mr I Davis	**2015**	**127,854**	**–**	**–**	**12,146**	**–**	**–**	**140,000**	**–**	**–**
Chairman	2014	128,146	–	–	11,854	–	–	140,000	–	–
Mr J Curtis (v)	**2015**	**68,493**	**–**	**–**	**6,507**	**–**	**20,000**	**95,000**	**–**	**–**
	2014	68,650	–	–	6,350	–	–	75,000	–	–
Mr G Lord	**2015**	**68,493**	**–**	**–**	**6,507**	**–**	**–**	**75,000**	**–**	**–**
	2014	68,650	–	–	6,350	–	–	75,000	–	–
Mr R Wylie	**2015**	**40,000**	**–**	**–**	**35,000**	**–**	**–**	**75,000**	**–**	**–**
	2014	40,000	–	–	35,000	–	–	75,000	–	–
Mr J Rizzo	**2015**	**40,000**	**–**	**–**	**35,000**	**–**	**–**	**75,000**	**–**	**–**
	2014	3,574	–	–	330	–	–	3,904	–	–
Executive										
Mr M Brockhoff	**2015**	**651,461**	**–**	**3,627**	**64,201**	**156,641**	**50,229**	**926,159**	**16.9%**	**16.9%**
Managing Director	2014	657,407	175,000	20,169	78,842	181,159	58,261	1,170,838	30.4%	15.5%
EXECUTIVES										
Mr C Richards	**2015**	**351,360**	**–**	**–**	**31,500**	**36,886**	**–**	**419,746**	**8.8%**	**8.8%**
Chief Financial Officer and Company Secretary	2014	338,457	–	–	29,702	16,204	–	384,363	4.2%	4.2%
Mr A Wibberley	**2015**	**300,293**	**–**	**2,291**	**30,633**	**67,297**	**37,451**	**437,965**	**15.4%**	**15.4%**
Group General Manager – Manufacturing	2014	253,974	39,360	27,488	27,690	70,309	9,543	428,364	26.5%	16.4%
Mr P Buttler	**2015**	**231,469**	**28,253**	**14,258**	**26,086**	**57,324**	**21,636**	**379,026**	**21.9%**	**14.7%**
General Manager – Ballarat MaxiTRANS Australia Pty Ltd	2014	228,028	34,602	34,220	23,587	57,475	6,567	384,479	23.9%	14.9%
Mr A McKenzie (vi)	**2015**	**64,437**	**–**	**–**	**6,112**	**–**	**4,428**	**74,977**	**–**	**–**
Group General Manager – Sales and Distribution	2014	–	–	–	–	–	–	–	–	–
Mr S Harkin (vii)	**2015**	**75,880**	**–**	**5,267**	**7,171**	**–**	**4,935**	**93,253**	**–**	**–**
Group Supply Manager	2014	–	–	–	–	–	–	–	–	–

	Year	Primary			Post	Equity	Other (iv)	Total	Proportion of remuneration performance related	Value of PR's as proportion of remuneration
		Salary & fees (i)	STI (ii)	Non-cash benefits	Super	PR's (iii)				
		$	$	$	$	$	$	$	%	%
EXECUTIVES (continued)										
Mr N Zantuck (viii)	**2015**	**214,971**	**–**	**–**	**24,348**	**5,431**	**26,621**	**271,371**	**2.0%**	**2.0%**
General Manager - Vic Branch, MaxiTRANS Australia Pty Ltd	2014	200,403	–	–	20,320	56,903	31,086	308,712	18.4%	18.4%
Mr P Loimaranta	**2015**	**275,890**	**–**	**–**	**28,423**	**68,314**	**31,099**	**403,726**	**16.9%**	**16.9%**
General Manager - MaxiPARTS Pty Ltd	2014	264,658	–	–	26,818	69,916	30,920	392,312	17.8%	17.8%

Notes in relation to table of directors' and executive officers' remuneration

(i) Includes the accrual of short-term statutory entitlements.

(ii) STI entitlement is 15% of total remuneration for each of the individuals listed above. The short-term cash incentives disclosed above are for performance for the 30 June 2014 financial year using the criteria set out in the Remuneration Report. The amounts were determined after performance reviews were completed. The proportion of STI entitlements which vested during the year were as follows based on the operating performance of the relevant business units to which each individual belongs:

- Mr P Buttler (50%).

The balance of STI entitlements was forfeited.

(iii) The fair value of performance rights (PR's) is calculated at the date of grant using the Monte Carlo simulation model and allocated to each reporting period evenly over the period from grant date to vesting date, adjusted for any changes in the probability of performance and service targets being achieved. The value disclosed is the portion of the fair value recognised in this reporting period. In valuing the PR's, market conditions have been taken into account. Further details in respect of PR's are contained on the following page of the Remuneration Report. Details of PR's vested during the period are contained in Note 15 - Share Based Payments.

(iv) Includes the accrual of long-term statutory entitlements.

(v) Other remuneration relates to the provision of consulting services to the Group.

(vi) Mr A McKenzie was appointed 20 April 2015.

(vii) Mr S Harkin was appointed 9 February 2015.

(viii) Mr N Zantuck resigned effective 27 May 2015. All PR's held by Mr Zantuck at that time were cancelled.

Analysis of share-based payments granted as remuneration

Details of the vesting profile of the PR's granted as remuneration to each of the Company directors and other key management personnel of the Group during the reporting period are detailed below.

	PR's granted (no.)	Grant date	Fair value at grant date ($)	Vesting date	Expiry date
Directors					
Mr M Brockhoff	437,113	31 Aug. 2014*	0.7683	31 Aug. 2017	31 Aug. 2021
Company executives					
Mr C Richards	196,456	31 Aug. 2014	0.7683	31 Aug. 2017	31 Aug. 2021
Consolidated entity executives					
Mr A Wibberley	192,741	31 Aug. 2014	0.7683	31 Aug. 2017	31 Aug. 2021
Mr P Buttler	154,019	31 Aug. 2014	0.7683	31 Aug. 2017	31 Aug. 2021
Mr N Zantuck	130,456	31 Aug. 2014	0.7683	31 Aug. 2017	31 Aug. 2021
Mr P Loimaranta	177,670	31 Aug. 2014	0.7683	31 Aug. 2017	31 Aug. 2021

* PR's were issued to Mr Brockhoff subject to the approval of shareholders at the Annual General Meeting held on 24 October 2014.

The 2011 PR's granted to the Company directors and key management personnel had a vesting date of November 2014. 53% of these PR's vested during the current year and were exercised by the holders of the PR's.

All PR's expire on the earlier of their expiry date or termination of the individual's employment. In order for PR's to vest, holders must continue to be in the employment of the Group until vesting date. The PR's vest three years after the date they were issued, subject to the satisfaction of performance hurdles. PR's may only be exercised during a four year period after they have vested. Details of the performance criteria are included in the discussion on LTI's.

The estimated maximum value of PR's on issue for future years is the current share price. This is subject to future movements in the share price. The estimated minimum value is $nil.

Unissued Shares Under Rights

At the date of this report there are no unissued ordinary shares of the Company relating to vested PR's.

Consolidated Results and Shareholder Returns

	2015	2014	2013	2012	2011
Net profit/(loss) attributable to equity holders of the parent	**$4,497,000**	$17,075,000	$25,965,000	$12,334,000	$4,171,000
Basic EPS	**2.43¢**	9.26¢	14.11¢	6.70¢	2.27¢
Dividends declared	**$3,701,513**	$11,104,542	$15,639,438	$7,819,719	$2,759,901
Dividends declared per share	**2.00¢**	6.00¢	8.50¢	4.25¢	1.50¢
Share price	**39.5¢**	97.0¢	$1.065	61.5¢	23.0¢

Directors' and executives' holdings of shares

For key management personnel, the movements in shares held directly, indirectly or beneficially at the reporting date in the Company are set out below:

2015 Shares

MaxiTRANS Industries Limited	Held at 1 July 2014	Purchases	Sales	Held at 30 June 2015
Directors:				
Mr M Brockhoff	3,138,338	451,834	500,000	3,090,172
Mr I Davis	1,502,193	–	–	1,502,193
Mr J Curtis	24,380,030	563,000	–	24,943,030
Mr G Lord	1,049,604	–	–	1,049,604
Mr R Wylie	21,364	–	–	21,364
Mr J Rizzo	–	50,000	–	50,000
Executives:				
Mr P Loimaranta	126,522	162,123	27,929	260,716
Mr A Wibberley	140,447	170,083	89,023	221,507
Mr P Buttler	–	145,321	–	145,321
Mr N Zantuck	119,716	142,085	–	n/a

2014 Shares

MaxiTRANS Industries Limited	Held at 1 July 2013	Purchases	Sales	Held at 30 June 2014
Directors:				
Mr M Brockhoff	2,642,500	495,838	–	3,138,338
Mr I Davis	1,502,193	–	–	1,502,193
Mr J Curtis	24,205,030	175,000	–	24,380,030
Mr G Lord	1,049,604	–	–	1,049,604
Mr R Wylie	21,364	–	–	21,364
Mr J Rizzo	–	–	–	–
Executives:				
Mr P Loimaranta	–	126,522	–	126,522
Mr A Wibberley	–	140,447	–	140,447
Mr N Zantuck	–	119,716	–	119,716

End of Remuneration Report

Audit and Risk Management Committee

As at the date of this report, the Company had an Audit and Risk Management Committee of the Board of Directors that met four times during the year. The details of the functions and memberships of the committees of the Board are presented in the Corporate Governance Statement.

Indemnity

With the exception of the matters noted below the Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate:

(i) Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or

(ii) Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

The Group has entered into a contract of insurance in relation to the indemnity of the Group's directors and officers. The insurance policy relates to claims for damages, judgements, settlements or costs in respect of wrongful acts committed by directors or officers in their capacity as directors or officers but excluding wilful, dishonest, fraudulent, criminal or malicious acts or omissions by any director or officer. The directors indemnified are those existing at the date of this report. The officers indemnified include each full time executive officer and secretary.

During the financial year, the Group paid premiums of $43,971 (2014: $44,006) in respect of directors' and officers' liability insurance contracts.

Clause 98 of the Company's constitution contains indemnities for officers of the Company.

The Company has entered into a deed of protection with each of the directors to:

(i) Indemnify the director to ensure that the director will have the benefit of the indemnities after the director ceases being a director of any group company;

(ii) Insure the director against certain liabilities after the director ceases to be a director of any group company; and

(iii) Provide the director with access to the books of group companies.

Share Options

Share options granted to directors and highly remunerated officers

No options were granted to any of the directors or the five most highly remunerated executives of the Company or Group as part of their remuneration during or since the end of the financial year.

Shares Issued on the Exercise of Options

No options were exercised during the financial year.

Further details on the Group's Performance Rights Plan are detailed in Note 15 to the consolidated financial statements and in the Remuneration Report.

Non-Audit Services

During the year, KPMG, the Company's auditor, performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Management Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is included in, and forms part of this Report of the Directors on page 28.

Details of the amounts paid to the auditor of the Company, KPMG, for audit and non-audit services provided during the year are set out below.

	Consolidated	
	2015 $	2014 $
Remuneration of Auditor		
Remuneration of the auditor of the Group for:		
KPMG Australia:		
– auditing and reviewing the financial statements	**286,200**	229,900
– other services (taxation & advisory)	**55,590**	225,497
	341,790	455,397
Overseas KPMG Firms:		
– auditing and reviewing financial statements	**76,350**	65,503
– other services (taxation, advisory & due diligence)	**28,916**	7,897
	105,266	73,400
Total	**447,056**	528,797

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Rounding of Accounts

The parent entity has applied the relief available to it in ASIC Class Order 98/100 dated 10 July 1998 and, accordingly, amounts in the financial statements and Report of the Directors have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the Board of Directors.

Mr. Ian Russell Davis, Director

Mr. Michael Alan Brockhoff, Director

Dated this 21st day of August 2015

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of MaxiTRANS Industries Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG
Melbourne
21 August 2015

Tony Romeo
Partner

KPMG, an Australian partnership and member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2015

In the opinion of the directors of MaxiTRANS Industries Limited ("the Company"):

(a) the consolidated financial statements and notes as set out on pages 30 to 68, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

There are reasonable grounds to believe that the Company and the group entities identified in Note 19 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2015.

The directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

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

Mr. Ian Russell Davis, Director

Mr. Michael Alan Brockhoff, Director

Dated this 21st day of August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	Consolidated 2015 $'000	Consolidated 2014 $'000
Sale of goods		**317,678**	338,516
Rendering of services		**11,487**	13,452
Raw materials and consumables used		**(200,820)**	(212,227)
Interest income		**97**	91
Employee expenses		**(82,924)**	(83,584)
Depreciation and amortisation expenses	6,7	**(5,643)**	(5,409)
Impairment loss on intangible assets	7	**(2,580)**	–
Finance costs	9	**(2,525)**	(2,013)
Other expenses		**(30,268)**	(27,125)
Share of net profits of joint ventures accounted for using the equity method	20	**997**	1,471
Profit before income tax		**5,499**	23,172
Income tax expense	3(a)	**(1,036)**	(6,027)
Profit for the year		**4,463**	17,145
Profit attributable to:			
Equity holders of the company		**4,497**	17,075
Non-controlling interests		**(34)**	70
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share (cents per share)	12	**2.43¢**	9.26¢
Diluted earnings per share (cents per share)	12	**2.43¢**	9.16¢

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Consolidated 2015 $'000	Consolidated 2014 $'000
Profit for the year		**4,463**	17,145
Other comprehensive income			
Items that may subsequently be re-classified to profit or loss:			
Net exchange difference on translation of financial statements of foreign operations		**597**	1,264
Other sundry movements		**(81)**	(6)
Items that will never be re-classified to profit or loss:			
Revaluation of land and buildings		**3,127**	2,583
Related tax		**(917)**	(775)
Other comprehensive income for the year, net of tax		**2,726**	3,066
Total comprehensive income for the year		**7,189**	20,211
Total comprehensive income attributable to:			
Equity holders of the company		**6,992**	20,167
Non-controlling interests		**197**	44

The consolidated statement of profit or loss and consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the consolidated financial statements.

CONSOLIDATED BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $'000	2014 $'000
Current Assets			
Cash and cash equivalents		**4,345**	5,041
Trade and other receivables	4	**42,961**	43,031
Inventories	5	**53,735**	54,587
Current tax assets	3(c)	**1,410**	–
Other		**1,790**	2,418
Total Current Assets		**104,241**	105,077
Non-Current Assets			
Investment in joint venture		**3,926**	3,994
Property, plant & equipment	6	**73,354**	63,197
Intangible assets	7	**42,232**	45,938
Deferred tax assets	3(b)	**933**	–
Other		**1,156**	818
Total Non-Current Assets		**121,601**	113,947
Total Assets		**225,842**	219,024
Current Liabilities			
Trade and other payables	8	**43,216**	41,040
Interest bearing loans and borrowings	9	**5,266**	4,399
Current tax liability	3(c)	**362**	231
Provisions	10	**12,694**	10,608
Total Current Liabilities		**61,538**	56,278
Non-Current Liabilities			
Interest bearing loans and borrowings	9	**42,036**	38,181
Deferred tax liabilities	3(b)	**260**	1,561
Provisions	10	**1,152**	1,070
Other		**244**	121
Total Non-Current Liabilities		**43,692**	40,933
Total Liabilities		**105,230**	97,211
Net Assets		**120,612**	121,813
Equity			
Issued capital	11	**56,386**	56,386
Reserves		**15,583**	13,069
Retained earnings		**46,805**	50,457
Equity attributable to equity holders of the Company		**118,774**	119,912
Non-controlling interest		**1,838**	1,901
Total Equity		**120,612**	121,813

The consolidated balance sheet is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued capital $'000	Asset revaluation reserve[1] $'000	Retained earnings $'000	Non-controlling interest $'000	Other reserves[2] $'000	Total $'000
Balance at 1 July 2013		56,386	8,028	48,142	1,857	1,351	115,764
Comprehensive income for the year							
Profit for the year		–	–	17,075	70	–	17,145
Other comprehensive income							
Net exchange differences on translation of financial statements of foreign operations		–	–	–	(26)	1,290	1,264
Revaluation of land and buildings		–	1,808	–	–	–	1,808
Other sundry movements		–	–	–	–	(6)	(6)
Total comprehensive income for the year		–	1,808	17,075	44	1,284	20,211
Transactions with owners recorded directly in equity							
Dividends to equity holders	13	–	–	(14,760)	–	–	(14,760)
Share-based payment transactions	15	–	–	–	–	598	598
Total transactions with owners		–	–	(14,760)	–	598	(14,162)
Balance at 30 June 2014		**56,386**	**9,836**	**50,457**	**1,901**	**3,233**	**121,813**

1. Asset revaluation reserve

The asset revaluation reserve includes the net revaluation increments arising from the revaluation of land and buildings.

2. Other reserves

Other reserves comprises the foreign currency translation reserve, share based payment reserve and hedging reserve.

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued capital $'000	Asset revaluation reserve[1] $'000	Retained earnings $'000	Non-controlling interest $'000	Other reserves[2] $'000	Total $'000
Balance at 1 July 2014		56,386	9,836	50,457	1,901	3,233	121,813
Comprehensive income for the year							
Profit for the year		–	–	4,497	(34)	–	4,463
Other comprehensive income							
Net exchange differences on translation of financial statements of foreign operations		–	–	–	231	366	597
Revaluation of land and buildings		–	2,210	–	–	–	2,210
Other sundry movements		–	–	–	–	(81)	(81)
Total comprehensive income for the year		–	2,210	4,497	197	285	7,189
Transactions with owners recorded directly in equity							
Dividends to equity holders	13	–	–	(7,866)	(260)	–	(8,126)
Share-based payment transactions	15	–	–	(283)	–	19	(264)
Total transactions with owners		–	–	(8,149)	(260)	19	(8,390)
Balance at 30 June 2015		**56,386**	**12,046**	**46,805**	**1,838**	**3,537**	**120,612**

1. Asset revaluation reserve

The asset revaluation reserve includes the net revaluation increments arising from the revaluation of land and buildings.

2. Other reserves

Other reserves comprises the foreign currency translation reserve, share based payment reserve and hedging reserve.

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015 $'000	2014 $'000
Cash Flows from Operating Activities			
Receipts from customers		**360,828**	384,473
Payments to suppliers & employees		**(341,211)**	(352,451)
Interest received		**97**	91
Interest & other costs of finance paid		**(2,525)**	(2,013)
Income tax paid		**(5,051)**	(13,488)
Net Cash Provided by/(Used in) Operating Activities	21(a)	**12,138**	16,612
Cash Flows from Investing Activities			
Payments for property, plant & equipment		**(10,026)**	(13,239)
Dividends received		**1,065**	1,307
Proceeds from sale of property, plant & equipment		**218**	1,564
Acquisition of business		**-**	(3,451)
Net Cash Provided by/(Used in) Investing Activities		**(8,743)**	(13,819)
Cash Flows from Financing Activities			
Proceeds from borrowings		**5,219**	17,383
Payment of finance lease liabilities		**(1,184)**	(1,430)
Dividends paid	13	**(8,126)**	(14,760)
Net Cash Provided by/(Used in) Financing Activities		**(4,091)**	1,193
Net increase/(decrease) in cash		**(696)**	3,986
Cash and cash equivalents at beginning of year		**5,041**	1,055
Cash and cash equivalents at end of year		**4,345**	5,041

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

MaxiTRANS Industries Limited (the 'Company') is a company domiciled in Australia and its registered office is 346 Boundary Road, Derrimut, Victoria. The consolidated financial statements of MaxiTRANS Industries Limited as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in joint ventures and jointly controlled entities. The Group is a for-profit entity.

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report also complies with International Financial Reporting Standards ('IFRSs') adopted by the International Accounting Standards Board ('IASB').

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 or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. These accounting policies have been consistently applied to all periods presented in the consolidated financial report by each entity in the Group and are consistent with those of the previous year.

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

The Group has applied the relief available to it in ASIC Class Order 98/100 dated 10 July 1998 and, accordingly, amounts in the financial statements and Report of the Directors have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

The financial report was approved by the board of directors on 21 August 2015.

Standards taking effect from 1 July 2015 and later

- Revenue from contracts with customers (Amendments to AASB 15) - applicable for annual reporting periods beginning on or after 1 January 2017 -The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at at point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.
- IFRS 9 Financial Instruments - applicable for annual reporting periods beginning on or after 1 January 2018 - The new standard includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, and supplements the new general hedge accounting requirements previously published. It supersedes AASB 9 (issued in December 2009 - as amended) and AASB 9 (issued in December 2010 - as amended).

The Group expect to adopt these standards in the financial year they apply. The financial impact of adopting the new or amended standards has not yet been determined.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

(a) Principles of consolidation

The consolidated financial report comprises the financial statements of MaxiTRANS Industries Limited and all of its subsidiaries. A subsidiary is any entity controlled by MaxiTRANS Industries Limited or any of its subsidiaries. Control exists where MaxiTRANS Industries Limited is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of subsidiaries is contained in Note 18 to the financial statements.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Where subsidiaries have entered or left the Group during the year, their operating results have been included from the date control was obtained or until the date control ceased. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Joint ventures are those entities for which the Group has joint control, but not control, whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities. The financial statements include the Group's share of the total recognised gains and losses of the joint venture on an equity accounted basis, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of a joint venture.

Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the joint venture.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

(ii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Australian dollars at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars at rates approximating the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on translation are recognised directly in a separate component of equity.

(c) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned on a weighted average basis and include direct materials, direct labour and an appropriate proportion of variable and fixed factory overheads, based on the normal operating capacity of the production facilities.

Net realisable value is determined on the basis of each inventory line's normal selling pattern.

(d) Property, plant and equipment

(i) Owned assets

Land and buildings

Property whose fair value can be measured reliably is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Independent valuations were obtained at 30 June 2015 in relation to the majority of land and buildings. These were considered by the directors in establishing revaluation amounts.

If an asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to equity under the heading of Asset Revaluation Reserve. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is debited directly to equity under the heading of Asset Revaluation Reserve to the extent of any credit balance existing in the revaluation reserve in respect of that asset. Changes to an asset's carrying amount are brought to account together with the tax effects applicable to the revaluation amount. On realisation of any amounts contained in the Asset Realisation Reserve, the balance is transferred to retained earnings.

Plant and equipment

Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses (see accounting policy (i)). The cost of self-constructed assets includes the cost of materials, direct labour, and an appropriate proportion of production overheads. The cost of self-constructed assets and acquired assets includes (i) the initial estimate, at the time of installation and during the period of use, when relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and (ii) changes in the measurement of existing liabilities recognised for these costs resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases for which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. The plant and equipment acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation.

Lease payments are accounted for as described in accounting policy (v).

(iii) Depreciation

Depreciation is charged to the consolidated profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are reflected in the following rates in the current and comparative periods:

	2015	2014
Buildings	**2.5-4.0%**	2.5-4.0%
Plant and equipment	**5.0-50%**	5.0-50%
Leased plant and equipment	**10.0-30%**	10.0-30%

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

(e) Intangibles

(i) Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the consideration transferred for the acquisition and the net recognised amount (generally fair value of the identifiable assets acquired and liabilities assumed), all measured as of acquisition date.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see accounting policy (i)). In respect of joint ventures, the carrying amount of goodwill is

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

included in the carrying amount of the investment in the joint venture.

Negative goodwill arising on an acquisition is recognised directly in profit or loss.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the profit and loss as an expense as incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete development.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the profit and loss as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation (see below) and impairment losses (see accounting policy (i)).

(iii) Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (see following) and impairment losses.

(iv) Amortisation

Amortisation of intangibles other than goodwill is charged to the profit and loss on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with an indefinite useful life are tested for impairment at least at each annual reporting date. Other intangible assets are amortised from the date that they are available for use. The estimated useful lives are reflected in the following rates in the current and comparative periods:

	2015	2014
Brand names	**0%**	0%
Intellectual property	**0%-4.0%**	0%-4.0%
Patents & trademarks	**5.0%-12.0%**	5.0%-12.0%

Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(f) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale. Immediately before classification, the assets are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(g) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy (i)).

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(i) Impairment

The carrying amounts of the Group's assets, other than inventories (see accounting policy (c)) and deferred tax assets (see accounting policy (p)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available

1. **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

for use, the recoverable amount is estimated at least annually.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the profit and loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(j) Calculation of recoverable amount

The recoverable amount of the Group's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration (less than 12 months) are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax nominal discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(k) Reversals of impairment

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis.

(m) Employee benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the profit or loss as incurred. During the year superannuation contributions of $4,683,366 (2014: $4,969,762) were expensed.

(ii) Long-term service benefits

The Group's net obligation in respect of long-term service benefits, other than pension plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to corporate bonds at the reporting date which have maturity dates approximating the terms of the Group's obligations.

(iii) Share based payments transactions

MaxiTRANS Industries Limited grants performance rights from time to time to certain employees under the Performance Rights Plan.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The fair value of performance rights granted is recognised as an employee expense with a corresponding increase in equity recorded over the vesting period.

The fair value of the performance rights is calculated at the date of grant using a Monte Carlo simulation model and allocated to each reporting period over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the performance rights allocated to this reporting period. Where relevant, in valuing the performance rights, market conditions have been taken into account in both the current and prior period.

(iv) Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

(n) Provisions

A provision is recognised in the consolidated balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

(o) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and known warranty claims.

(p) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions. The Group believes that its accruals for tax liabilities are adequate for all open tax years. This assessment relies on estimates and assumptions and may involve judgements about future events.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

(q) Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax consolidated group is MaxiTRANS Industries Limited.

Due to the existence of a tax contribution agreement between the entities in the tax consolidated group, the parent entity recognises the tax effects of its own transactions and the current tax liabilities and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the subsidiary entities.

Current tax income/expense, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts of assets and liabilities in the separate financial statements of each entity and the tax values applying under tax consolidation.

In accordance with the tax contribution agreement, the subsidiary entities are compensated/charged for the assets and liabilities assumed by the parent entity as intercompany receivables and payables and for amounts which equal the amounts initially recognised by the subsidiary entities.

(r) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit attributable to members of the parent entity for the reporting period, by the weighted average number of ordinary shares of the Company.

Diluted EPS is calculated by dividing the basic earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(s) Revenue

(i) Revenue from the sale of goods

Revenue from the sale of goods is recognised upon the constructive delivery of goods to customers in accordance with contracted terms, at which point the significant risks and rewards of ownership are transferred.

(ii) Revenue from the rendering of services

Revenue from the rendering of services is recognised as the services are performed/rendered.

(iii) Other income

Interest income is recognised in the profit and loss as it accrues, using the effective interest method.

(iv) Dividend income

Dividend revenue is recognised when the right to receive a dividend has been established.

(t) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST),

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). 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 are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the consolidated balance sheet.

Cash flows are included in the statements of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(u) Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

(v) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease expense and spread over the lease term.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest method, foreign exchange losses, and losses on hedging instruments that are recognised in the profit and loss. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are recognised in the profit and loss using the effective interest method.

(w) Derivative financial instruments

The Group from time to time uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. The Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised in the profit or loss.

The amount accumulated in equity is retained in OCI and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to profit or loss.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Accounting estimates and judgements

Management discussed with the Audit and Risk Management Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment of goodwill and intangibles

The Group assesses whether goodwill and intangibles with indefinite useful lives are impaired at least annually in accordance with accounting policy (i).

These calculations involve an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

(ii) Provisions

The calculation of the provisions for warranty claims and impairment provisions for inventory and receivables involves estimation and judgement surrounding future claims and potential losses and exposures based primarily on past experience, the likelihood of claims or losses and exposures arising in the future as well as management knowledge and experience together with a detailed examination of financial and non financial information and trends. Refer accounting policy (n) for details of the recognition and measurement criteria applied.

(y) Financial Risk Management

(i) Overview

The Group has exposure to credit, market and liquidity risks associated with the use of financial instruments.

The Board has delegated to the Audit and Risk Management Committee responsibility for the establishment of policies on risk oversight and management.

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk controls, and to monitor risks and adherence to limits.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's activities expose it primarily to the financial risks associated with changes in foreign currency exchange rates and interest rates. The carrying value of financial assets and financial liabilities recognised in the accounts approximate their fair value with the exception of borrowings which are recorded at amortised cost.

There have not been any changes to the objectives, policies and procedures for managing risk during the current year or in the prior year.

(ii) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Board monitors the earnings per share and the levels of dividends to ordinary shareholders together with the net debt/equity ratio, which at 30 June 2015 was 36% (2014: 31%). The Dividend Reinvestment Plan was suspended on 21 June 2011. The Board seeks to maintain a balance between higher returns that might be possible with higher levels of borrowings and the advantages afforded by a sound capital position.

(z) Segment reporting

Operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by the Group's chief operating decision maker which, for the Group, is the Managing Director. In this regard, such information is provided using different measures to those used in preparing the consolidated statement of profit or loss and consolidated balance sheet. Reconciliations of such management information to the statutory information contained in the financial report have been included.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Land and buildings

The fair value of property is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing and knowledgeable buyer and seller in an arm's length transaction after proper marketing.

(ii) Derivatives

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract.

The fair value of interest rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

(iii) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(iv) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

(ab) Government grants

From time to time the Group becomes eligible for government grants. These grants are accounted for in accordance with AASB 120 Accounting for Government Grants and Disclosure of Government Assistance. The current grants relate to assets, and have been presented in the balance sheet by deducting the grant value from the cost of the asset in arriving at the asset carrying amount.

As at 30 June 2015, the Group has accounted for two government grants.

The first grant, relating to the relocation of the Hamelex White manufacture and assembly production line from Hallam to Ballarat, amounts to $2.5 million. At 30 June 2015 $2.2 million has been received. In accordance with the terms of the grant, the Group is required to recruit and maintain certain levels of employee numbers, and maintain and operate the facility for a period of not less than 3 years from the date of completion. The grant has been offset against the cost of setting up the new production line within plant and equipment.

The second grant, relating to relocation compensation for the MTC (China) facility amounts to $3.42 million. At 30 June 2015 $3.38 million has been received. Conditions relating to this grant have been met, and the company has initially applied the grant against the write off of the old facility ($0.8m), and the balance of the grant has been applied against the cost of the new facility ($2.58m).

	Consolidated 2015 $'000	Consolidated 2014 $'000
2. PROFIT FROM ORDINARY ACTIVITIES		
Net (income)/expenses from movements in provision for:		
– employee entitlements	600	872
– warranty [1]	1,567	(47)
– other	315	(566)
Net (income)/expense resulting from movements in provisions	2,482	259
Rental expense on operating leases	5,812	5,291
Research and development expenditure written off as incurred	821	717
Crediting as income:		
Net gain on disposal of:		
– property, plant and equipment	(43)	(238)

[1] Includes provision for product recall costs of $2.45m pre-tax.

3. TAXATION

(a) Income tax

	2015 $'000	2014 $'000
Reconciliation of tax expense		
Prima facie tax payable on profit before tax at 30% (2014: 30%)	1,650	6,952
Add/(deduct) tax effect of:		
Research & development allowance	(400)	(348)
Non-deductible/(deductible) expenses	123	(126)
Joint venture equity accounted income	(299)	(441)
Prior year adjustments	(19)	(149)
Impact of tax rates in foreign jurisdictions	(19)	(20)
Current year losses for which no deferred asset is recognised	–	159
	(614)	(925)
Income tax expense in consolidated statement of profit or loss	1,036	6,027
Income tax expense attributable to operating profit is made up of:		
Current tax expense	3,323	5,486
Prior year adjustment – current tax	735	(149)
Deferred tax expense		
– origination and reversal of temporary difference	(2,268)	323
– prior year adjustment – deferred differences	(754)	367
Income tax expense in consolidated statement of profit or loss	1,036	6,027

3. TAXATION (continued)

	Consolidated 2015 $'000	Consolidated 2014 $'000
(b) Deferred tax assets/(deferred tax liabilities)		
The deferred tax assets/(deferred tax liabilities) are made up of the following estimated tax benefits:		
– Provisions and accrued employee benefits	**6,166**	3,924
– Property, plant & equipment	**(4,498)**	(3,196)
– Leases	**(3)**	(21)
– Intangible assets	**(2,163)**	(2,933)
– Inventory	**654**	533
– Other	**517**	132
Net deferred tax asset/(liability)	**673**	(1,561)
Balance at beginning of year	**(1,561)**	(1,125)
Recognised in profit or loss	**3,075**	235
Acquired through business combination	**–**	51
Recognised in equity	**(841)**	(722)
Net deferred tax asset/(liability)	**673**	(1,561)

(c) Current tax asset/(liability)

The Group's current tax asset of $1,409,887 (2014: $nil) and current tax liability of $362,328 (2014: $231,289) represents the amount of income taxes receivable/(payable) in respect of current and prior financial periods.

4. TRADE AND OTHER RECEIVABLES

	Consolidated 2015			Consolidated 2014		
	Gross $'000	**Impairment $'000**	**Total $'000**	Gross $'000	Impairment $'000	Total $'000
Impairment losses						
Not past due	**30,264**	**(200)**	**30,064**	28,183	(140)	28,043
Past due 0 – 30 days	**9,951**	**(51)**	**9,900**	10,858	(65)	10,793
Past due 31 – 60 days	**1,607**	**(11)**	**1,596**	2,096	(11)	2,085
Past due over 61 days	**77**	**(56)**	**21**	1,660	(358)	1,302
Trade debtors	**41,899**	**(318)**	**41,581**	42,797	(574)	42,223
Other receivables			**1,380**			808
Total trade and other receivables			**42,961**			**43,031**

	Consolidated 2015 $'000	Consolidated 2014 $'000
5. INVENTORIES		
Second–hand units – at net realisable value	**4,848**	3,319
Finished goods – at cost	**32,693**	34,376
Work in progress – at cost	**4,245**	3,143
Raw materials – at cost	**14,675**	15,905
Less: provision for impairment loss	**(2,726)**	(2,156)
Total inventories	**53,735**	54,587

	Consolidated 2015 $'000	Consolidated 2014 $'000
6. PROPERTY, PLANT & EQUIPMENT		
Land and buildings at fair value	**46,380**	43,178
Accumulated depreciation	**(728)**	(202)
Total land and buildings	**45,652**	42,976
Plant and Equipment		
Plant & equipment at cost	**39,267**	37,595
Accumulated depreciation	**(28,234)**	(28,466)
	11,033	9,129
Office equipment at cost	**8,706**	9,109
Accumulated depreciation	**(6,174)**	(6,086)
	2,532	3,023
Leased plant & equipment	**2,136**	4,278
Accumulated depreciation	**(663)**	(2,444)
	1,473	1,834
Capital work in progress	**12,664**	6,235
Total plant and equipment	**27,702**	20,221
Total property, plant and equipment	**73,354**	63,197

Independent valuations were obtained at 30 June 2015 in relation to the majority of land and buildings held at that time, for use by the directors in assessing land and buildings at fair value.

Refer to Note 25(e) for details of security over land and buildings.

6. PROPERTY, PLANT & EQUIPMENT (continued)

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	Consolidated	
	2015 $'000	2014 $'000
Land and buildings		
Carrying amount at the beginning of the financial year	**42,976**	37,243
Additions	**–**	1,499
Fair value increment	**3,127**	2,583
Transfers from capital works in progress	**–**	5,279
Disposals	**–**	(2,950)
Depreciation	**(874)**	(714)
Other sundry movements	**423**	36
Carrying amount at the end of the financial year	**45,652**	42,976
Plant and equipment		
Carrying amount at the beginning of the financial year	**9,129**	6,589
Additions	**3,115**	4,401
Transfers from leased plant and equipment	**496**	49
Transfers from capital works in progress	**43**	14
Disposals	**(163)**	(182)
Depreciation	**(1,955)**	(1,885)
Other sundry movements	**368**	143
Carrying amount at the end of the financial year	**11,033**	9,129
Office equipment		
Carrying amount at the beginning of the financial year	**3,023**	2,118
Additions	**621**	1,267
Transfers from capital works in progress	**–**	592
Disposals	**(12)**	(7)
Depreciation	**(1,138)**	(1,001)
Other sundry movements	**38**	54
Carrying amount at the end of the financial year	**2,532**	3,023
Leased plant and equipment		
Carrying amount at the beginning of the financial year	**1,834**	1,566
Additions	**685**	1,007
Transfers to plant and equipment	**(496)**	(49)
Amortisation	**(550)**	(690)
Carrying amount at the end of the financial year	**1,473**	1,834
Capital works in progress		
Carrying amount at the beginning of the financial year	**6,235**	6,082
Additions	**6,472**	6,038
Transfers to property, plant and equipment	**(43)**	(5,885)
Carrying amount at the end of the financial year	**12,664**	6,235

	Consolidated	
	2015 $'000	2014 $'000
7. INTANGIBLES		
Goodwill at cost	**24,645**	24,945
Brand names at cost	**6,930**	6,930
Accumulated amortisation	**(691)**	(691)
	6,239	6,239
Intellectual property at cost	**22,665**	22,665
Accumulated amortisation	**(11,673)**	(10,935)
	10,992	11,730
Patents and trademarks at cost	**891**	4,229
Accumulated amortisation	**(535)**	(1,205)
	356	3,024
Total Intangibles	**42,232**	45,938

Reconciliations

Reconciliations of the carrying amounts for each class of intangible assets are set out below:

	2015 $'000	2014 $'000
Goodwill		
Carrying amount at the beginning of the financial year	**24,945**	21,990
Acquisition through business combination	**–**	2,955
Impairment losses	**(300)**	–
Carrying amount at the end of the financial year	**24,645**	24,945
Brand names		
Carrying amount at the beginning of the financial year	**6,239**	6,239
Carrying amount at the end of the financial year	**6,239**	6,239
Intellectual property		
Carrying amount at the beginning of the financial year	**11,730**	12,460
Amortisation	**(738)**	(730)
Carrying amount at the end of the financial year	**10,992**	11,730
Patents and trademarks		
Carrying amount at the beginning of the financial year	**3,024**	3,413
Amortisation	**(388)**	(389)
Impairment losses	**(2,280)**	–
Carrying amount at the end of the financial year	**356**	3,024

7. INTANGIBLES (continued)

	Consolidated			
	Other Intangibles Allocation		Goodwill Allocation	
	2015	2014	**2015**	2014
CGU	**$'000**	$'000	**$'000**	$'000
Freighter	**12,814**	13,220	**2,853**	2,853
Maxi–CUBE	**–**	–	**762**	762
Lusty EMS	**2,333**	2,530	**–**	–
AZMEB	**–**	2,624	**–**	300
Hamelex White	**2,440**	2,619	**–**	–
MaxiPARTS	**–**	–	**16,699**	16,699
Yangzhou Maxi–CUBE Tong Composites (China)	**–**	–	**2,753**	2,753
Transport Connection	**–**	–	**1,578**	1,578
	17,587	20,993	**24,645**	24,945

Impairment tests for Goodwill and Other Intangibles

The recoverable amount of the CGU's to which goodwill and other intangible assets with indefinite useful lives are allocated is determined based on value–in–use calculations. These calculations use cash flow projections based on most recent budgeted projections by key operational management. These projections are derived based on current market conditions, order intake and expectations with regards to market share. Projections are extrapolated using estimated growth rates for a five year period with a terminal growth rate of 2% which is below the long–term market average. The growth rate used for years 2-5 is 2.75% which is based on recent Australian Government GDP forecasts and the after-tax nominal discount rates used were 9.6% – 10.6% (2014: 11.8% – 12.8%).

As a result of this testing, the carrying amount of the AZMEB CGU was determined to be higher than its recoverable amount. The decline in resources sector investment and mining activity has significantly reduced the demand for the AZMEB product, with no material improvement in demand expected for these products into the foreseeable future. An impairment loss of $2,580,000 has therefore been recognised for the year ended 30 June 2015, allocated $2,280,000 to Other Intangible Assets and $300,000 to Goodwill.

The recoverable amount of all other CGUs, was found to be in excess of their respective carrying values. As such, no additional impairment charges were required for the year ended 30 June 2015.

		Consolidated	
		2015	2014
		$'000	$'000
8. TRADE AND OTHER PAYABLES			
Trade payables		**31,871**	29,613
Other payables and accruals		**11,345**	11,427
Total trade and other payables		**43,216**	41,040
9. INTEREST BEARING LOANS AND BORROWINGS			
Current			
Bank loans – secured	25	**4,196**	2,463
Lease liability		**1,070**	1,936
Total current interest bearing liabilities		**5,266**	4,399

9. INTEREST BEARING LOANS AND BORROWINGS (continued)

		Consolidated	
		2015 $'000	2014 $'000
Non Current			
Bank loans	25	**41,000**	37,250
Lease liability		**1,036**	931
Total non–current interest bearing liabilities		**42,036**	38,181

Bank loans are subject to a floating interest rate. Interest rate swaps have been executed in respect of $13.5m (2014: $29.0m) of this debt in order to mitigate interest rate risk. Refer to note 25(b) for further details.

Finance Costs:		
- Interest on bank loans	**2,359**	1,778
- Finance lease charges	**166**	235
Total finance costs	**2,525**	**2,013**

10. PROVISIONS

Current		
Employee entitlements	**9,485**	8,967
Warranty	**3,209**	1,641
Total current provisions	**12,694**	10,608
Non Current		
Employee entitlements	**1,152**	1,070
Aggregate employee entitlements liability	**10,637**	10,037

11. ISSUED CAPITAL

	Number of Ordinary Shares	**Share Capital $'000**
Balance at 30 June 2014	185,075,653	56,386
Balance at 30 June 2015	**185,075,653**	**56,386**

Ordinary shares

Subject to the Constitution of the Company, holders of ordinary shares are entitled to vote as follows:

- Every shareholder may vote;
- On a show of hands every shareholder has one vote;
- On a poll every shareholder has:

  (i) One vote for each fully paid share; and

  (ii) For each partly paid share held by the shareholder, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) on the share.

Subject to the Constitution of the Company, ordinary shares attract the right in a winding up to participate equally in the distribution of the assets of the Company (both capital and surplus), subject only to any amounts unpaid on shares.

12. EARNINGS PER SHARE

Basic earnings per share

	Consolidated	
	2015 – $'000	2014 – $'000
Earnings reconciliation		
Net profit attributable to equity holders of the company	**4,497**	17,075
Basic earnings	**4,497**	17,075

	2015 – Number	2014 – Number
Weighted average number of shares		
Ordinary shares on issue at 1 July	**185,075,653**	183,993,392
Effect of shares issued during the year	**–**	326,161
Weighted average number for basic earnings per share	**185,075,653**	184,319,553

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2015 is based on net profit attributable to equity holders of the company of $4,497,000 and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of nil.

	2015 – Number	2014 – Number
Weighted average number of shares (diluted)		
Weighted average number of shares (basic)	**185,075,653**	184,319,553
Effect of Performance Rights on issue	**–**	2,056,364
Weighted average number for diluted earnings per share	**185,075,653**	186,375,917

13. DIVIDENDS

Dividends paid	Cents per share	Total amount $'000	Date of payment	Tax rate for franking credit	Percent franked
2015					
Interim – ordinary	2.00	3,702	16 April 2015	30%	100%
Total dividends paid	**2.00**	**3,702**			
2014					
Interim – ordinary	3.75	6,940	17 April 2014	30%	100%
Final – ordinary	2.25	4,164	10 October 2014	30%	100%
Total dividends paid	**6.00**	**11,104**			

Dividends proposed

No final dividend was proposed for the financial year ended 30 June 2015.

	The Company	
Dividend franking account	**2015 $'000**	2014 $'000
Franking credits available to shareholders of MaxiTRANS Industries Limited for subsequent financial years	**18,685**	17,044

The ability to utilise the franking credits is dependent upon the ongoing solvency of the Company.

The impact on the dividend franking account of dividends proposed after the reporting date but not recognised as a liability is to reduce it by $nil (2014: $1,784,658).

14. SEGMENT INFORMATION

It is the Group's policy that inter–segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise, interest–bearing loans, borrowings and expenses, and corporate assets and expenses. Total finance costs of the Group are included in unallocated corporate costs.

Year ended 30 June 2015

Business Segments	Trailer & Tipper Units	Parts & Service	Eliminations	Consolidated
	$'000	$'000	$'000	$'000
Revenue				
External segment revenue	200,647	127,240	–	327,887
Inter–segment revenue	2,212	23,772	(25,984)	–
Total segment revenue	**202,859**	**151,012**	**(25,984)**	**327,887**
Unallocated sundry revenue				1,278
Total revenue				**329,165**
Segment Net profit before tax	**6,475**	**1,570**	**–**	**8,045**
Share of net profit of equity accounted investments				997
Unallocated corporate expenses				(3,543)
Profit before related income tax expense				5,499
Income tax expense				(1,036)
Net profit				**4,463**
Depreciation and amortisation	2,814	2,570	–	5,384
Unallocated depreciation and amortisation				259
Total depreciation and amortisation				**5,643**
Assets				
Segment assets	124,336	70,490	–	194,826
Unallocated corporate assets				31,016
Consolidated total assets				**225,842**
Liabilities				
Segment liabilities	12,787	26,049	–	38,836
Unallocated corporate liabilities				66,394
Consolidated total liabilities				**105,230**
Capital expenditure[i]	1,409	3,216	–	4,625
Unallocated capital expenditure				6,268
Consolidated capital expenditure				**10,893**

14. SEGMENT INFORMATION (continued)

Year ended 30 June 2014

Business Segments	Trailer & Tipper Units	Parts & Service	Eliminations	Consolidated
	$'000	$'000	$'000	$'000
Revenue				
External segment revenue	214,503	136,438	–	350,941
Inter–segment revenue	1,825	23,127	(24,952)	–
Total segment revenue	**216,328**	**159,565**	**(24,952)**	**350,941**
Unallocated sundry revenue				1,027
Total revenue				**351,968**
Segment Net profit before tax	**15,422**	**9,783**	**–**	**25,205**
Share of net profit of equity accounted investments				1,471
Unallocated corporate expenses				(3,504)
Profit before related income tax expense				23,172
Income tax expense				(6,027)
Net profit				**17,145**
Depreciation and amortisation	3,183	2,045	–	5,228
Unallocated depreciation and amortisation				180
Total depreciation and amortisation				**5,408**
Assets				
Segment assets	120,956	74,089	–	195,045
Unallocated corporate assets				23,979
Consolidated total assets				**219,024**
Liabilities				
Segment liabilities	13,907	22,263	–	36,170
Unallocated corporate liabilities				61,041
Consolidated total liabilities				**97,211**
Capital expenditure[i]	1,821	6,922	–	8,743
Unallocated capital expenditure				5,577
Consolidated capital expenditure				**14,320**

(i) Capital expenditure includes the acquisition of leased assets

Geographical segments

The Group's external revenues are predominantly derived from customers located within Australia. The customer base is sufficiently diverse to ensure the Group is not reliant on any particular customer. The Group's assets and capital expenditure activities are predominantly located within Australia.

15. SHARE BASED PAYMENTS

On 15 October 2010, the Group established the MaxiTRANS Performance Rights Plan ('PRP') that entitles executive directors and senior management to receive a specified number of Performance Rights ('PR's') which upon vesting can be converted into a specified number of ordinary shares in the Company.

The terms and conditions relating to PR's currently on issue are as follows:

Period	1 July 2014 – 30 June 2017	1 July 2013 – 30 June 2016	1 July 2012 – 30 June 2015
Grant date	30 September 2014	30 September 2013	30 September 2012
Total PR's Issued	2,072,978	1,532,292	1,831,097
Total PR's Forfeited	130,456	98,824	419,096
Total PR's remaining on issue	1,942,522	1,433,468	1,412,001
Vesting conditions	ROIC - 50% EPS - 50%	ROIC - 100%	ROIC - 100%
Base ROIC	9.62% (year ended 30 June 2014)	15.0% (year ended 30 June 2013)	10.1% (year ended 30 June 2012)
Target increase in ROIC	Average of 1.50% per annum (4.50% over 3 years)	Average of 0.33% per annum (1.00% over 3 years)	Average of 1.15% per annum (3.45% over 3 years)
Percentage increase in base ROIC required	47%	7%	34%
Minimum % of ROIC target that must be achieved for Performance Rights to vest	67% (i.e. average of 1.00% per annum)	Base ROIC of 15.0% must be achieved	70% (i.e. average of 0.81% per annum)
Target EPS	Average 10.0% compound growth over 2014 Basic EPS - 9.26%	n/a	n/a
Minimum service requirement	3 years from grant date	3 years from grant date	3 years from grant date

Details of 2011 PR's exercised during the year:	
Total PR's issued	2,893,613
Total PR's forfeited	1,593,349
Total PR's exercised	1,300,264

Measurement of fair value

The fair value of PR's is calculated at the date of grant by an independent external valuer, Grant Thornton, using the Monte Carlo simulation model and allocated to each reporting period evenly over the period from grant date to vesting date. Expected volatility is estimated by considering historic average share price volatility.

PR's are granted under a service condition and, for grants to key management personnel, non–market performance conditions. Non–market performance conditions are not taken into account in the grant date fair value measurement of the services received.

The inputs used in the measurement of the fair values at grant date of the PR's are as follows:

	2015	2014	2013
Fair value at grant date	**76.83¢**	$1.012	59.65¢
Share price at grant date	**86.50¢**	$1.325	76.50¢
Expected volatility	**40.00%**	40.00%	40.00%
Expected dividend yield	**6.50%**	6.50%	6.50%
Risk–free rate of return	**2.90%**	3.60%	2.50%
Liquidity discount	**15.00%**	15.00%	15.00%

15. SHARE BASED PAYMENTS (continued)

Expense recognised in profit and loss

	Consolidated	
	2015 $'000	2014 $'000
PR's on issue	**570**	598
Total share based payment expense recognised as employee costs	**570**	598

16. RELATED PARTY DISCLOSURES

(a) Director and other key management personnel disclosures

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the directors of the Company and executives for the Group.

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors
- Mr I Davis (Chairman)
- Mr J Curtis (Deputy Chairman)
- Mr G Lord
- Mr R Wylie
- Mr J Rizzo

Executive directors
- Mr M Brockhoff (Managing Director)

Executives
- Mr C Richards (Chief Financial Officer and Company Secretary)
- Mr A Wibberley (Group General Manager – Manufacturing)
- Mr P Buttler (General Manager – Ballarat)
- Mr N Zantuck (General Manager – Vic Branch) - resigned effective 27 May 2015
- Mr P Loimaranta (General Manager – MaxiPARTS)
- Mr A McKenzie (Group General Manager – Sales and Distribution) - appointed 20 April 2015
- Mr S Harkin (Group Supply Manager) - appointed 9 February 2015

(b) Directors' transactions in shares

Directors and their related entities acquired 1,064,834 existing ordinary shares in MaxiTRANS Industries Limited during the year.

(c) Director and other key management personnel transactions

MaxiTRANS Industries Limited and controlled entities paid legal fees of $621,204 (2014: $769,147) to Minter Ellison of which Mr I. Davis was a senior partner during the year. All dealings were in the ordinary course of business and on normal commercial terms and conditions. Amounts owing at year end total $nil (2014: $nil).

MaxiTRANS Industries Limited and controlled entities paid consulting fees of $1,470,406 (2014: $2,369,566) to UXC Red Rock Pty Ltd, a subsidiary of UXC Limited of which Mr G Lord is Deputy Chairman. All dealings were in the ordinary course of business and on normal commercial terms and conditions. During the year, the contractual arrangements between the parties came to an end. Amounts owing at year end total $nil (2014: $nil).

Apart from the details disclosed in this note, no key management personnel have entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year–end.

16. RELATED PARTY DISCLOSURES (continued)

(d) Transactions with joint venture

During the year the Group derived revenue from the joint venture of $35,668,496 (2014: $38,212,000) for the sale of new units, parts and the provisions of services. Amounts receivable from the joint venture at year end total $6,838,947 (2014: $3,772,000).

During the year the Group paid for services and parts from the joint venture totalling $1,268,351 (2014: $1,254,000). Amounts owing at year end total $37,573 (2014: $55,000).

All dealings were in the ordinary course of business and on normal commercial terms and conditions.

(e) Key management personnel remuneration

The key management personnel remuneration (see Remuneration Report) is as follows:

	Consolidated	
	2015 $'000	2014 $'000
Short-term employee benefits	**2,761**	2,719
Post-employment benefits	**313**	267
Share based payment benefits	**392**	452
	3,466	3,438

17. PARENT ENTITY

As at 30 June 2015 and throughout the financial year ending on that date, the parent company of the Group was MaxiTRANS Industries Limited.

	Company	
	2015 $'000	2014 $'000
Results of the parent company		
Profit/(loss) for the year	**11,659**	19,766
Other comprehensive income	**-**	–
Total comprehensive income	**11,659**	19,766
Financial position of the parent company		
Current assets	**36,763**	57,836
Total assets	**83,863**	91,102
Current liabilities	**400**	983
Total liabilities	**400**	983
Net Assets	**83,463**	90,119
Total equity of the parent company comprising of:		
Issued capital	**56,386**	56,386
Reserves	**1,181**	1,161
Retained earnings	**25,896**	32,572
Total equity	**83,463**	90,119

Parent company investment in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are carried at historical cost in the parent company less, where applicable, any impairment charge.

Parent company contingencies

At any given point in time, the parent company may be engaged in defending legal actions brought against it. The directors are not aware of any such actions that would give rise to a material contingent liability to the parent company.

18. CONTROLLED ENTITIES

Particulars in relation to controlled entities

	Country of incorp.	Class of shares	Interest held 2015 %	2014 %
The Company:				
MaxiTRANS Industries Limited				
Controlled entities of MaxiTRANS Industries Limited:				
MaxiTRANS Australia Pty Ltd	**Aust.**	Ord.	**100**	100
– Transport Connection Pty Ltd	**Aust.**	Ord	**80**	80
Transtech Research Pty Ltd	**Aust.**	Ord.	**100**	100
Trail Truck Parts Pty Ltd [i]	**Aust.**	Ord.	**100**	100
MaxiTRANS Industries (N.Z.) Pty Ltd	**Aust.**	Ord.	**100**	100
Peki Pty Ltd [i]	**Aust.**	Ord.	**100**	100
Ultraparts Pty Ltd [i]	**Aust.**	Ord.	**100**	100
MaxiTRANS Services Pty Ltd	**Aust.**	Ord.	**100**	100
MaxiTRANS Finance Pty Ltd [i]	**Aust.**	Ord.	**100**	100
Lusty EMS Pty Ltd	**Aust.**	Ord.	**100**	100
Hamelex White Pty Ltd [i]	**Aust.**	Ord.	**100**	100
MaxiPARTS Pty Ltd (formerly Colrain Pty Ltd)	**Aust.**	Ord.	**100**	100
– Colrain Queensland Pty Ltd	**Aust.**	Ord.	**100**	100
– Colrain (Albury) Pty Ltd	**Aust.**	Ord.	**100**	100
– Queensland Diesel Spares Pty Ltd (formerly Colrain (Ballarat) Pty Ltd) [i]	**Aust.**	Ord.	**100**	100
– Colrain Pty Ltd (formerly Colrain (Geelong) Pty Ltd)[i]	**Aust.**	Ord.	**100**	100
– MaxiPARTS (Qld) Pty Ltd (formerly Queensland Diesel Spares Pty Ltd)	**Aust.**	Ord.	**100**	100
MaxiTRANS Employee Share Plan Pty Ltd	**Aust.**	Ord.	**100**	100
MaxiTRANS (China) Limited [i]	**Hong Kong**	Ord.	**100**	100
Yangzhou Maxi–CUBE Tong Composites Co Ltd	**China**	Ord.	**80**	80

[i] Dormant entity

19. DEED OF CROSS GUARANTEE

The Company, together with its subsidiaries, MaxiTRANS Australia Pty Ltd, Transtech Research Pty Ltd, Lusty EMS Pty Ltd, Peki Pty Ltd, MaxiTRANS Industries (N.Z.) Pty Ltd, MaxiPARTS Pty Ltd (effective 1 September 2008, previously ineligible) and Queensland Diesel Spares Pty Ltd (effective 22 June 2012, previously ineligible) each of which are incorporated in Australia, entered into a "Deed of Cross Guarantee" so as to seek the benefit of the accounting and audit relief available under Class Order (98/1418) made by the Australian Securities & Investments Commission which was granted on 30 June 2006.

A consolidated statement of comprehensive income and consolidated balance sheet, comprising the Company and controlled entities which are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 30 June 2015 is set out as follows:

19. DEED OF CROSS GUARANTEE (continued)

Consolidated statement of comprehensive income

	Consolidated	
	2015 $'000	2014 $'000
Total revenue	**294,824**	310,661
Raw materials and consumables used	**(172,807)**	(176,203)
Other income	**90**	361
Employee expenses	**(79,809)**	(81,413)
Depreciation and amortisation expenses	**(4,857)**	(4,959)
Impairment loss on intangible assets	**(2,580)**	–
Finance costs	**(2,322)**	(1,939)
Other expenses	**(27,671)**	(25,516)
Share of net profits of joint ventures accounted for using the equity method	**997**	1,471
Profit before income tax	**5,865**	22,463
Income tax expense	**(1,197)**	(5,628)
Profit for the year	**4,668**	16,835
Other comprehensive income		
Items that may subsequently be re-classified to profit or loss:		
Net exchange difference on translation of financial statements of foreign operations	**(558)**	1,390
Other sundry movements	**(81)**	(6)
Items that will never be re-classifed to profit or loss:		
Revaluation of land and buildings	**3,127**	2,583
Related tax	**(917)**	(775)
Other comprehensive income/(loss) for the year, net of tax	**1,571**	3,192
Total comprehensive income for the year	**6,239**	20,027
Profit attributable to:		
Equity holders of the company	**4,668**	16,835
Total comprehensive income attributable to:		
Equity holders of the company	**6,239**	20,027

19. DEED OF CROSS GUARANTEE (continued)

Consolidated balance sheet

	Consolidated	
	2015 $'000	2014 $'000
Current Assets		
Cash and cash equivalents	2,974	2,942
Trade and other receivables	37,284	37,131
Inventories	49,886	50,501
Other	3,123	2,371
Total Current Assets	93,267	92,945
Non-Current Assets		
Investment in joint venture	3,926	3,994
Investments in controlled entities	7,294	7,294
Property, plant & equipment	63,631	54,321
Intangible assets	37,895	41,601
Deferred tax assets	288	–
Other	1,157	818
Total Non-Current Assets	114,191	108,028
Total Assets	207,458	200,973
Current Liabilities		
Trade and other payables	35,686	32,163
Interest bearing loans and borrowings	1,069	1,936
Current tax liability	291	89
Provisions	11,747	9,826
Total Current Liabilities	48,793	44,014
Non-Current Liabilities		
Interest bearing loans and borrowings	42,036	38,181
Deferred tax liabilities	311	1,714
Provisions	1,152	1,012
Other	244	119
Total Non-Current Liabilities	43,743	41,026
Total Liabilities	92,536	85,040
Net Assets	114,922	115,933
Equity		
Issued capital	56,386	56,386
Reserves	13,612	12,222
Retained profits	44,924	47,325
Total Equity	114,922	115,933

20. INVESTMENT IN JOINT VENTURE

Name of Entity	Principal Activity	Ownership 2015 %	Ownership 2014 %
Trailer Sales Pty Ltd	Trailer retailer. Repairs and service provider. Sale of spare parts within Australia, which is the country of incorporation.	**36.67**	36.67

$'000	Revenues (100%)	Net profit after tax (100%)	Share of joint venture profit recognised	Total assets	Total liabilities	Net assets as reported by joint venture
2015	64,765	2,718	997	23,069	13,489	9,580
2014	71,667	4,012	1,471	22,081	12,315	9,766

Commitments

The share of the joint venture's capital commitments contracted but not provided for or payable within one year was $nil at 30 June 2015 (2014: $nil).

21. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of cash flows from operating activities with operating profit/(loss) after tax

	Consolidated 2015 $'000	Consolidated 2014 $'000
Profit for the year	**4,463**	17,145
Non cash items in operating profit		
Depreciation/amortisation of assets	**5,643**	5,409
Impairment loss on intangible assets	**2,580**	–
Profit on sale of fixed assets	**(43)**	(238)
Share of joint venture profit	**(997)**	(1,471)
Share based payments expense	**(264)**	598
Change in assets & liabilities		
(Increase)/decrease in receivables	**(202)**	(1,640)
(Increase)/decrease in other assets	**269**	627
(Increase)/decrease in inventories	**584**	715
Increase/(decrease) in trade payables and other liabilities	**2,316**	3,370
Increase/(decrease) in income tax payable	**(1,229)**	(8,353)
Increase/(decrease) in deferred taxes	**(3,175)**	(293)
Increase/(decrease) in provisions	**2,193**	743
Net cash flows from operating activities	**12,138**	16,612

21. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Non-cash financing and investing activities

	Consolidated	
	2015 $'000	2014 $'000
Acquisition of plant & equipment by means of finance leases	**684**	1,007
These acquisitions are not reflected in the consolidated statement of cash flows.		

22. CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Future operating lease rentals not provided for in the financial statements and payable:

– not later than 1 year	**4,907**	4,616
– later than 1 year but not later than 5 years	**8,789**	7,316
– later than 5 years	**4,452**	228
Total operating lease commitments	**18,148**	12,160

The Group leases property under operating leases expiring from one to ten years. Leases generally provide the Group with a right of renewal at which time all terms are renegotiated.

(b) Capital expenditure commitments

Payable		
– not later than 1 year	**9,715**	6,706
– later than 1 year but not later than 5 years	**–**	2,370
Total capital expenditure commitments	**9,715**	9,076

23. CONTINGENT LIABILITIES

At any given point in time the Group may be engaged in defending legal actions brought against it. In the opinion of the directors such actions are not expected to have a material effect on the Group's financial position.

24. REMUNERATION OF AUDITOR

Remuneration of the auditor of the Company for:	**$**	$
KPMG Australia:		
– auditing and reviewing the financial statements	**286,200**	229,900
– other services (taxation & advisory)	**55,590**	225,497
	341,790	455,397
Overseas KPMG Firms:		
– auditing and reviewing financial statements	**76,350**	65,503
– other services (taxation, advisory & due diligence)	**28,916**	7,897
	105,266	73,400
Total	**447,056**	528,797

25. FINANCIAL INSTRUMENTS

(a) Risk management framework/policies

The Groups key activities include the design, manufacture, sale, service and repair of transport equipment and related component and spare parts. These activities expose the Group to a variety of financial risks, including liquidity risk, credit risk and market risk such as currency and interest rate risk.

The Group's financial risk management program seeks to minimise the potential adverse effects of the unpredictability of financial markets on the financial performance of the Group by utilising derivative financial instruments for purchase of supplies and raw materials. The Group measures risk exposure through sensitivity analysis in the case of currency risk, cash flow forecasting and ageing analysis for credit risk.

(b) Interest rate risk

The Group is exposed to interest rate risk as it borrows at both fixed and floating interest rates. The risk is managed by the use of fixed interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring optimal hedging strategies are applied, by either positioning the statement of financial performance or protecting interest rate expense through different interest rate cycles.

As at reporting date the interest rate profile of the Group's interest bearing financial instruments were:

	2015 $'000	2014 $'000
Borrowings – fixed rate	**21,070**	31,867
Borrowings – floating rate	**26,232**	10,713
	47,302	42,580

As at reporting date, if interest rates on borrowings had moved as illustrated in the table below, with all other variables held constant, post tax profit for the year would have been affected as follows:

	2015 $'000	2014 $'000
100bp increase	**(136)**	(110)
100bp decrease	**136**	110

(c) Currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in foreign currency, primarily United States Dollars. Derivative financial instruments (forward exchange contracts) are used by the Group to economically hedge exposure to exchange rate risk associated with foreign currency transactions.

Forward exchange contracts

The following table summarises the US Dollar forward exchange contracts outstanding as at the reporting date:

	Average Exchange Rate		Foreign Currency		Contract Value		Fair Value	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
Buy USD Dollar	**0.8292**	0.9278	**2,637**	4,337	**3,180**	4,675	**297**	(33)

25. FINANCIAL INSTRUMENTS (continued)

As at reporting date, if the Australian Dollar had moved against the US Dollar currency as illustrated in the table below, with all other variables held constant, post tax profit for the year would have ben affected as follows:

	2015 $'000	2014 $'000
USD 10.0 cents increase	**(87)**	(318)

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities, primarily from trade and other receivables and financing activities, including deposits with financial institutions. The carrying amount of these financial assets at year-end represented the Group's maximum exposure to credit risk.

The Group has a policy of only dealing with creditworthy counterparties and obtaining sufficient security where appropriate, as a means of mitigating the risk of financial losses from defaults. The Group does not have any significant credit risk exposure to any single counter party. The majority of accounts receivable are due from entities within the transport industry.

Guarantees

Performance guarantees of $1,414,194 (2014: $561,448) are held by Australia and New Zealand Banking Group Limited on behalf of MaxiTRANS Australia Pty Ltd and MaxiPARTS Pty Ltd.

(e) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate cash reserves, committed banking facilities and reserve borrowing facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group's liquidity management policies include Board approval of all changes to debt facilities including the terms of fixed rate debt. The liquidity management policies ensure that the Group has a well diversified portfolio of debt, in terms of maturity and source, which significantly reduces reliance on any one source of debt in any one particular year. Liquidity risk is managed by the Group based on net inflows and outflows from financial assets and financial liabilities.

The following table summarises the maturities of the Group's financial assets and liabilities based on the remaining earliest contractual maturities, excluding net interest payable on borrowings.

30 June 2015	**Carrying Amount $'000**	**6 months or less $'000**	**6–12 months $'000**	**1–2 years $'000**	**2–5 years $'000**
Trade and other payables and accruals	(43,216)	(43,216)	–	–	–
Borrowings	(47,302)	(4,767)	(499)	(30,701)	(11,335)
Effect of Derivative Instruments					
- Forward exchange contracts	277	277	–	–	–
	(90,241)	**(47,706)**	**(499)**	**(30,701)**	**(11,335)**

25. FINANCIAL INSTRUMENTS (continued)

30 June 2014	Carrying Amount $'000	6 months or less $'000	6–12 months $'000	1–2 years $'000	2–5 years $'000
Trade and other payables and accruals	(41,040)	(41,040)	–	–	–
Borrowings	(42,580)	(2,342)	(2,057)	(30,389)	(7,792)
Effect of Derivative Instruments					
- Forward exchange contracts	(46)	(46)	–	–	–
	(83,666)	**(43,428)**	**(2,057)**	**(30,389)**	**(7,792)**

Finance facilities

At year end, the Group had the following financing facilities in place with its bankers:

	Facility Amount		Utilised		Available	
	2015 $'000	2014 $'000	**2015 $'000**	2014 $'000	**2015 $'000**	2014 $'000
Loan facility	**64,196**	63,421	**45,196**	39,713	**19,000**	23,708
Overdraft facility	**2,000**	2,000	**–**	–	**2,000**	2,000
Multi-option facility	**13,000**	13,000	**2,106**	2,867	**10,894**	10,133
	79,196	78,421	**47,302**	42,580	**31,894**	35,841

The loan, overdraft and other facilities are fully secured by a registered charge (mortgage debenture) over the whole of the assets and undertakings of the Group and a registered mortgage over certain land and buildings of controlled entities.

Core Australian and New Zealand loan facilities of $75.0m mature as follows, subject to continuing compliance with the terms of the facilities:

- $45.0m in December 2016;
- $30.0m in December 2018.

Interest rates are a combination of fixed and variable.

The MTC (China) core loan facility is an at-call facility of RMB 20.0m. Subsequent to the end of the financial year, ANZ Banking Group in China replaced China Merchant Bank and has provided debt facilities guaranteed by the parent company totalling RMB 25.0m to MTC.

The terms and conditions of the bank facilities contain covenants in relation to gearing ratio, interest cover and EBITDA ratio. These covenants have been satisfied during the 2015 and 2014 financial years.

(f) Fair value

Determination of fair value

Net fair value has been determined in respect of financial assets and financial liabilities, with reference to the carrying amount of such assets and liabilities in the consolidated balance sheet, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

The carrying amount approximates estimated net fair value for the Group's financial assets and liabilities.

25. FINANCIAL INSTRUMENTS (continued)

Classification of fair value

Fair Value Measurement requires that financial and non-financial assets and liabilities measured at fair value (being forward exchange contracts, interest rate swaps and land and buildings) be disclosed according to their position in the fair value hierarchy. There were no transfers between levels within the fair value hierarchy at 30 June 2015.

- Level 1 is based on quoted prices in active markets for identical items;
- Level 2 is based on quoted prices or other observable market data not included in level 1;
- Level 3 valuations are based on inputs other than observable market data.

Forward exchange contracts and interest rate swaps are classified as Level 2 and *their fair value* is determined by reference to observable inputs from active markets or prices from markets not considered active. They are priced with reference to an active yield or rate, but with an adjustment applied to reflect the timing of maturity dates.

The fair value of forward exchange contracts and interest rate swaps at balance date is as follows:

	2015 **$'000**	2014 $'000
Derivative assets	**22**	–
Derivative liabilities	**–**	185

Land and buildings are classified as Level 3 and their fair value reflects the use of directly unobservable market inputs in their valuation, including assumptions about rents, yields and discount rates obtained from analysed transactions.

Valuations have been performed at 30 June 2015 by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation technique is based on the highest and best use to market participants.

The following table present changes in the fair value of land and buildings during 2014/15, including changes to the unobservable inputs.

	Land and Buildings **$'000**
Opening balance as at 1 July 2014	37,174
Fair value revaluation	3,127
Depreciation recognised in the statement of profit and loss	(494)
Exchange rate variance	(473)
Closing balance as at 30 June 2015	**39,334**

26. EVENTS SUBSEQUENT TO BALANCE DATE

There have been no events subsequent to the reporting date which would have a material effect on the Group's financial statements for the year ended 30 June 2015.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAXITRANS INDUSTRIES LIMITED

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of MaxiTRANS Industries Limited (the Company), which comprises the consolidated balance sheet as at 30 June 2015, and consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 26 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 19 to 25 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of MaxiTRANS Industries Limited for the year ended 30 June 2015, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG
Melbourne
21 August 2015

Tony Romeo
Partner

AUSTRALIAN STOCK EXCHANGE ADDITIONAL INFORMATION

FOR THE YEAR ENDED 30 JUNE 2015

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report.

SHAREHOLDINGS

Substantial shareholders

The names of the substantial shareholders listed in the Company's register as at 31 July 2015 are:

	Ordinary shares
Transcap Pty Ltd & related parties	25,547,972
HGT Investments Pty Ltd	19,250,000

Voting rights

As at 31 July 2015, there were 4,573 holders of ordinary shares of the Company.

Subject to the Constitution of the Company, holders of ordinary shares are entitled to vote as follows:

(a) every shareholder may vote;

(b) on a show of hands every shareholder has one vote;

(c) on a poll every shareholder has:

(i) one vote for each fully paid share; and

(ii) for each partly paid share held by the shareholder, a fraction of a vote equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) on the share.

As at 31 July 2015, there were no unquoted options over unissued ordinary shares.

Distribution of shareholders

(As at 31 July 2015)

Category – No of shares	No of shareholders
1 – 1,000	568
1,001 – 5,000	1,348
5,001 – 10,000	862
10,001 – 100,000	1,603
100,001 and over	192
	4,573

Shareholders with less than a marketable parcel

As at 31 July 2015, there were 641 shareholders holding less than a marketable parcel of 1,220 ordinary shares ($0.41 on 31 July 2015) in the Company totalling 422,583 ordinary shares.

On market buy-back

There is no current on-market buy-back

TWENTY LARGEST SHAREHOLDERS – ORDINARY SHARES AS AT 31 JULY 2015

Name	Number of fully paid ordinary shares held	Percentage held of issued ordinary shares
HGT Investments Pty Ltd	19,750,000	10.67%
Transcap Pty Ltd	17,935,549	9.69%
Citicorp Nominees Pty Ltd	12,146,097	6.56%
Toroa Pty Ltd	4,968,592	2.68%
J P Morgan Nominees Australia Limited	4,515,926	2.44%
HSBC Custody Nominees Australia Limited	3,629,978	1.96%
BKI Investment Company Limited	2,800,000	1.51%
National Nominees Limited	2,275,123	1.23%
De Bruin Securities Pty Ltd	2,129,773	1.15%
Sandhurst Trustees Limited	2,128,958	1.15%
John E Gill Trading Pty Ltd	1,821,645	0.98%
Aust Executor Trustees Limited	1,618,863	0.87%
Mr E D Ross	1,406,540	0.76%
John E Gill Operations Pty Ltd	1,391,657	0.75%
Mr J R Curtis	1,328,439	0.72%
Mahata Pty Ltd	1,315,392	0.71%
Navigator Australia Limited	1,303,665	0.70%
Denvorcorp Holdings Pty Ltd	1,302,193	0.70%
Tanerka Pty Ltd	1,276,100	0.69%
Belgravia Strategic Equities Pty Ltd	939,604	0.51%
TOTAL	85,984,094	46.43%