



Delivering the Promise



ANNUAL REPORT 2015





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Delivering the Promise

CORPORATE DIRECTORY

DIRECTORS

Michael Hardy
Greg Tate
Peter Gunzburg
John Bond
Brad Denison

COMPANY SECRETARY

Yanya O'Hara

AUDITOR

Grant Thornton

BANKER

Westpac Banking Corporation

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DELIVERING THE PROMISE

OUR OBJECTIVE

To outperform financially by
providing genuine value

OUR BELIEFS

We:

want to do business

build strong relationships in which each party wins

expect all parties to make and honour
their commitments

value the support of our shareholders,
clients and suppliers

OUR COMMITMENT

We will:

act with honesty and integrity

provide a safe and healthy workplace

operate in an environmentally responsible manner

develop and reward our people for their creativity
and dedication

deal with people in a concerned
and professional way

find better ways to do things

always hold ourselves accountable for

'Delivering the Promise'

MANUFACTURED ACCOMMODATION



Accommodation solutions provider to the resources, education and affordable housing sectors. Headquarters in Perth and Melbourne with operations in WA, NT, Qld, Vic and NSW.



RECREATIONAL VEHICLES



Manufacturer and distributor of parts and accessories to the recreational vehicles industry in Australia and NZ. Headquartered in Melbourne with branches in NSW, Queensland, Victoria, WA and NZ.



Distributor of ute trays and accessories. Headquartered in Sydney with distributors throughout NSW.



Recreational Vehicles

Manufacturer of caravans, pop-tops and campers distributed through a national dealer network. Headquarters and main operations in Perth.



Distributor of canopies and trays for commercial vehicles. Headquartered in Melbourne with branches and dealers across Australia.



FIVE YEAR SUMMARY

\$ million (unless stated)	2015	2014	2013	2012	2011
Revenue	301.9	366.5	333.9	382.6	466.6
Earnings before interest, tax, depreciation, and amortisation*	38.4	28.2	40.5	94.2	89.5
EBITDA margin*	12.7%	7.7%	12.1%	24.6%	19.2%
Depreciation and amortisation	29.1	17.6	16.1	14.9	14.0
Earnings before interest and tax (EBIT)*	9.3	10.6	24.5	79.3	75.4
EBIT margin*	3.1%	2.9%	7.3%	20.7%	16.2%
Finance costs	4.0	2.2	1.3	0.8	1.8
Operating profit before income tax	0.9	3.4	23.2	78.5	73.6
Operating profit after tax	0.2	0.6	16.6	55.2	51.3
Interest cover (times)	1.2	2.5	19.3	103.8	41.6
Earnings per share (cents)	0.3	0.9	27.8	93.8	90.0
Dividends per share (cents)	0.0	4.0	30.0	76.0	73.0
Assets	327.7	321.8	312.6	289.8	307.5
Liabilities	113.7	107.4	98.5	58.6	101.2
Shareholders funds	214.0	214.4	214.1	231.2	206.2
Return on equity	0.1%	0.3%	7.8%	24.0%	25.0%
Debt	62.5	62.4	44.6	0.9	21.3
Debt / Shareholders funds %	29%	29%	21%	0%	10%
Cash flows from operations	42.2	30.9	25.4	77.3	51.8
Number of shares on issue (million)	61.0	60.6	60.5	59.2	57.8

All numbers exclude discontinued operations

*Excludes impairment

BOARD OF DIRECTORS & EXECUTIVE OFFICERS

1

MICHAEL HARDY

Chairman

Non-Executive Director

Barrister & Solicitor

B Juris LLB BA

Age 62 lives in Perth

Appointed to the board in 2005. Michael was a partner of Clayton Utz (formerly Robinson Cox) from 1983 to 2002 before establishing the firm Hardy Bowen.

2

GREG TATE

Non-Executive Director

Chartered Accountant

B Comm

Age 63 lives in Perth

Greg was appointed a non-executive director during listing of the company in 1987 and became managing director in 1990. He relinquished this role to become Executive Director of Operations in 2007. Greg retired from his executive position in December 2010. Prior to joining Fleetwood he founded a chartered accountancy practice after being employed in Australia and the USA by Deloitte.

3

PETER GUNZBURG

Non-Executive Director

B Comm

Age 63 lives in Perth

Mr Gunzburg was appointed to the board of Fleetwood in 2002.

Mr Gunzburg has over 20 years' experience as a stockbroker. He has a commerce degree from the University of Western Australia and has previously been a director of Resolute Limited, Australian Stock Exchange Limited, Eyres Reed Limited and CIBC World Markets Australia Limited, Strike Oil Limited and Matra Petroleum Plc.

He is currently Executive Chairman of Eurogold Limited and Non-Executive Chairman of Newzulu Limited.

4

JOHN BOND

Non-Executive Director

B Juris, L LB, B Comm

Age 59 lives in Perth

John became a non-executive director in 2013. John has been a director of Primewest Management Ltd since 2000, and as a professional property investor, he has over 20 years' experience in negotiating acquisitions, overseeing the development of properties and asset management. John is currently a chairman of the Fathering Project.

5

BRAD DENISON

Managing Director

Fellow Certified Practising Accountant

Bachelor of Commerce

Age 43 lives in Perth

Brad was appointed Managing Director in August 2014. Prior to this, Brad was Chief Financial Officer and Company Secretary for 10 years. Before joining Fleetwood, Brad was employed in senior public company finance roles.

6

YANYA O'HARA

Company Secretary

Lawyer

LL B (Hon), LL M

Yanya was appointed as Company Secretary on 1 August 2014. Prior to this, Yanya was employed by the Company for three years as Assistant Company Secretary. Prior to joining Fleetwood, Yanya practiced as a corporate attorney in New York and as barrister and solicitor in Perth.



MANAGING DIRECTOR'S REVIEW

- Revenue down 18% to \$301.9m
- EBIT down 12% to \$9.3m, excluding impairment charge of \$4.5m
- Effectively debt free at completion of Osprey transaction

A positive negotiation outcome with the Western Australian Department of Housing on the Osprey key workers village (Osprey Village) and incremental volume from the east coast affordable housing market were offset by challenging conditions in caravan manufacturing and reduced demand in the Western Australian accommodation sector.

Conversely, impairment charges have been recognised in respect of intangible assets in caravan manufacturing and idle rental fleet stock in Western Australia.

Notwithstanding difficult conditions, Fleetwood continued to generate very strong operating cash flows with a 36% increase on 2014 to \$42.2m.

The company became effectively debt free in July 2015 upon the sale of the Osprey Village to the Western Australian Department of Housing.

MANUFACTURED ACCOMMODATION

While education demand remained strong in Victoria, demand in Western Australia and Queensland fell due to completion of programs to move Year 7 students into high school in 2014.

Construction of the Osprey Village was completed in 2014 and as a consequence manufacturing volume in the West Australian accommodation business fell in 2015. An interim license agreement provided an income stream during the year.

Occupancy at Searipple Village in Karratha increased steadily during the year following execution of a three year preferred supplier agreement with Rio Tinto in February 2015. Average occupancy in the second half was 41%, and at the date of this report is approximately 60%.

Fleetwood executed a two year exclusive manufactured homes supply agreement with Gateway Lifestyle in May 2015. Gateway presently has 36 parks located in Queensland and New South Wales, with 1,815 sites available for development. Fleetwood will manufacture the homes at its existing facility in Brisbane and a new facility in Newcastle, New South Wales, which commenced operations in July 2015.

RECREATIONAL VEHICLES

While a number of initiatives were implemented to address performance issues in caravan manufacturing during 2015, these are yet to manifest in improved profitability.

Overseas supply increased at Camec during the year, with a number of new product lines being introduced. Sales of the new lines have increased steadily, although competitive pressure has affected volume for some existing products.

The acquisition of Bocar in August 2014 has increased Fleetwood market share in the aluminium tray market. In addition, completion of the transition to overseas manufacturing for Flexiglass has allowed the business to be simplified and profitability improved.

A number of key senior management changes have recently been made in the recreational vehicles division. The changes are aimed at ensuring successful implementation of initiatives to address performance concerns.

\$ million	2015	2014	% change
Revenue	189.6	229.7	-17.5%
EBIT	18.5*	16.0	16.1%

*excludes impairment charge of \$1.3m.

\$ million	2015	2014	% change
Revenue	112.2	136.5	-17.8%
EBIT	-7.0*	-2.1*	-229.7%

*excludes impairment charge of \$3.2m (\$5.0m in 2014).

DIVIDENDS

Given the mixed trading conditions, the directors have deemed it prudent not to pay a final dividend for 2015.

Subject to trading conditions and capital expenditure requirements the directors intend to return to paying dividends as soon as practicable.

SUSTAINABILITY

Fleetwood is committed to reducing its environmental footprint where possible. Refinements have recently been made to the company's waste water treatment plant at Searipple Village in Karratha, with the plant now treating 65% of waste water from the Village for use in reticulating gardens. This saves approximately 18,000 kilo litres of water per annum from entering the municipal sewer.

PEOPLE

2015 has been another challenging year for Fleetwood. Difficult trading conditions in some areas and taking advantage of new markets required our people to extend themselves. On behalf of the directors, I sincerely thank our people for rising to meet these challenges.

OUTLOOK

Following the sale of Osprey Village to the Western Australian Department of Housing in July 2015, Fleetwood will continue to manage the village and receive a guaranteed income stream for a period of fourteen years.

The three year preferred supplier agreement with Rio Tinto will contribute to stable occupancy at Searipple Village in 2016. Under the terms of the agreement, Rio Tinto has access to 804 rooms, leaving 472 rooms available for Fleetwood to market to other clients.

Education demand is expected to continue to be strong in Victoria, supported by Fleetwood's reappointment in August 2015 to the panel of contractors providing relocation services to the Victorian Department of Education and Training. In September 2015 Fleetwood was appointed to a panel of contractors supplying new classrooms to the Victorian Department of Education and Training and an initial order was received for 58 new classrooms with a value of \$16m.

Fleetwood will experience a full year of manufactured home production for Gateway Lifestyle in the 2016 financial year. The company is also exploring opportunities to expand further in this market segment, particularly in New South Wales and Western Australian.

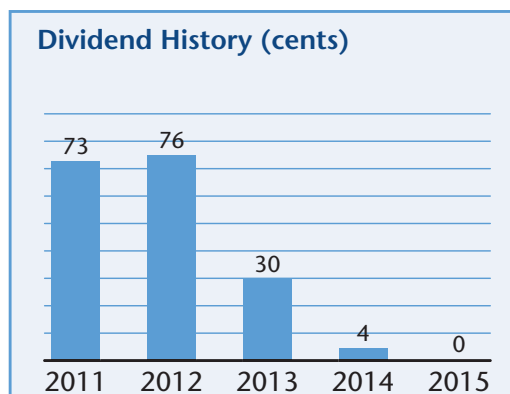
Trading conditions in the Western Australian accommodation sector remain challenging. Significant focus is being applied to developing income streams from new markets following the downturn in the mining sector.

Bocar imports a quality aluminium tray product with a compelling value proposition and further synergies are expected in 2016.

A fresh approach to product design is expected to increase consumer appeal for Fleetwood caravans, while allowing for manufacturing economies to be realised. Fleetwood has recently increased its dealer presence in the Victorian market and is presently exploring opportunities in New South Wales.

Competition remains strong in the component parts market and initiatives to streamline Camec's distribution operations are being undertaken.

In conclusion while operations exposed to the education and affordable housing sectors are experiencing strong demand presently, profits generated will be offset by weakness in caravan manufacturing and mining services in the first half of 2016.



Consolidated statement of profit or loss and other comprehensive income

Fleetwood Corporation Limited

Year ended 30 June 2015

	Note	2015 \$ '000	2014 \$ '000
Continuing operations			
Sales revenue	2	302,000	366,289
Other income	2	(65)	229
Materials used		(101,525)	(146,573)
Sub-contract costs		(68,181)	(90,935)
Employee benefits		(58,366)	(66,181)
Operating leases		(10,712)	(11,173)
Impairment of non-current assets		(4,477)	(5,000)
Other expenses		(24,708)	(23,430)
Profit before interest, tax, depreciation and amortisation (EBITDA)		33,966	23,226
Depreciation and amortisation	3	(29,113)	(17,624)
Profit before interest and tax (EBIT)		4,853	5,602
Finance costs	3	(3,959)	(2,227)
Profit before income tax expense		894	3,375
Income tax expense	4	(718)	(2,809)
Profit from continuing operations		176	566
Loss from discontinued operation	35	-	(490)
Profit for the year	25	176	76
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Net exchange difference relating to foreign controlled entities (net of tax)	24	(38)	359
Total comprehensive income for the year		138	435
Earnings per share from continuing and discontinued operations			
Diluted earnings per share (cents)	7	0.3	0.1
Basic earnings per share (cents)	7	0.3	0.1
Earnings per share from continuing operations			
Diluted earnings per share (cents)	7	0.3	0.9
Basic earnings per share (cents)	7	0.3	0.9

To be read in conjunction with the accompanying notes.

Consolidated statement of financial position

Fleetwood Corporation Limited

As at 30 June 2015

	Note	2015 \$ '000	2014 \$ '000
Current assets			
Cash and cash equivalents	8	6,634	6,405
Trade and other receivables	9	96,197	46,654
Inventories	10	45,246	44,504
Other financial assets	11	206	-
Non-current assets held for sale	12	-	51
Tax assets		-	55
Total current assets		148,283	97,669
Non-current assets			
Property, plant and equipment	13	107,676	109,702
Inventories	10	-	45,745
Goodwill	14	61,761	59,431
Intangible assets	15	5,166	4,844
Deferred tax assets	4	4,822	4,396
Total non-current assets		179,425	224,118
Total assets		327,708	321,787
Current liabilities			
Trade and other payables	16	43,672	37,853
Interest bearing liabilities	18	62,500	62,411
Tax liabilities		959	-
Provisions	17	5,605	5,837
Other financial liabilities	21	-	139
Total current liabilities		112,736	106,240
Non-current liabilities			
Provisions	17	971	1,138
Total non-current liabilities		971	1,138
Total liabilities		113,707	107,378
Net assets		214,001	214,409
Equity			
Issued capital	23	194,762	194,096
Reserves	24	(257)	(219)
Retained earnings	25	19,496	20,532
Total equity		214,001	214,409

To be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

Fleetwood Corporation Limited
Year ended 30 June 2015

	Issued capital \$ '000	Foreign currency translation reserve \$ '000	Retained earnings \$ '000	Total \$ '000
Balance 1 July 2013	193,001	(578)	21,668	214,091
Profit for the year	-	-	76	76
Exchange differences arising on translation of foreign operations	-	359	-	359
Total comprehensive income for the year	-	359	76	435
Dividends paid	150	-	(1,212)	(1,062)
Share-based payments	945	-	-	945
Balance at 30 June 2014	194,096	(219)	20,532	214,409
Profit for the year	-	-	176	176
Exchange differences arising on translation of foreign operations	-	(38)	-	(38)
Total comprehensive income for the year	-	(38)	176	138
Dividends paid	198	-	(1,212)	(1,014)
Share-based payments	468	-	-	468
Balance at 30 June 2015	194,762	(257)	19,496	214,001

To be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

Fleetwood Corporation Limited
Year ended 30 June 2015

	2015	2014
Note	\$ '000	\$ '000
Cash flows from operating activities		
Receipts in the course of operations	327,500	415,906
Payments in the course of operations	(281,320)	(378,631)
Interest received	75	120
Income taxes paid	(129)	(4,224)
Finance costs paid	(3,959)	(2,227)
Net cash provided by operating activities	42,167	30,944
Cash flows from investing activities		
Acquisition of property, plant and equipment	(33,556)	(21,289)
Proceeds from sale of non-current assets	120	844
Payment for acquisition of subsidiary	(4,915)	-
Payment for intangible assets	(2,653)	(2,813)
Payment for capital work in progress	-	(30,718)
Net cash used in investing activities	(41,004)	(53,976)
Cash flows from financing activities		
Proceeds from borrowings	56,989	47,390
Repayment of borrowings	(56,900)	(29,600)
Dividends paid	(1,014)	(1,062)
Net cash provided by financing activities	(925)	16,728
Net increase (decrease) in cash and cash equivalents	238	(6,304)
Cash and cash equivalents at the beginning of the financial year	6,405	12,665
Effect of exchange rate changes on the balance of cash held in foreign currencies	(9)	44
Cash and cash equivalents at the end of the financial year	6,634	6,405

To be read in conjunction with the accompanying notes.

Notes to the financial statements
Fleetwood Corporation Limited
Year ended 30 June 2015

1 Statement of significant accounting policies

The significant policies which have been adopted in the preparation of this financial report are:

1.1 Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001 (Cth)*, Accounting Standards and Interpretations, and complies with other requirements of the law. Compliance with Australian Accounting Standards ensures the consolidated financial statements and notes of the consolidated entity comply with International Financial Reporting Standards. The Company is a for profit entity and the financial statements comprise the consolidated financial statements of the Group.

The financial statements were authorised for issue by the directors on 30 September 2015.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. Adoption of these standards has had no effect on the amounts reported for the current or prior period.

At the date of authorisation of the financial statements, the following applicable standards and interpretations were in issue but not yet effective:

Standard	Effective for reporting periods beginning on or after:	Expected to be applied in the year ending:
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017

The Group is yet to undertake a detailed assessment of the impact of AASB 15 and AASB 9. However, based on the entity's preliminary assessment, the Standards are not expected to have a material impact on the transactions and balances recognised in the financial statements when first adopted for the year ending 30 June 2018 and 30 June 2019, respectively.

Management are in the process of determining the potential impact of the initial application of the Standards and Interpretations. These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

1.2 Basis of preparation

The financial report has been prepared on the basis of historical costs, except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Cost is generally based on the fair values of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136. Accounting policies have been consistently applied and except where there are changes in accounting policy, are consistent with those of the previous year. All amounts are presented in Australian Dollars unless otherwise noted.

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

1.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders, potential voting rights held by the Company, other vote holders or other parties, rights arising from other contractual arrangements, and any

additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in the profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate.

1.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum at the acquisition-date of the fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity instruments issued by the Company in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that deferred tax assets or liabilities or assets related to employment benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

1.5 Revenue recognition

Revenue is recognised at the fair value of consideration received or receivable net of goods and services tax (GST).

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Construction contracts

When the stage of completion can be reliably measured, revenue is recognised in proportion to the stage of completion of the contract. The stage of completion is measured based on the proportion of costs incurred for work performed to date relative to the estimated total contract cost. Variations in contract work, claims and incentive payments are included to the extent that the amount can be reliably measured and its receipt is considered probable. Where the outcome of a contract cannot be reliably estimated, costs are immediately recognised as an expense. Where it is probable costs will not be recovered, revenue is only recognised to the extent costs are recoverable. An expected loss is recognised immediately as an expense.

When costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability. Amounts billed for work performed but not yet paid are included in the consolidated statement of financial position as trade and other receivables.

Rental

Rental income is recognised on a straight line basis over the term of the relevant rental contract.

Interest

Interest is recognised on an accrual basis, taking into account the effective yield on the financial asset.

Sale of non-current assets

Gains or losses on sale of non-current assets are included as income or expenses at the date the significant risks and rewards of the asset pass to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Dividends

Dividends and distributions from subsidiaries are recognised by the parent entity when they are declared by the subsidiaries. Dividends received out of pre-acquisition reserves are eliminated against the carrying amount of the investment and not recognised as revenue.

1.6 Foreign currency

Functional currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The results and financial position of each group entity are expressed in Australian Dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rate of exchange ruling on that date. Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of comprehensive income in the financial year in which they arose.

Translation of controlled foreign operations

The assets and liabilities of foreign operations, including subsidiaries, are translated at the rates of exchange ruling at balance date. Equity items are translated at historical rates. Exchange differences arising from translation are taken directly to the foreign currency reserve until disposal or partial disposal of the operations. Income and expense items are translated at the average exchange rates for the period. Exchange differences are recognised in other comprehensive income and accumulated in equity.

1.7 Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

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

1.8 Taxation

Current tax

Current tax is calculated by reference to the amount of income tax payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised as a liability or asset to the extent that it is unpaid or refundable.

Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is accounted for using the comprehensive statement of financial position liability method in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that a sufficient taxable amount will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. Deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets and the liabilities giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/consolidated entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill.

1.9 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in fair value and have a maturity of three months or less at the date of acquisition.

1.10 Acquisition of assets

All assets including property, plant and equipment and intangibles are initially recorded at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition. The costs of assets constructed or

internally generated by the consolidated entity, other than goodwill, include the cost of materials, direct labour, directly attributable overheads and other incidental costs.

Expenditure, including that on internally generated assets other than development costs, is only recognised as an asset when it is probable that future economic benefits will eventuate and the costs can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable future economic benefits will flow to the consolidated entity. Costs that do not meet the criteria for capitalisation are expensed as incurred.

1.11 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

1.12 Receivables

Trade debtors are recorded at amortised cost less impairment. The collectability of debts is assessed at year-end and a provision is made for any doubtful debts. Changes in the carrying amount of the allowance are recognised in profit or loss.

1.13 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using standard cost and for work in progress includes an appropriate share of both variable and fixed costs. Net realisable value represents the estimated selling prices for the inventories less all estimated costs of completion and costs necessary to make the sale.

1.14 Impairment of assets other than goodwill

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value through equity, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value through equity, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.15 Leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.16 Property, plant and equipment

Each class of property, plant and equipment is stated at historical cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Freehold land is not depreciated.

The cost of self-constructed assets includes the cost of materials and direct labour and any other costs attributable to bringing an asset to a working condition ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

1.17 Depreciation and amortisation

All non-financial assets of the entity (except land) have limited useful lives and are depreciated/amortised using the straight-line method over their estimated useful lives to their estimated residual values. Assets are depreciated or amortised from the time an asset is ready for use.

Depreciation and amortisation rates and methods and residual values are reviewed annually for appropriateness. When changes are made adjustments are reflected in current and future periods only. Depreciation and amortisation are expensed, except to the extent they are included in the carrying amount of another asset as an allocation of production overheads.

Depreciation/amortisation rates used for each class of asset are as follows:

	2015	2014
Buildings	2.5%	2.5%
Leasehold property and improvements	2% - 25%	2% - 25%
Plant and equipment	2.5% - 50%	2.5% - 50%

1.18 Investment Property

Investment properties are properties held to earn rent and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.19 Goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.20 Intangibles

Product development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An intangible asset arising from product development (or from the development phase of an internal project) is recognised if the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the asset first meets the recognition criteria. Where no internally-generated asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses and are amortised on a straight-line basis over their useful lives of 2 to 5 years.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.21 Employee benefits

Wages, salaries, annual and long service leave

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Provisions which are not expected to be settled within 12 months are measured as the present value of the estimated future cash flows to be made in respect of services provided by employees up to the reporting date. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds (2014: government bonds) that have maturity dates that approximate the timing of the estimated future cash flows. Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the estimate of equity instruments that will eventually vest. At the end of each reporting period, the estimate of the number of equity instruments expected to vest is reviewed. The impact of the revision is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity.

Superannuation

Contributions to employee superannuation funds are expensed when the employees have rendered service entitling them to the contributions.

1.22 Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. Equity instruments issued by the Group are recognised at the amount received, net of direct issue costs.

Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received regardless of whether they have been billed to the consolidated entity. They are initially valued at fair value, net of transaction costs.

Interest bearing liabilities

Bank loans are recognised initially at fair value net of transaction costs. Subsequent to initial recognition, bank loans are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit or loss over the period of the borrowing using the effective interest rate. Interest expense is recognised on an accrual basis.

The Group derecognises liabilities when, the obligations are discharged, cancelled or expire. The difference between the carrying amount of the liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.23 Comparative information

Comparative information has been restated to account for the impact of the discontinued operation and other reclassifications to bring them in line with the current year classifications.

In the prior period the total amount of long-service leave was classified as non-current. The current portion of the long service leave provision has been reclassified to current in the comparative period to bring it in line with the current year classification. The amounts have been reclassified to better reflect the nature of the provision.

1.24 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.25 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.26 Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in notes 11, 21 and 28.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

1.27 Critical accounting judgments and key sources of estimation uncertainty

In the application of accounting policies, management is required to make judgments, estimates and assumptions. The estimates and associated assumptions are based on experience and other factors that are considered relevant. Actual results may differ from these estimates.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- Accounting for construction contracts involves the continuous use of assessed estimates based on assumptions consistent with project scope and schedule, contract and risk management processes. Contracts may span several accounting periods. Estimates of forecast costs are regularly updated in accordance with the agreed work scope and schedule under the contract. Forecasts are based on the cost expected to apply when the related activity is undertaken. Contingencies are included in order to cover the risks in those forecasts. Revenues reflect the price agreed in the contract and variations where they have been approved or if it is probable they will be approved. Claims are included in contract revenue only where negotiations have reached an advanced stage such that it is probable that the client will accept the claim and recovery of the amount involved is probable.
- Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated except for where fair value less cost to sell has been applied. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable

discount rate in order to calculate the present value. Details of goodwill and the subsequent testing for impairment are set out in Note 14. Where the actual future cash flows are less than expected, a material impairment loss may arise.

- The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of options issued during the year. Note 22 provides information about the key assumptions used in the determination of the fair value of these options. The Directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the options.
- The carrying amount of goodwill at 30 June 2015 was \$61.8million (30 June 2014: \$59.4 million) after an impairment loss of \$2.1 million was recognised during 2015 (2014: \$5 million). Details of the impairment loss calculation including key assumptions are set out in note 14.

General information

Fleetwood Corporation Limited is a public company listed on the Australian Securities Exchange (trading under the symbol 'FWD'), incorporated in Australia and operating in Australia and New Zealand.

The registered and business address of the Company is 21 Regal Place, East Perth, Western Australia. The telephone number of the company is (08) 9323 3300.

Tax consolidation

The Company and its wholly-owned Australian resident entities elected from 1 July 2003 to be taxed as a single entity.

Fleetwood Corporation Limited, as the head entity, and the subsidiaries in the tax consolidated group continue to account for their own current and deferred tax amounts. The amounts are measured as if each entity continues to be a stand-alone taxpayer in its own right. The current tax balances are then transferred to the head entity via intercompany balances. The entities within the Group have entered a tax funding arrangement whereby each subsidiary will compensate the head entity for the amount of tax payable that would be calculated as if the subsidiary was a tax paying entity.

The method used to calculate current and deferred tax amounts is summarised in Note 1.8.

2015	2014
\$ '000	\$ '000

2 Revenue

Revenue from continuing operations comprises:

Sales revenue

Goods	169,963	179,769
Construction	72,620	139,772
Rental	59,417	46,748
	302,000	366,289

Other income

Interest	75	120
(Loss) / gain on sale of non-current assets	(140)	109
	(65)	229
	301,935	366,518

All rental fleet units are available for sale and their sale is included in Sales revenue - goods rather than profit on sale of non-current assets.

3 Profit before income tax expense

Expenses from continuing operations contain the following items:

Cost of sales	206,814	280,295
Depreciation and amortisation of:		
buildings	34	34
leasehold improvements	4,149	5,307
plant and equipment	23,680	11,290
product development	1,250	993
	29,113	17,624
Finance costs:		
Bank loans and overdraft	3,959	2,198
Charges on hire purchases	-	29
	3,959	2,227
Net bad and doubtful debts	65	(58)
Research and development costs	11	23
Superannuation expense	4,359	5,003
Equity settled share-based payments	468	945

	Note	2015 \$ '000	2014 \$ '000
Current tax expense		1,085	2,990
Deferred tax expense relating to origination and reversal of temporary differences		(426)	(424)
Under provision of income tax in prior year		59	243
Continuing operations		718	2,809
Discontinued operations	35	-	(210)

Reconciliation of income tax expense to the accounting profit

Profit before tax from continuing operations		894	3,375
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The tax rate used for 2015 and 2014 is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

Income tax expense calculated at 30% (2014: 30%)		268	1,013
Amortisation of leasehold improvements		8	-
Effect of lower tax rates on overseas income		(14)	(13)
Non-deductible expenses		769	1,784
Research & development allowance		(313)	(221)
Rights to future income deductions		-	(39)
Non-assessable amounts		(62)	42
Sundry items		2	-
		659	2,566
Adjustments relating to income tax in prior year		59	243
		718	2,809

Deferred tax

	Balance 2013 \$ '000	Charged to income \$ '000	Balance 2014 \$ '000	Charged to income \$ '000	Balance 2015 \$ '000
Deferred tax relating to:					
Property, plant and equipment	1,583	543	2,126	606	2,733
Employee provisions	2,271	(179)	2,092	(118)	1,973
Other provisions	24	2	26	(14)	12
Accruals	94	58	152	(48)	104
	3,972	424	4,396	426	4,822

5 Segment information

Group operating segments are based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Business segments	Products / Services
Recreational Vehicles	Manufacture of caravans and vehicle parts and accessories
Manufactured Accommodation	Design, manufacture, sale and rental of manufactured accommodation
Corporate	Group corporate function

Revenue and results by reportable operating segment:

	Segment revenue		Depreciation & amortisation		Asset impairment		Segment result (EBIT)	
	2015 \$ '000	2014 \$ '000	2015 \$ '000	2014 \$ '000	2015 \$ '000	2014 \$ '000	2015 \$ '000	2014 \$ '000
Recreational Vehicles	112,221	136,520	2,998	2,839	3,177	5,000	(10,197)	(7,129)
Accommodation	189,645	229,702	25,904	14,581	1,300	-	17,247	15,977
Corporate	69	296	211	204	-	-	(2,197)	(3,246)
	301,935	366,518	29,113	17,624	4,477	5,000	4,853	5,602
Finance costs							(3,959)	(2,227)
Profit before income tax expense							894	3,375
Income tax expense							(718)	(2,809)
Profit from continuing operations							176	566
Loss from discontinued operations							-	(490)
Profit attributable to members of the parent entity							176	76

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1. Segment results represents earnings before interest and tax without the allocation of corporate overheads.

Group assets and liabilities by segment:

	Segment assets		Additions to non-current assets		Segment liabilities	
	2015 \$ '000	2014 \$ '000	2015 \$ '000	2014 \$ '000	2015 \$ '000	2014 \$ '000
Recreational Vehicles	76,175	81,018	7,864	3,432	14,815	18,236
Manufactured Accommodation	236,703	222,103	32,971	57,176	33,362	25,322
Corporate	14,830	18,666	37	91	65,530	63,820
	327,708	321,787	40,872	60,699	113,707	107,378

For the purposes of monitoring segment performance and allocating resources all assets and liabilities are allocated to the reportable segments other than current and deferred tax amounts and assets and liabilities directly utilised by the Corporate entity.

The Group operates in two principal geographical areas - Australia (country of domicile) and New Zealand.

Group non-current assets and revenues by geographical segment:

	Segment non-current assets		Revenue from external customers	
	2015 \$ '000	2014 \$ '000	2015 \$ '000	2014 \$ '000
Australia	174,125	219,181	295,841	360,305
New Zealand	478	541	6,094	6,213
	174,603	219,722	301,935	366,518

2015	2014
\$ '000	\$ '000

6 Dividends

Recognised amounts

Final 2014 - paid 2 cents per share fully franked	1,212	-
Interim 2014 - paid 2 cents per share fully franked	-	1,212
	1,212	1,212

Dividend franking account

30% franking credits available to shareholders of Fleetwood Corporation Limited for subsequent years

25,708	26,267
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7 Earnings per share

Earnings used in the calculation of basic and diluted earnings per share from continuing and discontinued operations	176	76
Adjustment to exclude loss from discontinued operation	-	490
Earnings used in the calculation of basic and diluted earnings per share from continuing operations	176	566

The weighted average number of ordinary shares used in the calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Weighted average number of shares used	
Weighted average number of ordinary shares used in the calculation of basic EPS	60,847,809	60,537,267
Number of shares deemed to be issued for no consideration in respect of options	72,600	74,423
Weighted average number of ordinary shares used in the calculation of diluted EPS	60,920,409	60,611,690

From continuing and discontinued operations

Basic earnings per share (cents)	0.3	0.1
Diluted earnings per share (cents)	0.3	0.1

From continuing operations

Basic earnings per share (cents)	0.3	0.9
Diluted earnings per share (cents)	0.3	0.9

From continuing operations before impairment

Basic earnings per share (cents)	6.5	9.2
Diluted earnings per share (cents)	6.5	9.2

There are no potential ordinary shares that are anti-dilutive.

2015	2014
\$ '000	\$ '000

8 Cash and cash equivalents

Cash and cash equivalents	6,634	6,405
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Cash at bank is at call and received interest at a weighted average rate of 1.42% (2014: 1.61%).

9 Trade and other receivables

Current

Trade receivables	32,768	32,939
Less: allowance for doubtful debts	(387)	(15)
Other debtors	63,816	13,730
	96,197	46,654

Trade and other debtors are non-interest bearing and are generally on terms ranging between 7 and 60 days. The average credit period on sales of goods is 30 to 60 days. All trade and other debtors are expected to be settled within 60 days of year end.

Retentions on construction contracts included within other debtors amount to \$1.2 million (2014: 0.8 million), to be received from the customer on acceptance of the works performed and other contractual milestones.

Included in other debtors is \$56.3 million pertaining to the Osprey Project which was settled on 20 July 2015. For further information refer to note 36.

Concentrations of risk

The five largest outstanding receivables at 30 June 2015 by customer are:

Gateway Lifestyle Residential Parks	3,945	727
Pilbara Iron Company (Rio Tinto Limited)	3,921	1,855
Department of Education & Early Childhood Development (Victorian State Government)	2,809	5,158
Department of Education, Training & Employment (Queensland State Government)	2,551	4,470
FK Gardner & Sons Pty Ltd	1,989	1,989

Trade receivables include amounts that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful receivables because there has not been a significant change in the credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. An analysis of aged receivables is included below:

Less than 3 months	3,874	4,879
Between 3 - 6 months	239	166
Longer than 6 months	2,715	144
	6,828	5,190

Movement in allowance for doubtful debts

Balance at beginning of year	15	102
Impairment losses recognised on receivables	49	55
Amounts provided for / (written off) during the year	323	(142)
	387	15

2015	2014
\$ '000	\$ '000

10 Inventories

Current

Raw materials & stores	7,413	8,477
Work in progress	15,274	14,200
Finished goods	22,559	21,827
	45,246	44,504

Non-current

Work in progress	-	45,745
	-	45,745

The cost of inventories recognised as an expense during the year in respect of continuing operations was \$101.1 million (2014: \$146.6 million). The cost of inventories written down to net realisable value during the year was \$0.4 million (2014: nil)

Work in progress relating to the Osprey Project has been reclassified as Other receivables at 30 June 2015 (refer note 9).

Included in current work in progress is \$14.1 million (2014: \$12.9 million) relating to construction contracts in progress, comprising costs incurred and recognised profits (less recognised losses).

11 Other financial assets

Current

Derivatives not in designated hedge accounting relationships	206	-
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The Group has entered into forward exchange contracts to hedge foreign currency risk on highly probable future purchases of inventory from overseas.

12 Non-current assets held for sale

Plant & equipment	-	51
	-	51

Plant & equipment held for sale are residual assets from the discontinued operation.

2015
\$ '000

2014
\$ '000

13 Property, plant and equipment

Freehold land

Cost 1,669 1,408

Buildings

Cost 1,342 1,342
 Accumulated depreciation (306) (272)

1,036 **1,070**

Leasehold property and improvements

Cost 53,903 53,461
 Accumulated amortisation (40,742) (36,621)

13,161 **16,840**

Plant and equipment

Cost 140,047 130,268
 Accumulated depreciation (73,739) (54,492)

66,308 **75,776**

Assets under construction

Cost 25,502 14,608

107,676 **109,702**

Movement in the carrying amounts of each class of property, plant and equipment:

2015 Financial Year	Freehold land	Buildings	Leasehold Property	Plant and equipment	Assets under Construction	Total
Balance at 1 July 2014	1,408	1,070	16,840	75,776	14,608	109,702
Additions	261	-	470	1,675	31,387	33,793
Acquisition through business acquired	-	-	-	89	-	89
Transferred from assets under construction	-	-	-	20,255	-	20,255
Transferred to plant and equipment	-	-	-	-	(20,255)	(20,255)
Disposals	-	-	-	(6,496)	(238)	(6,734)
Depreciation and amortisation	-	(34)	(4,149)	(23,680)	-	(27,863)
Impairment	-	-	-	(1,300)	-	(1,300)
Effect of foreign exchange differences	-	-	-	(11)	-	(11)
Balance at 30 June 2015	1,669	1,036	13,161	66,308	25,502	107,676
2014 Financial Year						
Balance at 1 July 2013	1,408	1,104	22,118	81,310	8,531	114,471
Additions	-	-	124	5,742	18,633	24,499
Transferred to non current assets held for sale	-	-	-	9,346	-	9,346
Transferred from assets under construction	-	-	-	-	(9,346)	(9,346)
Transferred to plant and equipment	-	-	-	(121)	(259)	(380)
Disposals	-	-	(16)	(9,240)	(2,951)	(12,207)
Depreciation and amortisation	-	(34)	(5,386)	(11,290)	-	(16,710)
Effect of foreign exchange differences	-	-	-	29	-	29
Balance at 30 June 2014	1,408	1,070	16,840	75,776	14,608	109,702

\$1.4m of land is mortgaged under the Group's financing arrangements with Westpac.

	2015 \$ '000	2014 \$ '000
14 Goodwill		
Goodwill	61,761	59,431
Reconciliation of the carrying amount of Goodwill:		
Gross carrying amount		
Opening balance	64,431	64,435
Additional amounts recognised from business combination occurring during the period	4,425	-
Effect of foreign exchange differences	2	(4)
	68,858	64,431
Accumulated impairment		
Opening balance	(5,000)	-
Impairment loss in respect of caravan manufacturing CGU	(2,097)	(5,000)
	(7,097)	(5,000)
Individual cash-generating unit (CGU) allocations:		
Caravan manufacturing	-	2,097
Parts and accessories	12,401	12,401
Canopies, trays and accessories	11,040	6,613
Manufactured accommodation	38,320	38,320
	61,761	59,431

The recoverable amount of the cash generating units has been determined as the higher of fair value less costs to sell, and value in use. The value in use has been calculated using cashflow projections based on financial budgets approved by the board for the first two years, and utilising a cashflow growth rate of 2.5% (2014: 2.6%) for caravan manufacturing CGU, 2.5% (2014: refer below) for parts and accessories CGU, 2.5% (2014: 4%) for canopies, trays and accessories CGU and 2.5% (2014: 5%) for manufactured accommodation CGU for those years not budgeted.

The implied discount rates of 18.9% (2014: 14.7%) for caravan manufacturing CGU, 18.9% (2014: refer below) for parts and accessories CGU, 13.3% (2014: 14.7%) for canopies, trays and accessories CGU and 12.25% (2014: 9.3%) for manufactured accommodation CGU, reflect the respective CGU's pre-tax weighted average cost of capital, and has been used in the value in use calculations of the respective CGU. The terminal growth rate used is 2.5% (2014: 2.5%).

At 30 June 2015, if the forecast EBITDA for the parts and accessories CGU decreased by 20-30%, with all other variables held constant, the carrying amount would likely exceed the recoverable amount for this CGU. At 30 June 2015, if the forecast EBITDA for the canopies, trays and accessories CGU decreased by 20-30%, with all other variables held constant, the carrying amount would likely exceed the recoverable amount for this CGU. For the manufactured accommodation CGU there is no reasonably possible change in the key assumptions which would result in the carrying amount exceeding the recoverable amount.

At 30 June 2014, the recoverable amount for the parts and accessories CGU was assessed using a fair value less cost to sell model, utilising a discounted cash flow projection over 10 years based on the financial budgets and business plans as approved by the board for the first year and utilising a cash flow growth rate of 2.6% thereafter. The assumed cost of sale is then deducted to arrive at the recoverable value of the CGU. A pre-tax discount rate of 20.0% and a terminal growth rate of 2.5% is utilised in this analysis.

Testing for impairment is carried out on an annual basis and whenever there is an indication of impairment. A \$2.1 million impairment has been recorded against the goodwill of the caravan manufacturing CGU reflecting the challenging demand environment for recreational vehicles (2014: \$5 million). No impairment charge has been recorded since recognising goodwill except those mentioned. The recoverable amount of each CGU equals or exceeds the carrying amount of goodwill as at 30 June 2015. The key assumptions used in determining the recoverable amounts are based on past experience and where applicable are consistent with external sources of information.

2015	2014
\$ '000	\$ '000

15 Intangible assets

Product development

At cost	4,993	4,684
Accumulated amortisation	(1,932)	(1,921)
	3,061	2,763

Product development WIP

At cost	2,105	2,081
	5,166	4,844

Reconciliation of the carrying amounts:

Product development

Cost		
Opening balance	4,684	4,670
Transferred from product development WIP	1,556	515
Transferred from property, plant and equipment	-	380
Additions	676	983
Disposals	(283)	(1,864)
Impairment	(1,640)	-
	4,993	4,684

Accumulated amortisation

Opening balance	1,921	2,788
Amortisation charged for the year	1,250	993
Eliminated on disposal	(282)	(1,860)
Eliminated on impairment	(957)	-
	1,932	1,921

Product development WIP

Carrying amount at beginning of year	2,081	1,146
Additions	1,977	1,450
Impairment	(397)	-
Transferred to product development	(1,556)	(515)
	2,105	2,081

Intangible assets have a useful life of 2 to 5 years

16 Trade and other payables

Trade creditors	25,782	23,706
Payments in advance	166	182
Other creditors and accruals	17,724	13,965
	43,672	37,853

Payables include amounts for goods received not invoiced. Trade and other payables are non-interest bearing. The average credit period on purchases is 45 days.

Included in other creditors and accruals is \$6.2 million of advances received from customers related to work not yet performed on construction contracts in progress at the end of the reporting period (2014: \$2.1 million)

2015	2014
\$ '000	\$ '000

17 Provisions

Current

Employee benefits	5,593	5,732
Other	12	105
	5,605	5,837

Non-current

Employee benefits	971	1,138
Aggregate employee benefits	6,564	6,870

Provisions for employee benefits represent accrued annual leave and long service leave entitlements. Other provisions represent amounts required to remove asbestos from portable buildings and other costs associated with the discontinued operation.

18 Interest bearing liabilities

Current - at amortised cost

Bank loans - secured	19	62,500	62,400
Hire purchase creditors - secured	20	-	11
		62,500	62,411

There were no hire purchase arrangements as at 30 June 2015. (2014: repayment periods of less than 1 year with interest rates payable of 7.46% to 7.47%).

19 Financing arrangements

The consolidated entity has access to the following lines of credit:

Facilities available

Bank loans	70,000	68,400
Bank guarantees	5,000	3,000
Multi Option Facility	75,000	71,400

Under the terms of the Multi Option Facility, the consolidated entity is entitled to draw on any mix of commercial bill, bank guarantees, standby letter of credit or bank overdraft.

Facilities utilised

Bank loans	18	62,500	62,400
Bank guarantees		2,201	1,973
		64,701	64,373

Facilities not utilised

Bank loans	7,500	6,000
Bank guarantees	2,799	1,027
	10,299	7,027

19 Financing arrangements (continued)

On 20 July 2015, Fleetwood sold the Osprey Village to the West Australian Housing Authority for \$62.2m. The receivable created by the transaction has a term of 14 years and was subsequently assigned to its financier, Westpac for an upfront payment of \$62.2m. This assignment enabled Fleetwood to be debt free as at the date of repayment. For further information on this transaction please refer to note 36.

Bank loans

Bank loans are secured by a mortgage debenture over the assets of the consolidated entity and bear interest at the BBSY rate plus 1.125% (2014: 1.00%) plus a line fee of 1.125% (2014: 1.00%). The effective annual interest rate at the end of the financial year was 3.22% (2014: 3.57%).

Bank guarantees

Bank guarantees are utilised for construction contracts. No liability has been recognised in the statement of financial position in respect of bank guarantees.

2015	2014
\$ '000	\$ '000

20 Commitments

Operating lease commitments

Within one year	8,400	8,111
Between one and five years	7,238	11,591
Later than five years	-	-
	15,638	19,702

The Group has a number of non-cancellable operating lease arrangements for land and buildings with lease terms of between 1 to 5 years. The leases have varying terms and renewal rights. The majority of these lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have the option to purchase the property at the expiry of the lease period.

Operating lease receivables

Within one year	9,342	24,932
Between one and five years	-	9,672
Later than five years	-	-
	9,342	34,604

The Group has a number of non-cancellable operating lease arrangements for portable buildings and contracts for the provision of accommodation services. The leases have varying terms and renewal rights. The majority of these lease contracts contain market review clauses. The lessee does not have the option to purchase the property at the expiry of the lease period.

Hire purchase commitments

	Minimum lease payments		Present value of minimum lease payments	
	2015 \$ '000	2014 \$ '000	2015 \$ '000	2014 \$ '000
Within one year	-	11	-	11
One year or later and no later than five years	-	-	-	-
Later than five years	-	-	-	-
	-	11	-	11
Less: future finance charges	-	-	-	-
Present value of minimum lease payments	-	11	-	11

21 Other financial liabilities

Current

Derivatives not in designated hedge accounting relationships	-	139
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The Group has entered into forward exchange contracts to hedge foreign currency risk on highly probable future purchases of inventory from overseas.

22 Share based payments

Employee plan

A scheme under which rights to acquire ordinary shares may be issued by the company to employees for no consideration was approved by shareholders at the 2014 annual general meeting. Employees who have been continuously employed by the group for at least one year are eligible to participate in the scheme. Employees will be issued shares in Fleetwood Corporation Limited upon the exercise of the rights. One third of the rights are exercisable 1 year from the date of issue and a further one third of the rights are exercisable in each of the next 2 years. One share right represents one Fleetwood Corporation Limited share. There are no voting or dividend entitlements attaching to the rights. No amount is payable upon exercise of the rights and shares issued upon exercise rank equally with existing shares on the ASX.

Summary of movements:

Issue date	Weighted average share price at grant date \$	Rights at beginning of year No.	Rights granted No.	Rights expired / forfeited No.	Rights exercised (shares issued) No.	Rights at end of year No.	Vested at end of year No.	Fair value (market value) of shares on exercise \$
18/12/14								
2015	1.35	-	284,700	(212,100)	-	72,600	-	-
2014	N/A	-	-	-	-	-	-	-

Employee share rights granted have been valued at the volume weighted average price at which Fleetwood's share traded over five trading days commencing 24 November 2014 (\$1.35).

Executive Plan

The establishment of a new Executive Long Term Incentive plan was approved by shareholders at the 2014 annual general meeting. Under the executive plan, executives and other senior employees of the group, declared eligible by the board, are granted options or shares in Fleetwood Corporation Limited. All eligible candidates under the executive plan have opted to have shares granted over options. No amounts are paid or payable by the recipient on the granting of shares.

The shares granted under the executive plan are held in a trust structure. Executives and employees declared eligible by the board hold share units in the Fleetwood Executive Share Trust to which the shares are allocated. Participants are provided with an interest free, non-recourse loan from the Company for the sole purpose of acquiring share units in the trust. The shares are granted upfront but are restricted and subject to a risk of forfeiture until the end of the vesting period. To gain access to the shares, the participant must repay the outstanding loan. One share unit within the Fleetwood Share trust represents one Fleetwood Corporation Limited share.

One third of the share units granted vest the greater of 1 year from the grant date or 2 years from employment date, a further one third vest the greater of 2 years from grant date or 3 years from employment date and the remaining one third vest the greater of 3 years from grant date or 4 years from employment date. Upon vesting share units in the Executive Share Trust are exercisable if the total shareholder return equals or exceeds 15% p.a. from the grant date to the vesting date and total shareholder return is equal to or exceeds the All Ordinaries Index over the same period. The amount payable upon exercising one share unit is the volume weighted average price at which Fleetwood's share traded over five trading days commencing 24 November 2014 (\$1.35). Any unvested share units in the executive share trust will expire five years from grant date. The shares granted are quoted on the ASX and rank equally with existing shares on the ASX.

Summary of movements:

Issue date	Weighted average share price at grant date \$	Share units at beginning of year No.	Share units granted No.	Share units expired / forfeited No.	Share units exercised (shares issued) No.	Share units at end of year No.	Vested at end of year No.	Fair value (market value) of shares on exercise \$
18/12/14								
2015	1.35	-	360,000	-	-	360,000	-	-
2014	N/A	-	-	-	-	-	-	-

22 Share based payments (continued)

Share units information:

Issue Date	Expiry Date	Vesting tranche	Volatility %	Dividend yield %	Risk free interest rate %	Fair value at grant date \$	Exercise price \$	Weighted average share price at grant date \$	Weighted average share price at exercise date 2015 \$	Weighted average share price at exercise date 2014 \$
18/12/14	18/12/19	1	47.57	3.20	2.40	0.43	1.35	1.35	-	-
		2	47.57	3.20	2.40	0.42	1.35	1.35	-	-
		3	47.57	3.20	2.40	0.39	1.35	1.35	-	-

The fair value at grant date for Executive shares units is determined using a Monte Carlo simulation model. The expected volatility is based on historical share price volatility over the past 5 years, and the risk free interest rate and dividend yield have been assessed based on prevailing market conditions. In addition, specific factors in relation to the likely achievement of performance hurdles and employment tenure have been taken into account.

Employee option plan

The group ceased offering options to its employees and now utilizes the rights plan approved at its 2014 AGM. Options under the old Employee option plan remain valid options with the same terms as they were issued.

Employees with more than 1 years service with the consolidated entity were granted options to purchase ordinary shares in Fleetwood Corporation Limited. No amounts are payable for the options. 50% of the options are exercisable 1 year from the date of issue and a further 25% are exercisable in each of the next 2 years. The options expire 5 years from the date of issue. There are no voting or dividend rights attaching to the options.

Summary of movements:

Issue date	Exercise price \$	Options at beginning of year No.	Options granted No.	Options expired / forfeited No.	Options exercised (shares issued) No.	Options at end of year No.	Vested at end of year No.	Proceeds received on exercise \$	Fair value (market value) of shares on exercise \$
14/11/08	4.20								
2015		-	-	-	-	-	-	-	-
2014		110,200	-	(110,200)	-	-	-	-	-
31/10/09	6.00								
2015		166,457	-	(166,457)	-	-	-	-	-
2014		195,327	-	(28,870)	-	166,457	166,457	-	-
31/10/10	8.02								
2015		279,199	-	(42,168)	-	237,031	237,031	-	-
2014		330,394	-	(51,195)	-	279,199	279,199	-	-
02/09/11	8.68								
2015		300,133	-	(44,977)	-	255,156	255,156	-	-
2014		356,571	-	(56,438)	-	300,133	220,989	-	-
29/08/12	9.39								
2015		366,640	-	(63,240)	-	303,400	227,550	-	-
2014		437,570	-	(70,930)	-	366,640	183,775	-	-
30/08/13	2.56								
2015		509,050	-	(93,000)	-	416,050	208,025	-	-
2014		-	584,850	(75,800)	-	509,050	-	-	-
2015		1,621,479	-	(409,842)	-	1,211,637	927,762	-	-
2014		1,430,062	584,850	(393,433)	-	1,621,479	850,420	-	-
Weighted average exercise price (\$)									
2015		6.53	N/A	6.24	N/A	6.63	7.31		
2014		5.16	2.56	6.09	N/A	6.53	8.09		

22 Share based payments (continued)

Options information:

Issue Date	Expiry Date	Option life Years	Volatility %	Dividend yield %	Risk free interest rate %	Fair value at grant date \$	Exercise price \$	Share price at grant date \$	Weighted average share price at exercise date 2015 \$	Weighted average share price at exercise date 2014 \$
14/11/08	13/11/13	5	45.90	10.74	3.97	0.42	4.20	5.25	-	-
31/10/09	30/10/14	5	50.00	8.54	4.53	2.09	6.00	7.57	-	-
31/10/10	30/10/15	5	40.00	6.14	4.50	4.03	8.02	10.02	-	-
02/09/11	01/09/16	5	35.69	6.18	4.50	2.53	8.68	10.66	-	-
29/08/12	28/08/17	5	35.80	7.59	2.77	2.31	9.39	11.78	-	-
30/08/13	30/08/18	5	45.03	3.64	2.54	0.90	2.56	3.10	-	-

Executive option plan

The previous Executive option plan has been replaced by the Executive Long Term Incentive Plan as approved at the 2014 AGM. Options issued under the old Executive option plan remain valid options with the same terms as they were issued.

Executives are granted options to purchase ordinary shares in Fleetwood Corporation Limited. No amounts are payable for the options. For options issued prior to 1 July 2012, one third of the options are exercisable after the 30 June subsequent to the date of issue, a further one third of the options are exercisable in each of the next 2 years. Options issued after 1 July 2012 vest three years from the issue date. The options are only exercisable if the company's total shareholder return equals or exceeds 15% p.a. compounded from the inception of the plan (1999) and is equal to or greater than the ASX300 All Industrials Accumulation Index. The options expire 5 years from the date of issue. There are no voting or dividend rights attaching to the options.

Summary of movements:

Issue date	Exercise price \$	Options at beginning of year No.	Options granted No.	Options expired / forfeited No.	Options exercised (shares issued) No.	Options at end of year No.	Vested at end of year No.	Proceeds received on exercise \$	Fair value (market value) of shares on exercise \$
14/11/08 2014	7.25	31,122	-	(31,122)	-	-	-	-	-
31/10/09 2015	6.00	16,000	-	(16,000)	-	-	-	-	-
31/10/09 2014	6.00	16,000	-	-	-	16,000	16,000	-	-
31/10/10 2015	8.02	101,666	-	(20,000)	-	81,666	81,666	-	-
31/10/10 2014	8.02	135,000	-	(33,334)	-	101,666	101,666	-	-
02/09/11 2015	8.68	131,337	-	(34,562)	-	96,775	96,775	-	-
02/09/11 2014	8.68	206,337	-	(75,000)	-	131,337	87,558	-	-
20/02/13 2015	10.57	190,000	-	(60,000)	-	130,000	-	-	-
20/02/13 2014	10.57	325,000	-	(135,000)	-	190,000	-	-	-
30/08/13 2015	2.88	350,000	-	(80,000)	-	270,000	-	-	-
30/08/13 2014	2.88	-	580,000	(230,000)	-	350,000	-	-	-
2015		789,003	-	(210,562)	-	578,441	178,441	-	-
2014		713,459	580,000	(504,456)	-	789,003	205,224	-	-
Weighted average exercise price (\$)									
2015		6.42	N/A	6.75	N/A	6.30	8.38		
2014		9.29	2.88	6.41	N/A	6.42	8.14		

22 Share based payments (continued)

Options information:

Issue Date	Expiry Date	Option life Years	Volatility %	Dividend yield %	Risk free interest rate %	Fair value at grant date \$	Exercise price \$	Share price at grant date \$	Weighted average share price at exercise date 2015 \$	Weighted average share price at exercise date 2014 \$
14/11/08	13/11/13	5	45.90	10.74	3.97	0.32	7.25	5.25	-	-
31/10/09	30/10/14	5	50.00	8.54	4.53	2.09	6.00	7.57	-	-
31/10/10	30/10/15	5	40.00	6.14	4.50	2.43	8.02	10.02	-	-
02/09/11	01/09/16	5	35.69	6.18	4.50	2.53	8.68	10.66	-	-
20/02/13	19/02/18	5	35.39	7.59	2.85	1.15	10.57	9.66	-	-
30/08/13	30/08/18	5	45.03	3.64	3.68	1.40	2.88	3.10	-	-

Employee and Executive share options outstanding at the end of the financial year had a weighted average remaining contractual life of 754 days.

The grant date weighted average fair value of options in existence at reporting date is:

- Options issued in 2010: \$1.73 per option
- Options issued in 2011: \$3.24 per option
- Options issued in 2012: \$2.50 per option
- Options issued in 2013: \$1.57 per option
- Options issued in 2014: \$0.67 per option

Employee Options were valued using the Black-Scholes option pricing model. The expected life used in the model has been adjusted based on management's best estimate of the effects of exercise restrictions and behavioral considerations. The expected volatility is based on historical share price volatility over the past 5 years, and the risk free interest rate and dividend yield have been assessed based on prevailing market conditions.

Executive Options were valued using a Monte Carlo simulation model. The expected volatility is based on historical share price volatility over the past 5 years, and the risk free interest rate and dividend yield have been assessed based on prevailing market conditions.

2015
\$ '000

2014
\$ '000

23 Issued capital

Issued and paid-up capital

61,039,412 (2014: 60,581,211) ordinary shares, fully paid **194,762** 194,096

Holders of ordinary shares are entitled to receive dividends as declared and to one vote per share held.

2015		2014	
# Shares	\$ '000	# Shares	\$ '000

Movements in ordinary share capital

Balance at beginning of year	60,581,211	194,096	60,522,619	193,001
Equity settled share-based payments	-	468	-	945
Shares issued pursuant to Dividend Reinvestment Plan	98,201	198	58,592	150
Shares issued pursuant to Employee and Executive Option Plans	360,000	-	-	-
Balance at the end of year	61,039,412	194,762	60,581,211	194,096

Ordinary shares are allotted under the dividend reinvestment plan at a discount to the weighted average price of ordinary shares sold on the ASX over the period of 5 business days up to and including the record date. The current discount is 2.5% (2014: 2.5%).

At 30 June 2015, employees held options over 1,211,637 ordinary shares of the Company, of which 237,031 will expire on 30 October 2015. At 30 June 2014, employees held options over 1,621,479 ordinary shares of the Company, of which 166,457 expired on 30 October 2014.

At 30 June 2015, employees held rights over 72,600 ordinary shares of the Company. The rights do not have an expiry date (2014: nil). At 30 June 2015, executives held options over 578,441 ordinary shares of the Company, of which 81,666 will expire on 30 October 2015. At 30 June 2014, executives held options over 789,003 ordinary shares of the Company, of which 16,000 expired on 30 October 2014.

2015
\$ '000

2014
\$ '000

24 Reserves (net of income tax)

Foreign currency translation reserve

Balance at beginning of year	(219)	(578)
Translation of foreign operations	(38)	359
	(257)	(219)

Reserves relate to exchange differences on the translation of self-sustaining foreign operations.

25 Retained earnings

Balance at beginning of year	20,532	21,668
Profit attributable to members of the parent entity	176	76
Dividends recognised	(1,212)	(1,212)
	19,496	20,532

26 Auditors' remuneration

Audit services	79	208
Other services - taxation and accounting assistance	9	13
	88	221

The auditor of Fleetwood Corporation Limited for 2015 is Grant Thornton (2014: Deloitte Touche Tohmatsu).

27 Deed of cross guarantee

Pursuant to an ASIC Class Order 98/1418 dated 13 August 1998, relief was granted to the wholly owned subsidiaries listed below from the requirement to prepare, have audited and lodge financial reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor, payment in full of any debt in the event of winding up of any subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Law, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

Subsidiaries subject to the deed are:

Bocar Pty Ltd (formerly Bendigo Re-locatable Buildings Pty Ltd)
 BRB Modular Pty Ltd
 Camec Pty Ltd
 Fleetwood Recreational Vehicles Pty Ltd
 Fleetwood Finance (WA) Pty Ltd
 Fleetwood Pty Ltd
 Flexiglass Challenge Pty Ltd
 Windsor Caravans Pty Ltd

A consolidated statement of financial performance and financial position comprising the Company and its subsidiaries, which are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee is set out below:

	2015 \$ '000	2014 \$ '000
Statement of profit or loss and other comprehensive income		
Continuing operations		
Sales revenue	296,684	360,337
Other income	570	1,023
Materials used	(97,657)	(142,308)
Sub-contract costs	(68,181)	(90,935)
Employee benefits expense	(57,822)	(65,493)
Operating leases	(10,435)	(10,884)
Other expenses	(27,085)	(23,357)
Profit before interest, tax, depreciation and amortisation and impairment	36,074	28,383
Depreciation and amortisation expense	(28,960)	(17,551)
Profit before interest, tax and impairment	7,114	10,832
Impairment of goodwill	(2,097)	(5,000)
Profit before interest and tax	5,017	5,832
Finance costs	(3,959)	(2,227)
Profit before income tax expense for the year	1,058	3,605
Income tax expense	(592)	(2,633)
Profit from continuing operations for the year	466	972
Discontinued operations		
Loss from discontinued operation	-	(490)
Total profit and other comprehensive income for the year	466	482

2015
\$ '000

2014
\$ '000

27 Deed of cross guarantee (continued)

Statement of financial position

Current assets		
Cash and cash equivalents	6,121	5,980
Trade and other receivables	95,211	45,562
Inventories	43,179	41,995
Other financial assets	206	-
Tax assets	-	99
Non-current assets held for sale	-	51
Total current assets	144,717	93,687
Non-current assets		
Investments	88	74
Property, plant and equipment	107,457	109,434
Goodwill	61,786	59,457
Intangible assets	5,166	4,844
Inventories	-	45,745
Deferred tax assets	4,830	4,400
Total non-current assets	179,327	223,954
Total assets	324,044	317,641
Current liabilities		
Trade and other payables	43,152	37,103
Interest bearing liabilities	62,500	62,411
Tax liabilities	900	-
Provisions	5,575	3,702
Other financial liabilities	-	139
Total current liabilities	112,127	103,355
Non-current liabilities		
Provisions	971	3,232
Total non-current liabilities	971	3,232
Total liabilities	113,098	106,587
Net assets	210,946	211,054
Equity		
Issued capital	194,760	194,092
Reserves	(257)	(219)
Retained earnings	16,443	17,181
Total equity	210,946	211,054

28 Financial instruments

Capital management

The Group manages capital to ensure it will be able to continue as a going concern, while maximising returns to shareholders through optimisation of debt and equity balances. The categories of financial instruments of the entity are apparent from the statement of financial position. The Group's overall strategy remains unchanged since 2014.

The capital structure of the Group includes borrowings and related repayment terms (as detailed in note 18), cash and cash equivalents (as detailed in note 8) and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings (as detailed in notes 23, 24 and 25).

Operating cash flows are used to maintain and expand the Group's operating assets, make payments of tax and dividends and to repay debt. Group policy is to borrow centrally to meet funding requirements. The Group does not have a target gearing ratio.

The group has requirements imposed by its financier pertaining to gearing ratio, shareholders' funds and interest cover. There was no instance of non-compliance with these requirements during the period.

28 Financial instruments (continued)

Financial risk management objectives

Financial instruments comprise cash, receivables, payables, hire purchase creditors, and bank loans. All financial instruments except forward foreign exchange contracts are carried at amortised cost. The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group financial risk management policy. The objective of the policy is to support delivery of financial targets whilst providing financial security.

The main financial instrument risks are interest rate, foreign currency, credit and liquidity risk. Different methods are used to measure and manage risks including monitoring exposure to interest and foreign exchange rates and assessments of market forecasts for interest and foreign exchange rates. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of rolling cash flow forecasts.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward exchange contracts. The Group is mainly exposed to United States Dollars, the Euro and Chinese Yuan Renminbi.

Foreign exchange sensitivity analysis to a 10% movement in the Australian Dollar

	- 10%				+ 10%			
	USD	Euro	Renminbi	Total	USD	Euro	Renminbi	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2015 Profit	(720)	(197)	(42)	(958)	720	197	42	958
2014 Profit	(212)	(117)	-	(279)	212	117	-	279
2015 Equity	(720)	(197)	(42)	(958)	720	197	42	958
2014 Equity	(212)	(117)	-	(279)	212	117	-	279

Forward foreign exchange contracts

Group policy is to enter into forward foreign exchange contracts to manage the risk associated with anticipated purchases denominated in foreign currency. Anticipated purchases are assessed out to six months from the date the contract is entered into, with 40-60% of the anticipated exposure covered. Basis adjustments are made to the carrying amounts of non-financial items when the anticipated purchase transaction takes place.

Outstanding contracts	Average exchange rate		Foreign Currency		Notional Value		Fair Value	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	FC '000	FC '000	\$ '000	\$ '000	\$ '000	\$ '000
Buy USD								
Less than 3 months	0.77	0.88	3,110	1,534	4,057	1,743	96	(104)
3 to 6 months	0.76	0.93	2,399	450	3,144	484	69	(4)
Buy Euro								
Less than 3 months	0.68	0.66	717	504	1,047	764	25	(26)
3 to 6 months	0.68	0.68	640	300	940	441	15	(5)
Buy Renminbi								
Less than 3 months	4.78	-	980	-	205	-	-	-
3 to 6 months	4.77	-	960	-	201	-	-	-
							205	(139)

During 2015 a gain of \$205,000 was recognised in profit and loss pertaining to forward exchange contracts (2014: \$139,000 loss).

Interest rate risk management

Interest rate risk arises from borrowings. Group policy is to manage finance costs by using a mix of fixed and variable rate debt after considering market forecasts.

28 Financial instruments (continued)

Interest rate sensitivity analysis to interest rate risk

	Carrying amount \$ '000	- 75 bps		+ 75 bps	
		Profit \$ '000	Equity \$ '000	Profit \$ '000	Equity \$ '000
Financial assets					
Cash and cash equivalents - 2015	6,634	(50)	(50)	50	50
- 2014	6,405	(48)	(48)	48	48
Financial liabilities					
Borrowings - 2015	62,500	469	469	(469)	(469)
- 2014	62,411	468	468	(468)	(468)
2015		419	419	(419)	(419)
2014		420	420	(420)	(420)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Group policy is to deal with creditworthy counterparties and obtain sufficient collateral where appropriate as a means of mitigating the risk of financial loss from default. Reviews of customer creditworthiness are undertaken before payment and delivery terms are offered. The review assesses credit quality of the customer, taking into account its financial position, past experience, industry reputation and other factors. Purchase limits are established for each customer, and compliance with credit limits is regularly monitored. Customers that fail to meet benchmark creditworthiness may transact with the Group only on a prepayment basis. Sales to retail customers are required to be settled in cash or by using major credit cards, mitigating credit risk.

The carrying amount of financial assets recorded in the financial statements represents the Group's maximum exposure to credit risk.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk framework for the management of short, medium and long-term funding. Liquidity risk is managed by maintaining adequate reserves and banking facilities, by monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Note 19 lists unused facilities that the Group has at its disposal to reduce liquidity risk. The remaining contractual maturities of the Group are:

- 3 months or less: Trade and other payables as disclosed at Note 16. Trade and other payables do not attract an interest charge and are expected to be settled within 60 days of year end.
- 3 months or less: Bank Loans as disclosed at Note 19. Weighted average interest rate 3.22% (2014: 3.57%). Loans are expected to be settled within three months of year end.
- 12 months or less: Hire purchase creditors – 2015 \$Nil (2014: \$11,407). The weighted average interest rate in 2014 was 7.47%.

There were no contractual maturities greater than 12 months as at 30 June 2015.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities recognised in the statement of financial position is based on cash flows due from customers or payable to suppliers. The cash flows have not been discounted to their present value, except as disclosed in the table below. The carrying values approximate fair value. The fair values of financial instruments are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. There are clearly observable quoted prices for all financial instruments held by the Group. Some of the Group's financial assets and liabilities are measured at fair value and the end of each reporting period. Information about how the fair values of these financial liabilities are determined (in particular, the valuation techniques and inputs used).

	Fair value as at		Fair value Hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2015	2014				
Financial assets						
Foreign currency forward contracts	\$205,925	Nil	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and contract forward rates, discounted to their present value.	N/A	N/A
Financial liabilities						
Foreign currency forward contracts	Nil	\$139,408	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates and contract forward rates, discounted to their present value.	N/A	N/A

	2015	2014
	\$ '000	\$ '000

29 Notes to the consolidated statement of cash flows

29.1 Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities

Operating profit after income tax	176	76
Items classified as investing activities:		
(Gain) / loss on sale of non-current assets	140	(109)
Non-cash items:		
Equity settled share-based payments	468	945
Depreciation and amortisation expense - continuing operations	29,113	17,624
Depreciation and amortisation expense - discontinued operations	-	79
Written down value of rental fleet sold	6,313	8,984
Impairment of plant and equipment	1,300	-
Impairment of intangible assets	1,080	-
Impairment of Goodwill	2,097	5,000
Changes in assets and liabilities during the year:		
Decrease (Increase) in inventories	45,003	(3,736)
(Increase) decrease in trade and other receivables	(49,543)	7,411
Decrease in other financial assets	155	4,069
Increase (decrease) in trade and other payables	5,819	(7,314)
Decrease in provisions	(403)	(598)
Increase (decrease) in income taxes payable	1,014	(1,202)
Increase in deferred taxes receivable	(426)	(424)
(Decrease) increase in other financial liabilities	(139)	139
Net cash provided by operating activities	42,167	30,944

29.2 Non-cash financing and investing activities

During the year, dividends of \$197,584 (2014: \$148,824) were reinvested in the Company as 98,201 (2014: 58,592) fully paid ordinary shares pursuant to the Dividend Reinvestment Plan.

The Company received dividends of \$12,047,591 (2014: \$25,384,307) from controlled entities by way of an increase in controlled entities loan accounts.

30 Contingent liabilities

Under the terms of the Deed of Cross Guarantee, the Company has guaranteed the repayment of all current and non-current liabilities totalling \$113,098,184 (2014: \$106,448,000) in the event any of the entities which are party to the Deed are wound up.

The Directors are not aware of any circumstances or information that would lead them to believe these liabilities will crystallise and consequently no provisions are included in the financial statements in respect of these matters.

Certain claims arising out of construction and insurance contracts have been made by or against controlled entities in the ordinary course of business, some of which involved litigation or adjudication. The Directors do not consider the outcome of any of these claims will have a material adverse impact on the financial position of the consolidated entity.

31 Particulars relating to controlled entities

Fleetwood Corporation Limited (Ultimate parent entity)

Controlled entities	Place of Incorporation	Principal Activities	Interest held (%)	
			2015	2014
Bocar Pty Ltd (formerly Bendigo Re-locatable Buildings Pty Ltd)	Australia	Dormant (Bocar products are traded through Flexiglass Challenge Pty Ltd)	100	100
BRB Modular Pty Ltd	Australia	Accommodation solutions provider to the resources, education and affordable housing sectors.	100	100
Camec Pty Ltd	Australia	Manufacturer and distributor of parts and accessories to the recreational vehicles industry.	100	100
Fleetwood Recreational Vehicles Pty Ltd	Australia	Manufacturer of caravans, pop-tops and campers distributed through a national dealer network.	100	100
Fleetwood Pty Ltd	Australia	Accommodation solutions provider to the resources, education and affordable housing sectors.	100	100
Fleetwood Finance (WA) Pty Ltd	Australia	Dormant	100	100
Flexiglass Challenge Pty Ltd	Australia	Distributor of canopies and trays for commercial vehicles.	100	100
Windsor Caravans Pty Ltd	Australia	Dormant	100	100
Flexiglass Challenge Industries (NZ) Limited	New Zealand	Dormant	100	100
Camec NZ Limited	New Zealand	Manufacturer and distributor of parts and accessories to the recreational vehicles industry.	100	100

Fleetwood Corporation Limited is the head entity within the tax consolidated group. All companies incorporated in Australia are members of the tax consolidated group.

32 Related parties

Directors

The names of each person holding the position of Director of Fleetwood Corporation Limited during the financial year were P Gunzburg, M Hardy, G Tate, J Bond, B Denison. Details of directors' remuneration is set out in the Remuneration Report contained in the Directors' Report.

No Director has entered into a material contract with the Company or the consolidated entity during and since the end of the financial year and there were no material contracts involving directors' interests existing at year-end.

Directors of the Company or its controlled entities may purchase goods from the consolidated entity. These purchases are on the same terms and conditions as those entered into by other consolidated entity employees.

Further information on remuneration of key management personnel can be found in the Remuneration Report.

Key management personnel

Aggregate compensation of the key management personnel of the consolidated entity and the Company for the year:

	2015	2014
	\$	\$
Short-term employee benefits	2,262,070	2,390,377
Post-employment benefits	160,706	151,464
Other long term benefits	73,971	25,315
Share-based payments	97,833	166,697
	2,594,580	2,733,853

Transactions between Fleetwood Corporation and its related parties

During the financial year subsidiaries of the parent company made dividend payments totaling \$12,047,591 (2014: \$25,384,307) to the parent entity. Non-current loans totaling \$254,176,873 (2014: \$218,928,724) repayable to the parent are outstanding at reporting date.

Transactions and balances between the company and its subsidiaries were eliminated in the preparation of the consolidated financial statements of the Group.

2015
\$ '000

2014
\$ '000

33 Parent entity disclosures

33.1 Financial position

Assets

Current assets	6,363	10,604
Non-current assets	273,124	261,076
Total assets	279,487	271,680

Liabilities

Current liabilities	65,201	63,844
Non-current liabilities	573	452
Total liabilities	65,774	64,296

Equity

Issued capital	194,762	194,096
Retained earnings	18,951	13,288
Total equity	213,713	207,384

33.2 Financial performance

Profit for the year	6,875	37,487
Other comprehensive income	-	-
Total comprehensive income	6,875	(12,305)

33.3 Guarantees entered into by the parent entity in relation to debts of its subsidiaries

Note

Guarantee provided under the deed of cross guarantee	30	113,098	106,587
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33.4 Commitments

Operating lease commitments

Within one year	405	364
One year or later and no later than five years	239	606
Later than five years	-	-
	644	970

The accounting policies of the parent entity, which have been applied in determining the financial information above are the same as those applied in the consolidated financial statements.

Under the terms of the Deed of Cross Guarantee, the Company has guaranteed the repayment of all current and non-current liabilities totaling \$113,098,184 (2014: \$106,448,000) in the event any of the entities which are party to the Deed are wound up.

The parent entity had no other contingent liabilities as at 30 June 2015 (2014: nil).

34 Business Combination

Fleetwood Corporation Limited entered into an agreement to purchase the assets of Bocar Pty Ltd (Bocar) on 12 August 2014.

Bocar was established over 25 years ago and is today a leading New South Wales based aluminium tray and accessory distributor to the automotive sector. The acquisition provides Fleetwood subsidiary Flexiglass with increased scale in New South Wales.

The fair value of the identifiable assets of Bocar at the date of acquisition, the total cost and cash flows of the acquisition were as follows.

	Carrying Value \$ '000	Fair value recognised \$ '000
Property, plant and equipment	89	89
Inventory	251	251
Total Assets	340	340
Fair value of identifiable net assets acquired	340	340
Book value of net assets (including working capital and plant and equipment)		340
Goodwill		4,425
Acquisition cost		4,765
There were no liabilities assumed as part of the transaction		
Cash paid		4,765
Direct costs relating to the acquisition (recorded in the income statement)		150
Net consolidated cash outflow		4,915
The cash flow on acquisition is as follows:		
Net cash acquired with the business		-
Direct costs relating to the acquisition		150
Cash paid		4,765
Net consolidated cash outflow		4,915

The consideration paid for the combination included amounts in relation to the benefit of expected synergies, future market growth, customer relationships and assembled workforce of Bocar. Fair values of identifiable intangibles have not been determined at the date of this report for the reasons outlined above.

The acquired business contributed revenues of \$3,136,435 and net profit after tax of \$704,479 (excluding incremental interest) to the Group for the period 12 August 2014 to 30 June 2015. Had Bocar been acquired at 1 July 2014, Group revenue would have been \$302,365,079, and the profit attributable to members of the parent entity would have been \$276,306. The directors have determined these 'pro-forma' numbers to represent an approximate measure of the performance of the group on an annualised basis.

In determining the 'pro-forma' revenue and profit of the Group had Bocar been acquired at 1 July 2014, the directors have extrapolated the revenue and earnings for Bocar for the period from acquisition date to 30 June 2015 over a 12 month period, and added them to the revenues and profits of the remainder of the group for the year.

35 Discontinued operation

On 2 November 2012 the Company closed its Victorian caravan manufacturing operations. There were no transactions for the discontinued operation in the current year.

	2015 \$ '000	2014 \$ '000
35.1 Financial performance		
Revenue	-	1,288
Expenses	-	(1,988)
Loss from discontinued operation before income tax	-	(700)
Attributable income tax	-	210
Loss from discontinued operation after income tax	-	(490)
35.2 Cashflow information		
Net cash outflows from operating activities	-	(684)
Net cash inflows (outflows) from investing activities	-	-
Net cash outflow from discontinued operations	-	(684)
35.3 Loss per share from discontinued operations		
Diluted earnings per share (cents)	-	(0.8)
Basic earnings per share (cents)	-	(0.8)

Revenue relates to the sale of caravans manufactured at the Victorian caravan manufacturing operation prior to its closure.

36 Significant events after the reporting period

On 20 July 2015, Fleetwood and the West Australian Department of Housing finalised negotiations relating to the Osprey Village (Village), and executed documents constituting the final commercial terms as further described in the ASX Announcement of 23 July 2015. Under the terms of the agreement, the West Australian Department of Housing purchased the Village from Fleetwood for \$62.2m (including GST). Under the terms of the agreement, Fleetwood will receive an ongoing income stream from managing the Village for the next 14 years.

The receivable created by the sale transaction has a term of 14 years and was subsequently assigned to Westpac for an upfront payment of \$62.2m.

On 3 August 2015 the Company paid \$3.9m (including GST) to a subcontractor pursuant to a BCIPA adjudication in Queensland. The payment relates to a matter which is unresolved. The matter has been appropriately provided for at 30 June and Fleetwood intends to vigorously pursue recovery of the amount.

Except for those matters outlined above, there were no material events subsequent to the reporting period.

Directors' Report

Fleetwood Corporation Limited

The Directors of Fleetwood Corporation Limited present their report for the year ended 30 June 2015.

Directors and Officers

The names, qualifications, experience, special responsibilities and previous directorships for the last 3 years of the Directors who are in office at the date of the report or have been appointed subsequent to the date of the report are disclosed on page 5 of this Annual Report.

Principal Activities

The principal activities of the entities in the Group during the financial year were:

- design, manufacture, sale and rental of manufactured accommodation;
- manufacture and sale of caravans, parts and accessories; and
- distributor of canopies and trays for commercial vehicles.

Operations

A review of operations for the year is contained in the Managing Director's Review. Results of operations for the year are contained in the Financial Report.

Financial Position

A summary of the financial position of the Group is disclosed on page 4 of this Annual Report.

State of Affairs

During the financial year there was no significant change in the state of affairs of the consolidated entity.

Significant Events After the Reporting Period

On 20 July 2015, Fleetwood and the West Australian Department of Housing finalised negotiations relating to the Osprey Village (**Village**), and executed documents as further described in the ASX Announcement of 23 July 2015. Further information is contained in note 36 to the financial statements.

On 3 August 2015, the Company paid an amount of \$3.9m (including GST) to a subcontractor pursuant to a BCIPA adjudication in Queensland. The payment relates to matters which are unresolved. The matter has been appropriately provided for at 30 June 2015. Further information is contained in note 36 to the financial statements.

Other than the above, there were no significant events which occurred after the reporting period.

Future Developments

The consolidated entity will continue to pursue increasing both profitability and market share in its major business sectors. Further information as to likely developments and expected future results are disclosed in the Managing Director's Review.

Dividends

A final dividend for the year to 30 June 2014 of 2 cents per ordinary share was paid on 30 September 2014. Dividends paid and declared for the year to 30 June 2014 are disclosed in note 6 to the financial statements. All dividends paid or declared by the Company since the end of the previous financial year were 100% franked at the income tax rate of 30%.

No interim or final dividend was declared or paid with respect to the year ended 30 June 2015.

Share Options

Details of all share based payment arrangements in existence at 30 June 2015 and unissued shares the subject of options at the date of this Annual Report and shares issued pursuant to the exercise of options during or since the end of the year are disclosed in note 22 to the financial statements. No options have been issued subsequent to year end. 23,143 options have been forfeited subsequent to year end. Details of unissued shares the subject of options as at the date of this report are outlined below.

Employee Options

Issue date	31/10/2010	2/09/2011	29/08/2012	30/08/2013
Total unissued shares under option	233,881	252,093	297,980	407,100
Exercise price (\$)	8.02	8.68	9.39	2.56
Expiry date	30/10/2015	1/09/2016	29/08/2017	30/08/2018

Executive Options

Issue date	31/10/2010	2/09/2011	20/02/2013	30/08/2013
Total unissued shares under option	81,666	96,775	130,000	270,000
Exercise price (\$)	8.02	8.68	10.57	2.88
Expiry date	30/10/2015	1/09/2016	20/02/2018	30/08/2018

The Employee and Executive Option Plans have been replaced by new long term incentive plans, approved by shareholders at the 2014 annual general meeting. Since that time, no options have been issued to employees or executives pursuant to those plans. With respect to the above options no voting or dividend rights attach to the options. Details of options previously granted to Directors, executives and key management personnel are contained in note 22 to the financial statements and in the Remuneration Report.

Indemnification of Directors and Officers

The Company has indemnified current and former Directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Director or officer of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Insurance premiums in this regard relate to costs and expenses incurred by the relevant Directors and officers in defending proceedings, whether civil or criminal and whatever their outcome and other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company or any related body corporate against a liability incurred as an auditor.

Directors', Audit Committee and Remuneration Committee Meetings

Number of Board, Audit Committee and Remuneration Committee meetings held and attended by each Director of the Company during the financial year are as follows:

	Board		Audit Committee		Remuneration Committee	
	Held	Attended	Held	Attended	Held	Attended
Peter Gunzburg	9	9	4	4	2	2
Michael Hardy	9	8	4	4	2	2
Greg Tate	9	9	4	4	2	2
John Bond	9	9	4	4	2	2
Brad Denison	9	9	4	4*	2	1*

*By invitation of the Audit Committee and Remuneration Committee

Directors' Shareholdings

The relevant interest of each Director in Company shares and options at the date of this report, as notified by the Directors to the ASX in accordance with s205G(1) of the Corporations Act 2001 are as follows:

	Number of shares	Number of share units	Number of options
Michael Hardy	16,975	-	-
Greg Tate	6,581,271	-	-
John Bond	20,000	-	-
Brad Denison	45,464	170,000	215,837

Remuneration Report

The Remuneration Committee is responsible for determining the remuneration of Board members, executives and key management personnel. All non-executive Directors are members of the Remuneration Committee, with the majority being independent of the Company and management. Mr. P. Gunzburg is the chairman of the Remuneration Committee.

During the year the Remuneration Committee reviewed:

- conditions of service and remuneration of the Directors, executives, and key management personnel;
- remuneration policies of the Group;
- proposals for new issues under, or changes to, the Company's long term incentive plans;
- succession plans for senior management; and
- other related matters.

The Remuneration Committee has authority to seek independent legal, financial, remuneration or other advice it considers necessary to achieve its objectives and fulfil its responsibilities. In doing so it may invite external consultants and/or executives to its meetings to seek input on the Group's remuneration policies, however no senior executive is directly involved in deciding their own remuneration.

The Remuneration Committee reviews and reassesses its charter annually, and recommends any changes it considers necessary to the Board. The Remuneration Committee's charter is available on the Company website.

The remuneration of non-executive directors is determined by the Board upon recommendation by the Remuneration Committee, within the aggregate limits approved by shareholders. Non-executive directors are not entitled to participate in the Fleetwood Short or Long Term Incentive Plans. The remuneration arrangements of executive directors, executives and key management personnel is determined by the Remuneration Committee.

When considering remuneration arrangements for executives and key management personnel the Remuneration Committee seeks to ensure that the remuneration arrangement motivate the recipient to pursue the short and long term performance objectives of the Company. It does this by ensuring that there is a clear relationship between Company performance and remuneration by striking an appropriate balance between fixed and variable ('at risk') remuneration.

The proportion of fixed and variable remuneration is based on available market data for comparable roles, the capacity of the individual to influence the overall outcome of Company operations and return to shareholders. When considering the fixed component of remuneration, the Remuneration Committee will take into account the person's responsibilities, qualifications and experience. When considering the variable component of remuneration, the Remuneration Committee considers the capacity of the individual to affect profit earned by the Company and the individual's performance against key responsibilities, key competencies and period specific objectives. The variable remuneration includes short-term incentives in the form of cash payments and long-term incentives in the form of shares, which are subject to performance hurdles and vesting provisions.

Remuneration Report (continued)

Short Term Incentive Plan

Short-term incentives received by the Managing Director, executives and key management personnel are determined in accordance with the provisions of the Fleetwood Short Term Incentive Plan (STIP). Fleetwood's STIP was revised in the 2015 financial year such that it only rewards exceptional performance. The STIP is designed to put a meaningful proportion of the participant's remuneration at risk, to be delivered upon the achievement of targets linked to the Company's annual business objectives.

The STIP is linked to the Company's annual business objectives through the incorporation of company specific qualifying gates. A participant will only qualify for a STIP payment if the qualifying gates are satisfied. Qualifying gates are met if, the Company or operating company the participant is employed by or manages (i) passes an independent internal safety audit, achieving at least at a 90% rating; and (ii) achieves at least 90% of budget Earnings Before Interest and Tax (EBIT) for the financial year. Once the gates have been met a review of the performance measures is undertaken to determine if exceptional performance has been demonstrated.

The performance measures of the STIP comprise a combination of individual and company specific performance targets. The weighting is 50% non-financial and 50% financial. In setting the performance measures for the STIP, the Remuneration Committee is conscious to ensure that all targets are measurable and provide a challenging but meaningful incentive to participants.

Non-financial metrics are based on performance against individual targets. Individual performance targets are derived from position descriptions, key responsibilities, key competencies and period specific objectives which are in turn aligned with key business strategies identified annually during the business planning process. Financial performance targets are derived from budgeted or forecast EBIT above the qualifying gate which is considered an appropriate measure of the Company's profitability.

Depending on the participant and their role within the Group, some targets may be restricted to the operating company in which the participant is employed, or expanded to include the Group as a whole. Financial targets are expressed as a range over which performance will be measured. The standard range is 90% to 125% of the applicable budget. The maximum amount a participant can earn through the STIP is capped at a percentage of the participant's Annual Fixed Remuneration (AFR). STIP percentage caps as determined by the Remuneration Committee and as applicable to the Managing Director, executives and key management personnel are noted below.

	Maximum STIP as % of AFR
Brad Denison	50%
Bradley van Hemert	40%
Steve Carroll	40%
Jarrod Waring	40%
Giles Everest	40%
Manuel Larre	40%

In order for a payment under the STIP to be made, the qualifying gate must be satisfied and the participant must: meet the minimum financial and non-financial performance measures, be an employee at the time the payment is to be made, and not have tendered their resignation at the time the payment is made.

The Remuneration Committee is of the opinion that the STIP appropriately aligns executive remuneration with shareholder wealth generation.

New Long Term Incentive Plan

Long-term incentives in the form of shares received by the Managing Director, executives and key management personnel are determined in accordance with the provisions of the Executive Long Term Incentive plan (LTIP), which was approved by shareholders at the 2014 annual general meeting. The objective of this plan is to retain and reward the Managing Director, executives and key management personnel and to align their long term interests with those of shareholders.

Under the plan, eligible directors, executives and key management personnel are invited to participate in a grant of shares or options through a trust established for the LTIP. The Company provides participants with an interest free, non-recourse loan for an amount equivalent to the price of the shares or options issued, for the sole purpose of acquiring units in the trust to which shares in the Company are allocated. The loans are repayable upon the eventual sale or transfer of the shares from the trust to the participant. The share units are restricted and subject to a risk of forfeiture until the end of the vesting period.

The number of shares granted is determined by the Board with reference to the participant's performance over the immediately preceding financial year, the Group's financial performance and shareholder wealth generation. The price of the shares issued is calculated using the Volume Weighted Average Price (VWAP) over the five days prior to the grant date.

The LTIP contains a gateway level of minimum performance below which no benefit accrues. The performance gateway is met where the Company's total shareholder return from grant to vesting date, equals or exceeds 15% p.a. and is equal to or greater than the ASX All Ordinaries Index. The Remuneration Committee considers that the use of this index reduces sensitivity to the performance of a particular competitor or the influence of cyclical industry specific factors.

Assuming the participant continues to be employed by Fleetwood and the performance hurdles are reached, one third of the securities vest on each anniversary over 3 years following the grant date. Where the period of the participant's employment is less than 1 year on the grant date, the time based hurdles are extended by a further 1 year.

In the event that a performance hurdle is not reached, or the value of the shares is less than the outstanding balance of the loan, or the participant ceases to be an employee for reasons other than death, illness and injury, the participant may surrender and forfeit the units in the trust to the Company in full settlement of the loan balance. The share units expire 5 years from the date of issue. Until the shares vest, voting and dividend rights remain with the trustee.

Up until the implementation of the LTIP, eligible directors, executives and key management persons participated in the Executive Option Plan. The options granted pursuant to that plan are noted in this Report, and that plan will remain in effect until all granted options have been exercised, forfeited or have expired.

Remuneration Report (continued)

Executive Option Plan

Long-term incentives in the form of options received by eligible directors, senior executives and key management personnel were determined in accordance with the provisions of the old Executive Option Plan. The objective of that plan was to retain and reward eligible directors, executives and key management personnel and to align their long term interests with those of shareholders.

Invitation to participate in the plan was at the discretion of the Board, however participants generally needed to be employed in an executive or key management position for a minimum period of two years before such invitation was extended.

Under the plan, participants were granted options to purchase ordinary shares in Fleetwood. The number of options granted was determined by the Board with reference to the participant's individual performance over the immediately preceding financial year, the Group's financial performance and shareholder wealth generation. No amounts were payable for the options, and each option entitles the holder to subscribe for one share upon exercise. Assuming the participant continues to be employed by Fleetwood and the performance hurdles are reached, for options issued after 1 July 2012 100% of the issued options vest on the third anniversary of the grant date, and for options issued prior to 1 July 2012, one third of the options vest after 30 June subsequent to the date of issue, a further one third of the options vest over each of the next 2 years. The exercise price of the options was calculated using the Volume Weighted Average Price (VWAP) of the shares over the five days prior to the issue date. The maximum discount that could be applied to the VWAP was 10%.

The options are only exercisable if the company's total shareholder return equals or exceeds 15% p.a. compounded from the inception of the plan and is equal to or greater than the ASX 300 All Industrials Accumulation Index. In the event that a performance hurdle is not reached, the options do not vest.

If the participant ceases to be an employee for reasons other than death, illness, injury, the attainment of the normal age of retirement or for other reasons approved by the Board, the options lapse and terminate. The options expire 5 years from the date of issue. There are no voting or dividend rights attaching to the options.

Movements in shareholder wealth for the five years to 30 June 2015:

	2011	2012	2013	2014	2015
Share price at start of year (\$)	9.19	11.33	11.74	3.60	2.33
Share price at end of year (\$)	11.33	11.74	3.60	2.33	1.37
Dividend per share (cents)	73.0	76.0	30.0	4.0	-
Earnings per share (cents)	90.0	90.4	20.8	0.1	0.3
Diluted earnings per share (cents)	88.6	89.2	20.7	0.1	0.3

\$ Million

Revenue	466.6	332.9	332.9	366.3	302.0
Net profit before tax	73.6	75.6	23.2	3.4	0.9
Net profit after tax	51.3	53.2	16.6	0.6	0.2

Remuneration of Directors and senior management

Key management personnel	Short-term employee benefits			Post Employment Superannuation	Other long Term Benefits	Share Based Payment Options	Share Based Payment Share units	Total	Performance based remuneration	
	Salary & fees	Bonus	Non-monetary							
	\$	\$	\$	\$	\$	\$	\$	\$	%	
Directors										
Michael Hardy										
2015	85,000	-	-	-	-	-	-	85,000	-	
2014	85,000	-	-	-	-	-	-	85,000	-	
Peter Gunzburg										
2015	70,000	-	-	-	-	-	-	70,000	-	
2014	70,000	-	-	-	-	-	-	70,000	-	
Greg Tate										
2015	70,000	-	-	-	-	-	-	70,000	-	
2014	70,000	-	-	-	-	-	-	70,000	-	
John Bond										
2015	70,000	-	-	-	-	-	-	70,000	-	
2014	70,000	-	-	-	-	-	-	70,000	-	
Brad Denison Managing Director										
2015	463,830	-	7,995	30,000	52,741	29,856	25,326	609,748	9.0	
2014	290,799	-	7,803	25,000	6,806	55,532	-	385,940	14.4	
2015 Company and	758,830	-	7,995	30,000	52,741	29,856	25,326	904,748	3.3	
2014 Consolidated	585,799	-	7,803	25,000	6,806	55,532	-	680,940	8.2	

Brad Denison was appointed Managing Director on 1 August 2014. Prior to this, Mr Denison was employed as Chief Financial Officer and Company Secretary.

Remuneration Report (continued)

Key management personnel	Short-term employee benefits			Post Employment Superannuation	Other long Term Benefits	Share Based Payment Options	Share Based Payment Share units	Total	Performance based remuneration %
	Salary & fees	Bonus	Non-monetary						
	\$	\$	\$	\$	\$	\$	\$	\$	%
Executives									
Stephen Price CEO, Fleetwood Corporation (Resigned 27/06/14)									
2014	618,253	-	-	25,000	-	(30,983)	-	612,270	(5.1)
Bradley Van Hemert GM, International Procurement									
2015	306,200	-	-	28,570	7,926	23,885	4,469	371,050	7.6
2014	305,431	-	-	25,000	4,932	46,358	-	381,721	12.1
Ben Rosser CEO, Fleetwood Pty Ltd (Resigned 28/11/14)									
2015	150,660	-	275	11,908	(9,514)	(30,625)	-	122,704	(25.0)
2014	267,130	-	5,725	24,710	3,676	53,418	-	354,659	15.1
Steve Carroll GM, International Business									
2015	237,407	-	10,749	22,855	9,468	14,928	4,469	299,876	6.5
2014	212,748	-	23,878	22,460	8,263	28,275	-	295,624	9.6
David Martin CEO, BRB Modular Pty Ltd (Resigned 26/12/13)									
2014	147,788	-	-	8,577	-	(2,838)	-	153,527	(1.8)
Giles Everest Executive GM, Fleetwood Pty Ltd (Appointed 01/12/14)									
2015	152,208	-	15,000	13,535	605	-	2,980	184,328	1.6
Jarrod Waring (Appointed 01/09/14) Executive GM, BRB Modular Pty Ltd									
2015	246,216	9,000	-	18,806	4,589	52	4,469	283,132	4.8
Manuel Larre Executive GM, Camec & Flexiglass									
2015	208,349	-	-	20,659	3,892	11,176	4,469	248,545	6.3
2014	215,822	-	-	20,717	1,638	16,935	-	255,112	6.6
Yanya O'Hara (Appointed 01/08/14) Company Secretary									
2015	159,181	-	-	14,373	4,264	144	2,235	180,197	1.3
2015 Company and	1,460,221	9,000	26,024	130,706	21,230	19,560	23,091	1,689,832	3.1
2014 Consolidated	1,767,172	-	29,603	126,464	18,509	111,165	-	2,052,913	5.4

Included in salary & fees are amounts of annual leave accrued during the reporting period. There are no post-employment benefits other than superannuation. Executive contracts do not provide for any termination payments, other than the payment of accrued leave entitlements. Other long term benefits comprise long service leave entitlements accrued to the executive during the reporting period.

The amount included in remuneration as share-based payments are not related to or indicative of the benefits (if any) that individual executives may ultimately realise should the equity instruments vest.

Bradley Van Hemert was appointed GM, International Procurement on 28 June 2015. Prior to this, Mr. Van Hemert was employed as CEO, Fleetwood Recreational Vehicles Pty Ltd.

Steve Carroll was appointed GM, International Business on 17 August 2015. Prior to this, Mr. Carroll was employed as CEO, Camec Pty Ltd.

Manuel Larre was appointed Executive GM, Camec & Flexiglass on 17 August 2015. Prior to this, Mr. Larre was employed as GM, Flexiglass

Yanya O'Hara was appointed Company Secretary on 1 August 2014. Prior to this, Mrs. O'Hara was employed as Assistant Company Secretary.

Remuneration Report (continued)

Share based payment arrangements in existence at the reporting date: Options

Issue date	Exercise price \$	Options at beginning of year No.	Options granted No.	Options expired / forfeited No.	Options exercised (shares issued) No.	Options at end of year No.	Vested at end of year No.	Proceeds received on exercise \$	Fair value (market value) of shares on exercise \$
14/11/08 2014	7.25	31,122	-	(31,122)	-	-	-	-	-
31/10/09 2015	6.00	16,000	-	(16,000)	-	-	-	-	-
2014		16,000	-	-	-	16,000	16,000	-	-
31/10/10 2015	8.02	101,666	-	(20,000)	-	81,666	81,666	-	-
2014		135,000	-	(33,334)	-	101,666	101,666	-	-
02/09/11 2015	8.68	131,337	-	(34,562)	-	96,775	96,775	-	-
2014		206,337	-	(75,000)	-	131,337	87,558	-	-
30/08/12 2015	9.39	220	-	-	-	220	147	-	-
2014		220	-	-	-	220	73	-	-
20/02/13 2015	10.57	190,000	-	(60,000)	-	130,000	-	-	-
2014		325,000	-	(135,000)	-	190,000	-	-	-
30/08/13 2015	2.56	750	-	-	-	750	250	-	-
2014		-	750	-	-	750	-	-	-
30/08/13 2015	2.88	350,000	-	(80,000)	-	270,000	-	-	-
2014		-	580,000	(230,000)	-	350,000	-	-	-
2015		789,003	-	(210,562)	-	579,411	178,838	-	-
2014		713,679	580,750	(504,456)	-	789,973	205,297	-	-
Weighted average price (\$)									
2015		6.43	N/A	6.75	N/A	6.30	8.37		
2014		9.27	2.88	6.41	N/A	6.53	8.14		

Options information:

Issue Date	Expiry Date	Option life Years	Volatility %	Dividend yield %	Risk free interest rate %	Fair value at grant date \$	Exercise price \$	Share price at grant date \$	Weighted average share price at exercise date 2015 \$	Weighted average share price at exercise date 2014 \$
31/10/09	30/10/14	5	50.00	8.54	4.53	2.09	6.00	7.57	-	-
31/10/10	30/10/15	5	40.00	6.14	4.50	2.43	8.02	10.02	-	-
02/09/11	01/09/16	5	35.69	6.18	4.50	2.53	8.68	10.66	-	-
29/08/12	28/08/17	5	35.80	7.59	2.77	2.31	9.39	11.78	-	-
20/02/13	19/02/18	5	35.39	7.59	2.85	1.15	10.57	9.66	-	-
30/08/13	30/08/18	5	45.03	3.64	2.54	0.90	2.56	3.10	-	-
30/08/13	30/08/18	5	45.03	3.64	3.68	1.40	2.88	3.10	-	-

Refer to summary on following pages for those options which are vested and exercisable, and vested and unexercisable.

Yanya O'Hara was issued options under the Employee Option Plan in 2013 and 2014. Jarrod Waring was issued options under the Employee Option Plan in 2014.

Remuneration Report (continued)

Share based payment arrangements in existence at the reporting date: Share units

Issue date	Exercise price \$	Units at beginning of year No.	Units granted No.	Units expired / forfeited No.	Units exercised (shares issued) No.	Units at end of year No.	Units at end of year No.	Proceeds received on exercise \$	Fair value (market value) of shares on exercise \$
18/12/14									
2015		-	325,000	-	-	325,000	-	-	-
2015		-	325,000	-	-	325,000	-	-	-

Share units information:

Issue Date	Expiry Date	Unit life Years	Volatility %	Dividend yield %	Risk free interest rate %	Fair value at grant date \$	Exercise price \$	Share price at grant date \$	Weighted average share price at exercise date 2015 \$	Weighted average share price at exercise date 2014 \$
12/12/14	12/12/19	5	37.18	3.20	2.40	0.41	1.35	1.35	-	-

Shares, options and share units held by Directors, executives and key management personnel and movements during the reporting period;

Shares	Shares at beginning of year No.	Options exercised No.	Net other change No.	Shares at end of year No.
Directors				
Michael Hardy				
2015	16,975	-	-	16,975
2014	1,975	-	15,000	16,975
Greg Tate				
2015	6,581,271	-	-	6,581,271
2014	6,569,427	-	11,844	6,581,271
John Bond				
2015	20,000	-	-	20,000
2014	-	-	20,000	20,000
Brad Denison				
2015	45,464	-	-	45,464
2014	25,464	-	20,000	45,464
Executives				
Bradley Van Hemert				
2015	175,448	-	362	175,810
2014	175,334	-	114	175,448
Stephen Price (Resigned 27/06/14)				
2014	16,666	-	-	16,666
Ben Rosser (Resigned 28/11/14)				
2015	10,000	-	(4,000)	6,000
2014	10,000	-	-	10,000
Jarrold Waring				
2015	2,804	-	5,700	8,504
2014	1,844	-	960	2,804
2015	6,841,962	-	6,062	6,848,024
2014	6,800,710	-	67,918	6,868,628

Peter Gunzburg, Steve Carroll, Giles Everest, Manuel Larre and Yanya O'Hara did not hold any shares during FY2014 or FY2015.

Remuneration Report (continued)

Options

Directors	Options at beginning of year No.	Granted No.	Forfeited No.	Exercised No.	Options at end of year No.	Vested during the year No.	Vested and exercisable at end of year No.	Vested and unexercisable at end of year No.	Proceeds received on exercise \$
Directors									
Brad Denison									
2015	231,837	-	(16,000)	-	215,837	13,057	-	65,836	-
2014	131,837	100,000	-	-	231,837	26,390	-	68,779	-
Executives									
Steve Carroll									
2015	108,433	-	-	-	108,433	6,144	-	33,432	-
2014	58,433	50,000	-	-	108,433	11,144	-	27,288	-
Bradley Van Hemert									
2015	199,171	-	-	-	199,171	13,057	-	79,170	-
2014	150,293	80,000	(31,122)	-	199,171	26,390	-	66,113	-
Stephen Price (Resigned 27/06/14)									
2014	218,334	150,000	(368,334)	-	-	41,667	-	-	-
Ben Rosser (Resigned 28/11/14)									
2015	114,562	-	(114,562)	-	-	11,521	-	-	-
2014	114,562	80,000	-	-	114,562	21,520	-	43,040	-
David Martin (Resigned 26/12/13)									
2014	25,000	80,000	(105,000)	-	-	-	-	-	-
Jarrod Waring									
2015	250	-	-	-	250	83	83	-	-
2014	-	250	-	-	250	-	-	-	-
Manuel Larre									
2015	55,000	-	-	-	55,000	-	-	-	-
2014	15,000	40,000	-	-	55,000	-	-	-	-
Yanya O'Hara									
2015	720	-	-	-	720	240	313	-	-
2014	220	500	-	-	720	73	73	-	-
2015	709,973	-	(130,562)	-	579,411	44,102	396	178,438	-
2014	713,459	580,000	(504,456)	-	709,003	127,111	-	205,220	-

Giles Everest did not hold any options during the reporting period.

Remuneration Report (continued)

Option values that form part of current year remuneration;

	Year Options Granted			Total	Remuneration as options
	2012	2013	2014		
	\$	\$	\$	\$	%
Directors					
Brad Denison					
2015	-	7,667	22,190	29,856	5.4%
2014	9,659	20,493	25,380	55,532	14.7%
Executives					
Bradley Van Hemert					
2015	-	6,133	17,752	23,885	6.6%
2014	9,659	16,394	46,358	72,411	19.7%
Ben Rosser (Resigned 28/11/14)					
2015	-	(11,829)	(18,796)	(30,625)	-23.2%
2014	8,523	24,591	53,418	86,532	24.7%
Steve Carroll					
2015	-	3,833	11,095	14,928	5.1%
2014	4,545	10,246	28,275	43,067	15.2%
Jarrold Waring					
2015	-	-	52	52	0.0%
2014	-	-	89	89	0.0%
Manuel Larre					
2015	-	2,300	8,876	11,176	4.6%
2014	-	6,148	10,787	16,935	6.7%
Yanya O'Hara					
2015	-	40	104	144	0.1%
2014	-	82	179	261	0.2%
2015	-	19,973	60,069	80,042	3.9%
2014	32,386	71,807	153,699	257,892	12.7%

Movements in option entitlements during the year:

Key management personnel	Options granted		Options exercised (shares issued)			Options Vested No. during year	Value of options included in remuneration for the year \$	Remuneration by options %
	No. at grant date	Value at grant date \$	No. during year	Value at exercise date \$	Amounts paid \$			
Brad Denison	-	-	-	-	-	13,057	29,856	5.4
Bradley Van Hemert	-	-	-	-	-	13,057	23,885	6.6
Ben Rosser	-	-	-	-	-	11,521	(30,625)	(23.2)
Steve Carroll	-	-	-	-	-	6,144	14,928	5.1
Jarrold Waring	-	-	-	-	-	83	52	0.0
Manuel Larre	-	-	-	-	-	-	11,176	4.6
Yanya O'Hara	-	-	-	-	-	240	104	0.1

16,000 options lapsed during the year. No options were forfeited during the year because the person did not meet service or performance criteria.

Due to the limited financial products available to facilitate hedging of unvested or vested options the Board does not impose any restrictions in relation to a person limiting his or her exposure to the risk in respect of options issued by the Company. No Director is a party to a contract whereby such person would have a right to call for or deliver shares in, or debentures of or interests in a registered scheme made available by the Group.

Remuneration Report (continued)

Share units

Share units	Units at beginning of year	Granted	Forfeited	Exercised	Units at end of year	Vested during the year	Vested at end of year	Proceeds received on exercise
Directors	No.	No.	No.	No.	No.	No.	No.	\$
Brad Denison 2015	-	170,000	-	-	170,000	-	-	-
Executives								
Steve Carroll 2015	-	30,000	-	-	30,000	-	-	-
Bradley Van Hemert 2015	-	30,000	-	-	30,000	-	-	-
Giles Everest (Appointed 1/12/14) 2015	-	20,000	-	-	20,000	-	-	-
Jarrold Waring 2015	-	30,000	-	-	30,000	-	-	-
Manuel Larre 2015	-	30,000	-	-	30,000	-	-	-
Yanya O'Hara 2015	-	15,000	-	-	15,000	-	-	-
2015	-	325,000	-	-	325,000	-	-	-

Share units values that form part of current year remuneration;

	Year Share units granted 2015	Remuneration as share units
	\$	%
Directors		
Brad Denison 2015	25,326	4.5%
Executives		
Bradley Van Hemert 2015	4,469	1.2%
Steve Carroll 2015	4,469	1.5%
Giles Everest 2015	2,980	1.6%
Jarrold Waring 2015	4,469	1.6%
Manuel Larre 2015	4,469	1.8%
Yanya O'Hara 2015	2,235	1.3%
2015	48,417	2.3%

Remuneration Report (continued)

Movements in share unit entitlements during the year:

Key management personnel	Share units granted		Share units exercised (shares issued)			Units Vested	Value of share units included in remuneration	Remuneration
	No. at grant	Value at grant	No. during	Value at exercise	Amounts paid	No. during	for the year	by share units
	date	date	year	date		year	\$	%
		\$		\$	\$		\$	%
Brad Denison	170,000	70,040	-	-	-	-	25,326	4.5
Bradley Van Hemert	30,000	12,360	-	-	-	-	4,469	1.2
Steve Carroll	30,000	12,360	-	-	-	-	4,469	1.5
Jarrod Waring	30,000	12,360	-	-	-	-	4,469	1.6
Manuel Larre	30,000	12,360	-	-	-	-	4,469	1.8
Yanya O'Hara	15,000	6,180	-	-	-	-	2,235	1.3

The issue date for shares granted pursuant to the LTIP was 18 December 2014 at a price of \$1.35 per share. Under the LTIP, each unit can be redeemed for one underlying share in the Company upon repayment of the loan. There have been no alterations to the terms and conditions of this grant since the grant date.

Loans to key management personnel in connection with the Long Term Incentive Plan totaling \$438,750 (2014: nil) were outstanding at the end of the reporting period. As the loans are non-recourse there is no fixed term, and no allowance for doubtful debts or impairment loss has been recognised against them. The number of key management personnel included in the aggregate of loans is 7.

Mr. Denison had loans totaling \$229,500 (2014: nil) made to him during the reporting period, with the total loan remaining outstanding at the end of the reporting period in connection with the Long Term Incentive Plan. As the loan is non-recourse there is no fixed term, and no allowance for doubtful debts or impairment loss has been recognised against it. There were no other individuals with loans above \$100,000 during the reporting period.

No share units issued during the year vested or lapsed during the year. No bonuses or share units were forfeited during the year because the person did not meet service or performance criteria.

The terms and conditions of employment of senior executives and key management personnel are governed by individual employment contracts. Employment contracts are not limited in duration and do not contain termination payments. Each employment contract may be terminated by either party upon the giving of 4 weeks' notice. However, the Company may terminate an employment contract at any time and without notice if serious misconduct has occurred.

Non-audit Services

The Directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditors did not compromise the auditor independence requirement of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure that they do not impact impartiality and objectivity of the auditor; and
- none of the services undermine the general principle relating to auditor independence as set out in the *Corporations Act 2001* or the Code of Conduct APES 110 Code of Ethics for Professional Accountants, as amended, issued by the Accounting Professional and Ethical Standards board, including reviewing or auditing the auditors own work, acting in a management or a decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Details of the amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 26 to the financial statements.

Company Secretary

Yanya O'Hara is the Company Secretary. Prior to her appointment, Yanya was employed by the Company for three years as Assistant Company Secretary. Prior to joining Fleetwood, Yanya practiced as a corporate attorney in New York and as a barrister and solicitor in Perth.

Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2015, may be accessed from the Company's website at <http://www.fleetwoodcorporation.com.au/Investors/Corporate-Governance>.

Rounding

The Company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and accordingly amounts in the financial report and directors' report have been rounded to the nearest one thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be 'M Hardy', written over a circular stamp or seal.

M Hardy
Chairman

30 September 2015

Directors' Declaration

In the opinion of the directors of Fleetwood Corporation Limited:

- a) The financial statements and notes set out on pages 8 to 43, are in accordance with the *Corporations Act 2001 (Cth)*, including:
 - i. Complying with Australian Accounting Standards and the *Corporations Regulations 2001 (Cth)*; and
 - ii. 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
- 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; and
- c) There are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order 98/1418 applies, as detailed in note 27 to the financial statements will, as a Group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

The Directors' draw attention to note 1 to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

The directors have been given the declarations required by s.295A of the *Corporations Act 2001 (Cth)* from the Managing Director.

Signed in accordance with a resolution of the directors.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'M Hardy', written over a circular stamp or seal.

M Hardy
Chairman

30 September 2015

Perth

Level 1
10 Kings Park Road
West Perth WA 6005

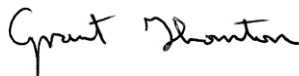
Correspondence to:
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West Perth WA 6872

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F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

**Auditor's Independence Declaration
To the Directors of Fleetwood Corporation Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Fleetwood Corporation Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner - Audit & Assurance

Perth, 30 September 2015

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Independent Auditor's Report To the Members of Fleetwood Corporation Limited

Report on the financial report

We have audited the accompanying financial report of Fleetwood Corporation Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity 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. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements 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. Those standards require us to 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 Company's preparation of the financial report that gives a true and fair view in order to
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design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 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:

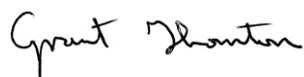
- a the financial report of Fleetwood Corporation Limited is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 45 to 54 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 Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Fleetwood Corporation Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



P W Warr
Partner - Audit & Assurance

Perth, 30 September 2015

ASX Additional Information as at 22 September 2015

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Twenty largest shareholders

Name	Number of ordinary shares held	%
National Nominees Limited	6,939,356	11.37%
Karrad Pty Ltd	5,211,823	8.54%
HSBC Custody Nominees (Australia) Limited	4,744,406	7.77%
Citicorp Nominees Pty Limited	3,212,277	5.26%
J P Morgan Nominees Australia Limited	2,513,400	4.12%
HSBC Custody Nominees (Australia) Limited - GSCO ECA	1,346,868	2.21%
Adventure Holdings Pty Ltd	890,315	1.46%
Jarli Pty Ltd	800,000	1.31%
Creative Living (Qld) Pty Ltd	420,000	0.69%
Trinity Management Pty Ltd	360,000	0.59%
Mr Greg Tate	338,873	0.56%
Mr John Ian Amos + Mrs Cintra Gail Amos <Ningana Super Fund A/C>	309,143	0.51%
ABN Amro Clearing Sydney Nominees Pty Ltd <Custodian A/C>	306,473	0.50%
BNP Paribas Noms Pty Ltd <DRP>	277,767	0.46%
Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	233,571	0.38%
Sporran Lean Pty Ltd <Sporran Lean S/F A/C>	212,000	0.35%
Tideways Classic Pty Ltd <Tideways Classic A/C>	191,860	0.31%
Hallam Drainage Pty Ltd	190,875	0.31%
Leopard Capital Pty Ltd <Leopard A/C>	183,304	0.30%
One Managed Inv't Funds Ltd <Sandon Capital Inv Ltd A/C>	175,430	0.29%
	28,857,741	47.28%

Substantial shareholders

The number of shares held by substantial shareholders are set out below:

Name		
National Nominees Limited	6,940,156	11.37%
Greg Tate	6,581,271	10.78%
HSBC Custody Nominees (Australia) Limited	6,124,400	10.03%
Citicorp Nominees Pty Limited	3,213,945	5.27%
J P Morgan Nominees Australia Limited	2,513,400	4.12%

Distribution of equity security holders

Category	Number of shareholders
1 -1,000	3,344
1,001 - 5,000	3,907
5,001 - 10,000	839
10,001 - 100,000	565
100,001 and over	31
	8,686
Shareholders holding less than a marketable parcel	984

Voting rights of shareholders

On a show of hands, every member in person or by proxy shall have one vote. Upon a poll, voting rights of such members shall be one vote for each share held.

On market buy-back

There is no current on market buy-back.

Other information

Fleetwood Corporation Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.



Delivering the Promise