Appendix 4E & Annual Report

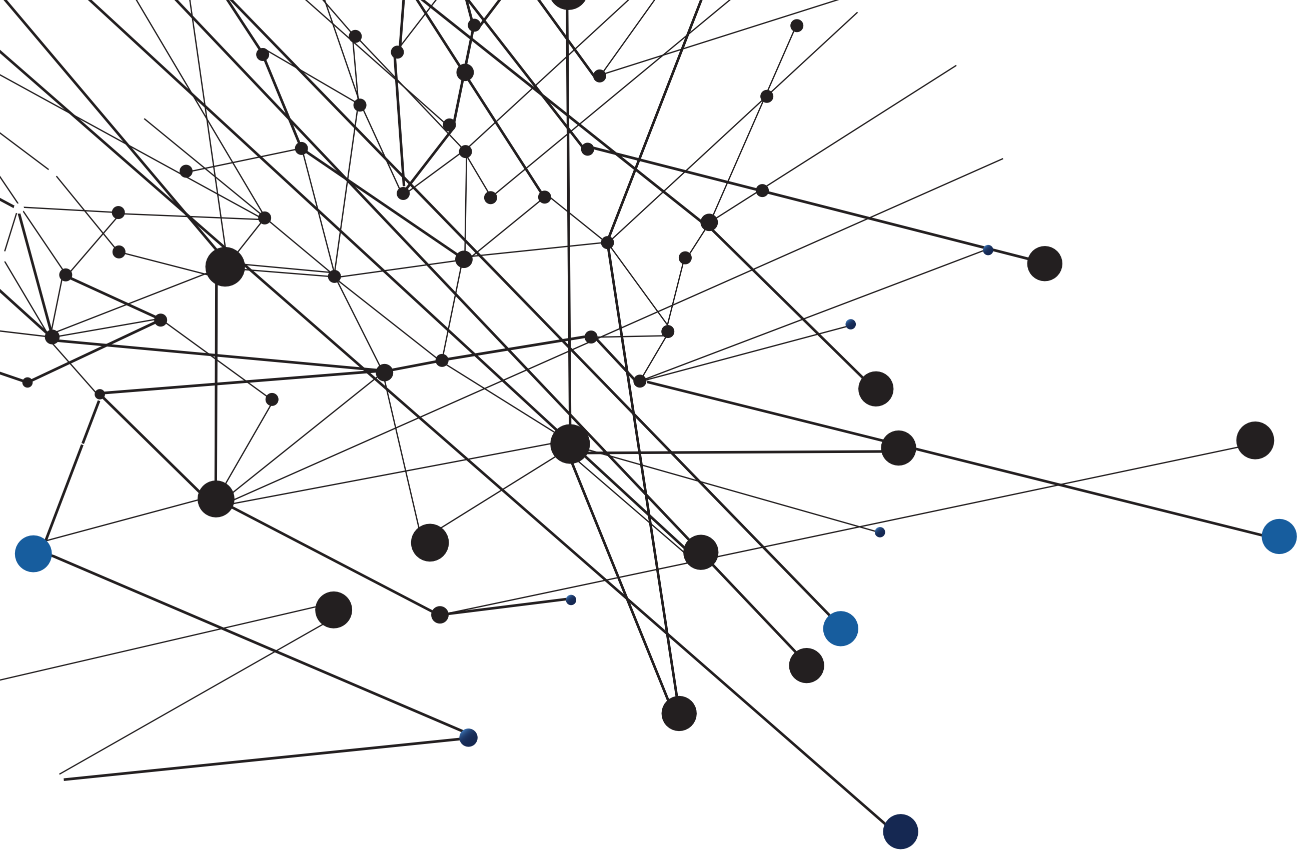
2016

LEGEND CORPORATION

Legend Corporation Limited ACN 102 631 087

Final Report to the Australian Securities Exchange and Annual Report including Audited Financial Statements

For the Year Ended 30 June 2016



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Results For Announcement To The Market

Previous corresponding period 30 June 2015

				$000
Revenue from ordinary activities	Up	16.4%	to	119,101
Underlying profit from ordinary activities after tax[1]	Down	13.6%	to	5,925
Profit from ordinary activities after tax attributable to members	Down	24.6%	to	5,171
Net profit for the period attributable to members	Down	24.6%	to	5,171

Earnings per share	Down	22.6%	to	2.4 cents

Dividends

	Amount per security	Franked amount per security at 30% tax
Interim dividend (fully franked)	0.6 cents	0.6 cents
Final dividend (fully franked)	0.6 cents	0.6 cents

None of these dividends are foreign sourced.

Final dividend details	
Ex-dividend date	3 November 2016
Record date to determine entitlement to the dividend	4 November 2016
Payment date for final dividend	5 December 2016
Total dividend payable	$1,309,923

A dividend reinvestment plan is not in operation.

Net Tangible Asset Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share	7.4 cents	6.0 cents

Financial Summary	30 June 2016 $000	30 June 2015 $000	Change
Income			
Sales revenue	119,039	102,251	16.4%
Cost of goods sold	(70,584)	(56,960)	23.9%
Gross profit	48,455	45,291	7.0%
Gross profit margin	*40.7%*	*44.3%*	
EBITDA	11,180	13,179	(15.2%)
EBITDA margin	*9.4%*	*12.9%*	
EBIT	8,940	10,764	(16.9%)
EBIT margin	*7.5%*	*10.5%*	
NPBT	7,552	9,858	(23.4%)
NPBT margin	*6.3%*	9.6%	
NPAT	5,171	6,856	(24.6%)
NPAT margin	*4.3%*	*6.7%*	
Integration and restructure costs[1]	754	-	100.0%
Underlying NPAT [1]	5,925	6,856	(13.6%)
Underlying NPAT margin	5.0%	6.7%	
Earnings per share	2.4 cents	3.1 cents	(22.6%)
Dividends paid	1.60 cents	1.75 cents	(8.6%)
Dividends announced	0.6 cents	1.0 cents	(40.0%)
Cash Flow			
Operating cash flow	9,208	6,351	45.0%
Financial Position			
Net assets	68,513	67,035	2.2%
Net debt	(17,871)	(21,208)	15.7%

1. The report includes the following non-IFRS measures:

Underlying profit after tax attributable to members of $5.9 million (2015: $6.9 million) is a non-IFRS measure which has been calculated as: NPAT for the year of $5.2 million adjusted for the after tax impact of $230,000 in one off System Control Engineering (SCE) integration costs (acquired May 2015), a non-cash charge to profit of $399,000 required by accounting standards relating to an implied interest cost on the deferred settlement payments for SCE, and restructuring costs associated with right sizing our power business of $277,000.

Underlying profit is a non-IFRS measure used by the Company which is relevant because it is consistent with measures used internally by management and by some in the investment community to assess the operating performance of the business in light of its change program. The non-IFRS measure has not been subject to audit or review.

Reconciliation of Profit	30 June 2016 $000	30 June 2015 $000
NPAT	5,171	6,856
Income tax expense	2,281	3,002
NPBT	7,552	9,858
Interest revenue	(62)	(67)
Interest expense	1,051	973
Implied interest expense on deferred settlement	399	-
EBIT	8,940	10,764
Depreciation and amortisation expense	2,240	2,415
EBITDA	11,180	13,179

Annual Report 2016

LEGEND CORPORATION

Corporate Directory

Directors

Bruce E Higgins
Bradley R Dowe
Ian L Fraser

Company Secretary

Graham A Seppelt

Registered Office

1 Butler Drive, Hendon
South Australia 5014
Phone: 08 8401 9888
Fax: 08 8244 9520
www.legendcorporate.com

Solicitors

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Rialto Towers
525 Collins Street
Melbourne
Victoria 3000
Phone: 03 8608 2000
Fax: 03 8608 1000

Share Registry

Security Transfer
Registrars Pty Ltd
Suite 1 / 770
Canning Highway
Applecross
Western Australia 6153
Phone: 08 9315 2333
Fax: 08 9315 2233

Bankers

Australian and New Zealand
Banking Group Limited
Level 21, 11 Waymouth
Street
Adelaide, South Australia
5000

Auditors

Grant Thornton Audit Pty Ltd
383 Kent Street
Sydney
New South Wales 2000
Phone: 02 8297 2400
Fax: 02 9299 4445

Australian Securities Exchange

Australian Securities
Exchange Limited
Level 40 Central Park
152 – 158 St Georges
Terrace
Perth Western Australia 6000
Phone: 08 9224 0000

Corporate Governance

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, Legend Corporation Limited and its Controlled entities ('the Group') have adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 30 June 2016 is dated as at 30 June 2016 and was approved by the Board on 21 June 2016. The Corporate Governance Statement is available on Legend Corporation Limited's website at http://www.legendcorporate.com/corporate_governance.html.

Chairman's Report

Dear Shareholders,

On behalf of the Directors I am pleased to report the results for Legend for the year ended 30 June 2016.

The company achieved revenue of $119 million for the year (up 16.4%) due to the inclusion of System Control Engineering (SCE) for the full year (two months last year). In our established markets we have seen a reduction in demand whilst maintaining market share. The acquisition of SCE has delivered on our growth expectations and provided net growth to the group. Margins were slightly down from 44% to 41% compared to last year largely due to the consolidation of SCE margins.

Net Profit after Tax (NPAT) was $5.2 million, down 24.6% on the prior year representing 2.4 cents per share. On a normalised basis, taking into consideration acquisition and restructuring expenses (actually as set out on page 4 of our Appendix 4E) the underlying NPAT was $5.9 million down 14% on the prior year.

Operating cash flow was strong at $9.2 million compared to $6.4 million for the prior year, an increase of 45% due to timing differences in tax installments, lower interest rates and tight expense management.

Looking ahead we have committed to a reduction in operating expenses of $1 million in FY17, of which 80% are already confirmed largely as a result of the nearly completed consolidation of our Victorian operations and headcount reductions.

In May the company paid an interim dividend of 0.6 cents per share. I am pleased to advise that the full year dividend will be 0.6 cents per share to all shareholders of record on 4 November 2016 and payable on 5 December 2016.

The outlook for the coming year is an improved profit and we expect to achieve this through a combination of a reduction in operating expense, the launch of an on line sales channel in 2nd quarter and improvements in our sales performance and product range targeting new energy efficient products.

On behalf of the Directors I wish to thank Bradley Dowe, his senior management team and all employees, for their hard work during the year. I also thank our customers and shareholders for their continuing support for Legend Corporation.

Yours Sincerely

Bruce E Higgins
Chairman
Legend Corporation Limited
19 August 2016

Dear Shareholders,

Legend Grows Revenue 16% and Achieves Forecast

Group revenue was $119 million up 16% with growth largely driven by the addition of System Control Engineering (SCE) which offset lower sales in our existing business segments.

Net Profit after Tax (NPAT) for the year ended 30 June 2016 was $5.2 million. This result included $230,000 in one off SCE integration costs (acquired May 2015), a non-cash charge to profit of $399,000 required by accounting standards relating to an implied interest cost on the deferred settlement payments for SCE and restructuring costs of $277,000 associated with right sizing our power business. On a normalized basis after tax profit was $5.9 million or 14% lower than the prior corresponding period (pcp). This decline in profit was due to lower sales in both our Electrical, Power and Infrastructure (5%) and Innovative Electrical Solutions (20%).

SCE revenue was $29.6 million, up 4% on their full year performance in the prior year. Further growth in this business is budgeted in the coming year. SCE has been successfully integrated into the Legend group though:

- The consolidation of New South Wales, South Australian and New Zealand offices and warehouses into existing facilities.
- The integration of information technology, marketing, finance and administration within existing Group resources.
- The reorganization of stock holdings to provide greater visibility for improved management and reduced working capital demands.
- The consolidation of ERP and sales reporting tools.

The consolidation of SCE’s Victorian operations to a new warehouse and office facility, housing all of the Group’s Victorian businesses, will be completed by September 2016. This will lower future costs.

After a strong performance in the 2015 financial year for Innovative Electrical Solutions which was driven by defence related contracts and a demand spike from a major customer, this segment returned to historic levels of sales.

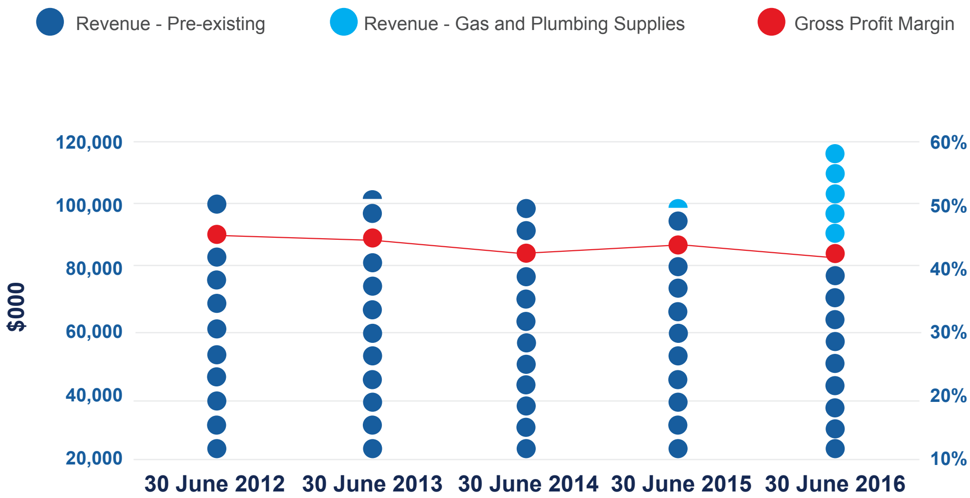
Profit for Electrical, Power and Infrastructure was down 15% on pcp as a result of continued reduced demand for our products from east coast power utilities who continue to restructure and defer capital works. There are however several major infrastructure works near commencement that should provide a very strong pipeline of opportunities. We have addressed the changing market conditions within this segment by reducing our operating expenses.

The past financial year has been one of mixed results with SCE achieving revenue growth and margin improvement over the pre-acquisition business, overshadowed by reduced returns from our traditional business.

Costs efficiencies associated with the consolidation of SCE and the restructuring of our Electrical, Power & Infrastructure segment have resulted in cost reductions of $1 million for the next financial year. Management continues to seek out additional savings that will not impact the efficient operation of the business.

2016 Financial Overview

Revenue & Gross Profit



Revenue for the period was $119.0 million, a 16% increase on the prior year (2015: $102.3 million) due to the full year inclusion of SCE. Revenue for SCE was $29.6 million this year versus $5.8 million last year (2 months).

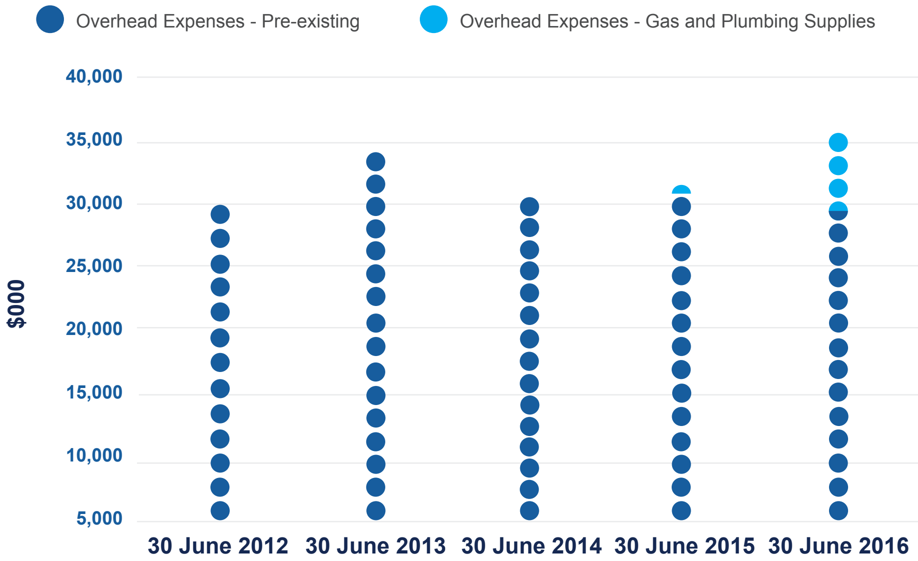
Despite the late onset of cold weather this year SCE achieved a 4% increase in revenue over the prior (full) year.

As identified in last year's report, Innovative Electrical Solutions benefited during the 2015 financial year from a demand spike from an existing customer and defence related contracts. Having delivered on several one off contracts, revenue returned to historic levels and was down 20% on pcp.

Electrical, Power and Infrastructure revenue declined 5% compared to the pcp due to weaker electrical wholesaler demand and power utility issues mentioned previously in this report.

Margins in our pre-existing business were generally maintained with a slight decline of 2.3% attributable to product sales mix. SCE has traditionally operated on margins lower than the Group's average and although we achieved an improvement in margins at SCE the overall Company gross profit margin was down 3.6% on pcp to 40.7%.

Overhead Expenditure

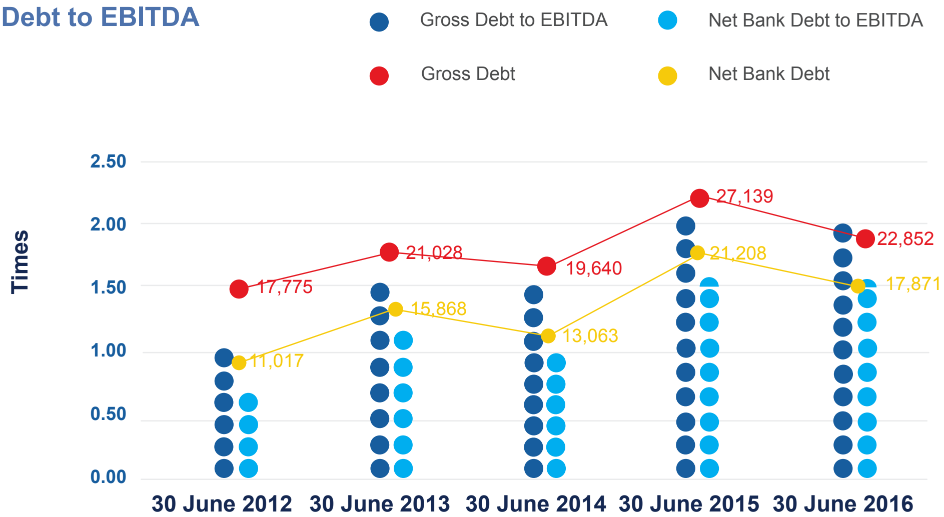


Overhead expenses increased by $5.2 million or 16% to $37.4 million ($32.8 million pcp) as a result of the addition of SCE overheads for the full year.

Expenses for the Group's pre-existing business were down 6% on the prior year.

With the integration of SCE almost complete, we are forecasting a reduction in overhead expenses in FY17 of more than $1 million.

Debt to EBITDA



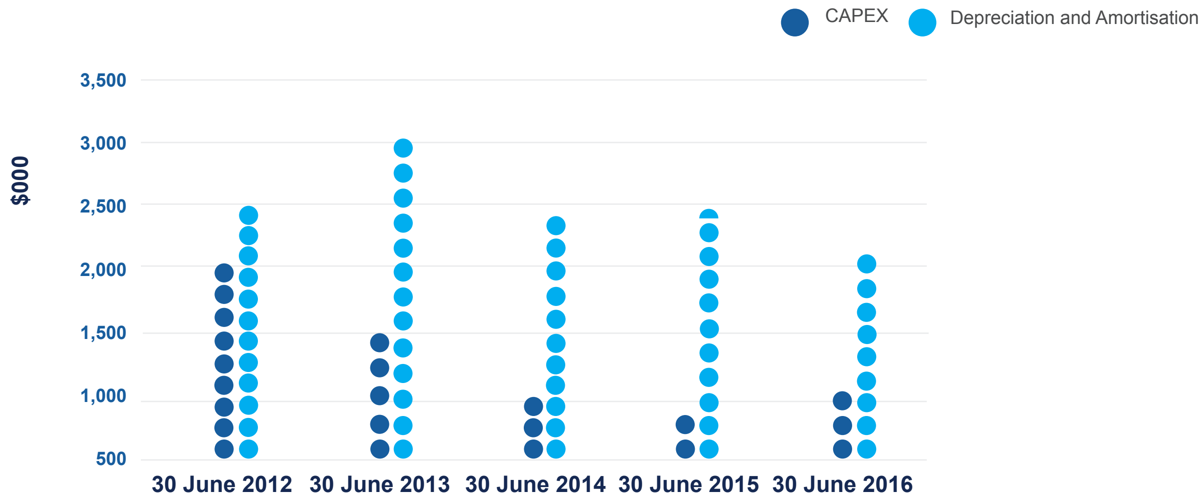
Gross Debt decreased by $4.3 million over the year. Net debt was $17.9 million at year end (2015: $21.2 million), a low 1.6 times EBITDA.

We anticipate net debt levels at the end of June 2017 to decline to approximately 1 times EBITDA.

Banking facilities with Australian and New Zealand Banking Group Limited were renewed on 21 June 2016 and extended until 23 June 2018.

These facilities provide additional capacity for further organic and acquisitive growth.

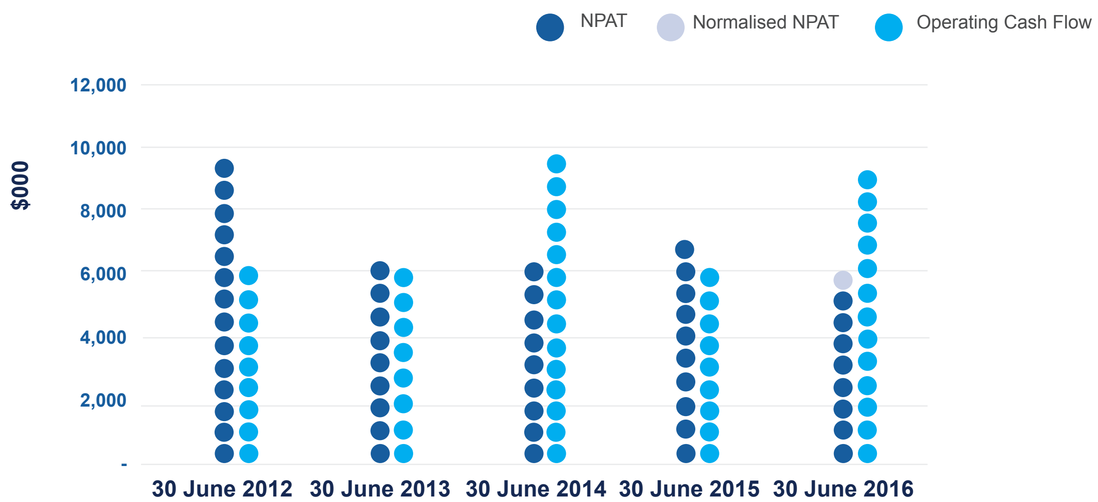
CAPEX and Depreciation & Amortisation



During the year we invested in upgrades to information technology systems and improvements to existing office, warehousing and trade desk facilities to accommodate SCE operations. Total CAPEX for the year was $1.2 million (2015: $809,000).

Depreciation charges were down 34% to $1.4 million (2015: $2.1 million), with Amortisation charges for intangible assets generated through the MSS, Ecco and SCE acquisitions, including intellectual property, customer lists and restraint of trade agreements, up $523,000 to $858,000 (2015: $335,000).

NPAT & Cash Flow



On a normalised basis, after tax profit was $5.9 million, 14% lower than pcp.

The Government's change in company tax instalments from quarterly to monthly during the 2015 year negatively impacted cash flow for that year by $1.3 million.

FY16 operating cash flow increased 45% on pcp to $9.2 million (2015: $6.4 million). We expect operating cash to remain strong over the FY17 year as we see the benefits of continual improvement in working capital management.

Stock management remains a key focus for further improvement in cash flow.

Overview by Segment

Electrical, Power and Infrastructure

This division's earnings in the past have been closely tied to residential & commercial building approvals, engineering construction associated with resources and capital works associated with power networks and infrastructure construction.

While there is currently very strong activity in residential construction, this has been more than offset by significant reductions in activity and demand from engineering construction associated with resources. These changes resulted in a small decline in electrical market revenues.

Expenditure on power networks, in particular base load power generation and power transmission, has remained at very low levels across all east coast power utilities resulting in significant revenue declines.

Revenue for this segment fell by 5% to $79.7 million (2015: $83.8 million) and as a result EBITDA was down 25% to $4.8 million (2015: $6.5 million).

Further enhancements to product range, widening the client base and strategies to take advantage of the opportunities to better create demand for our brands together with infrastructure construction is the primary focus for this segment.

Innovative Electrical Solutions

Defence related contracts and a demand spike from a major client were the key contributors to a revenue increase of 23% during the prior year. Having completed supply on these contracts, FY16 revenues returned to a more normal level of $12.3 million (2015: $15.4 million). As a result of the reduced revenue, EBITDA was down 34% to $4.2 million (2015: $6.3 million).

The development of new products remains the key focus of this segment. Further product launches will be made in the coming year; which are expected to result in revenue growth.

Whilst the segment has performed well in terms of its long term average, the drop of $2.2 million in segment profit was a major contributor to the Group's reduced earnings in FY16.

Gas and Plumbing

This is our newest segment resulting from the acquisition of SCE 1 May 2015.

The segment contributed $29.6 million in revenue and $2.1 million in EBITDA for the year, the first full year contribution to the Group.

In addition to consolidation activities, SCE management have been successful in securing agreements with ongoing key supply partners as well as engaging new supply partners to provide further opportunity for growth.

We have rebuilt larger and better merchandised trade counters for SCE in Brisbane, Sydney and Adelaide and we expect this to provide a revenue (and profit) boost to this business in the coming year.

Acquisitions

Whilst possible acquisitions continue to be explored, the focus this year has been the integration of the operations of SCE with our existing businesses where appropriate.

Product Innovation, Quality and Standards

We continue to invest in the design and development of products targeting margin and segment growth opportunities with product development of energy efficient and energy saving products for lighting, switching and power management.

We also continue our range expansion of specialised hydraulic tools and jointing products including resin, heatshrink and coldshrink (complimentary to our core range of lugs).

Quality Standards Certification

Legend is committed to supplying quality products that meet relevant standards and operates major NATA laboratories in both Sydney and Adelaide to assure our products are certified to the standards relevant to their applications.

Currently Legend is certified to the ISO17025 Laboratory Quality Management System, for the test and issue of accredited NATA reports to the relevant clauses of AS1154, AS3766, AZ/NZS 4437, AS/NZS 61210, IEC 60512-2, IEC 60512-8, BS 6121-1, AS/NZS 4396, BS-EN 61238-1, AS/NZS 3425, BS 4579-2, IEEE 837; and is certified to design and manufacture these products under a certified ISO9001 Quality Management System.

Legend also continues its certification to ISO13485, the Medical Device Design and Manufacturing standard, providing our medical device customers with medical devices that meet the medical device regulatory requirements.

People Talent, Workplace and Training

We recognise that our people are our most important asset. Securing and retaining the very best people is critical to both the growth and development of our business.

Recruitment within Legend Corporation is advertised internally prior to being advertised externally as a means of providing our employees further career advancement opportunities.

Training and development of our team members is encouraged to ensure that succession planning is provided for.

Training currently undertaken includes:

Training currently undertaken includes:

- WHS (Workplace Health and Safety)
- WHS Committee and Chairperson
- Occupational First Aid
- Mental Health Awareness (First Aid)
- Fire & Emergency procedures
- Materials handling training
- Dangerous Goods training
- Bullying and harassment training
- NATA training
- Engineering apprenticeship.
- Cert III Engineering – Mechanical Trade
- Internal Auditing
- Leadership Training
- Cert II Business Administration
- Project Management
- Bachelor of Business
- Bachelor of Marketing
- Forklift Certification
- Diploma of Early childhood Education
- Electronic Assemblies – (IPC)

Legend encourages work life balance through a number of initiatives that supports psychological and physical health and well-being, thereby contributing to the improvement of individual and organisational outcomes including;

- Return from Parental Leave and other changes to working hours to achieve work life balance
- Full Time to Part time transitional employment on return from parental leave.
- Flexible working hours
- Working from home
- Compressed working week

Legend Corporation offers high quality onsite childcare facilities in New South Wales and South Australia. These facilities are offered to employees with children under school age at no cost. The benefits of having on site child minding facilities include:

- Lower turnover and improved retention of staff
- Higher levels of productivity, performance, commitment, morale, job satisfaction and diversity

Legend Corporation encourages its people to participate in healthy lifestyle programs, supported by the organization. Additional benefits provided to our people include:

- Free Gym Membership
- Annual Health Assessments
- Fresh seasonal fruit provided to all staff fortnightly.

The above initiatives have seen an improvement in absenteeism and added health awareness from our people choosing to participate.

All of these initiatives raise the profile of Legend as an 'employer of choice'

Gender Diversity

Legend supports gender diversity within the workforce.

Whilst the company continues to be successfully overseen by only three male directors who provide a skill set which is appropriate for the company's needs, in the balance of the company there is significant involvement of both female and male employees at each level of operations.

	2016 Percentage of Employment		2015 Percentage of Employment	
	Female	Male	Female	Males
Board	0	100	0	100
Management, Finance, Administration	56	44	48	52
Sales	15	85	31	69
Warehousing	18	82	23	77
Manufacturing	51	49	62	38
Other	49	51	48	52
Total	**34**	**66**	**33**	**67**

Health and Safety

The Health and Safety of our people is a key priority within our business.

Management is committed to continual improvement of health and safety through the implementation of training, safety systems and monitoring in all our workplaces.

The Group has a low rate of lost time through injury. A total of 3 lost time injuries were reported for the year with an average lost time injury frequency rate of 5.7 against a national warehouse/storage industry average of 12.7 which we use as a benchmark. The achievement of no lost time injuries continues to be the Company's objective.

This coming financial year, Legend will be certifying its sites to AS/NZS 4801, the Occupational Health and Safety Standard, as part of its commitment to improving the safety and welfare of all its employees and customers.

Community Service

In addition to Legend's participation in Loud Shirt Day to raise awareness for deaf children in need and the Cancer Council's Biggest Morning Tea, over the past year Legend has contributed to:

- Australian Lions Club to fund 50 underprivileged children to attend the circus.
- Royal Flying Doctors Service Outback Trek to support the great work of the RFDS in delivering emergency and primary aero-medical services to rural and remote Australia.

Environment

Legend is committed to developing processes and systems that seek to minimize any adverse environmental impacts.

Last financial year, Legend attained certification to ISO14001, the Environmental Management Systems standard, ensuring that all products are designed and manufactured to the relevant Australian and international environmental regulations and standards. Legend is also a signatory to the Australian Packaging Covenant, which promotes a strong recycling and reuse culture within the organisation.

Looking Forward

Our core strategy to maintain and extend our leadership remains; quality, range, availability, service and innovation.

Our markets have been challenging in recent years due to the major decline in Australian resources engineering construction, the declining dollar and the deferral of capital works by power utilities. The Australian dollar has now stabilized and there are major infrastructure works underway, or in the pipeline, that should provide opportunities for our business.

Our investment in new energy efficient products are well targeted to drive revenue growth within our markets.

We have made changes that will reduce our overall operating expense by $1 million in the coming year.

We have invested in the development of a new online sales tool to better engage client markets and generate demand for our own branded product lines. This will launch in 2nd quarter of FY17. We believe this new initiative will become an important contributor to future growth.

SCE has performed well this year and we expect further growth from the expanded trade desks, improved product range and operational improvements.

The Group's businesses are well positioned within the markets we serve. Each of our businesses has a specific plan for growth. We continue to focus on innovation; product development, channels to market and client service initiatives to better realise that growth.

Our strong balance sheet, modest net debt levels and prudent management of operating costs will allow continued investment in organic and acquisitive growth in the year ahead.

I would like to extend my thanks to our client business partners, suppliers and shareholders for their continued support.

Our people are our most important asset. I take this opportunity to thank all of our staff and board members for their commitment to quality and service. I am proud to work with them all.

Yours Sincerely

Brad Dowe

Chief Executive Officer & Managing Director

Legend Corporation Limited

19 August 2016

The Directors of Legend Corporation Limited ('Legend' or 'Consolidated Group') present their Report together with the financial statements of the consolidated entity, being Legend ('the Company') and its controlled entities ('the Group') for the financial year ended 30 June 2016.

Directors Details

The following persons were Directors of Legend during or since the end of the financial year:

Bruce E Higgins BEng, CPEng, MBA, FAICD

Chairman / Independent Non-Executive Director

Director since October 2007

Chairman of the Remuneration Committee and Nominations Committee and Member of the Audit

and Risk Management Committee

Mr Higgins is an experienced non-executive director, chairman and former chief executive of both private and listed companies within Australia and internationally, spanning 25 years in diverse companies ranging from engineering, manufacturing and professional services to larger contracting businesses. Bruce was the recipient of the Ernst & Young "Entrepreneur of the Year" award in the Southern California region, June 2005.

Directorships held in other listed entities:

Chairman of Hub24 Limited (appointed October 2012)

Previous directorships held in the last three years:

Chairman of Q Technology Group Limited (appointed December 2010, resigned December 2014)

Interest in shares:

3,677,150

Interest in options:

None

Bradley R Dowe BSc (Computer Science)

Managing Director and CEO

Director since October 2002

Member of the Nominations Committee

Mr Dowe is the founder and Chief Executive Officer of Legend and has been working in the field of engineering for over 30 years. His experience covers all facets of engineering, electronics, manufacturing processes, software system development and international business operations.

Directorships held in other listed entities:

None

Previous directorships held in the last three years:

None

Interest in shares:

62,966,896

Interest in options:

None

Ian L Fraser FCPA, FAICD

Independent Non-Executive Director

Director since January 2008

Chairman of the Audit and Risk Management Committee and Member of the Remuneration Committee and the Nominations Committee

Mr Fraser has extensive corporate experience particularly in Australian manufacturing. Ian has held several senior management positions including Managing Director of Pioneer Sugar Mills Limited, Clyde Industries Limited, Australian Chemical Holdings Limited and TNT Australia Pty Ltd. Ian also has substantial international experience having lived and worked in South East Asia and the United States.

Directorships held in other listed entities:

None

Previous directorships held in the last three years:

Structural Systems Limited (appointed May 2004, resigned November 2014)

Interest in shares:

840,000

Interest in options:

None

Company Secretary

Graham Seppelt

Mr Seppelt was appointed as Company Secretary in January 2005. Graham has over 40 years' experience and a wide exposure to a range of industries as a senior manager and contract accountant in corporate advisory roles. He is also company secretary for ASX listed BSA Limited.

Meetings of Directors

During the financial year, 15 meetings of Directors (including Committees of Directors) were held. Attendances by each Director during the year are detailed in the table below.

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	A	B	A	B	A	B	A	B
Bruce Higgins	9	9	3	3	3	3	-	-
Bradley Dowe	9	9	*	*	*	*	-	-
Ian Fraser	8	9	3	3	3	3	-	-

A Number of meetings attended
B Number of meetings held during the time the Director held office or was a member of the Committee during the year
* Not a member of the relevant committee

Principal Activities

The principal activities of the Consolidated Group during the financial year were:

- The distribution of cable accessories and tools servicing the electrical wholesale industry;
- The design and sale of specialised connectors and cable assemblies to power utilities and infrastructure project contractors;
- The distribution of computer room accessories;
- The distribution of gas and plumbing tools, products and spare parts to residential, commercial and industrial projects; and
- The design and sale of integrated circuits (semiconductors) and hybrids for consumer electrical products, medical devices and industrial electronic components.

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

Operating Results and Review of Operations for the Year

Operating Results

Net Profit after Tax for the Group was $5,171,000, a decrease of 25% on the prior year (2015: $6,856,000).

Revenue from the sale of goods was up 16% on the prior corresponding period (pcp) with gross profit up 7% on margins of 40.7% compared to 44.3% pcp.

Overhead expenses were up $5,171,000 or 16% on pcp. The increase in expenses was attributable to the acquired SCE business with expenses for the remainder of the Group down 6% on pcp.

Depreciation and amortisation was down $175,000 or 7%, and finance costs up $477,000 or 49% after the inclusion of $399,000 in implied interest on the deferred consideration for the SCE acquisition.

In addition to the information disclosed in the following Review of Operations, readers are referred to the Chief Executive Officer's Report (pages 10 to 18) for further details and analysis of the Group's performance and financial position.

Review of Operations

Electrical, Power and Infrastructure

Segment revenue of $79,740,000 was 5% lower on pcp (2015: $83,779,000).

Gross margins were slightly lower year on year with overhead expenses down 6%. Earnings before Interest Taxation, Depreciation and Amortisation (EBITDA) were down 25% to $4,829,000 (2015: $6,455,000).

Innovative Electrical Solutions

Segment revenue was down 20% to $12,286,000 (2015: $15,355,000). Sales of in-house developed products remained consistent year on year despite the decline in electrical, power and infrastructure sales.

EBITDA were down 34% to $4,203,000 (2015: $6,344,000) on account of lower revenue.

Plumbing and Gas

System Control Engineering Group (SCE) was acquired 1 May 2015, providing the Group with a significant presence in the gas and plumbing tools, products and spare parts markets.

Segment revenue for the year was $29,576,000 compared to $28,419,000 for 2015 had SCE been owned for the full financial year.

EBITDA for the year was $2,148,000 up 30% on 2015 had SCE been owned for the full financial year.

Financial Position

As at 30 June 2016 net assets of the Group were $68,513,000, an increase of $1,478,000 on the prior year.

Net debt repayments for the year totaled $4,288,000. Net bank debt of $17,871,000 at year end remains conservative against earnings at 1.6 times EBITDA.

The Group executed a new Corporate Letter of Offer (CLO) with Australian and New Zealand Banking Group Limited effective 21 June 2016. Debt facilities offered under the CLO expire in June 2018.

The Directors believe the Group remains in a strong financial position to expand and grow current operations.

Significant Changes in State of Affairs

During the year, the following changes occurred within the Group:

• Redemption of share capital:

On 10 December 2015, the Group announced an on-market share buy-back. To the date of this report 879,784 shares or 0.4% of issued capital had been bought back at an average price of $0.2256 per share.

Unissued Shares Under Options

During the year ended 30 June 2016 and to the date of this report no shares have been issued on the exercise of options.

At the date of this report, there are no unissued ordinary shares under option of Legend Corporation Limited or any controlled entity within the Group.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

Dividends

In respect of the current year, a fully franked interim dividend of $1,310,000 (0.6 cents per share) was paid on 18 May 2016 (2015: $1,644,000).

Subsequent to the end of the financial year, the Directors have declared a fully franked final dividend of $1,310,000 (0.6 cents per share) to be paid 5 December 2016 (2015: $2,192,000)

Events Arising Since the End of the Reporting Period

Apart from the final dividend declared, there are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect either:

- The Group's operations in future financial years;
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

Future Development, Prospective and Business Strategies

The Group will continue its focus on business initiatives to meet customer needs whilst continuing to manage debt and costs, improving inventory performance and quality of earnings. The Group is actively seeking new opportunities within our existing resources.

The Directors are confident that the Group is well placed for the future.

Environmental Issues

The Group was not subject to any particular or significant environmental regulations of the Commonwealth, individual States or Territories of Australia during the financial year.

Indemnifying Officers or Auditor

During the year, the Company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all Directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officer of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Proceedings on Behalf of Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit Services

Grant Thornton Australia Limited, the Company's auditors, did not provide any non-audit services during the year ended 30 June 2016.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2016 as required under section 307C of the Corporations Act 2001 has been received and can be found on page 30, which forms part of this report.

Rounding of Amounts

Legend Corporation Limited has relied on the relief available under ASIC Corporations (Rounding in Financial/ Directors Reports) Instrument 2016/191 and therefore amounts contained in this report and in the financial statements have been rounded to the nearest $1,000 (where rounding is applicable), or in certain cases, to the nearest dollar under the option permitted in the Class Order.

Remuneration Report (Audited)

The Directors of Legend Corporation Limited ('the Group') present the Remuneration Report prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The remuneration report is set out under the following main headings:

a. Principles used to determine the nature and amount of remuneration

b. Details of remuneration

c. Service agreements

d. Share-based remuneration

e. Other information.

a. Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy, supporting incentive programs and frameworks are:

• To align rewards to business outcomes that deliver value to shareholders;

• To drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and

• To ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

The Group has structured a remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The Board has established a Remuneration Committee which operates in accordance with its charter as approved by the Board and is responsible for determining and reviewing compensation arrangements for the directors and the executive team.

The Committee may engage independent external consultants and advisors to provide any necessary information to assist in the discharge of its responsibilities.

The remuneration structure that has been adopted by the Group consists of the following components:

• Fixed remuneration being annual salary;

• Short term incentives, being employee share schemes and bonuses; and

• Long term incentives, being performance based, payable in arrears with cash and shares.

The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration on a periodic basis by reference to recent employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The payment of bonuses, shares, share options and other incentive payments are reviewed by the Remuneration Committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. All bonuses, shares, options and incentives must be linked to pre-determined performance criteria.

The Key Performance Indicators (KPI's) for the Executive Team are summarised as follows:

• Financial – operating profit before income tax; and

• Non-financial – strategic goals set by each individual business unit based on job descriptions.

The Group's performance measures involve the use of annual performance objectives, metrics, performance appraisals and continuing emphasis on living the Company values.

Short Term Incentive (STI)

Individual performance measures are set annually after consultation with the directors and executives and are specifically tailored to the areas where each executive has a level of control.

The measures target areas the Board believes hold the greatest potential for expansion and profit and cover financial and non-financial measures.

The STI program incorporates both cash and share-based components for the executive team and other employees.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPIs.

Group Level Incentive Plan (GLIP)

The GLIP provides a collective bonus for distribution to nominated group level executives leveraged to a minimum growth requirement of 10% year-on-year in Net Profit before Tax(NPBT). Accumulation of the bonus only occurs after the achievement of the minimum growth requirement and up to a maximum accumulation of 5% of NPBT. Merger and acquisition activities attract a further hurdle of 10% on funds invested additional to the minimum growth requirement.

The apportionment of the collective bonus to nominated group level executives requires the approval of the Remuneration Committee. Amounts apportioned to executives are to be taken in an equal split of cash and shares unless determined otherwise by the Remuneration Committee.

The number of shares issued to executives equates to three times the value of the share apportionment, determined by the ASX market price of Legend shares on the date of approval.

Shares issued have a three year vesting period.

In accordance with the Group's Limited Recourse Loan Agreement, the Company provides to the executive an interest bearing loan equal to the value of the shares. The loan has a maximum term of five years.

Each share has the same voting rights and rights to dividends as existing ordinary shares. The shares however cannot be traded subject to the vesting period or before the repayment of thel oan. Shares are forfeited on the earlier of termination of the executive's employment or the loan expiry date, subject to the loan having not been repaid.

Non-executive Directors are not entitled to participate in the GLIP.

Use of Remuneration Consultants

The Board and Remuneration Committee did not engaged remuneration consultants to provide remuneration advice and information to the Board during the year.

Voting and Comments Made at the Company's 2015 Annual General Meeting

Legend received more than 95.1% of "yes" votes on its remuneration report for the 2015 financial year. The Company did not receive any specific feedback at the AGM on its remuneration report.

Consequences of Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the Board has regard to the following indices in respect of the current financial year and the previous four financial years:

	2016	2015	2014	2013	2012
Net profit before tax	$7.6M	$9.9M	$9.7M	$9.5M	$13.6M
Net profit after tax	$5.2M	$6.9M	$6.7M	$6.7M	$9.4M
EPS (cents)	2.4	3.1	3.1	3.1	4.3
Dividends paid (cents)	1.6	1.75	1.85	1.7	2.0
Share price at year-end (cents)	22.50	26.0	29.0	23.0	32.0

b. Details of remuneration

Details of the nature and amount of each element of the remuneration of each Key Management Personnel ('KMP') of Legend Corporation Limited are shown in the table below.

Directors and Other Key Management Personnel Remuneration

		Short-Term Benefits			Post-employment benefits	Long-term Benefits	Termination Benefits		
		Salary, fees and leave	Profit share and bonuses	Non-monetary	Superannuation	Long Service Leave	Termination Payments	Total	% of remuneration that is performance based %
		$	$	$	$	$	$	$	%
Executive Director									
Mr Bradley Dowe Managing Director / Chief Executive Officer	2016	380,000	-	37,800	36,100	14,758	-	468,658	-
	2015	330,000	-	25,032	31,350	5,496	-	391,878	-
Non-Executive Directors									
Mr Bruce Higgins Chairman / Independent Non-executive Director	2016	128,876	-	-	-	-	-	128,876	-
	2015	127,284	-	-	-	-	-	127,284	-
Mr Ian Fraser Independent Non-executive Director	2016	66,863	-	-	6,352	-	-	73,215	-
	2015	66,038	-	-	6,274	-	-	72,312	-
Other Key Management Personnel									
Mr Hamish McEwin Chief Financial Officer	2016	328,192	-	-	28,318	12,734	-	369,244	-
	2015	302,742	-	-	28,761	8,851	-	340,354	-
Mr David Humphreys Group Marketing Manager (Resigned 5 September 2014)	2016	-	-	-	-	-	-	-	-
	2015	41,505	-	-	3,943	-	22,997	68,445	-
Mr Mark Phillips General Manager Sales CABAC (Resigned 19 December 2014)	2016	-	-	-	-	-	-	-	-
	2015	99,921	10,000	-	8,601	-	19,755	138,277	-
Mr Edward Fyvie General Manager Sales Power (Retired 31 March 2016)	2016	179,850	4,000	-	17,086	-	116,911	317,847	1.3
	2015	239,800	36,000	-	22,781	3,995	-	302,576	11.9
Mr Christopher Grawich General Manager CABAC (Appointed 2 February 2015)	2016	317,870	15,000	-	19,308	4,933	-	357,111	4.2
	2015	132,446	-	-	9,373	2,008	-	143,827	-
Total Key Management Personnel	2016	1,401,651	19,000	37,800	107,164	32,425	116,911	1,714,951	
	2015	1,339,736	46,000	25,032	111,083	20,350	42,752	1,584,953	

GLIP Payments

The minimum 10% year-on-year growth in NPBT required under the Plan was not achieved during the current financial year therefore no payment will be made under the Plan for the 2016 financial year.

c. Service agreements

Remuneration and other terms of employment for the Executive Director and other KMP are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	BASE SALARY	TERM OF AGREEMENT	NOTICE PERIOD
Mr Bradley Dowe	$375,000*	UNSPECIFIED	SIX (6) MONTHS
Mr Hamish McEwin	$330,000	UNSPECIFIED	SIX (6) MONTHS
Mr Chris Grawich	$295,370	UNSPECIFIED	THREE (3) MONTHS

* Bradley Dowes base salary has decreased as he has elected to take a higher portion of non cash benefits.

d. Share based remuneration

Employee Share Scheme

Group level executives are encouraged to take a minimum 50% of any bonus payment in Company shares. No shares were issued during the current financial year to Group executives.

GLIP Shares

No shares were issued under the GLIP during the current financial year.

Shares issued to group level executives in prior years which remain subject to vesting periods or repayment of the loan are as follows:

Name	GRANT / ISSUE DATE	NUMBER GRANTED	VALUE PER SHARE ($)	VESTING DATE	EXPIRY DATE	LOAN BALANCE AT YEAR END ($)
Mr Bradley Dowe	15.8.2012	967,742	0.126	15.8.2015	15.8.2017	272,023
Mr Hamish McEwin	15.8.2012	629,032	0.126	15.8.2015	15.8.2017	187,006

The value of shares issued under the GLIP was determined using the Black-Scholes method.

These shares cannot be traded subject to the vesting period or before the repayment of the loan.

e. Other information

Changes in Directors and Executives Subsequent to Year-End

There have been no changes to Directors or Executives subsequent to year-end.

KMP Options and Rights Holdings

All options refer to options over ordinary shares of the Company, which are exercisable on a one for- one basis. Options carry no dividend or voting rights.

No options over ordinary shares have been held by any KMP of the Group during the financial year or to the date of this report.

KMP Shareholdings

The number of ordinary shares in Legend Corporation Limited held by KMP of the Group at the end of the financial year is as follows:

30 June 2016	Balance at beginning of year	Shares purchased or (sold) during the year	Balance at year end
Mr Bruce Higgins	3,677,150	-	3,677,150
Mr Ian Fraser	705,000	135,000	840,000
Mr Bradley Dowe	62,304,578	662,318	62,966,896
Mr Hamish McEwin	1,048,370	-	1,048,370
	67,735,098	797,318	68,532,416

Tables only include KMP with shareholding.

End of Audited Remuneration Report.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Bruce E Higgins

Chairman of Directors

Legend Corporation Limited

19 August 2016

Grant Thornton

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Auditor's Independence Declaration
To the Directors of Legend Corporation Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Legend Corporation Limited for the year ended 30 June 2016, 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

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A J Archer

A J Archer
Partner - Audit & Assurance

Sydney, 19 August 2016

Financial Statements

LEGEND
CORPORATION

Statement Of Profit Or Loss And Other Comprehensive Income
For The Year Ended 30 June 2016

	Notes	Consolidated Group	
		2016	**2015**
		$000	**$000**
Sales revenue	3	119,039	102,251
Finance income	3	62	67
Total revenue		**119,101**	**102,318**
Other income	3	79	71
Changes in inventories		1,547	1,874
Raw materials and consumables used		(72,131)	(58,834)
Employee benefits expense		(26,133)	(21,547)
Depreciation and amortisation expense		(2,240)	(2,415)
Finance costs	4	(1,051)	(973)
Implied interest expense on deferred settlement		(399)	-
Occupancy costs		(3,936)	(3,265)
Other expenses		(7,285)	(7,371)
Profit before income tax	4	7,552	9,858
Income tax expense	5	(2,381)	(3,002)
Profit for the year		**5,171**	**6,856**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		**5,171**	**6,856**
		Cents	**Cents**
Basic earnings per share	26	2.4	3.1
Diluted earnings per share	26	2.4	3.1

The accompanying notes form part of these financial statements

Statement Of Financial Position
As At 30 June 2016

	Notes	Consolidated Group	
		2016	2015
		$000	$000
Current assets			
Cash and cash equivalents		4,980	5,931
Trade and other receivables	9	20,928	22,187
Inventories	10	30,911	29,421
Current tax assets		-	312
Prepayments		636	872
Total current assets		**57,455**	**58,723**
Non-current assets			
Property, plant and equipment	11	6,973	7,280
Deferred tax assets	16	1,789	1,860
Goodwill	12	44,329	44,905
Other intangible assets	12	7,993	8,851
Total non-current assets		**61,084**	**62,896**
Total assets		**118,539**	**121,619**
Current liabilities			
Trade and other payables	14	12,841	14,087
Borrowings	15	4,788	4,788
Current tax liabilities	16	1,008	-
Short-term provisions	17	4,749	3,835
Total current liabilities		**23,386**	**22,710**
Non-current liabilities			
Trade and other payables	14	5,955	6,126
Borrowings	15	18,064	22,351
Deferred tax liability	16	2,397	2,655
Long-term provisions	17	225	742
Total non-current liabilities		**26,640**	**31,874**
Total liabilities		**50,026**	**54,584**
Net assets		**68,513**	**67,035**
Equity			
Issued capital	18	74,083	74,281
Reserves	19	10,083	8,407
Accumulated losses		(15,653)	(15,653)
Total equity		**68,513**	**67,035**

The accompanying notes form part of these financial statements

Statement Of Changes In Equity

FOR THE YEAR ENDED 30 JUNE 2016

Consolidated Group	Notes	Issued Capital $000	Option Reserve $000	Profits Reserve $000	Accumulated Losses $000	Total $000
Balance at 1 July 2014		74,281	301	5,048	(15,653)	63,977
Profit attributable to members of the parent entity					6,856	6,856
Transfer to profit reserve		-	-	6,856	(6,856)	-
Total comprehensive income for the period		**-**	**-**	**6,856**	**-**	**-**
Shares issued during the year		-	-	-	-	-
Dividends		-	-	(3,836)	-	(3,836)
Option expense		-	38	-	-	38
Transactions with owners in their capacity as owners		-	38	**(3,836)**	**-**	**(3,798)**
Balance at 30 June 2015		**74,281**	**339**	**8,068**	**(15,653)**	**67,035**
Profit attributable to members of the parent entity		-	-	-	5,171	5,171
Transfer to profit reserve		-	-	5,171	(5,171)	-
Total comprehensive income for the period		**-**	**-**	**5,171**	**-**	**5,171**
Dividends	**7**	-	-	(3,502)	-	(3,502)
Shares bought back	**18**	(198)	-	-	-	(198)
Option expense		-	7	-	-	7
Transactions with owners in their capacity as owners		**(198)**	**7**	**(3,502)**	**-**	**(3,693)**
Balance at 30 June 2016		**74,083**	**346**	**9,737**	**(15,653)**	**68,513**

The accompanying notes form part of these financial statements

	Notes	Consolidated Group	
		2016	2015
		$000	$000
Cash flows from operating activities			
Receipts from customers		120,637	100,548
Payments to suppliers and employees		(109,178)	(89,185)
Interest received		45	67
Finance costs		(1,051)	(973)
Income tax paid		(1,245)	(4,106)
Net cash provided by operating activities	**22**	**9,208**	**6,351**
Cash flows from investing activities			
Proceeds from the sale of plant and equipment		-	53
Purchase of property, plant and equipment		(1,183)	(811)
Acquisition of subsidiaries, net of cash	**2**	(1,000)	(9,906)
Proceeds from employee loans		17	7
Net cash used in investing activities		**(2,166)**	**(10,657)**
Cash flows from financing activities			
Share buy back		(198)	-
Dividends paid		(3,502)	(3,836)
Repayment of borrowings		(4,788)	(3,000)
Proceeds from bank loans		500	10,500
Net cash used in financing activities		**(7,988)**	**3,664**
Net decrease in cash and cash equivalents held		(946)	(642)
Cash and cash equivalents at beginning of financial year		5,931	6,577
Exchange differences on cash and cash equivalents		(5)	(4)
Cash and cash equivalents at end of financial year		**4,980**	**5,931**

The accompanying notes form part of these financial statements

This financial report covers Legend Corporation Limited ('Parent Entity') and its controlled entities as a consolidated entity ('Consolidated Group' or 'Group'). Legend Corporation Limited is a listed public company, incorporated and domiciled in Australia.

NOTE 1: Statement of Significant Accounting Policies

(a) General information and statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations, and other requirements of the law.

These financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the Group comply with the International Financial Reporting Standards ('IFRS').

Legend Corporation Limited is a public company incorporated and domiciled in Australia. The address of its registered office is 1 Butler Drive, Hendon, South Australia, 5014.

The consolidated financial statements for the year ended 30 June 2016 were approved and authorised for issue by the board of directors on 19 August 2016.

(b) Application of new and revised Accounting Standards

A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2015. The standards are listed below and the Directors have determined that each of these has an immaterial effect on the consolidated financial statements.

- AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent.

(c) Accounting standards issued by not yet effective and not adopted early by the Group:

AASB 16 Leases- this standard has an effective date of 1 January 2019. The Group is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the Groups preliminary assessment, the likely impact on the first time adoption of the Standard for the year ended 30 June 2020 includes:

- There will be a material increase in the lease assets and financial liabilities in the balance sheet
- The reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liability
- EBIT in the statement of profit or loss will be higher as the implicit interest in lease payments will be presented as part of finance costs rather than being included in operating expenses
- Operating cash outflows will be lower and financing cash outflows will be higher as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities.

AASB 15 Revenue from Contracts with Customers

- Based on the directors preliminary assessment it is expected that the first time adoption of AASB 15 for the year ending 30 June 2019 will not have a material impact on the revenue recognised in the financial statements.

AASB 9 Financial Instruments (December 2014)

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

Other standards issued but not yet effective are listed below and the Directors have determined that each of these has an immaterial effect on the consolidated financial statements.

- AASB 1057 Application of Australian Accounting Standards
- AASB 2014-1 Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14)
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations

- AASB 2014-4 Amendments to Australian Accounting Standards- Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)
- AASB 2014-10 Amendments to Aistralian Accounting Standards – Sale or Contribution of Assets between an Investor and is Associate or Joint Venture
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle
- AASB 2015-2 Amendments to Australian Accounting Standards – Disclosures Initiative: Amendments to AASB 101
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective date of AASB 15
- AASB 2015-9 Amendments to Australian Accounting Standards- Scope and Application Paragraphs
- AASB 2015-10 Amendments to Australian Accounting Standards – Effective date of Amendments to AASB 10 and AASB 128
- AASB 2016-1 Amendments to Australian Accounting Standards- Recognition of Deferred Tax Assets for Unrealised Losses
- AASB 2016-2 Amendments to Australian Accounting Standards- Disclosures Initiative: Amendments to AASB 107
- Clarification to IFRS 15 Revenue from Contracts with Customers

(d) Basis of consolidation

The Group's financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 30 June 2016. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable

(e) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquirer's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(f) Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is calculated based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated without discounting, based on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Legend Corporation Ltd and wholly owned Australian Entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the financial statements.

Taxation of financial arrangements

Legislation is in place which changes the tax treatment of financial arrangements including the tax treatment of hedging transactions. The Group has assessed the potential impact of these changes on the Group's tax position and these are not considered to be significant. No impact has been recognised and no adjustments have been made to the deferred tax and income tax balances at 30 June 2016 (2015: $Nil).

(g) Inventories

The Group periodically assesses the carrying value of inventory to ensure it is stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related 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 any applicable selling expense adjusted for provisions applied based on management expectations of inventories which are slow moving or excess.

(h) Property plant and equipment

Plant and Equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment loss.

Depreciation

Depreciation is recognised within depreciation expense on a straight-line basis to write down the cost or valuation less estimated residual value of property, plant and equipment.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	5 - 30%
Motor Vehicles	18 - 25%
Plant and Equipment	10 - 40%

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within 'other income' or 'other expenses'.

(i) Leases

Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(j) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value adjusted by transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- Loans and receivables

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within 'finance costs', 'finance income' or 'other financial items', except for impairment of trade receivables which is presented within 'other expenses'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial Liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognised in profit or loss.

All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at fair value through profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within 'finance costs' or 'finance income'.

(k) Impairment testing of goodwill, other intangible assets and property, plant and equipment

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by management.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

(l) Intangibles

Goodwill

Goodwill represents future economic benefits arising from a business combination that are not individually identified and separately recognised. Refer to note 1(b) for information on how goodwill is initially determined. Goodwill is carried at cost less accumulated impairment losses. Refer to note 1 (h) for impairment testing procedures.

Acquired Intangible Assets

Customer lists, brand names, non-compete and intellectual property intangible assets recognised in a business combination that qualify for separate recognition are recognised as intangible assets at their fair values. These intangible assets are amortised over their lives based on future cash flow forecasts. The following useful lives are applied:

- Customer lists: 5 - 10 years
- Non compete agreement: 5 years
- Intellectual property: 15 years
- Brand names: indefinite useful life

Residual values and useful lives of other intangible assets are reviewed at each reporting date. In addition they are subject to impairment testing as described in note 1 (k).

Amortisation has been included within Depreciation and amortisation expense.

(m) Foreign currency transactions and balances

The consolidated financial statements are presented in Australian dollars (AUD), which is also the functional currency of the parent company.

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AUD (the Group's presentation currency) are translated into AUD upon consolidation. The functional currency of the entities in the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into AUD at the closing rate at the reporting date. Income and expenses have been translated into the Group's presentation currency at the average rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into AUD at the closing rate.

(n) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of estimated future cash outflows to be made for those benefits. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(o) Share based employee remuneration

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(q) Revenue and other income

Sale of Goods

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

All revenue is stated net of the amount of goods and services tax (GST).

(r) Goods and Services Tax (GST)

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital net of any related income tax benefits.

Retained earnings includes all current and prior period retained profits. Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

(t) Rounding of amounts

The Group has relied on the relief available under the ASIC Corporations (Rounding in Financial / Directors Reports) Instrument 2016/191 and accordingly, amounts in the financial report and Directors' report have been rounded off to the nearest $1,000.

(u) Critical accounting estimates and judgements

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key estimates- Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. Further details of the assumptions used as part of the estimate are disclosed in Note 12.

Key estimates- Business combinations

Management uses valuation techniques in determining the fair value of the various elements of a business combination. Particularly the fair value of contingent consideration is dependent on the outcome of many variables that affect future profitability.

The directors believe there are no other key estimates of judgements

The financial was authorised for issue on 19 August 2016 by the Board of Directors.

Key estimates- Provision for inventory impairment

The Group periodically assesses the carrying value of inventory to ensure it is stated at lower of cost and net realisable value. Slow moving and excess inventory items are provisioned based on management expectations of the percentage of cost expected to be recovered when the items are sold.

NOTE 2: Acquisitions

Finalisation of Provisional Accounting

On 1 May 2015 Legend Corporation Limited acquired selected business assets of System Control Engineering Pty Ltd and the shares of System Control Engineering NZ Limited. The provisional accounting for the acquisition was finalised during the year. Several adjustments were identified and have been explained below:

	Notes	System Control Engineering Pty Ltd	System Control Engineering NZ Ltd	Total	Adjustment	Restated Amount
		$000	$000	$000	$000	$000
Cash and cash equivalents		297	508	805	-	805
Trade and other receivables		4,924	309	5,233	-	5,233
Inventories	(i)	3,887	809	4,696	1,207	5,903
Other current assets	(ii)	155	-	155	(69)	86
Total Current Assets		**9,263**	**1,626**	**10,889**	**1,138**	**12,027**
Property, plant and equipment	(iii)	996	120	1,116	(114)	1,002
Intangible assets		5,743	-	5,743	-	5,743
Deferred tax assets		352	18	370	-	370
Total Non-Current Assets		**7,091**	**138**	**7,229**	**(114)**	**7,115**
Total Assets		**16,354**	**1,764**	**18,118**	**1,024**	**19,142**
Trade and other payables		2,234	128	2,362	(16)	2,346
Current tax liabilities		-	6	6	-	6
Short-term provisions	(iv)	929	29	958	3	961
Total Current Liabilities		**3,163**	**163**	**3,326**	**(13)**	**3,313**
Long-term provisions	(iv)	89	-	89	31	120
Deferred tax liabilities		1,722	-	1,722	-	1,722
Total Non-Current Liabilities		**1,811**	**-**	**1,811**	**31**	**1,842**
Total Liabilities		**4,974**	**163**	**5,137**	**18**	**5,155**
Net identifiable assets and liabilities		**11,380**	**1,601**	**12,981**	**1006**	**13,987**

(i) Restatement of the provision for obsolete stock. The provision has been restated after taking into consideration the ageing of the stock, management expectations on the recovery of the balance and likely percentage of stock to be recovered.

(ii) Unrecoverable deposits paid to suppliers.

(iii) Adjustment relating to actual plant of equipment acquired.

(iv) Re-assessment of employee provisions using assumptions consistent with the rest of the Group.

NOTE 2: Acquisitions (cont.)

Goodwill Arising on Acquisition

	Notes	Provisional amount $000	Adjustment $000	Restated Amount $000
Consideration paid or payable	(v)	17,125	430	17,555
Fair value of net identifiable assets acquired		(12,981)	(1,006)	(13,987)
		4,144	**(576)**	**3,568**

(v) The net present value of the deferred consideration was re-assesed using a discount rate of 5.9% which reflects lending rates at the time of the acquisition.

Contingent Consideration

During the year the Group paid $1,000,000 as part of the deferred payment arrangements.

The SCE Group achieved the Earnings Before Interest and Tax (EBIT) target for the 6 months ended 30 June 2016 and a second deferred payment of $1,000,000 is due 31 August 2016.

A further three deferred payments, up to a maximum of $6,719,759 are payable as follows:

- $1,750,000 no later than 31 August 2017.
- $2,150,000 no later than 31 August 2018.
- $2,819,759 no later than 31 August 2019.

The payments are contingent on the achievement of EBIT targets each year. EBIT targets are combined for both System Control Engineering Pty Ltd and System Control Engineering NZ Limited. The current EBIT forecasts indicate that the SCE Group will achieve all targets and accordingly the full value of the remaining deferred consideration has been recognised. A net present value of $6,955,000 is recognised as a liability using a discount rate of 5.9%.

During the year an implied interest expense of $399,000 has been recognised to reflect the amortised amount of the deferred consideration using the effective interest rate method.

Note 3: Revenue

		Consolidated Group 2016 $000	Consolidated Group 2015 $000
a.	**Operating Activities**		
	Sale Of Goods	119,039	102,251
	Sales Revenue	**119,039**	**102,251**
b.	**Interest Revenue From**		
	- Bank Deposits	62	67
c.	**Other Income**		
	- Other Income	79	71

NOTE 4: Profit for the Year

		Consolidated Group 2016 $000	Consolidated Group 2015 $000
a.	**Expenses**		
	Cost of sales	70,584	56,960
	Foreign currency translation gain / (losses)	297	(73)
	Bad and doubtful debts (trade debtors)	(156)	135
	Rental expense on operating leases		
	- Minimum lease payments	2,978	2,703
	Research and development costs	503	589
	Employee benefits expenses	26,133	21,547
	(Loss) / gain on disposal of plant and equipment	(35)	2
	Integration costs	230	-
	Restructuring cost	277	-
b.	**Finance costs**		
	Interest expense for financial liabilities:		
	- Other interest expense	1,051	973

NOTE 5: Income Tax Expense

		Notes	Consolidated Group 2016 $000	2015 $000
a.	**The components of tax expense comprise:**			
	Current tax		2,562	2,654
	Deferred tax	**16**	(181)	348
			2,381	3,002
b.	**The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:**			
	Prima facie tax payable on profit before income tax at 30% (2015: 30%)		2,266	2,957
	Add:			
	Tax effect of:			
	- Other non-allowable items		(284)	45
	- Implied interest on deferred consideration		399	-
			115	45
	Income tax attributable to entity		**2,381**	**3,002**
	Income tax expense attributable to continuing operations		**2,381**	**3,002**
	The applicable weighted average effective tax rates are as follows:		32%	30%

NOTE 6: Interests Of Key Management Personnel (KMP)

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2016.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	Consolidated Group 2016	2015
Short-term employee benefits	1,458,451	1,453,520
Post-employment benefits	107,164	111,083
Other long-term benefits	32,425	20,350
Termination benefits	116,911	-
	1,714,951	**1,584,953**

NOTE 7: Auditors' Remuneration

	Consolidated Group	
	2016	2015
Remuneration of the auditor of the parent entity for:		
- Auditing or reviewing the financial report	261,000	236,973
- Due Diligence Services	-	101,500

NOTE 8: Dividends

	Consolidated Group	
	2016 $000	2015 $000
Dividends declared during the year:		
Fully franked dividend payment (1.0 cents per share)	2,192	2,192
Fully franked dividend payment (0.75 cents per share)	-	1,644
Fully franked interim dividend (0.6 cents per share)	1,310	-
	3,502	**3,836**

The tax rates applicable to the franking credits attached to the interim and final dividend is 30%.

a. Franking credits

The amount of franking credits available for subsequent reporting periods are:		
Balance at the end of the reporting period	19,879	19,607
- Franking credits that will arise from payment of income tax	863	-
	20,742	**19,607**

NOTE 9: Trade and other Receivables

	Notes	Consolidated Group 2016 $000	2015 $000
Trade receivables		21,030	22,743
Provision for impairment of receivables	9a	(102)	(556)
		20,928	22,187
Other receivables		302	302
Provision for impairment of other receivables	9a	(302)	(302)
		-	-
Total trade and other receivables		**20,928**	**22,187**

All amounts are short term. The net carrying amount of receivables is considered a reasonable approximation of fair value.

a. Provision for impairment of receivables

All of the Group's trade and other receivables have been reviewed for indicators of impairment. The impaired trade and other receivables are due to customers experiencing financial difficulties.

Movement in the allowance for impairment of receivables is reconciled as follows:

	2016	2015
Balance 1 July	858	498
Amounts written off (uncollectable)	(302)	(22)
Impairment loss allowance	(152)	69
Impairment allowance arising as part of the business acquisition	-	313
Balance at 30 June	**404**	**858**

An analysis of unimpaired trade receivables that are past due is given in Note 24.

NOTE 10: Inventories

	Consolidated Group 2016 $000	2015 $000
Inventories consist of the following:		
At cost		
Raw material and stores	2,686	3,209
Work in progress	76	165
Finished goods	22,057	20,263
	24,819	**23,637**
At net realisable value	6,092	5,784
Finished goods	6,092	5,784
	30,911	**29,421**
Inventories written off during the year	134	139

No reversals of previous write downs were recognised as a reduction of expense in 2016 or 2015. None of the inventories are pledged as security for liabilities.

NOTE 11: Property, Plant & Equipment

The Group's property, plant and equipment consists of manufacturing machinery, warehousing, IT equipment and other equipment primarily consisting of fixtures and fittings. The carrying amount can be analysed as follows:

	Plant and Equipment $000	Motor Vehicles $000	Leasehold Improvements $000	Total $000
Gross carrying amount				
Balance at 1 July 2015	27,692	412	1,539	29,643
Acquired through business combination (adjusted)*	-	(114)	-	(105)
Additions	1,047	59	92	1,189
Disposals	(35)	-	-	(35)
Balance at 30 June 2016	28,704	357	1,631	30,692
Depreciation and impairment				
Balance 1 July 2015	(21,401)	(22)	(940)	(22,363)
Disposals	14	-	-	14
Depreciation expense	(1,187)	(56)	(127)	(1,370)
Balance at 30 June 2016	(22,574)	(78)	(1,067)	(23,719)
Carrying amount at 30 June 2016	**6,130**	**279**	**564**	**6,973**

Gross carrying amount				
Balance at 1 July 2014	26,226	99	1,509	27,834
Acquired through business combination	718	390	-	1,108
Additions	779	-	30	809
Disposals	(31)	(77)	-	(108)
Balance at 30 June 2015	27,692	412	1,539	29,643
Depreciation and impairment				
Balance 1 July 2014	(19,485)	(44)	(815)	(20,344)
Disposals	16	42	-	58
Depreciation expense	(1,932)	(20)	(125)	(2,077)
Balance at 30 June 2015	(21,401)	(22)	(940)	(22,363)
Carrying amount at 30 June 2015	**6,291**	**390**	**599**	**7,280**

All depreciation and impairment charges (or reversals if any) are included within "depreciation expense".

No property, plant or equipment has been pledged as security for liabilities.

* Refer to Note 2 for explanation of adjustment.

NOTE 12: Intangible Assets

	Notes	Consolidated Group 2016 $000	Consolidated Group 2015 $000
Goodwill			
Gross carrying amount			
Balance 1 July		62,213	58,069
Acquired through business combination (adjusted)	2	(576)	4,144
Balance at 30 June		61,637	62,213
Accumulated impairment			
Balance 1 July		(17,308)	(17,308)
Impairment loss recognised		-	-
Balance 30 June		(17,308)	(17,308)
Carrying amount at 30 June		**44,329**	**44,905**

The decrease in the carrying amount of goodwill results from the finalisation of the provisional accounting for the acquisition of the assets of System Control Engineering Pty Ltd and the shares in System Control Engineering NZ Limited .The adjustments are detailed in Note 2.

Impairment Disclosure

Goodwill is allocated to cash-generating units which are based on the group's reporting segments.

	2016 $000	2015 $000
Hendon Semiconductors Pty Ltd	12,047	12,047
Legend Corporate Services Pty Ltd	28,073	28,073
Ecco Pacific Limited	641	641
System Control Engineering Pty Ltd	3,553	4,113
System Control Engineering NZ Limited	15	31
	44,329	**44,905**

The recoverable amount of the cash-generating units above is determined based on value-in-use calculations.
Value-in-use is calculated based on the present value of cash flow projections over a 5-year period, plus a terminal value. The cash flows are discounted using the yield of 5-year government bonds at the beginning of the budget period.

The following assumptions were used in the value-in-use calculations:

	Growth Rate 2016	Growth Rate 2015	Pre-tax Discount Rate 2016	Pre-tax Discount Rate 2015
Hendon Semiconductors Pty Ltd	1.46%	-3.28%	14.80%	12.19%
Legend Corporate Services Pty Ltd	3.30%	6.71%	14.80%	12.19%
Ecco Pacific Limited	2.00%	1.00%	15.30%	12.19%
System Control Engineering Pty Ltd*	10.00%	28.60%	14.80%	12.19%
System Control Engineering NZ Limited*	24.00%	28.60%	15.30%	12.19%

Management has based the value-in-use calculation on budgets for each reporting segment. These budgets use historical weighted average growth rates adjusted for current market conditions to project revenue. The projection period reflects the expected useful life of the assets and product lifecycle. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with the segment.

* Growth rates ued for System Control Engineering Pty Ltd and System Control Engineering NZ Limited are in line with earn out targets. Should the historical growth rate of 4% be applied, this does not give rise to an impairment.

NOTE 12: Intangible Assets (cont)

Details of the Group's other intangible assets and their carrying amounts are as follows:

Other intangible assets

Details of the Group's other intangible assets and their carrying amounts are as follows:

	Brand Name $000	Customer Relationships $000	Non Compete Agreement $000	Intellectual Property $000	Total $000
Gross carrying amount					
Balance at 1 July 2015	5,800	3,385	1,239	419	10,843
Balance at 30 June 2016	5,800	3,385	1,239	419	10,843
Amortisation and impairment					
Balance 1 July 2015	-	(1,319)	(564)	(109)	(1,992)
Amortisation	-	(516)	(314)	(28)	(858)
Balance at 30 June 2016	-	(1,835)	(878)	(137)	(2,850)
Carrying amount at 30 June 2016	**5,800**	**1,550**	**361**	**282**	**7,993**
Gross carrying amount					
Balance at 1 July 2014	2,500	1,438	743	419	5,100
Acquired through business combination	3,300	1,947	496	-	5,743
Balance at 30 June 2015	5,800	3,385	1,239	419	10,843
Amortisation and impairment					
Balance 1 July 2014	-	(1,161)	(415)	(81)	(1,657)
Amortisation	-	(158)	(149)	(28)	(335)
Balance at 30 June 2015	-	(1,319)	(564)	(109)	(1,992)
Carrying amount at 30 June 2015	**5,800**	**2,066**	**675**	**310**	**8,851**

All amortisation and impairment charges (or reversals if any) are included within depreciation and amortisation.

Brand Name

Brand names have an indefinite useful life. The Directors have determined that there is no forseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. These brand names are tested annually for impairment.

A relief from royalty discounted cash flow method was used to calculate the capitalised value of the royalty stream associated with the brand. This was based on financial forecasts covering a 10 year period. A pre-tax discount rate of 13.8% was adopted in the calculation.

Customer relationships

The customer relationships have been valued by calculating the net present value of the cash flows expected from the customers over the customers useful lives. The useful lives range from 3 to 20 years.

Non Compete Agreement

The non compete agreements in place have a maximum 5 year restraint period from the date of acquisition. The value was determined using managements best estimate of the relationships with customers and vendors and their ability to transfer to alternative organisations.

Intellectual Property

Specific knowledge and know-how had been developed in-house for the key products selling at acquisition date. The costs accumulated to the date of acquisition have been capitalised and have an expected life cycle of these products of 15 years.

NOTE 13: Controlled Entities

a. Controlled entities consolidated

	Notes	CONSOLIDATED GROUP	
	Country of Incorporation	2016 $000	2015 $000
		PERCENTAGE OWNED (%)*	
		2016	2015
Subsidiaries of Legend Corporation Limited			
Legend Corporate Services Pty Ltd	Australia	100	100
Cable Accessories (Holdings) Pty Ltd	Australia	100	100
IES Investments Pty Ltd	Australia	100	100
MSS Fibre Systems Pty Ltd	Australia	100	100
System Control Engineering Pty Ltd (formerly MSS Power Systems Pty Ltd)	Australia	100	100
Ecco Pacific Limited	New Zealand	100	100
System Control Engineering NZ Limited	New Zealand	100	100
Subsidiaries of Legend Corporate Services Pty Ltd			
Legend Pacific Pty Ltd	Australia	100	100
Subsidiaries of Cable Accessories (Holdings) Pty Ltd			
Cable Accessories (Australia) Pty Ltd	Australia	100	100
Cable Projects Pty Ltd	Australia	100	100
Subsidiaries of IES Investments Pty Ltd			
Hendon Semiconductors Pty Ltd	Australia	100	100
Subsidiaries of MSS Fibre Pty Ltd			
MSS Power and Fibre Systems Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership

b. Deed of Cross Guarantee

Legend Corporation Limited, Legend Corporate Services Pty Ltd, Legend Pacific Pty Ltd, Cable Accessories (Holdings) Pty Ltd, Cable Accessories (Aust) Pty Ltd, Cable Projects Pty Ltd, IES Investments Pty Ltd, Hendon Semiconductors Pty Ltd, System Control Engineering Pty Ltd, MSS Fibre Systems Pty Ltd, MSS Power and Fibre Systems Pty Ltd, Ecco Pacific Limited and System Control Engineering NZ Limited are parties to a deed of cross guarantee under which each company guarantees the debts of the other. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and director's report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

The consolidated financial report covers the closed group and all parties to the Deed of Cross Guarantee.

NOTE 14: Trade and other Payables	Notes	Consolidated Group	
		2016	2015
		$000	$000
Current			
Trade payables		8,091	8,485
Sundry payables and accrued expenses		4,750	5,602
	18d	**12,841**	**14,087**
Non-current			
Sundry payables and accrued expenses		5,955	6,126
	18d	**5,955**	**6,126**

NOTE 15: Borrowings

Current			
Secured liabilities		4,788	4,788
Bank bills		**4,788**	**4,788**
Non-current			
Secured liabilities		18,064	22,351
Bank bills		**18,064**	**22,351**
a. Total current and non-current secured liabilities	**18d**	22,852	27,139
Bank bills		**22,852**	**27,139**

Bank bills, which have been drawn as a source of long-term finance, are provided by the Bank under multiple facilities with a termination date of 23 June 2018 and 30 April 2019. The bills mature on the last business day of every month. As at 30 June 2016 $11,160,000 of the bank bills is under fixed interest rate arrangement and $11,691,600 of the bank bills is under floating interest rate arrangement. The current blended interest rate is 3.795% (2015: 3.901%) payable on each interest payment date.

NOTE 15: Borrowings (cont)

Bank bills are secured by:

i. Fixed and floating charges over the whole of the company assets including goodwill and uncalled capital and called but unpaid capital together with relative insurance policy assigned to the Australia and New Zealand Banking Group Limited given by System Control Engineering Pty Ltd, MSS Fibre Systems Pty Ltd, MSS Power & Fibre Systems Pty Ltd, Legend Corporation Limited, Legend Corporate Services Pty Ltd, Legend Pacific Pty Ltd, Cable Accessories (Holdings) Pty Ltd, Cable Accessories (Australia) Pty Ltd, Cable Projects Pty Ltd, Hendon Semiconductors Pty Ltd, IES Investments Pty Ltd, Ecco Pacific Limited and System Control Engineering NZ Limited.

The following covenants apply to debt facilities provided by the Bank:

i. Debt to EBITDA Ratio

The Debt to EBITDA Ratio for any relevant period does not exceed 3.00:1.

ii. Interest Cover Ratio

The Interest Cover Ratio for any relevant period is not less than 3.00:1.

iii. Minimum Net Assets

The Net Assets of the Testing Entities is not at any time less than the amount which is 90% of the Net Assets of the Testing Entities as shown in the annual audited Financial Statements for the previous financial year.

To the date of this report, the company has complied with all banking covenants.

NOTE 16: Tax

		Consolidated Group	
a.	**Current**	**2015**	**2014**
		$000	**$000**
	Income tax refund receivable	**-**	**312**
	Income tax payable	**1,008**	**-**
b.	**Non-current**		
	Deferred tax assets comprise:		
	Provisions	1,772	1,843
	Other	17	17
		1,789	**1,860**
	Deferred tax liabilities comprise:		
	Intangible assets	**2,397**	**2,655**
		2,397	**2,655**

NOTE 16: Tax (cont)

		Consolidated Group 2015 $000	Consolidated Group 2014 $000
i.	**Deferred tax liabilities**		
	The movement in deferred tax liability account is as follows:		
	Intangible assets		
	Opening balance	2,655	1,084
	Charge/(credit) to income statements	(258)	(152)
	Intangible assets	-	1,723
	Closing balance	**2,397**	**2,655**

		Consolidated Group 2015 $000	Consolidated Group 2014 $000
ii.	**Deferred tax assets**		
	The movement in deferred tax assets account is as follows:		
	Provisions		
	Opening balance	1,843	1,988
	(Charge)/credit to profit or loss	(71)	(492)
	Acquired in business combination	-	347
	Closing balance	**1,772**	**1,843**
	Other		
	Opening balance	17	25
	(Charge)/credit to income statements	-	(8)
	Closing balance	**17**	**17**

NOTE 17: Provisions

	Employee Benefits $000	Total $000
Consolidated group		
Opening balance 1 July 2015	4,577	4,577
Additional provisions	1,770	1,770
Amounts used	(1,373)	(1,373)
Balance at 30 June 2016	**4,974**	**4,974**

	Consolidated Group	
	2016 $000	2015 $000
Analysis of total provisions		
Current	4,749	3,835
Non-current	225	742
	4,974	**4,577**

Provision for employee benefits

A provision has been recognised for employee benefits relating to annual leave and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

NOTE 18: Issued Capital

	Consolidated Group	
	2016 $000	2015 $000
218,320,467 (2015: 219,200,251) fully paid ordinary shares	**74,083**	**74,281**

The share capital of Legend Corporation Limited consists only of fully paid ordinary shares, the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital, and represent one vote at the shareholders meeting of Legend Corporation Limited.

a. Ordinary shares		No.	No.
At beginning of reporting period			
Shares issued during the year:		219,200,251	219,500,251
Shares bought back		(879,784)	-
Forfeited under Group Level Incentive Program	**18b**	-	(300,000)
Total shares authorised 30 June	**18c**	**218,320,467**	**219,200,251**

b. Share buy back

On 24 December 2015 Legend commenced a share buy back as part of its capital management strategy. In accordance with ASX rules the price paid for the shares under the buy back is no more than 5% above the volume weighted average price over the 5 trading days prior to purchase. From the date of commencement to end of the financial year 879,784 shares had been bought back at an average price of $0.2256.

c. Employee share scheme

For information relating to the Legend Corporation Limited Employee Share Scheme, including details of shares issued during the financial year, and Group Level Incentive Plan refer to Note 23 Share-based payments.

NOTE 18: Issued Capital (cont)

d. Capital management

Management controls the capital of the Group in order to maintain a debt to equity ratio within pre-determined benchmarks, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

A share buy back commenced 24 December 2015. Refer to note 18b for further details. The gearing ratio's for the year ended 30 June 2016 and 30 June 2015 are as follows:

	Notes	Consolidated Group	
		2016 $000	2015 $000
Borrowings	15	22,852	27,139
Less cash and cash equivalents		(4,980)	(5,931)
Net debt		17,872	21,208
Trade and other payables	14	18,796	20,213
Net debt including trade and other payables		36,668	41,421
Total equity		68,513	67,035
Total capital		**105,181**	**108,456**
Gearing Ratio		**35%**	**38%**

NOTE 19: Reserves

	Consolidated Group	
	2016 $000	2015 $000

a. Option reserve

The option reserve records items recognised as expenses on valuation of employee share options and shares issued under the Group Level Incentive Plan.

Movements in the Options reserve were as follows:

	2016 $000	2015 $000
Balance at the beginning of the year	339	301
Option expense	7	38
Balance at the end of the year	**346**	**339**

b. Profits reserve

The profits reserve records profits which are available for distribution to shareholders.

Movements in the Profits reserve were as follows:

	2016 $000	2015 $000
Balance at the beginning of the year	8,068	5,048
Net profit/ for the year	5,171	6,856
Dividends paid	(3,502)	(3,836)
Balance at the end of the year	**9,737**	**8,068**

NOTE 20: Leases

	Consolidated Group	
	2016 $000	**2015 $000**
a. Operating lease commitments		
Non-cancellable operating lease contracted for but not capitalised in the financial statements		
Payable - minimum lease payments		
- not later than 12 months	3,315	3,172
- between 12 months and 5 years	11,913	6,431
- greater than 5 years	4,202	-
	19,430	**9,603**

The most significant property lease at Seven Hills NSW which commenced on 30 May 2008 is a non-cancellable lease with a 10-year term. This lease was extended on 31 July 2015 with an additional 5 year term. Rent is payable monthly in advance. Rent adjustments are performed annually on the basis of a Market Review. As it is not possible to determine future market rates, minimum lease repayments have been calculated on the basis of current rental payments over the remaining period of the lease.

NOTE 21: Operating Segments

Segment Information

Identification of reportable segments

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

The Group is managed primarily on the basis of product category since the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosure are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following;

- the products sold by the segment;
- the manufacturing process; and
- the type or class of customer for the products.

Types of products by segment

Electrical, Power and Infrastructure

The electrical, power and infrastructure segment distributes a wide range of house branded electrical and connectivity products and tools, cable assemblies, data and computer room products. Products are of a similar nature with the majority of customers being within the electrical wholesale or power and infrastructure industries.

Innovative Electrical Solutions

The innovative electrical solutions segment manufactures application designs and integrated circuits, thick film hybrids, and ceramic printed circuit boards for use across industries including medical, telecommunications, lighting, automotive and consumer electrical. Manufacture of these products is performed in accordance with customer specifications, requiring a high level of technical expertise.

Gas and Plumbing

This segment supplies products and parts for industrial and commercial gas, heating, refrigeration and air conditioning components, appliance spares and related value added systems in Australia and New Zealand.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Inter-segment transaction

An internally determined transfer price is set for all inter-entity sales. This price is reviewed six-monthly and reset as required, and is based on what would be realised in the event that the sale was made to an external party at arm's-length. All such transactions are eliminated on consolidation for the Group financial statements.

Corporate charges are allocated to reporting segments based on the segments' overall proportion of revenue generation within the Group. The Board of Directors believes this is representative of likely consumption of head office expenditure that should be used in assessing segment performance and cost recoveries.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated.

Segment Information

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment;

- finance income and costs;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities; and
- intangible assets.

There have been no changes from the prior periods in the measurement methods used to determine reported segment profit or loss.

(i) Segment performance

	Electrical, Power and Infrastructure		Innovative Electrical Solutions		Gas and Plumbing		Consolidated Group	
	2016	2015	2016	2015	2016	2015	2016	2015
	$000	$000	$000	$000	$000	$000	$000	$000
Revenue								
Revenue from external customers	79,740	83,779	9,728	12,668	29,576	5,803	119,039	102,250
Inter-segment revenues	-	-	2,558	2,687	-	-	-	-
Total revenue	**79,740**	**83,779**	**12,286**	**15,355**	**29,576**	**5,803**	**119,039**	**102,250**
Result								
Earnings before interest, taxation, depreciation and amortisation	4,829	6,455	4,203	6,344	2,148	787		
Depreciation and amortisation	(1,188)	(2,185)	(202)	(192)	(850)	(39)		
Segment operating profit	3,641	4,270	4,001	6,152	1,298	748	8,940	11,170
Finance income							62	67
Finance costs							(1,051)	(973)
Cost directly associated with acquisition							-	(406)
Implied interest on deferred consideration							(399)	-
Profit before income tax							7,552	9,858
Income tax expense							(2,381)	(3,002)
Profit after income tax							**5,171**	**6,856**

NOTE 21: Operating Segments (cont)

(ii) Segment assets and liabilities

	Electrical, Power and Infrastructure		Innovative Electrical Solutions		Gas and Plumbing		Consolidated Group	
	2016	2015	2016	2015	2016	2015	2016	2015
	$000	$000	$000	$000	$000	$000	$000	$000
Assets								
Segment assets	42,875	44,566	5,835	8,755	15,718	12,370	64,428	65,691
Tax assets							1,789	2,172
Intangible assets							52,322	53,756
Total assets							**118,539**	**121,619**
Liabilities								
Segment liabilities	19,588	20,554	1,373	1,115	2,809	3,121	23,770	24,790
Tax liabilities							3,404	2,655
Borrowings							22,852	27,139
Total liabilities							**50,026**	**54,584**

(iii) Revenue and assets by geographical region

The Groups revenue from external customers are divided into the following geographical areas:

	Consolidated Group	
	2016	2015
	$000	$000
Australia	111,598	97,204
New Zealand	7,741	5,047
	119,039	**102,251**

(iv) Major Customers

The Group’s most significant customers by percentage of group revenue and the segment to which they belong are as follows:

Top 3 customers	Segment	2016	2015
1	Electrical	17%	9%
2	Electrical	6%	8%
3	Innovative	6%	7%

NOTE 22: Cash Flow Information

	Consolidated Group 2016 $000	Consolidated Group 2015 $000
a. Reconciliation of Cash Flow from cash flow from operations with profit after tax		
Profit after income tax	5,171	6,856
Non-cash flows in profit		
- Depreciation and amortisation	2,241	2,416
- Net loss/(gain) on disposal of property plant and equipment	11	(2)
- Interest accrued on employee loans	399	-
- Unrealised (gain)/loss on foreign denominated balances	(224)	132
- Employee option expense	8	38
Change in assets and liabilities, net of the effect of purchase and disposal of subsidiaries		
- (Increase)/decrease in trade receivables	1,022	(1,414)
- (Increase)/decrease in current assets	236	92
- (Increase)/decrease in inventories	(1,249)	(937)
- (Increase)/decrease in deferred tax assets	70	520
- Increase/(decrease) in trade payables and accruals	59	441
- Increase/(decrease) in provisions	397	(167)
- Increase/(decrease) in income tax payable	1,321	(1,419)
- Increase/(decrease) in deferred tax liabilities	(254)	(205)
Cash flow from operations	**9,208**	**6,351**

b. Credit Standby Arrangements and Loan Facilities with Banks

	2016	2015
Credit facilities	30,211	35,863
Amounts utilised	(25,862)	(30,261)
	4,349	**5,602**

The Australia and New Zealand Banking Group Limited provided facilities with a total limit of $30.1 million and are summarised as follows:

i. Interchangeable Facility (1) with a limit of $15.0 million including fixed rate fully drawn advance facility and cash advance facility.

ii. Interchangeable Facility (2) with a limit of $4.6 million including overdraft facility, standby letter of credit or guarantee facility, documentary credit issuance / documents surrendered facility and trade finance loan facility.

iii. Interchangeable Facility (3) with a limit of $8.7 million including fully drawn advance facility and cash advance facility

iv. Commercial Card Facility with a limit of $0.35 million.

v. Electronic Payway Facility with a limit of $1.2 million.

vi. Asset Finance Facility with a limit of $0.25 million.

The Australia and New Zealand Banking Group Limited will continue to provide finance so long as the Parent Entity and Consolidated Group do not breach borrowing requirements or financial ratios as detailed in Note 15.

The ANZ Bank New Zealand Limited provided facililties with a total limit of $0.1 million.

NOTE 23: Share-Based Payments

Group Level Incentive Plan

The company has established a Group Level Incentive Plan (GLIP) which provides a collective bonus for distribution to nominated group level executives leveraged to a minimum growth requirement of 10% year on year in Net Profit Before Tax (NPBT).

Accumulation of the bonus occurs after the achievement of the minimum growth requirement, up to a maximum accumulation of 5% of NPBT.

Merger and acquisition activities attract a further hurdle of 10% on funds invested additional to the minimum growth requirement.

The minimum NPBT growth requirement for the 2016 financial year was not achieved and no shares were issued under GLIP during the current financial year.

	Number of shares granted	Fair value at issue date (per share) $	Fair value at issue date (aggregate) $000
15 August 2012 - issued	1,896,774	0.31	588
5 September 2014 - forfeited	(300,000)		
Total issued	**1,596,774**		

NOTE 24: Financial Instrument Risk Management

		Consolidated Group	
		2016 $000	2015 $000

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

The totals for each category of financial instruments measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016 $000	2015 $000
Financial Assets			
Cash and cash equivalents		4,980	5,931
Loans and receivables	9	20,928	22,187
		25,908	**28,118**
Financial Liabilities			
Trade and other payables	14	18,796	20,643
Borrowings	15	22,852	27,139
		41,648	**47,782**

Financial Risk Management Policies
A finance committee consisting of senior executives of the Group meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The committee's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The committee operates under the direction of the Board of Directors. In conjunction with the committee, the Board reviews the current strategies on a regular basis, including the use of hedging derivative instruments, credit risk policies and future cash flow requirements.

NOTE 24: Financial Risk Management (Cont)

Specific Financial Risk Exposure and Management
The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

a. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The Group's policy is to minimise interest rate cash flow risk exposure on long term financing using a blend of fixed and floating interest rate debt.

b. Foreign currency risk

Exposure to fluctuations in foreign currencies arises from the Group's overseas sales and purchases, which are primarily denominated in US dollars (USD).

To mitigate the Group's exposure, non AUD cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policy. Due to the nature of USD denominated transactions, being relatively small in size and frequent, it is not practical to formally designate forward contracts as hedging instruments, rather management consider these contracts to be part of economic hedge arrangements. The Group continues to assess the use of derivative financial instruments and forward exchange contracts to minimise the impact of fluctuations on earnings.

c. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to operational, investing and financing activities
- monitoring undrawn credit facilities
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- investing only in surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets

The Group's policy is to ensure no more than 20% of borrowings should mature in any 12-month period.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Bank bills have been disclosed in accordance with the approved budgeted repayment schedule and facility terms as management do not consider that there is any material risk that the Bank will terminate such facilities. The Bank does however maintain the right to terminate the facilities without notice should the Group breach any of the covenants as disclosed in Note 15: Borrowings.

Cash flows realised from financial assets reflect management's expectations as to the timing of realisation. Actual timing may therefore differ from the disclosure. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
Consolidated Group	**2016 $000**	**2015 $000**	**2016 $000**	**2015 $000**	**2016 $000**	**2015 $000**	**2016 $000**	**2015 $000**
Financial liabilities due for payment								
Bank bills	5,587	5,730	19,444	21,054	-	3,231	25,031	30,015
Trade and other payables	12,841	14,087	5,955	6,126	-	-	18,796	20,213
Total expected outflows	**18,428**	**19,817**	**25,399**	**27,180**	**-**	**3,231**	**43,827**	**50,228**

NOTE 24: Financial Risk Management (Cont)

	Consolidated Group 2016 $000	Consolidated Group 2015 $000
d. Credit risk analysis		

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments for example by granting loans and receivables to customers and placing deposits. The Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at reporting date, as summarised below:

Classes of financial assets- carrying amounts:	2016 $000	2015 $000
Cash and cash equivalents	4,980	5,931
Trade and other receivables	20,928	22,187
Carrying amount	**25,908**	**28,118**

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to only deal with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality.

Some of the unimpaired trade receivables are past due at reporting date. Financial assets past due but not impaired can be shown as follows:

	2016 $000	2015 $000
Less than 30 days	803	3,598
30 to 59 days	48	412
60 to 90 days	145	248
Greater than 90 days	146	226
Total	**1,142**	**4,484**

The Group has no significant concentration of credit risk with any single counter party, however the top 20 customers of the Group represents approximately 50% (2015: 42%) of year end receivables. The class of assets described as Trade and Other Receivables is considered the main source of credit risk related to the Group.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Net Fair Value

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying values of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group. Most of these instruments which are carried at amortised cost (i.e. loan liabilities) are to be held until maturity and therefore the net fair value figures calculated bear little relevance to the Group.

NOTE 24: Financial Risk Management (Cont)

Consolidated Group	Footnote	2016 Net Carrying Value $000	2016 Net Fair Value $000	2015 Net Carrying Value $000	2015 Net Fair Value $000
Financial assets					
Cash and cash equivalents	(i)	4,980	4,980	5,931	5,931
Trade and other receivables	(i)	20,928	20,928	22,187	22,187
Total financial assets		**25,908**	**25,908**	**28,118**	**28,118**
Financial liabilities					
Trade and other payables	(i)	18,796	18,796	20,213	20,213
Bank bills	(ii)	22,852	27,139	27,139	27,139
Total financial liabilities		**41,648**	**45,935**	**47,352**	**47,352**

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value.

(ii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate bank debt will differ to the carrying values.

Sensitivity Analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and exchange rates. The table indicates the impact on how profit and equity values reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group Profit $000	Consolidated Group Equity $000
Year Ended 30 June 2016		
+/- 2% interest rates	+/- 134	+/- 134
+/- 15% $A/$US	+/- 2,019	+/- 2,019
Year Ended 30 June 2015		
+/- 2% interest rates	+/- 278	+/- 278
+/- 15% $A/$US	+/- 1,742	+/- 1,742

The percentages have been determined based on the average market volatility in interest and exchange rates in the previous 12 months.

NOTE 25: Legend Corporation Limited Parent Company Information

	Consolidated Group	
	2016	2015
	$000	$000
Parent entity		
Assets		
Non-current assets		
Trade and other receivables	1,155	1,346
Deferred tax assets	325	325
Financial assets	36,337	39,703
Total non-current assets	**37,817**	**41,374**
Total assets	**37,817**	**41,374**
Net assets	**37,817**	**41,374**
Equity		
Issued capital	74,083	74,281
Reserves	346	339
Accumulated losses	(36,612)	(33,246)
Total equity	**37,817**	**41,374**
Financial performance		
Loss for the year	(3,366)	(636)
Total comprehensive income	**(3,366)**	**(636)**

a Contingent liabilities of the Parent Entity

As described in Note 13b: Controlled Entities and Note 15b: Borrowings, Legend Corporation Limited is party to the cross guarantee between the wholly-owned entities of the Group under which each company guarantees the debts of the other.

NOTE 26: Earnings per share

Both the basic and dliuted earnings per share have been calculated using the profit attributable to the shareholders of the parent company (Legend Corporation Limited) as the numerator, i.e no adjustments to profit were necessary in 2016 or 2015.

The weighted average number of shares for the purposes of diluted earnings per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2016	2015
Weighted average number of ordinary shares used in basic earnings per share.	218,904,513	219,200,251
Weighted average number of dilutive options outstanding.	-	-
Weighted average number of shares used in diluted earnings per share.	**218,904,513**	**219,500,251**

NOTE 27: Events after the Reporting Period

There have been no events between 30 June 2016 and the date of these financial statements which necessitate adjustments to the statements of financial position, and comprehensive income at that date.

NOTE 28: Company Details

The registered office of the company is:

Legend Corporation Limited
1 Butler Drive
HENDON SA 5014

The principle places of business are:

Legend Corporate Services Pty Ltd

8 Distribution Place
SEVEN HILLS NSW 2147

Hendon Semiconductors Pty Ltd

1 Butler Drive
HENDON SA 5014

System Control Engineering Pty Ltd

Unit 9 621 Whitehorse Road
MITCHAM, VICTORIA 3132

Ecco Pacific Limited and System Control Engineering NZ Ltd

70 Carmont Place
MT WELLINGTON, AUCKLAND NZ 1061

Directors' Declaration

1. In the opinion of the directors of Legend Corporation Limited:

a. The consolidated financial statements and notes of Legend Corporation Limited are in accordance with the Corporations Act 2001, including

i. giving a true and fair view of its financial position as at 30 June 2016 and of its performance for the year ended on that date; and

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

b. There are reasonable grounds to believe that Legend Corporation Limited will be able to pay its debts when they become due and payable.

The company and its wholly-owned subsidiaries, Legend Corporate Services Pty Ltd, Legend Pacific Pty Ltd, Cable Accessories (Holdings) Pty Ltd, Cable Accessories (Australia) Pty Ltd, Cable Projects Pty Ltd, IES Investments Pty Ltd, Hendon Semiconductors Pty Ltd, Legend Tech (Singapore) Pte Ltd, MSS Fibre Systems Pty Ltd, MSS Power and Fibre Systems Pty Ltd, System Control Engineering Pty Ltd and System Control Engineering NZ Limited have entered into a deed of cross guarantee under which the company and its subsidiaries guarantee the debts of each other.

At the date of this declaration, there are reasonable grounds to believe that the companies which are party to this deed of cross guarantee will be able to meet any obligations or liabilities to which they are, or may become subject to, by virtue of the deed.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and the chief financial officer for the year ended 30 June 2016.

3. The consolidated financial statements comply with the International Financial Reporting standards as confirmed in Note 1(a).

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

Bruce E Higgins
Chairman of Directors
Legend Corporation Limited

19 August 2016

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

Report on the financial report

We have audited the accompanying financial report of Legend Corporation Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2016, 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.

Grant Thornton

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 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 Legend 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 2016 and of its performance for the year ended on that date; and

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

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 25 to 29 of the directors' report for the year ended 30 June 2016. 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.

Grant Thornton

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Legend Corporation Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A J Archer

A J Archer
Partner - Audit & Assurance

Sydney, 19 August 2016

ASX Additional Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 9 August 2016.

Substantial shareholders

The following were substantial shareholders as at 9 August 2016:

Name	Number of fully paid ordinary shares held	% held
Dowe Holdings Pty Ltd	62,966,896	28.84
Tiga Trading Pty Ltd & Thorney Holdings Pty Ltd & Thorney Pty Ltd	36,850,000	16.88
Keith Knowles	19,825,049	9.08
Boyles Asset Management LLC	11,056,986	5.06

Voting rights	
Ordinary shares	Subject to any rights or restrictions attached to any class of shares, at a meeting of members, on a show of hands, each member present (in person, by proxy, attorney or representative) has one vote and on a poll, each member present (in person, by proxy, attorney or representative) has one vote for each fully paid share they hold.
Options	No voting rights.

Holding	Holders of Ordinary Shares	% of Issued Capital
1 – 1000	158	0.01
1,001 – 5,000	291	0.41
5,001 – 10,000	197	0.76
10,001 – 100,000	532	9.01
100,001 – and over	153	89.81
Total number of security holders	**1,331**	**100.00**

Unmarketable Parcels

	Minimum Parcel Size	Number of Holders	Units
Ordinary Shares	$500.00 at $0.22/unit	258	200,331

Securities Exchange Listing

The Company is listed on the Australian Securities Exchange.

On Market Buy-Back

There is currently an on-market buy back enabling the company to buy-back up to a maximum 21.9 million shares over a 12 month period commencing 24 December 2015 in accord with ASX rules.

Name	Number of fully paid ordinary shares held	% held
Dowe Holdings Pty Ltd	57,760,460	26.46
UBS Nominees Limited	30,157,500	13.81
HSBC Custody Nominees Australia Limited	19,448,993	8.91
Keith Knowles	11,934,042	5.47
J P Morgan Nominees Australia Limited	7,970,324	3.65
Parks Australia Pty Ltd	4,726,363	2.16
Dowe Family Superannuation Fund	3,250,000	1.49
Mrs Edna Knowles	3,164,644	1.45
Mrs Ruth Janine Higgins	3,143,850	1.44
MFM Properties Pty Ltd	2,969,048	1.36
M R and J N Simpson	2,549,473	1.17
J and S D Yates	2,280,000	1.04
Cornish Group Investments Pty Ltd	2,000,000	0.92
P and J Higgins	2,000,000	0.92
Mrs Valmae Margaret Buckley	1,872,340	0.86
Roger Edward Koch	1,800,000	0.82
M and J Potter Pty Ltd	1,600,000	0.73
Mr Con Panayotopoulos	1,375,000	0.63
Backstop Pty Ltd	1,294,118	0.59
GFS Securities Pty Ltd	1,200,000	0.55
TOTAL	162,496,155	74.43

Restricted and Escrowed Securities

Shares issued under the Group Level Incentive Plan to key management personnel total 1,596,774. These shares are ordinary shares having the same voting rights and rights to dividends as other issued capital. The shares however can only be traded after the repayment of the loan provided by the Company to fund the purchase of these shares.

Unissued Equity Securities

At the date of this report there are no unissued ordinary shares of Legend Corporation Limited under option.

Directory of Offices

AUSTRALIA

New South Wales

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Telephone 133 122
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Queensland

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LEGEND
CORPORATION

www.legendcorporate.com