RWC Group

Combined Financial Statements for the Years Ended

30 June 2015, 2014 and 2013

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Combined Financial Statements for the
Years Ended 30 June 2015, 2014 and 2013

Combined Statements of Profit or Loss and Other Comprehensive Income

	Note	2015 $	2014 $	2013 $
Revenue from sale of goods	3	451,732,510	392,195,922	303,276,659
Cost of sales		(275,480,384)	(246,986,072)	(205,410,124)
Gross profit		**176,252,126**	**145,209,850**	**97,866,535**
Other income	4	215,693	238,972	753,481
Product development expenses		(8,313,306)	(6,116,222)	(5,576,448)
Supply chain and logistics expenses		(14,019,128)	(10,476,295)	(8,697,311)
Selling and marketing expenses		(46,617,852)	(39,163,839)	(31,134,356)
Administration expenses		(41,569,124)	(33,428,974)	(30,008,807)
Other (gains) / losses	5	5,960,468	(2,373,779)	3,519,232
Operating profit		**71,908,877**	**53,889,713**	**26,722,326**
Finance income	6	14,043	19,447	23,792
Finance costs	6	(1,210,422)	(1,424,601)	(1,420,517)
Net finance costs		**(1,196,379)**	**(1,405,154)**	**(1,396,725)**
Profit before income tax		**70,712,498**	**52,484,559**	**25,325,601**
Income tax expense	7	(24,041,929)	(17,163,463)	(8,644,150)
Profit for the year		**46,670,569**	**35,321,096**	**16,681,451**
Other comprehensive income / (loss):				
Items that may be reclassified to profit or loss:				
• Foreign currency translation differences		21,625,549	(454,088)	8,733,724
Total comprehensive income for the year		**68,296,118**	**34,867,008**	**25,415,175**
Profit for the year attributable to:				
• Non-controlling interests		3,365,689	2,041,781	631,882
• Controlling interests		43,304,880	33,279,315	16,049,569
		46,670,569	**35,321,096**	**16,681,451**
Total comprehensive income attributable to:				
• Non-controlling interests		6,028,814	1,752,176	1,540,578
• Controlling interests		62,267,304	33,114,832	23,874,597
		68,296,118	**34,867,008**	**25,415,175**

These statements should be read in conjunction with the notes
to the Combined Financial Statements.

RWC Group
Combined Financial Statements for the
Years Ended 30 June 2015, 2014 and 2013

Combined Statements of Financial Position

	Note	2015 $	2014 $	2013 $	2012[1] $
Assets					
Current assets					
Cash and cash equivalents	20	26,966,399	23,827,982	24,589,784	22,323,115
Trade and other receivables	8	127,726,744	98,218,058	59,358,173	49,638,683
Other financial assets	9	282,485	-	-	-
Inventories	10	120,389,897	103,940,112	99,502,133	105,746,041
Other current assets	11	3,746,403	2,737,566	4,012,215	3,896,287
Total Current Assets		**279,111,928**	**228,723,718**	**187,462,305**	**181,604,126**
Non-Current					
Property, plant and equipment	12	97,407,175	72,470,493	73,657,586	72,808,795
Deferred tax assets	13	10,532,415	8,595,839	7,106,252	6,050,965
Goodwill	14	44,227,364	38,272,193	37,869,081	37,553,899
Other intangible assets	15	1,675,805	1,904,771	2,420,181	2,694,733
Total Non-Current Assets		**153,842,759**	**121,243,296**	**121,053,100**	**119,108,392**
Total Assets		**432,954,687**	**349,967,014**	**308,515,405**	**300,712,518**
Liabilities					
Current liabilities					
Bank overdraft	20	686,278	721,198	-	-
Trade and other payables	16	66,776,756	54,585,899	47,201,658	61,564,209
Loans and borrowings	17	21,215,425	20,614,776	19,934,688	22,993,260
Current tax liabilities	18	8,227,401	9,837,675	6,126,141	6,882,449
Provisions	19	6,314,374	5,006,176	4,980,667	4,518,743
Total Current Liabilities		**103,220,234**	**90,765,724**	**78,243,154**	**95,958,661**
Non-Current Liabilities					
Loans and borrowings	17	3,329,918	2,947,044	3,327,233	-
Deferred tax liabilities	18	8,208,008	5,063,999	7,034,361	5,096,534
Provisions	19	4,555,216	4,644,853	5,265,805	5,117,132
Total Non-Current Liabilities		**16,093,142**	**12,655,896**	**15,627,399**	**10,213,666**
Total Liabilities		**119,313,376**	**103,421,620**	**93,870,553**	**106,172,327**
Net Assets		**313,641,311**	**246,545,394**	**214,644,852**	**194,540,191**
Net controlling investment		246,706,832	204,602,153	174,289,304	163,550,249
Foreign currency translation reserve		22,743,974	1,118,425	1,572,513	(7,161,211)
Non-controlling interest		44,190,505	40,824,816	38,783,035	38,151,153
Total Net Investment		**313,641,311**	**246,545,394**	**214,644,852**	**194,540,191**

These statements should be read in conjunction with the notes
to the Combined Financial Statements.

[1] As at 1 July, 2012

RWC Group
Combined Financial Statements for the
Years Ended 30 June 2015, 2014 and 2013

Combined Statements of Changes In Net Investment

	Net Controlling Investment $	Foreign Currency Translation Reserve $	Non-Controlling Interest $	Total Net Investment $
Balance at 1 July 2012	163,550,249	(7,161,211)	38,151,153	194,540,191
Total comprehensive income				
Profit for the year	16,049,569	-	631,882	16,681,451
Other comprehensive income	-	8,733,724	-	8,733,724
Transactions with owners of the Group				
Distributions paid	(5,310,514)	-	-	(5,310,514)
Balance at 30 June 2013	**174,289,304**	**1,572,513**	**38,783,035**	**214,644,852**
Total comprehensive income				
Profit for the year	33,279,315	-	2,041,781	35,321,096
Other comprehensive loss	-	(454,088)	-	(454,088)
Transactions with owners of the Group				
Distributions paid	(2,966,466)	-	-	(2,966,466)
Balance at 30 June 2014	**204,602,153**	**1,118,425**	**40,824,816**	**246,545,394**
Total comprehensive income				
Profit for the year	43,304,880	-	3,365,689	46,670,569
Other comprehensive income / (loss)	(37,951)	21,625,549	-	21,587,598
Transactions with owners of the Group				
Distributions paid	(1,162,250)	-	-	(1,162,250)
Balance at 30 June 2015	**246,706,832**	**22,743,974**	**44,190,505**	**313,641,311**

These statements should be read in conjunction with the notes
to the Combined Financial Statements.

RWC Group
Combined Financial Statements for the
Years Ended 30 June 2015, 2014 and 2013

Combined Statements of Cash Flows

	Note	2015 $	2014 $	2013 $
Cash flows from operating activities				
Receipts from customers		513,328,024	451,458,794	353,283,399
Payments to suppliers and employees		(432,649,292)	(394,713,473)	(312,594,820)
Income tax paid		(27,078,379)	(16,712,725)	(7,855,925)
Net cash provided by operating activities	**20(b)**	**53,600,353**	**40,032,596**	**32,832,654**
Cash flows from investing activities				
Dividends received		465	446	-
Dividends paid to owners of the Group		(1,162,250)	(2,966,466)	(5,310,514)
Dividends paid - other	**25**	(1,679,274)	-	-
Purchase of property, plant and equipment		(29,603,994)	(13,495,343)	(8,680,899)
Purchase of intellectual property		(142,473)	(15,484)	(44,861)
Purchase of controlled entity	**25**	(5,992,550)	-	-
Proceeds from sale of property, plant and equipment		346,945	922,147	263,782
Net cash used in investing activities		**(38,233,131)**	**(15,554,700)**	**(13,772,492)**
Cash flows from financing activities				
Drawdown of bank loans		1,280,738	2,720,348	-
Repayment of bank loans		(768,443)	(2,720,348)	-
Loans to related parties		(13,437,360)	(24,508,805)	(16,167,146)
Drawdown / (repayment) loan from related parties		(2)	1	-
Interest received - other persons and corporations		14,043	19,447	23,792
Interest paid - other persons and corporations		(1,324,871)	(1,495,682)	(1,400,307)
Net cash used in financing activities		**(14,235,895)**	**(25,985,039)**	**(17,543,661)**
Net change in cash and cash equivalents		1,131,327	(1,507,143)	1,516,501
Cash and cash equivalents at the start of the year		23,106,784	24,589,784	22,323,115
Effect of movements in exchange rates on cash held		2,042,010	24,143	750,168
Cash and cash equivalents at the end of the year	**20(a)**	**26,280,121**	**23,106,784**	**24,589,784**

These statements should be read in conjunction with the notes
to the Combined Financial Statements.

1. Significant accounting policies

1.1 Business structure

The Reliance Worldwide Corporation Combined Group ("the RWC Group") is an integrated business of GSA Group Pty Ltd that is not a separate stand-alone company. These Combined Financial Statements have been prepared for the purpose of providing historical financial information on the RWC Group for disclosure in a Prospectus pursuant to an Initial Public Offering. The legal entities which comprise the RWC Group are defined in Note 1.3 below. The RWC Group is a for-profit entity and is primarily involved in the design, manufacture and supply of plumbing fittings and pipe, valves and related products.

1.2 Basis of preparation

The RWC Group is not currently held by a separate ultimate parent entity but all entities are under common control. These Combined Financial Statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB). They also comply with International Financial Reporting Standards (IFRS) adopted by the International Financial Reporting Standards Board (IASB). They have been prepared on the historical cost basis except for other financial assets, which are measured using fair value at each reporting date.

As a result of preparing financial statements for the years ended 30 June 2013, 2014 and 2015, the Group has applied AASB 1 First-time Adoption of International Financial Reporting Standards in the preparation of the financial statements for the year ended 30 June 2015. There have been no adjustments to the recognition balances in the Combined Statements of Financial Position, Combined Statements of Profit or Loss and Other Comprehensive Income, Combined Statements of Changes in Equity or Combined Statements of Cash Flows as a result of the first time adoption of IFRS and the impact has related only to increased financial statement disclosure.

In preparing these Combined Financial Statements, the financial information has been extracted from the reporting records of GSA Group Pty Ltd and its Controlled Entities. The combined financial statements have been prepared on a 'carve-out' basis from the financial records of the GSA Group Pty Ltd Consolidated Financial Statements for the purposes of presenting the financial position, results of operations and cash flows of the RWC Group on a stand-alone basis. The Combined Financial Statements of the RWC Group reflect assets, liabilities, revenues and expenses directly attributable to the RWC Group, as well as allocations deemed reasonable by the Directors. No significant estimates or judgements were required to be made by Management in determining allocations or the level of allocations were not material.

The allocation methodologies for certain intersegment recharges for employee expenses and certain general and administration expenses have been described within the notes to the Combined Financial Statements where appropriate. The financial information included herein may not reflect the combined financial position, results of operations, changes in equity and cash flows of the RWC Group in the future or what they may have been had it been a separate, stand-alone company during the periods presented. All intragroup (between the combining entities) balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the combined financial statements.

As the financial information has been prepared on a combined basis, it is not possible to measure earnings per share as there is no issued capital for this combined entity. Accordingly, the requirement of IAS 33 Earnings Per Share to disclose earnings per share does not apply.

The Combined Financial Statements were authorised for issue on 11 March 2016 by the directors.

1. Significant accounting policies (continued)

1.3 Basis of combination

These Combined Financial Statements aggregate the financial statements of the following legal entities comprising the Group:

- **Reliance Worldwide Corporation (Aust.) Pty Ltd** (formerly GSA Industries (Aust.) Pty Ltd)
  - Ryemetal Pty Ltd
  - Technical Moulders Australia Pty Ltd (acquired 22 December, 2014)
- Reliance Worldwide Pty Ltd
- **Reliance Worldwide Corporation (USA)**
- **Reliance Worldwide Corporation (UK) Limited** (formerly Reliance Water Controls Limited)
  - **Reliance Worldwide Corporation (Europe) S.A.S.**
  - Reliance Water Controls Limited (incorporated 21 January, 2015)
- **Reliance Worldwide Corporation (NZ) Limited** (formerly Reliance Worldwide Limited)
  - Titon Limited
  - Reliance Manufacturing Company (NZ) Limited
- **Reliance Worldwide Corporation (Canada) Inc.** (formerly Reliance Worldwide Canada Inc.)

Operating entities are denoted in bold type. All other entities are non-operating.

All assets and liabilities, income and expenses and cash flows relating to transactions between the entities have been eliminated in full.

1.4 Functional and presentation currency

The individual financial statements of each entity comprising the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of these Combined Financial Statements, Australian dollars ("$AUD") is the presentation currency.

1.5 Foreign currency translation

Foreign currency transactions and balances

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction.

Foreign operations

For the purpose of presenting these Combined Financial Statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in Net Investment within Foreign Currency Translation Reserve (FCTR). The FCTR comprises all foreign currency differences arising from the translation of the financial statements of the foreign operations.

1.6 Use of judgements and estimates

In preparing these Combined Financial Statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

1. Significant accounting policies (continued)

1.6 Use of judgements and estimates (continued)

Information about judgements and estimates made in applying accounting policies that may have a significant effect on amounts recognised in the Combined Financial Statements is included in the following notes:

- Note 1.10 - recognition of deferred tax assets; availability of future taxable profits against which carry forward tax losses and timing differences can be used;
- Note 1.12 - recoverability of trade and other receivables;
- Note 1.13 - estimation of net realisable value and possible obsolescence:
- Note 1.15 - capitalisation of development expenditure; probability of future economic benefits;
- Note 1.16 - recoverability of intangible assets including goodwill

1.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when the goods are delivered and title has 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.

1.8 Financial instruments

Recognition, Initial Measurement and Derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. The Group's activities expose it primarily to financial risks of changes in exchange rates and interest rates.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Subsequent to initial recognition, financial assets and liabilities are measured at fair value and changes therein are recognised in the profit or loss.

Financial assets are derecognised when the contractual rights to cash flows from the financial asset expire or when the financial asset and all the substantial risks and benefits are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or they expire.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency risk exposures. Derivative financial assets are classified as cash flow hedges.

Non-derivative financial instruments

Non-derivative financial assets are classified into the following categories: (a) cash and cash equivalents and (b) trade and other receivables. Cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Non-derivative financial liabilities are classified into the following categories: (a) trade and other payables and (b) loans and borrowings.

1. Significant accounting policies (continued)

1.9 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 of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group 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 values, except that deferred tax assets or liabilities and assets or liabilities related to employee 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.

Non-controlling interests are measured at their proportionate share of the acquiree's identifiable net assets at acquisition date.

1.10 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the Combined Statement of Profit and Loss and Other Comprehensive Income except to the extent that it relates to a business combination or items recognised directly in equity.

Current tax

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from profit before tax as reported in the Combined Statement of Profit and 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. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Combined Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1. Significant accounting policies (continued)

1.10 Income tax (continued)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse using tax rates enacted or substantively enacted at the reporting period.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and tax liabilities on a net basis.

Australian tax consolidated group

The following entities are part of an Australian tax consolidated group whereby the members of that group are taxed as a single entity. The head entity of the tax consolidated group is GSA Group Pty Ltd. The head entity and each subsidiary member of the tax consolidated group is party to a Tax Sharing and Funding Agreement ("Agreement") whereby each member of that group is only liable for its contribution amount calculated in accordance with the Agreement rather than being jointly and severally liable for group tax liabilities.

- Reliance Worldwide Corporation (Aust.) Pty Ltd
- Ryemetal Pty Ltd
- Technical Moulders Australia Pty Ltd
- Reliance Worldwide Pty Ltd

1.11 Finance income and finance costs

The Group's finance income and finance costs include:

- Interest income
- Interest expense

1.12 Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost less provision for impairment.

1.13 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as an appropriate portion of related fixed and variable production overheads, based on normal operating capacity. Costs are assigned on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and any applicable selling expenses.

1.14 Employee benefits

Short and long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave in the period the related service is rendered. Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

1. Significant accounting policies (continued)

1.14 Employee benefits (continued)

Retirement benefits costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees render the service entitling them to the contributions.

Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

1.15 Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is measured at cost less where applicable, accumulated depreciation and impairment losses.

Any gain or loss on disposal of an item of property, plant and equipment is included in the Statement of Profit and Loss and Other Comprehensive Income.

Subsequent expenditure

Subsequent expenditure is only capitalised when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is recognised so as to write off the cost of property, plant and equipment (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.

The estimated useful lives of property, plant and equipment are as follows:

• Buildings	25 - 40 years
• Leasehold improvements	5 - 40 years
• Plant and equipment	3 - 20 years
• Furniture and office equipment	3 - 10 years
• Motor vehicles	5 - 10 years

Impairment of non-financial assets

Property, plant and equipment, goodwill, and other intangible assets are tested for impairment:
- where there are indicators that an asset may be impaired; and
- at least annually for goodwill.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income.
In 2015, 2014 and 2013, the recoverable amount of Cash Generating Units exceed their carrying values and as a result no impairment was recognised.

1. Significant accounting policies (continued)

1.16 Intangible assets including goodwill

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, it is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intellectual property and license fees

Intellectual property consists of technical drawings and certifications and is recorded at cost less accumulated amortisation and any accumulated impairment losses. License fees relate to the SAP platform being implemented throughout the Reliance Worldwide operations. Intellectual property and license fees are amortised on a straight-line basis over a period of ten years.

Research and development

Research costs are charged to the profit and loss as incurred. Development expenditure is only capitalised if it can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the profit and loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. The amortisation of intangible assets is allocated to other expenses as inventory is sold.

1.17 Operating leases

Operating lease payments for leases of assets where substantially all of the risks and benefits of ownership remain with the lessor are recognised in the profit and loss on a straight-line basis over the term of the lease. Assets, the subject of operating leases are not recognised the Group's Statement of Financial Position.

1.18 Goods and services tax - Australia

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

1.19 Net Investment

GSA Group Pty Ltd and is Controlled Entities' ('GSA') investment in RWC is presented as Net Investment in the Combined Financial Statements. Net Investment includes long term intergroup balances, retained earnings, accumulated net distributions and accumulated foreign currency translation. Net financing transactions with GSA are presented in the Consolidated Statements of Cash Flows and represent new distributions related to funding between GSA and RWC.

1. Significant accounting policies (continued)

1.20 New accounting standards and interpretations

The following relevant Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and are yet to be adopted:

- IFRS 16 Leases
- Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
- Disclosure Initiative – Amendments to IAS 7
- AASB 9 Financial Instruments (December 2014)
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
- AASB 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 – Application of AASB 9 (December 2009) and AASB 9 (December 2010)
- IFRS 15 Revenue from Contracts with Customers
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15
- AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128
- AASB 1056 Superannuation Entities
- AASB 1057 Application of Australian Accounting Standards
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs
- AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvement to Australian Accounting Standards 2012-2014 Cycle
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity method in Separate Financial Statements
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants
- AASB 14 Regulatory Deferral Accounts
- AASB 2014-1 Amendments to Australian Accounting Standards – Part D: Consequential Amendments arising from AASB 14
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations.
- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
- AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent

The impact of these standards on the Group's financial position and performance is currently being assessed.

2. Segment reporting

Segment information is presented in respect of the Group's management reporting structure and is regionally based. Each segment is reported on to the Group's chief operating decision makers. The chief operating decision makers are considered to be the members of the Board of Directors.

The Group's regionally based segments are:

- Asia Pacific including Australia and New Zealand
- Americas including the United States of America and Canada
- EMEA including the United Kingdom and Europe

The major products from which the aforementioned segments derive revenue are:

- Fittings and Pipe - including plumbing fittings, piping and related products for the installation and repair of water reticulation systems for domestic and commercial applications;
- Control Valves - including temperature and pressure relief valves for domestic and commercial storage hot water systems, non-return isolating valves, pressure regulation valves, backflow prevention devices and specialist water safety valves;
- Thermostatics Products - including an extensive range of thermostatic mixing valves, tempering valves and thermostatic cartridges for domestic and commercial applications;' and
- Other Products - including underfloor heating components and kit systems, water meters, industrial pneumatic and hydraulic fittings, water mains connection fittings and repair sleeves and fire safety system products.

Revenue by product group for the years ended 30 June includes:

	2015 **$**	**2014** **$**	**2013** **$**
Control valves	84,024,478	76,156,920	66,187,677
Thermostatics	22,715,547	20,248,443	17,190,631
Reticulation	284,182,989	239,554,807	168,643,667
Other Products	60,809,496	56,235,752	51,254,684
	451,732,510	**392,195,922**	**303,276,659**

Revenue from one customer in the United States of America represents:

- $158,754,334 of the Group's total revenues in 2015;
- $126,732,026 of the Group's total revenues in 2014; and
- $86,163,381 of the Group's total revenues in 2013;

2. Segment reporting (continued)

2015	**Asia Pacific**	**Americas**	**EMEA**	**Elimination**	**Total**
	$	**$**	**$**	**$**	**$**
Revenue					
From external customers	110,145,725	298,136,004	43,450,781	-	451,732,510
From other segments	79,768,672	2,211,551	29,953	(82,010,176)	-
Segment revenues	**189,914,397**	**300,347,555**	**43,480,734**	**(82,010,176)**	**451,732,510**
Cost of sales	(133,169,983)	(194,753,247)	(29,567,330)	82,010,176	(275,480,384)
Gross profit	**56,744,414**	**105,594,308**	**13,913,404**	**-**	**176,252,126**
Other income	69,180	145,540	973	-	215,693
Product development expenses	(4,179,008)	(2,944,854)	(1,189,444)	-	(8,313,306)
Supply chain and logistics expenses	(4,970,307)	(5,627,520)	(3,421,301)	-	(14,019,128)
Selling and marketing expenses	(10,352,728)	(32,553,531)	(3,711,593)	-	(46,617,852)
Administration expenses	(22,988,242)	(14,299,455)	(4,281,427)	-	(41,569,124)
Intersegment recharges	9,706,715	(8,542,704)	(1,164,011)	-	-
Other gains and losses	1,396,936	389,156	53,984	-	1,840,076
EBIT before significant items	25,426,960	42,160,940	200,585	-	67,788,485
Significant items[1]	-	4,120,392	-	-	4,120,392
Segment operating profit	**25,426,960**	**46,281,332**	**200,585**	**-**	**71,908,877**
Segment assets	**216,324,014**	**188,552,526**	**28,078,147**	**-**	**432,954,687**
Segment liabilities	**46,258,968**	**61,433,429**	**11,620,979**	**-**	**119,313,376**
Other segment disclosures:					
EBITDA before significant items	33,367,302	47,406,171	1,002,444		**81,775,917**
Depreciation of property, plant and equipment	(7,791,350)	(4,838,853)	(801,859)	-	**(13,432,062)**
Amortisation of intangible assets	(148,992)	(406,378)	-	-	**(555,370)**
Employee benefits expense	(29,847,787)	(21,311,852)	(6,038,810)	-	**(57,198,449)**
Interest income	6,593	4	13,457	(6,011)	**14,043**
Interest expense	(857)	(1,054,393)	(161,183)	6,011	**(1,210,422)**
Income tax expense	(7,465,205)	(16,543,289)	(33,435)	-	**(24,041,929)**
Additions to non-current assets	14,028,566	20,811,119	1,296,467	-	**36,136,152**
Non-current assets excluding other financial assets and deferred tax assets	86,541,051	52,054,048	4,715,245	-	**143,310,344**

1 - Foreign currency gain from translation of loan payable to related corporation.

2. Segment reporting (continued)

2014	Asia Pacific $	Americas $	EMEA $	Elimination $	Total $
Revenue					
From external customers	107,326,602	250,081,825	34,787,495	-	392,195,922
From other segments	68,421,674	2,178,309	12,526	(70,612,509)	-
Segment revenues	**175,748,276**	**252,260,134**	**34,800,021**	**(70,612,509)**	**392,195,922**
Cost of sales	(122,464,933)	(171,186,043)	(23,947,605)	70,612,509	(246,986,072)
Gross profit	**53,283,343**	**81,074,091**	**10,852,416**	-	**145,209,850**
Other income	82,607	139,551	16,814	-	238,972
Product development expenses	(3,899,307)	(1,231,074)	(985,841)	-	(6,116,222)
Supply chain and logistics expenses	(4,750,629)	(4,814,162)	(911,504)	-	(10,476,295)
Selling and marketing expenses	(9,284,110)	(27,239,021)	(2,640,708)	-	(39,163,839)
Administration expenses	(18,172,250)	(11,983,457)	(3,273,267)	-	(33,428,974)
Intersegment recharges	7,404,792	(6,360,972)	(1,043,820)	-	-
Other gains and losses	(872,523)	(734,620)	(202,036)	-	(1,809,179)
EBIT before significant items	23,791,923	28,850,336	1,812,054	-	54,454,313
Significant items[1]	-	(564,600)	-	-	(564,600)
Segment operating profit	**23,791,923**	**28,285,736**	**1,812,054**	-	**53,889,713**
Segment assets	**202,066,690**	**124,687,889**	**23,212,435**	-	**349,967,014**
Segment liabilities	**46,051,607**	**47,345,622**	**10,024,391**	-	**103,421,620**
Other segment disclosures:					
EBITDA before significant items	32,692,171	33,009,915	2,387,952	-	**68,090,038**
Depreciation of property, plant and equipment	(8,768,684)	(3,789,543)	(575,898)	-	**(13,134,125)**
Amortisation of intangible assets	(131,564)	(370,036)	-	-	**(501,600)**
Employee benefits expense	(28,054,953)	(17,417,802)	(4,502,399)	-	**(49,975,154)**
Interest income	2,956	61,514	9,225	(54,248)	**19,447**
Interest expense	(50,836)	(1,285,301)	(142,712)	54,248	**(1,424,601)**
Income tax expense	(6,953,627)	(9,839,850)	(369,986)	-	**(17,163,463)**
Additions to non-current assets	7,477,579	6,125,941	1,791,538	-	**15,395,058**
Non-current assets excluding other financial assets and deferred tax assets	82,091,915	28,856,868	3,705,974	-	**114,654,757**

1 - Foreign currency loss from translation of loan payable to related corporation.

2. Segment reporting (continued)

2013	Asia Pacific $	Americas $	EMEA $	Elimination $	Total $
Revenue					
From external customers	103,454,054	173,710,122	26,112,483	-	303,276,659
From other segments	44,688,833	2,101,051	26,100	(46,815,984)	-
Segment revenues	**148,142,887**	**175,811,173**	**26,138,583**	**(46,815,984)**	**303,276,659**
Cost of sales	(106,890,658)	(126,755,390)	(18,580,060)	46,815,984	(205,410,124)
Gross profit	**41,252,229**	**49,055,783**	**7,558,523**	-	**97,866,535**
Other income	109,882	643,599	-	-	753,481
Product development expenses	(3,896,782)	(1,215,686)	(463,980)	-	(5,576,448)
Supply chain and logistics expenses	(4,579,644)	(4,117,667)	-	-	(8,697,311)
Selling and marketing expenses	(9,394,204)	(19,290,518)	(2,449,634)	-	(31,134,356)
Administration expenses	(17,248,681)	(10,150,343)	(2,609,783)	-	(30,008,807)
Intersegment recharges	6,980,879	(5,952,431)	(1,028,448)	-	-
Other gains and losses	1,735,670	(270,677)	(8,058)	-	3,519,232
EBIT before significant items	14,959,349	8,702,060	998,620	-	24,660,029
Significant items[1]	-	2,062,297	-	-	2,062,297
Segment operating profit	**14,959,349**	**10,764,357**	**998,620**	-	**26,722,326**
Segment assets	**168,054,089**	**120,640,186**	**19,821,130**	-	**308,515,405**
Segment liabilities	**30,216,444**	**54,364,207**	**9,289,902**	-	**93,870,553**
Other segment disclosures:					
EBITDA before significant items	22,350,238	12,069,281	1,340,513	-	**35,760,032**
Depreciation of property, plant and equipment	(7,267,042)	(3,035,795)	(341,893)	-	**(10,644,730)**
Amortisation of intangible assets	(123,847)	(331,426)	-	-	**(455,273)**
Employee benefits expense	(27,795,243)	(13,539,549)	(3,255,271)	-	**(44,590,063)**
Interest income	1,098	8,804	13,890	-	**23,792**
Interest expense	(305)	(1,268,788)	(151,424)	-	**(1,420,517)**
Income tax expense	(4,523,503)	(3,889,139)	(231,508)		**(8,644,150)**
Additions to non-current assets	4,008,240	4,698,051	1,385,119	-	**10,091,410**
Non-current assets excluding other financial assets and deferred tax assets	82,951,414	29,945,529	2,265,895	-	**115,162,838**

1 - Foreign currency gain from translation of loan payable to related corporation.

3. Revenue

Revenue for the years ended 30 June includes:

	2015 $	2014 $	2013 $
Revenue from sale of goods	**451,732,510**	**392,195,922**	**303,276,659**

4. Other income

Other income for the years ended 30 June includes:

	2015 $	2014 $	2013 $
Restocking fees	38,712	43,061	575,644
Other	176,981	195,911	177,837
	215,693	**238,972**	**753,481**

5. Other gains and losses

Other gains and losses for the years ended 30 June include:

	2015 $	2014 $	2013 $
Foreign currency exchange gains / (losses)	5,914,298	(2,245,064)	3,642,029
Gain / (loss) on sale of property, plant and equipment	(31,539)	(123,251)	(120,145)
Other	77,709	(5,464)	(2,652)
	5,960,468	**(2,373,779)**	**3,519,232**

6. Finance income and finance costs

Finance income for the years ended 30 June consists of the following:

	2015 $	2014 $	2013 $
Interest income from cash and cash equivalents:			
Other persons and corporations	**14,043**	**19,447**	**23,792**

Finance costs for the years ended 30 June consist of the following:

	2015 $	2014 $	2013 $
Interest expense on loans and borrowings from:			
Related corporations	1,054,393	1,285,403	1,268,788
Other persons and corporations	156,029	139,198	151,729
	1,210,422	**1,424,601**	**1,420,517**

7. Income tax expense

(a) Reconciliation of expected to actual income tax expense

The major components that reconcile the expected income tax expense based on the Australian statutory rate of tax of the Group at 30% (2014: 30%, 2013: 30%) to the reported actual income tax expense in the profit and loss are as follows:

	2015 $	2014 $	2013 $
Profit before income tax	70,712,498	52,484,559	25,325,601
Australian domestic tax rate	30%	30%	30%
Expected income tax expense	**21,213,749**	**15,745,368**	**7,597,680**
Effect of tax rates in foreign jurisdictions	3,180,881	1,826,163	549,886
	24,394,630	**17,571,531**	**8,147,566**
Tax effect of amounts which are not deductible / (assessable) in calculating taxable income:			
Non-deductible expenses	253,556	335,430	643,030
Deductible amounts not included in profit	(111,987)	(119,415)	-
State taxes deductible on Federal Return (USA)	(450,616)	(538,655)	(150,096)
Adjustments for prior years	8,713	(108,860)	(48,725)
Other	(52,367)	23,432	52,375
Actual income tax expense	**24,041,929**	**17,163,463**	**8,644,150**

(b) Components of income tax

	2015 $	2014 $	2013 $
Current tax	22,841,015	20,732,272	7,810,335
Deferred tax	1,192,201	(3,459,949)	882,540
Adjustments for prior years	8,713	(108,860)	(48,725)
	24,041,929	**17,163,463**	**8,644,150**

(c) Deferred income tax comprises:

	2015 $	2014 $	2013 $
Increase in deferred tax assets	(1,951,808)	(1,489,587)	(1,055,287)
Increase / (decrease) in deferred tax liabilities	3,144,009	(1,970,362)	1,937,827
	1,192,201	**(3,459,949)**	**882,540**

7. Income tax expense (continued)

(d) Movements in deferred tax balances

	Net Balance At 1 July $	Recognised in Profit & Loss $	Recognised in OCI $	Net Balance At 30 June $	Deferred Tax Asset $	Deferred Tax Liability $
2015						
Property, plant & equipment	(6,603,631)	(604,985)	(1,020,074)	(8,228,690)	-	(8,228,690)
Employee entitlements	2,240,621	147,976	40,964	2,429,561	2,429,561	-
Unrealised profit in stock	2,007,300	1,865,100	-	3,872,400	3,872,400	-
Other	5,887,550	(2,402,509)	766,095	4,251,136	4,230,454	20,682
Total	**3,531,840**	**(994,418)**	**(213,015)**	**2,324,407**	**10,532,415**	**(8,208,008)**
2014						
Property, plant & equipment	(7,796,486)	1,055,926	136,929	(6,603,631)	-	(6,603,631)
Employee entitlements	2,495,429	(250,045)	(4,763)	2,240,621	2,240,621	-
Unrealised profit in stock	1,215,900	791,400	-	2,007,300	2,007,300	-
Other	4,157,048	1,887,284	(156,782)	5,887,550	4,347,918	1,539,632
Total	**71,891**	**3,484,565**	**(24,616)**	**3,531,840**	**8,595,839**	**5,063,999**
2013						
Property, plant & equipment	(6,910,172)	(289,426)	(596,888)	(7,796,486)	-	(7,796,486)
Employee entitlements	2,511,633	(68,184)	51,979	2,495,429	2,495,429	-
Unrealised profit in stock	798,000	417,900	-	1,215,900	1,215,900	-
Other	4,554,975	(582,933)	185,007	4,157,048	3,394,923	762,125
Total	**954,436**	**(522,643)**	**(359,902)**	**71,891**	**7,106,252**	**(7,034,361)**

8. Trade and other receivables

	2015 $	2014 $	2013 $
Trade debtors	83,630,078	69,984,382	56,317,518
Less: provision for doubtful debts	(277,557)	(273,666)	(246,570)
	83,352,521	69,710,716	56,070,948
Loans receivable - related corporations	39,927,292	26,489,932	1,981,127
Other debtors	2,116,381	1,926,843	1,306,098
Income tax receivable	2,330,550	90,567	-
	127,726,744	**98,218,058**	**59,358,173**

9. Other financial assets

	2015 $	2014 $	2013 $
Foreign currency forward contracts - $CAD	**282,485**	-	-

10. Inventories

	2015 $	2014 $	2013 $
At cost			
Raw materials and stores	56,127,792	49,686,769	33,329,512
Consumables	202,248	141,003	128,443
Work in progress	14,136,720	13,493,565	11,309,397
Finished goods	53,715,234	44,961,950	58,218,280
	124,181,994	108,283,287	102,985,632
Less: provision for diminution	(3,792,097)	(4,343,175)	(3,483,499)
	120,389,897	**103,940,112**	**99,502,133**
The following amounts of inventory were recognised as an expense and included in cost of sales:	**329,532,002**	**291,777,671**	**240,524,781**

11. Other current assets

	2015 $	2014 $	2013 $
Prepayments	**3,746,403**	**2,737,566**	**4,012,215**

12. Property, plant and equipment

	2015 $	2014 $	2013 $
Carrying amounts of:			
Freehold land	341,492	59,089	60,769
Buildings	15,055,757	6,846,406	7,255,766
Leasehold improvements	2,711,224	2,082,089	1,427,357
Plant and equipment	63,948,532	52,911,563	52,669,071
Furniture and office equipment	8,560,128	7,548,753	8,429,851
Motor vehicles	6,790,042	3,022,593	3,814,772
	97,407,175	**72,470,493**	**73,657,586**

12. Property, plant and equipment (continued)

2015	Freehold Land $	Buildings $	Leasehold Improvements $	Plant & Equipment $	Furniture & Office Equipment $	Motor Vehicles $	Total $
Cost							
Balance as at 30 June 2014	59,089	8,579,186	3,768,857	106,927,093	20,626,873	5,386,073	145,347,171
Additions	246,862	6,374,814	659,591	15,443,472	2,322,971	4,556,284	29,603,994
Acquired through business combinations	-	-	9,284	816,599	16,607	33,062	875,552
Disposals	-	-	(8,577)	(2,195,570)	(2,348,047)	(544,530)	(5,096,724)
Net effect of change in exchange rates	35,541	2,506,960	323,848	6,330,548	1,924,310	964,883	12,086,090
Other movements	-	-	-	3,113	(1,557)	(135,233)	(133,677)
Balance as at 30 June 2015	341,492	17,460,960	4,753,003	127,325,255	22,541,157	10,260,539	182,682,406
Accumulated depreciation							
Balance as at 30 June 2014	-	(1,732,780)	(1,686,768)	(54,015,530)	(13,078,120)	(2,363,480)	(72,876,678)
Depreciation expense	-	(258,720)	(265,204)	(9,174,356)	(2,397,708)	(1,336,074)	(13,432,062)
Disposals	-	-	8,577	1,939,201	2,337,903	429,787	4,715,468
Net effect of change in exchange rates	-	(413,703)	(121,188)	(2,187,198)	(855,961)	(361,499)	(3,939,549)
Other movements	-	-	22,804	61,160	12,857	160,769	257,590
Balance as at 30 June 2015	-	(2,405,203)	(2,041,779)	(63,376,723)	(13,981,029)	(3,470,497)	(85,275,231)
Net carrying amount as at 30 June 2015	**341,492**	**15,055,757**	**2,711,224**	**63,948,532**	**8,560,128**	**6,790,042**	**97,407,175**

12. Property, plant and equipment (continued)

2014	**Freehold Land $**	**Buildings $**	**Leasehold Improvements $**	**Plant & Equipment $**	**Furniture & Office Equipment $**	**Motor Vehicles $**	**Total $**
Cost							
Balance as at 30 June 2013	60,769	8,816,261	2,997,901	105,685,742	22,169,142	6,093,770	145,823,585
Additions	-	6,863	855,078	10,048,739	1,462,287	1,122,376	13,495,343
Disposals	-	-	(123,334)	(8,499,123)	(2,784,230)	(1,870,832)	(13,277,519)
Net effect of change in exchange rates	(1,680)	(243,938)	39,212	(308,265)	(220,326)	40,759	(694,238)
Balance as at 30 June 2014	59,089	8,579,186	3,768,857	106,927,093	20,626,873	5,386,073	145,347,171
Accumulated depreciation							
Balance as at 30 June 2013	-	(1,560,495)	(1,570,544)	(53,016,671)	(13,739,291)	(2,278,998)	(72,165,999)
Depreciation expense	-	(220,668)	(207,758)	(9,338,138)	(2,190,982)	(1,176,579)	(13,134,125)
Disposals	-	-	123,332	8,259,213	2,769,760	1,123,226	12,275,531
Net effect of change in exchange rates	-	48,383	(31,798)	80,066	82,393	(31,129)	147,915
Balance as at 30 June 2014	-	(1,732,780)	(1,686,768)	(54,015,530)	(13,078,120)	(2,363,480)	(72,876,678)
Net carrying amount as at 30 June 2014	**59,089**	**6,846,406**	**2,082,089**	**52,911,563**	**7,548,753**	**3,022,593**	**72,470,493**

12. Property, plant and equipment (continued)

2013	Freehold Land $	Buildings $	Leasehold Improvements $	Plant & Equipment $	Furniture & Office Equipment $	Motor Vehicles $	Total $
Cost							
Balance as at 30 June 2012	54,456	7,900,331	2,910,996	97,943,269	20,335,872	5,122,292	134,267,216
Additions	-	-	6,570	6,141,779	1,375,710	1,156,840	8,680,899
Disposals	-	-	(2,080)	(859,899)	(447,680)	(657,327)	(1,966,986)
Transfers	-		1,660	(1,660)	-	-	-
Net effect of change in exchange rates	6,313	915,930	80,755	2,462,253	905,240	471,965	4,842,456
Balance as at 30 June 2013	60,769	8,816,261	2,997,901	105,685,742	22,169,142	6,093,770	145,823,585
Accumulated depreciation							
Balance as at 30 June 2012	-	(1,200,059)	(1,332,774)	(45,590,913)	(11,726,213)	(1,608,462)	(61,458,421)
Depreciation expense	-	(197,481)	(182,480)	(7,304,395)	(2,100,382)	(859,992)	(10,644,730)
Disposals	-	-	138	806,238	401,195	357,975	1,565,546
Transfers	-	-	(1,161)	1,161	-	-	-
Net effect of change in exchange rates	-	(162,955)	(54,267)	(928,762)	(313,891)	(168,519)	(1,628,394)
Balance as at 30 June 2013	-	(1,560,495)	(1,570,544)	(53,016,671)	(13,739,291)	(2,278,998)	(72,165,999)
Net carrying amount as at 30 June 2013	**60,769**	**7,255,766**	**1,427,357**	**52,669,071**	**8,429,851**	**3,814,772**	**73,657,586**

13. Deferred tax assets

	2015 $	2014 $	2013 $
Deferred tax assets	**10,532,415**	**8,595,839**	**7,106,252**

14. Goodwill

	Note	2015 $	2014 $	2013 $
Balance at the start of the year		38,272,193	37,869,081	37,553,899
Acquired during the year	25	6,154,257	-	-
Net effect of change in exchange rates		(199,086)	403,112	315,182
Carrying amount at the end of the year		**44,227,364**	**38,272,193**	**37,869,081**

15. Other intangible assets

	2015 $	2014 $	2013 $
Intellectual property			
Gross carrying amount			
Balance at the start of the year	2,003,996	2,045,319	1,792,799
Acquired	67,819	15,484	207,659
Net effect of change in exchange rates	450,447	(56,807)	44,861
Balance at the end of the year	2,522,262	2,003,996	2,045,319
Accumulated amortisation			
Balance at the start of the year	(1,020,177)	(677,654)	(274,429)
Amortisation expense	(406,378)	(370,036)	(331,426)
Net effect of change in exchange rates	(266,443)	27,513	(71,799)
Balance at the end of the year	(1,692,998)	(1,020,177)	(677,654)
Carrying amount at the end of the year	**829,264**	**983,819**	**1,367,665**

15. Other intangible assets (continued)

License fees

	2015 $	2014 $	2013 $
Gross carrying amount			
Balance at the start of the year	1,292,492	1,292,492	1,292,492
Acquired	74,581	-	-
Balance at the end of the year	1,367,073	1,292,492	1,292,492
Accumulated amortisation			
Balance at the start of the year	(371,540)	(239,976)	(116,129)
Amortisation expense	(148,992)	(131,564)	(123,847)
Balance at the end of the year	(520,532)	(371,540)	(239,976)
Carrying amount at the end of the year	**846,541**	**920,952**	**1,052,516**
Total other intangible assets	**1,675,805**	**1,904,771**	**2,420,181**

16. Trade and other payables

	2015 $	2014 $	2013 $
Current:			
Trade payables	44,712,506	35,662,402	34,284,948
Other creditors and accruals	22,064,250	18,923,497	12,916,710
	66,776,756	**54,585,899**	**47,201,658**

17. Loans and borrowings

The Group aims to maintain a strong capital base to sustain future development of the business. Due to the current financial performance and financial position of the Group, this has been possible with minimal external debt. In addition to the cash on hand set out in note 20, GSA Group Pty Ltd, who is the ultimate controlling entity of entities within the RWC Group, has access to additional lines of credit to ensure RWC Group entities can meet their debts when they fall due. Based on the financial position of the RWC Group at 30 June 2015, 2014 and 2013, the RWC Group does not consider it to be significantly exposed to interest rate risk or liquidity risk for those periods. The breakdown of the RWC Group's loans and borrowings is set out below:

Current loans and borrowings include the following financial liabilities:

	2015 $	2014 $	2013 $
Secured loan from Lloyds Bank (£) *	1,280,738	680,087	-
Unsecured loan payable to related corporation	19,934,687	19,934,689	19,934,688
	21,215,425	**20,614,776**	**19,934,688**

Non-current loans and borrowings include the following financial liabilities:

	2015 $	2014 $	2013 $
Secured loan from Lloyds Bank (£) *	3,329,918	2,947,044	3,327,233

17. Loans and borrowings (continued)

UK banking facilities *

As security for the following facilities, Reliance Worldwide Corporation (UK) Limited has provided a fixed and floating debenture charge over its assets and undertakings. In addition, a related corporation, GSA Group Pty Ltd has provided a Guarantee and Indemnity up to the limit of the facilities plus incidental interest and costs in respect of:

(i) an overdraft which must not exceed £900,000 (gross) and £250,000 (net);
(ii) a business (term) loan of up to £2,000,000 (2014: £2,000,000); and
(iii) a revolving credit facility of up to £2,000,000 (2014: £2,000,000).

The carrying amount in the books of Reliance Worldwide Corporation (UK) Limited of assets pledged as security as at 30 June, 2015 is £14,785,691 (2014: £12,873,829, 2013: £12,041,915).

18. Tax liabilities

Current tax liabilities include:

	2015 $	2014 $	2013 $
Tax related amount payable - related corporation	7,465,469	8,908,193	5,112,590
Provision for income tax	761,932	929,482	1,013,551
	8,227,401	**9,837,675**	**6,126,141**

Non-current tax liabilities include:

	2015 $	2014 $	2013 $
Deferred income tax liability - timing differences	**8,208,008**	**5,063,999**	**7,034,361**

19. Provisions

	2015 $	2014 $	2013 $
Current:			
Accrued annual leave	3,017,023	2,526,064	2,655,349
Accrued long service leave	328,851	343,337	401,603
Operating lease provision	2,898,081	2,063,729	1,923,715
Other	70,419	73,046	-
	6,314,374	**5,006,176**	**4,980,667**
Non-current:			
Accrued long service leave	4,555,216	4,644,853	5,265,805
Total provisions	**10,869,590**	**9,651,029**	**10,246,472**

20. Cash and cash equivalents

(a) Reconciliation of cash

For the purposes of the Combined Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the Combined Statement of Cash Flows can be reconciled to the related items in the Combined Statement of Financial Position as follows:

Cash on hand and at bank comprises:	2015 $	2014 $	2013 $
$AUD	20,238	10,649	9,955,659
$USD	21,746,385	21,818,455	11,964,218
£GBP	425,092	471,146	1,299,393
€Euro	369,543	347,947	132,555
$NZ	385,457	532,629	660,478
$CAD	4,019,684	647,156	577,481
	26,966,399	23,827,982	24,589,784
Less: bank overdrafts - $AUD	**(686,278)**	**(721,198)**	-
Cash and cash equivalents in the statement of cash flows	**26,280,121**	**23,106,784**	**24,589,784**

(b) Reconciliation of cash flow from operations with profit from operations after income tax	2015 $	2014 $	2013 $
Profit from operations after income tax	**46,670,569**	**35,321,096**	**16,681,451**
Depreciation expense	13,432,062	13,134,125	10,644,730
Amortisation expense	555,370	501,600	455,273
(Profit)/loss on disposal of non-current assets	31,537	123,251	120,145
Diminution in value of inventories	(551,078)	859,676	1,127,230
Provision for impairment – trade debtors	3,891	27,096	(14,556)
Bad debts - trade debtors	2,181	63,475	38,624
Dividends received	(465)	(446)	-
Interest expense	1,210,422	1,424,601	1,420,517
Interest income	(14,043)	(19,447)	(23,792)
Unrealised foreign exchange (gain) / loss	(5,158,928)	879,599	(2,062,343)
Income tax expense	24,041,929	17,163,463	8,644,150
Changes in:			
Trade debtors	(5,371,472)	(13,911,653)	(7,093,436)
Other debtors	(32,460)	(620,791)	1,063,918
Other financial assets - foreign currency forward contracts - $CAD	(282,485)	-	-
Inventories	(5,814,925)	(5,448,441)	12,760,719
Prepayments	(612,533)	1,289,799	144,454
Trade creditors	5,329,093	842,816	(4,638,590)
Other creditors	6,103,031	5,704,239	909,922
Operating lease provision	834,352	140,014	705,089
Employee benefits	302,684	(728,751)	(194,926)
Tax paid	(27,078,379)	(16,712,725)	(7,855,925)
Net cash provided by operating activities	**53,600,353**	**40,032,596**	**32,832,654**

21. Related party disclosures

These Combined Special Purpose Financial Statements aggregate the assets, liabilities and results of the following entities in accordance with the accounting policy described in Note 1:

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding [6]
Reliance Worldwide Corporation (Aust.) Pty Ltd [1]	Australia	Ordinary	100%
Ryemetal Pty Ltd [2]	Australia	Ordinary	100%
Technical Moulders Australia Pty Ltd [2,7]	Australia	Ordinary	100%
Reliance Worldwide Pty Ltd [3]	Australia	Ordinary	100%
Reliance Worldwide Corporation (USA) [3]	USA	Ordinary	86.67% [8]
Reliance Worldwide Corporation (UK) Limited [3]	UK	Ordinary	100%
Reliance Water Controls Limited [4]	UK	Ordinary	100%
Reliance Worldwide Corporation (Europe) S.A.S. [4]	France	Ordinary	100%
Reliance Worldwide Corporation (NZ) Limited [3]	New Zealand	Ordinary	100%
Titon Limited [5]	New Zealand	Ordinary	100%
Reliance Manufacturing Company (NZ) Limited [5]	New Zealand	Ordinary	100%
Reliance Worldwide Corporation (Canada) Inc. [3]	Canada	Ordinary	100%

Trading entities are denoted in bold type. All other entities are non-trading.

[1] Parent entity is Jayburn Pty Ltd, an Australian company.
[2] Parent entity is Reliance Worldwide Corporation (Aust.) Pty Ltd, an Australian company.
[3] Parent entity is GSA International Pty Ltd, an Australian company.
[4] Parent entity is Reliance Worldwide Corporation (UK) Limited, a UK company.
[5] Parent entity is Reliance Worldwide Corporation (NZ) Limited, a NZ company.
[6] Unless otherwise stated, equity holding applies to each of the financial years ended 30 June 2015, 2014 and 2013.
[7] Acquired during the year ended 30 June, 2015.
[8] Details of non-controlling interests are included in Note 22.

The RWC Group is not currently held by a separate ultimate parent entity but all entities are all under common control.

(a) Loans from related parties

During the 2015 year, there existed a loan payable on demand by Reliance Worldwide Corporation (USA) to its parent entity, GSA International Pty Ltd. Interest totalling $1,054,393 (at 5.25%) was paid in relation to this loan during the year (2014: $1,285,403 (at 6.4%), 2013: $1,268,788 (at 7.13%)). At 30 June 2015, the balance of this loan was $19,934,687 (2014: $19,934,689, 2013: $19,934,688) and is included in current Loans and Borrowings in Note 17.

(b) Loans to related parties

During the 2015 year, there existed a loan receivable at call by Reliance Worldwide Corporation (Aust.) Pty Ltd from a related corporation, GSA Finance Pty Ltd. No interest was charged in relation to this loan during the year (2014: $Nil, 2013: $Nil). At 30 June 2015, the balance of this loan was $39,657,773 (2014: $26,220,413, 2013: $1,451,652) and is included in Trade and Other Receivables in Note 8.

During the 2015 year, there existed a loan receivable at call by Reliance Worldwide Pty Ltd from a related corporation, GSA International Pty Ltd. No interest was charged in relation to this loan during the year (2014: $Nil, 2013: $Nil). At 30 June 2015, the balance of this loan was $269,519 (2014: $269,519, 2013: $269,519) and is included in Trade and Other Receivables in Note 8.

During the 2014 year, there existed a loan receivable at call by Reliance Worldwide Corporation (Canada) Inc. from a related corporation, GSA International Pty Ltd. No interest was charged in relation to this loan during the year. At 30 June 2014, the balance of this loan was $Nil (2013: $259,956) and is included in Trade and Other Receivables in Note 8.

21. Related party disclosures (continued)

(c) Other transactions

(i) Distributions paid

During the 2015 year, Reliance Worldwide Corporation (NZ) Limited declared and paid a fully franked dividend to its immediate parent entity, GSA International Pty Ltd totalling $1,162,250 (2014: $2,711,987, 2013: $3,613,297).

During the 2014 year, Reliance Worldwide Corporation (Canada) Inc. declared and paid a dividend to its immediate parent entity, GSA International Pty Ltd totalling $254,479 (2013: $1,697,217).

(ii) Interest paid

Details of interest paid by Reliance Worldwide Corporation (USA) to its parent entity, GSA International Pty Ltd are shown above in Note 21 above.

(iii) Other transactions

Other transactions with related corporations include the following significant items:

	2015 $	2014 $	2013 $
Transfer of excess cash	32,400,000	34,300,000	28,000,000
Transfer of prior year's tax related amount payable	(8,327,134)	(4,443,594)	(6,391,227)
Transfer of $US interest received	(933,733)	(1,156,233)	(1,217,974)
Net expenses paid on behalf of Group entities	(597,685)	(1,415,690)	(669,735)
Transfer of foreign dividends received	(1,140,615)	(2,662,789)	(3,617,363)
Transfer of investment in subsidiary	(6,945,541)	-	-

22. Non-controlling interests

154 shares representing a 13.33% interest in Reliance Worldwide Corporation, the Group's US based entity were acquired by a third party in June 2011. Details of the movement in non-controlling interests are contained in the Combined Statements of Changes in Net Investment shown on page 3.

23. Expenditure commitments

(a) Non-cancellable operating lease commitments contracted for at balance date but not capitalised in the financial statements:

	2015 $	2014 $	2013 $
Payable not later than one year	6,916,768	5,428,173	5,317,547
Payable later than one year and not later than five years	27,694,233	20,118,943	5,995,646
Payable later than five years	19,565,206	10,340,409	8,414,086
	54,176,207	**35,887,525**	**19,727,279**

(b) Capital expenditure commitments contracted for at balance date but not provided for in respect of plant and equipment:

	2015 $	2014 $	2013 $
Payable not later than one year	**4,793,926**	**7,164,476**	**4,595,190**

24. Contingent liabilities

Security for Australian banking facilities

Entities forming part of the Group are security providers in relation to financial accommodation provided to related Australian corporations by two Australian banks. The Australian banking facilities totalling $200,000,000 under which financial accommodation has been provided were extended on 30 April, 2015 and expire on 4 July, 2017.

(a) Security Trust Deed - 24 December, 2010

The following entities are parties to a Security Trust Deed ("the Deed") dated 24 December, 2010:

- Reliance Worldwide Corporation (Aust.) Pty Ltd
- Reliance Worldwide Pty Ltd
- Ryemetal Pty Ltd
- Reliance Worldwide Corporation (USA)
- Reliance Worldwide Corporation (NZ) Limited
- Reliance Worldwide Corporation (Canada) Inc.

Each entity listed above is an Initial Security Provider as defined in the Deed. All security is provided in favour of Ribay Pty Ltd, an independent Security Trustee.

(b) General Security Deeds / Agreements

In addition to the security referred to in (a) above, each of the non-Australian entities executed its own General Security Deed / Agreement providing additional security for the Australian banking facilities.

(c) Deed of Charge - 24 December, 2010

Reliance Worldwide Corporation (Aust.) Pty Ltd and other related Australian corporations executed a Deed of Charge in favour of Ribay Pty Ltd as Security Trustee. Charged property includes all of the present and future undertakings, assets and rights of the Chargors including all real and personal property, choses in action, goodwill, and uncalled capital and called but unpaid capital.

24. Contingent liabilities (continued)

Security for Australian banking facilities (continued)

(d) Real Property Mortgage

Reliance Worldwide Corporation (USA) has provided further security by way of a real property mortgage over land located in Cullman, Alabama. The mortgage is in favour of Ribay Pty Ltd as Security Trustee.

Bank guarantees

The following bank guarantees are on issue as security for leased premises in Australia:

Favouree	Leased Property Address	Amount	Expiry Date
West Coast Displays Pty Ltd	79 Inspiration Drive Wangara WA	$117,000	31 Jan 2017
Cakemaker (Holdings) Pty Ltd	U1 314 Horsley Road Milperra NSW	$49,400	1 Jul 2018

25. Business combinations

Subsidiaries acquired

On 23 December, 2014, Reliance Worldwide Corporation (Aust.) Pty Ltd acquired 100% of the equity instruments of Technical Moulders Australia Pty Ltd, a company which manufactures plastic injection moulded products for Reliance Worldwide Corporation (Aust.) Pty Ltd, an entity forming part of the Group. Details of the business combination are as follows:

	Note	2015 $
Cash and cash equivalents		952,991
Trade and other receivables		949,555
Inventories		465,000
Other current assets		8,941
Plant and equipment		875,552
Trade and other payables		(312,941)
Hire purchase liability		(41,820)
Provision for dividend (previous owners)		(1,679,274)
Other provisions		(28,350)
Current tax liability		(398,370)
Identifiable net assets acquired		791,284
Goodwill on acquisition	14	6,154,257
Consideration transferred settled in cash		**(6,945,541)**
Cash and cash equivalents acquired		952,991
Net cash outflow on acquisition		**(5,992,550)**

26. Financial risk management

Due to the nature of its operations, the RWC Group is exposed to the following financial risks:

- foreign exchange risk; and
- counterparty credit risk.

The RWC Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. There are processes in place to manage and monitor the Group's exposure to the above risks on a timely basis.

Based on the financial position of the Group at 30 June 2015, 2014 and 2013, the Group does not consider it to be significantly exposed to interest rate risk or liquidity risk for those periods.

(a) Counterparty credit risk

Counterparty credit risk is the risk of financial loss to the Group if a counterparty, for example a customer, fails to meet its contractual obligations. For the RWC Group, it arises principally from the Group's receivables from customers, loans receivable from related parties and cash held with financial institutions. The carrying amount of trade receivables represents the maximum credit exposure for amounts owing from customers and related parties. It also represents Management's expected amounts to be collected based on historical payment behaviour and consideration of customer credit risk. As at 30 June:

2015: 73.7% of trade receivables were current with only 5.4% outstanding greater than 30 days;
2014: 68.4% of trade receivables were current with only 6.1% outstanding greater than 30 days; and
2013: 77.0% of trade receivables were current with only 2.7% outstanding greater than 30 days.

Management assesses the creditworthiness of individual customers prior to offering credit terms and continues to monitor it on a regular basis. Any past due accounts are subject to collection activities. Cash and cash equivalents are held with major trading banks in the various operating jurisdictions.

(b) Foreign exchange risk

The RWC Group is exposed to foreign exchange risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currencies of the Group. The functional currencies of the Group are primarily the Australian dollar and the US dollar, which are also the currencies in which these transactions are primarily denominated in.

The Group's exposure to the US dollar is through sales from Australia to the United States, which is partially mitigated by the US dollar purchase of brass for the Australian business. However, the Group monitors its exposure to foreign currencies and enters into derivative financial instruments when it considers it appropriate to mitigate that risk. Hedge accounting has not been applied in the years ended 30 June 2015, 2014 and 2013.

The primary exposure to the US dollar on the Group's statement of financial position is as follows:

	2015 $US	**2014 $US**	**2013 $US**
Trade receivables	31,624,045	28,783,710	26,537,859
Trade payables	19,987,852	14,506,513	21,660,229

A reasonable possible strengthening (weakening) of the US dollar against all other currencies at 30 June would have affected the measurement of financial instruments in a foreign currency and affected Net Investment and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

26. Financial risk management (continued)

	2015 $	2014 $	2013 $
Impact to profit or loss			
USD - 10% strengthening	6,088,998	5,624,238	2,714,111
USD - 10% weakening	(4,987,927)	(4,601,649)	(2,220,464)
Impact to Net Investment			
USD - 10% strengthening	13,883,719	8,549,836	9,745,999
USD - 10% weakening	(11,360,600)	(6,995,774)	(7,974,528)

27. Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the RWC Group. For 2015, 2014 and 2013, those persons were:

- Michael Williams - RWC Group President (Retired)
- Heath Sharp - RWC Group Chief Executive Officer
- Terry Scott - RWC Group Chief Financial Officer
- Brad Reid - Chief Executive Officer, Reliance Worldwide Corporation (Aust.) Pty Ltd
- Sean McClenaghan - Chief Executive Officer, Reliance Worldwide Corporation (USA)

Compensation of the RWC Group's key management personnel includes salaries and non-cash benefits.

Compensation made to key management personnel of the Group is set out below:

	2015 $	2014 $	2013 $
Short term employment benefits	8,804,347	6,686,916	5,538,384
Post-employment benefits	77,743	73,541	78,378
Other long-term benefits	144,954	268,564	264,080
	9,027,044	**7,029,021**	**5,880,842**

28. Employee remuneration

Expenses recognised for employee benefits and related items are summarised below:

	2015 $	2014 $	2013 $
Wages and salaries	53,862,019	48,517,757	40,851,257
Employee leave entitlements	5,620,967	4,355,509	4,298,514
Workers compensation premiums	664,707	366,854	739,844
Superannuation contributions	2,882,787	2,537,019	2,369,268
Payroll related taxes	3,542,127	3,063,356	2,637,559
Contract labour	4,525,864	3,287,157	2,503,829
Other payroll related expenses	1,732,320	1,588,331	1,507,929
	72,830,791	**63,715,983**	**54,908,200**
Recovered in manufacturing	(15,632,342)	(13,740,829)	(10,318,137)
	57,198,449	**49,975,154**	**44,590,063**

29. Audit Services

The fee for audit services provided by KPMG for the RWC Group Combined Financial Statements for the years ended 30 June 2015, 2014 and 2013 is $243,000.

30. Subsequent events

Subsequent to 30 June 2015, the following non-trading entities which form part of the RWC Group were placed into member's voluntary liquidation which have been finalised:

- Ryemetal Pty Ltd
- Technical Moulders Australia Pty Ltd
- Reliance Worldwide Corporation (Europe) S.A.S.

Subsequent to 30 June 2015, GSA International Pty Ltd, the parent entity of a number of entities included in the Group established a Spanish company, Reliance Worldwide Corporation (Europe) S.L. It is intended that this newly established company is included in the Group from the date of establishment.

The Combined Financial Statements were authorised for issue on 11 March 2016 by the directors.

Independent Auditors' Report on Combined Financial Statements to the directors of the entities comprising the Reliance Worldwide Corporation Combined Group

We have audited the accompanying combined financial statements of the Reliance Worldwide Corporation Combined Group (RWC Group), which comprise the combined statements of financial position as at 30 June 2015, 30 June 2014 and 30 June 2013, the combined statements of profit or loss and comprehensive income, changes in net investment and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Financial Statements

Management of the RWC Group are responsible for the preparation and fair presentation of these combined financial statements in accordance with Australian Accounting Standards and International Financial Reporting Standards and for such internal control as management determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the combined financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

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

These procedures have been undertaken to report an opinion solely to the directors whether, in all material respects, the combined financial statements are presented fairly in accordance with the basis of accounting described in the notes. We disclaim any assumption of responsibility for reliance on this report to any person other than the directors, or for any purpose other than that for which it was prepared.

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Accounting Professional and Ethical Standards Board.

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the combined financial position of the Reliance Worldwide Corporation Combined Group as at 30 June 2015, 30 June 2014 and 30 June 2013, and its combined financial performance and its combined cash flows for the years then ended in accordance with Australian Accounting Standards and International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Notes 1.1 to 1.3 of the combined financial statements, which describes their basis of preparation, including the approach to and the purpose of preparing them. The combined financial statements were prepared for the purpose of providing historical information on the combined RWC Group for disclosure in the International Offer Document. As a result, the combined financial statements may not be suitable for another purpose.

KPMG

KPMG

Melbourne

11 March 2016

Directors' Declaration
for the Year Ended 30 June 2015

1 In the opinion of the Directors of the RWC Group ("the Group"):

(a) the Combined Financial Statements of the Group:

(i) present fairly the Group's financial position as at 30 June 2015, 2014 and 2013 and its performance for the financial years ended on those dates; and

(ii) comply with Australian Accounting Standards; and

(iii) comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board, as detailed in Note 1.2; and

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

Signed in accordance with resolution of the Directors.

Jonathan Munz
Director

Dated at Melbourne on 11 March 2016.