

AWX Pty Ltd

ABN 31 095 222 263

**Special purpose financial report
for the year ended 30 June 2015**

AWX Pty Ltd ABN 31 095 222 263

Special purpose financial report - 30 June 2015

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Your directors present their report on the consolidated entity consisting of AWX Pty Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2015. Throughout the report, the consolidated entity is referred to as the group.

Directors

The following person was a director of AWX Pty Ltd during the whole of the financial year and up to the date of this report:

Thomas Anthony Strachan

Cameron Dart was a director from the beginning of the financial year until his resignation on 1 December 2014.

Derek Irwin was a director from the beginning of the financial year until his resignation on 3 December 2015.

Thomas Reardon and Dominic Quilligan were directors from the beginning of the financial year until their resignation on 9 December 2015.

Principal activities

The principal activities of the Group were the provision of short and long term staffing solutions to the public and private sectors. This included the provision of supplementary trades and professional labour, maintenance services, agribusiness staffing services, healthcare professionals, hospitality staffing services, and trainee and apprenticeship management.

Dividends - AWX Pty Ltd

Dividends paid to members during the financial year were as follows:

	2015 \$	2014 \$
Final dividend for the year ended 30 June		
Fully franked based on tax paid at the 30% corporate income tax rate	<u>800,000</u>	<u>2,500,000</u>

Review of operations and future developments

The profit from ordinary activities after income tax amounted to \$2,034,795 (2014: \$783,149).

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2015 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

In the foreseeable future it is expected that the Group will continue its principal activity as described above.

Environmental regulation and performance

The Group's operations are subject to various environmental regulations under both commonwealth and state legislation. The Group has established procedures to monitor and manage compliance with existing environmental regulations and new regulations as they come into force. The Group has not been fined or prosecuted for, or convicted of, any significant breaches of environmental regulation during the financial year.

Shares options

No share options have been granted during the financial year.

Insurance of officers

During the financial year, the Company paid a premium of \$7,361 (2014: \$12,953) to insure the directors and secretaries of the Company and its Australian based controlled entities, and the general managers of each of the divisions of the group. 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 Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of the 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 Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 3.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of directors.



Thomas Anthony Strachan
Director

Brisbane
Date: 22 December 2015



Auditor's Independence Declaration

As lead auditor for the audit of AWX Pty Ltd for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

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

This declaration is in respect of AWX Pty Ltd and the entities it controlled during the year.

A handwritten signature in black ink, appearing to read 'Trevor Mahony', with a long horizontal flourish extending to the right.

Trevor Mahony
Partner
PricewaterhouseCoopers

Brisbane
22 December 2015

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This financial report is the consolidated and separate financial report of the consolidated entity consisting of AWX Pty Ltd ("the Company") and its subsidiaries ("the Group"). The financial report is presented in the Australian currency.

AWX Pty Ltd is a company limited by shares, incorporated and domiciled in Australia.

Its registered office is:

AWX Pty Ltd
C/O PricewaterhouseCoopers
Level 15, 123 Eagle Street
Brisbane, Queensland, 4000

Its principal place of business is:

AWX Pty Ltd
90 Petrie Terrace
Brisbane, Queensland, 4000

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on page 1, which is not part of this financial report.

The financial report was authorised for issue by the directors on 22 December 2015. The directors have the power to amend and reissue the financial report.

AWX Pty Ltd
Statements of comprehensive income
For the year ended 30 June 2015

	Notes	Consolidated entity		Parent Entity	
		2015	2014	2015	2014
		\$	\$	\$	\$
Revenue from continuing operations	3	161,995,920	124,036,882	146,448,746	117,849,482
Other income	4	787,092	538,887	1,253,388	510,562
Material costs		(871,220)	(771,686)	-	-
Employee benefits expense		(138,164,706)	(108,964,632)	(134,969,176)	(108,267,779)
Depreciation and amortisation expense	5	(649,328)	(700,067)	(572,543)	(575,051)
Other expenses		(5,012,512)	(4,097,162)	(3,949,239)	(3,537,221)
Insurance		(390,378)	(312,147)	(326,037)	(247,434)
Rent and utilities		(1,582,486)	(1,555,525)	(1,006,958)	(922,720)
Travel expenses		(1,443,918)	(1,166,809)	(1,308,512)	(1,086,142)
Subcontractor and labour costs		(8,922,344)	(3,595,497)	-	-
Professional fees		(809,327)	(646,203)	(391,791)	(569,060)
Finance expenses	5	(1,335,487)	(604,176)	(1,042,830)	(456,194)
Profit before bad debts and income tax		3,601,306	2,161,865	4,135,048	2,698,443
Bad debts expense		(628,987)	(962,266)	(628,987)	(962,266)
Profit before income tax		2,972,319	1,199,599	3,506,061	1,736,177
Income tax expense	6	(1,062,843)	(416,450)	(1,128,889)	(549,797)
Profit from continuing operations		1,909,476	783,149	2,377,172	1,186,380
Profit from discontinued operations	7	125,319	-	-	-
Profit for the year		2,034,795	783,149	2,377,172	1,186,380
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		2,034,795	783,149	2,377,172	1,186,380
Total comprehensive income for the year is attributable to:					
Owners of AWX Pty Ltd		2,034,795	783,149	2,377,172	1,186,380

The above statements of comprehensive income should be read in conjunction with the accompanying notes.

AWX Pty Ltd
Statements of financial position
As at 30 June 2015

	Notes	Consolidated entity		Parent Entity	
		2015	2014	2015	2014
		\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	8	122,667	1,606,566	43,397	388,102
Trade and other receivables	9	24,275,278	14,712,616	23,672,981	14,075,170
Inventories	10	-	301,838	-	-
Other current assets	11	-	450,000	-	-
Assets classified as held for sale		9,947,407	-	-	-
Total current assets		34,345,352	17,071,020	23,716,378	14,463,272
Non-current assets					
Receivables	12	712,314	409,076	519,865	505,588
Property, plant and equipment	13	2,732,675	2,248,652	2,532,308	2,010,201
Investments		-	-	131,104	130,904
Deferred tax assets	14	1,436,035	760,412	928,783	555,480
Intangible assets	15	22,216	21,587	7,653	5,853
Total non-current assets		4,903,240	3,439,727	4,119,713	3,208,026
Total assets		39,248,592	20,510,747	27,836,091	17,671,298
LIABILITIES					
Current liabilities					
Trade and other payables	16	16,277,476	10,039,231	12,304,020	8,696,179
Borrowings	17	16,766,479	6,425,604	10,048,598	6,355,533
Current tax liabilities		1,526,580	31,877	1,526,580	31,877
Provisions	18	1,271,487	951,846	1,053,988	897,191
Other current liabilities	19	-	500,000	-	-
Total current liabilities		35,842,022	17,948,558	24,933,186	15,980,780
Non-current liabilities					
Borrowings	20	183,739	206,763	183,739	206,763
Deferred tax liabilities	21	66,268	91,387	510	-
Provisions	22	150,462	142,726	150,462	142,726
Total non-current liabilities		400,469	440,876	334,711	349,489
Total liabilities		36,242,491	18,389,434	25,267,897	16,330,269
Net assets		3,006,101	2,121,313	2,568,194	1,341,029
EQUITY					
Contributed equity	23	30	350,037	30	350,037
Retained earnings	24	3,006,071	1,771,276	2,568,164	990,992
Total equity		3,006,101	2,121,313	2,568,194	1,341,029

The above statements of financial position should be read in conjunction with the accompanying notes.

AWX Pty Ltd
Statements of changes in equity
For the year ended 30 June 2015

Consolidated entity	Notes	Attributable to owners of AWX Pty Ltd		Total equity \$
		Contributed equity \$	Retained earnings \$	
Balance at 1 July 2013		350,037	3,488,127	3,838,164
Profit for the period	24	-	783,149	783,149
Total comprehensive income for the year		-	783,149	783,149
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	25	-	(2,500,000)	(2,500,000)
Balance at 30 June 2014		350,037	1,771,276	2,121,313
Balance at 1 July 2014		350,037	1,771,276	2,121,313
Profit for the period		-	2,034,795	2,034,795
Total comprehensive income for the year		-	2,034,795	2,034,795
Transactions with owners in their capacity as owners:				
Cancellation of shares	23	(50,000)	-	(50,000)
Share buy back	23	(300,007)	-	(300,007)
Dividends provided for or paid	25	-	(800,000)	(800,000)
		(350,007)	(800,000)	(1,150,007)
Balance at 30 June 2015		30	3,006,071	3,006,101

The above statements of changes in equity should be read in conjunction with the accompanying notes.

AWX Pty Ltd
Statements of changes in equity
For the year ended 30 June 2015
(continued)

Parent Entity	Notes	Contributed equity \$	Retained earnings \$	Total equity \$
Balance at 1 July 2013		350,037	2,304,612	2,654,649
Profit for the period		-	1,186,380	1,186,380
Total comprehensive income for the year		-	1,186,380	1,186,380
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	25	-	(2,500,000)	(2,500,000)
Balance at 30 June 2014		350,037	990,992	1,341,029
Balance at 1 July 2014		350,037	990,992	1,341,029
Profit for the period		-	2,377,172	2,377,172
Total comprehensive income for the year		-	2,377,172	2,377,172
Transactions with owners in their capacity as owners:				
Cancellation of shares	23	(50,000)	-	(50,000)
Share buy back	23	(300,007)	-	(300,007)
Dividends provided for or paid	25	-	(800,000)	(800,000)
		(350,007)	(800,000)	(1,150,007)
Balance at 30 June 2015		30	2,568,164	2,568,194

The above statements of changes in equity should be read in conjunction with the accompanying notes.

AWX Pty Ltd
Statements of cash flows
For the year ended 30 June 2015

Notes	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash flows from operating activities				
Receipts from customers (inclusive of goods and services tax)	172,666,950	144,688,459	159,435,622	126,720,076
Payments to suppliers and employees (inclusive of goods and services tax)	(172,225,408)	(141,136,646)	(153,588,829)	(129,535,269)
Interest received	441,542	3,551,813	5,846,793	(2,815,193)
Other revenue	115,267	92,018	94,629	68,252
Interest paid	(1,335,487)	(604,176)	(1,042,830)	(456,194)
Income taxes paid	(268,883)	(954,980)	(208,690)	(611,279)
Net cash (outflow) inflow from operating activities	(407,856)	2,521,344	5,316,541	(3,377,745)
Cash flows from investing activities				
Payments for property, plant and equipment	(10,628,644)	(1,294,271)	(1,001,292)	(844,271)
Payments for held-to-maturity investments	-	-	(200)	(304)
Payments for intangible assets	(6,658)	(8,788)	(5,025)	(2,151)
Proceeds from sale of property, plant and equipment	103,606	470,839	103,606	443,565
Net cash movement from sale of subsidiary	(185,231)	-	-	-
Proceeds (repayments) from related parties (net)	584,653	2,658,465	(7,166,756)	5,426,549
Net cash (outflow) inflow from investing activities	(10,132,274)	1,826,245	(8,069,667)	5,023,388
Cash flows from financing activities				
Proceeds (repayment) from borrowings (net)	10,156,238	(1,227,405)	3,508,428	1,205,703
Share buy-back	(300,007)	-	(300,007)	-
Dividends paid to company's shareholders	(800,000)	(2,500,000)	(800,000)	(2,500,000)
Net cash inflow (outflow) from financing activities	9,056,231	(3,727,405)	2,408,421	(1,294,297)
Net (decrease) increase in cash and cash equivalents				
Cash and cash equivalents at the beginning of the financial year	1,606,566	986,382	388,102	36,756
Cash and cash equivalents at end of year	122,667	1,606,566	43,397	388,102

The above statements of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of this consolidated financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report is for the consolidated entity consisting of AWX Pty Ltd and its subsidiaries.

(a) Basis of preparation

(i) *Special purpose financial report*

In the directors' opinion, the Group is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Corporations Act 2001* requirements to prepare and distribute a financial report to the members and must not be used for any other purpose.

The financial report has been prepared in accordance with the recognition and measurement principles of all applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. It contains the disclosures that are mandatory under the Accounting Standards and those considered necessary by the directors to meet the needs of the members. The Group is a for-profit entity for the purpose of preparing the financial report.

(ii) *Historical cost convention*

This financial report has been prepared under the historical cost convention, except for certain assets which, as noted, are at valuation.

(iii) *New and amended standards adopted by the Group*

The Group has applied the following standards and amendments for first time in their annual reporting period commencing 1 July 2014:

- AASB 2013-3 *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*
- AASB 2014-1 *Amendments to Australian Accounting Standards*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(d) *Critical accounting estimates*

The preparation of the financial report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial report, are disclosed in note 2.

(v) *Comparatives*

Comparative information has been reclassified where necessary to enhance comparability.

(vi) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by Group
AASB 9 <i>Financial Instruments</i>	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The group has not yet assessed how its own hedging arrangements and impairment provisions would be affected by the new rules.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by Group
AASB 15 <i>Revenue from Contracts with Customers</i>	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.	At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the Group: 1 July 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial report incorporates the assets and liabilities of all subsidiaries of AWX Pty Ltd ('Company' or 'Parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. AWX Pty Ltd and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note).

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the statements of comprehensive income. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of identifiable net assets of the subsidiary.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(i) Contract hire and contract revenue

Revenue from contract hire and contract revenue is recognised in the accounting period in which the services are rendered.

(ii) Recruitment

Revenue from recruitment activities is recognised in the accounting period in which the services are rendered.

1 Summary of significant accounting policies (continued)

(c) Revenue recognition (continued)

(iii) Construction revenue

Revenue and expenses from construction activities are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. Where the outcome of the contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred. Where it is probable that a loss will arise from a construction contract, the excess of total expected contract costs over the total expected contract revenue is recognised as an expense immediately.

(i) Maintenance revenue

Revenue from maintenance services is recognised in the accounting period in which the services are rendered.

(i) Consultancy revenue

Revenue from consultancy services is recognised in the accounting period in which the services are rendered.

Revenue is recognised for the major business activities using the methods outlined below.

(ii) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(iii) Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence, refer note .

(d) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial report. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

1 Summary of significant accounting policies (continued)

(e) Income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

AWX Pty Ltd and its wholly-owned Australian controlled 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 consolidated financial report.

(f) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets 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 carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statements of financial position.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

1 Summary of significant accounting policies (continued)

(i) Trade receivables (continued)

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(j) Inventories

(i) Construction work in progress

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the Group's construction activities in general.

(k) Current assets (or disposal groups) held for sale and discontinued operations

Current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statements of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statements of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statements of comprehensive income.

1 Summary of significant accounting policies (continued)

(l) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Plant and equipment	5 - 20 years
Furniture for houses	10 - 14 years
Vehicles	5 - 8 years
Furniture and fittings	3 - 40 years
Property improvements	5 - 40 years
Office furniture and equipment	4 - 17 years
Charter boat	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(g)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(m) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Trademarks

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives, which vary from 3 to 5 years.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

1 Summary of significant accounting policies (continued)

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(q) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(r) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

1 Summary of significant accounting policies (continued)

(r) Employee benefits (continued)

(ii) Long service leave

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the statements of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(s) Contributed equity

Ordinary shares are classified as equity.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Maintenance and repairs

Property, plant and equipment of the Group is required to be maintained on a regular basis. The costs of this maintenance are charged as expenses as incurred.

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statements of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

2 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Revenue recognition

The Group uses the percentage of completion method in accounting for its fixed price contracts to deliver construction services. Use of the percentage of completion method requires the Group to estimate the services performed to date as a proportion of the total services to be performed.

3 Revenue

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
From continuing operations				
<i>Sales revenue</i>				
Contract hire revenue	147,832,805	117,301,717	146,145,856	117,673,229
Contract revenue	740,485	450,698	-	-
Recruitment revenue	131,673	104,136	131,673	104,136
Construction revenue	12,395,566	6,068,992	-	-
Agistment income	406,198	-	-	-
	161,506,727	123,925,543	146,277,529	117,777,365
<i>Other revenue</i>				
Consultancy	281,893	111,339	171,217	72,117
Sundry income	207,300	-	-	-
	489,193	111,339	171,217	72,117
	161,995,920	124,036,882	146,448,746	117,849,482

4 Other income

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Net gain on disposal of property, plant and equipment	32,120	-	32,120	-
Interest income	115,267	92,018	94,629	68,252
Net foreign exchange gains	-	10,200	-	5,641
Government incentives	639,705	436,669	626,639	436,669
Dividend income	-	-	500,000	-
	787,092	538,887	1,253,388	510,562

5 Expenses

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
<i>Depreciation</i>				
Plant and equipment	649,328	700,067	572,543	575,051
Total depreciation	649,328	700,067	572,543	575,051
Net loss on disposal of property, plant and equipment	-	105,128	-	104,055
<i>Finance costs</i>				
Interest and finance charges paid/payable	1,335,487	604,176	1,042,830	456,194
	1,335,487	604,176	1,042,830	456,194

6 Income tax expense

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Current tax	1,703,072	192,172	1,501,682	397,104
Deferred tax	(700,742)	348,624	(372,793)	277,039
Adjustments for current tax of prior periods	60,513	(124,346)	-	(124,346)
	1,062,843	416,450	1,128,889	549,797

7 Discontinued operation

(i) Description

The subsidiary Meat Inspectors Pty Ltd was sold on 1 December 2014 and is reported in the current period as a discontinued operation. During the year the discontinued operations impacted the Group result through recording a gain on sale of the operations of \$351,381 offset by an operating loss during the year of \$226,062 resulting in a net impact of a profit of \$125,319. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(ii) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 1 December 2014.

	Consolidated entity 2015 \$
Revenue	1,316,302
Expenses	<u>(1,542,364)</u>
Operating loss from discontinued operation	<u>(226,062)</u>

(c) Details of the sale of the subsidiary

	Consolidated entity 2015 \$
Consideration received or receivable:	
Cash	100
Carrying amount of net liabilities sold	<u>351,281</u>
Gain on sale after income tax	<u>351,381</u>

The carrying amounts of assets and liabilities of Meat Inspectors Pty Ltd as at the date of sale (1 December 2014) were:

	1 December 2014 \$
Cash	185,331
Trade receivables	717,809
Prepayments	33,265
Property, plant and equipment	91,152
Intangibles	<u>2,895</u>
Total assets	<u>1,030,452</u>
Trade and other payables	(493,702)
Employee benefits obligations	(526,365)
Loans from related parties	<u>(361,666)</u>
Total liabilities	<u>(1,381,733)</u>
Net liabilities	<u>(351,281)</u>

8 Current assets - Cash and cash equivalents

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Cash at bank and in hand	122,667	1,606,566	43,397	388,102

9 Current assets - Trade and other receivables

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Trade debtors	15,134,164	13,228,452	13,225,498	12,209,027
Provision for doubtful debts	(10,771)	(101,753)	(10,771)	(101,753)
	<u>15,123,393</u>	<u>13,126,699</u>	<u>13,214,727</u>	<u>12,107,274</u>
Receivables from related parties	-	-	8,712,865	735,339
Sundry debtors	30,831	5,575	29,949	1,647
Accrued income	8,047,125	546,452	1,174,385	546,452
Prepayments	1,073,929	1,033,890	541,055	684,458
	<u>24,275,278</u>	<u>14,712,616</u>	<u>23,672,981</u>	<u>14,075,170</u>

(a) Risk exposure

A subsidiary, AWX Constructions Pty Ltd (Mobilise) has accrued income at 30 June 2015 of \$6,708,403 due from BRB Modular Pty Ltd (BRB) for construction of a camp and accommodation village at Combabula Queensland. An action taken by Mobilise under the Building and Construction Industry Payments Act 2004 (Qld) resulted in a payment by BRB to Mobilise of \$3,944,047 on the 3 August 2015 with further actions pending. The Directors believe the amount recorded at 30 June 2015 is fully recoverable.

10 Current assets - Inventories

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Construction work in progress	-	301,838	-	-

11 Other current assets

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Deposits paid	-	450,000	-	-

12 Non-current assets - Receivables

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Receivables from related parties	712,314	409,076	519,865	505,588

13 Property, plant and equipment

Consolidated entity	Property improvements \$	Vehicles \$	Plant and equipment \$	Office furniture and equipment \$	Total \$
At 30 June 2014					
Cost	245,813	1,635,290	764,406	1,714,637	4,360,146
Accumulated depreciation	(41,895)	(706,198)	(165,997)	(1,197,404)	(2,111,494)
Net book amount	<u>203,918</u>	<u>929,092</u>	<u>598,409</u>	<u>517,233</u>	<u>2,248,652</u>

Consolidated entity

At 30 June 2015					
Cost	618,467	2,281,019	238,066	2,245,803	5,383,355
Accumulated depreciation	(75,240)	(901,753)	(128,386)	(1,545,301)	(2,650,680)
Net book amount	<u>543,227</u>	<u>1,379,266</u>	<u>109,680</u>	<u>700,502</u>	<u>2,732,675</u>

Parent Entity	Property improvements \$	Vehicles \$	Plant and equipment \$	Office furniture and equipment \$	Total \$
At 30 June 2014					
Cost	234,113	1,412,171	663,340	1,473,684	3,783,308
Accumulated depreciation	(36,876)	(593,216)	(118,521)	(1,024,494)	(1,773,107)
Net book amount	<u>197,237</u>	<u>818,955</u>	<u>544,819</u>	<u>449,190</u>	<u>2,010,201</u>

Parent Entity

At 30 June 2015					
Cost	585,200	2,054,866	134,515	1,993,235	4,767,816
Accumulated depreciation	(68,370)	(761,557)	(65,590)	(1,339,991)	(2,235,508)
Net book amount	<u>516,830</u>	<u>1,293,309</u>	<u>68,925</u>	<u>653,244</u>	<u>2,532,308</u>

14 Deferred tax assets

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
The balance comprises temporary differences attributable to:				
Tax losses	22,824	204,932	-	-
Employee benefits provisions	427,261	311,975	361,335	311,975
Accrued charges	848,337	182,979	534,217	182,979
Provision for doubtful debts	3,231	30,526	3,231	30,526
Provision for amortisation	30,000	30,000	30,000	30,000
Sundry	104,382	-	-	-
Total deferred tax assets	1,436,035	760,412	928,783	555,480
Deferred tax assets expected to be recovered within 12 months	1,256,515	525,480	853,645	525,480
Deferred tax assets expected to be recovered after more than 12 months	179,521	234,932	75,139	30,000
	1,436,036	760,412	928,784	555,480

15 Intangible assets

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Trademarks				
Cost	30,559	26,796	15,996	10,971
Accumulated amortisation	(8,343)	(5,209)	(8,343)	(5,118)
	22,216	21,587	7,653	5,853

16 Current liabilities - Trade and other payables

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Trade payables	6,357,649	5,959,362	3,191,098	2,327,420
Payables to related parties	1,375,014	798,788	4,269,287	4,095,950
Accrued expenses	4,887,460	2,448,131	3,066,576	1,719,130
Other payables	3,657,353	832,950	1,777,059	553,679
	16,277,476	10,039,231	12,304,020	8,696,179

17 Current liabilities - Borrowings

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Secured				
Debtor finance account	7,174,751	6,054,070	6,465,588	6,054,070
Commercial facility	9,400,000	-	3,400,000	-
Lease liabilities	186,493	326,275	183,010	250,308
Total secured current borrowings	16,761,244	6,380,345	10,048,598	6,304,378
Unsecured				
Credit cards	5,235	45,259	-	51,155
Total unsecured current borrowings	5,235	45,259	-	51,155
Total current borrowings	16,766,479	6,425,604	10,048,598	6,355,533

18 Current liabilities - Provisions

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Employee benefits	1,271,487	951,846	1,053,988	897,191

19 Other current liabilities

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Deferred revenue	-	500,000	-	-

20 Non-current liabilities - Borrowings

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Secured				
Lease liabilities	183,739	206,763	183,739	206,763

21 Deferred tax liabilities

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
The balance comprises temporary differences attributable to:				
Prepayments	66,268	836	510	-
Work in progress	-	90,551	-	-
Total deferred tax liabilities	66,268	91,387	510	-
Deferred tax liabilities expected to be settled within 12 months	66,268	91,387	510	-
Deferred tax liabilities expected to be settled after more than 12 months	-	-	-	-
	66,268	91,387	510	-

22 Non-current liabilities - Provisions

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Employee benefits - long service leave	150,462	142,726	150,462	142,726

23 Contributed equity

(a) Share capital

	2015	2014	2015	2014
	Shares	Shares	\$	\$
Ordinary shares - fully paid	60	63	30	300,032
Other shares				
Class I shares - fully paid	-	1	-	1
Class J shares - fully paid	-	1	-	1
Class K shares - fully paid	-	1	-	1
Class L shares - fully paid	-	1	-	50,000
	60	67	30	350,035

23 Contributed equity (continued)

(b) Movements in share capital

Details	Number of shares	\$
Opening balance 1 July 2013	69	350,037
Balance 30 June 2014	69	350,037
Share buy back and cancellation	(8)	(300,007)
Cancellation of shares	(1)	(50,000)
Balance 30 June 2015	60	30

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

(d) Other share classes

G, H, I, J, K and L class shareholders have the right to receive dividends as paid from time to time by and at the sole discretion of the directors to be payable only to the relevant share class independent of any other class of shares.

The holders of these shares have no entitlement to any dividend until that dividend is actually paid to the share holder, or his or her nominee.

These shares are redeemable at the option of the holder or the Company and must be redeemed:

- i) by the Company within three years of the date of allotment;
- ii) in priority to other capital obligations; and
- iii) prior to voluntary winding up or liquidation of the Company;

If these shares have not been redeemed within three years then the shares will automatically redeem on the date which is three years after the date of allotment. The amount payable by the Company on redemption is \$0.01; and

The holders of G, H, I, J, K and L class shares do not have the right to receive notice of or attend or vote at general meetings of the Company and do not have the right to capital of the Company in a winding up or repayment of the capital paid on that share other than to the same amount payable on redemption, that is \$0.01.

24 Retained earnings

Movements in retained earnings were as follows:

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Balance 1 July	1,771,276	3,488,127	990,992	2,304,612
Net profit for the year	2,034,795	783,149	2,377,172	1,186,380
Dividends	(800,000)	(2,500,000)	(800,000)	(2,500,000)
Balance 30 June	3,006,071	1,771,276	2,568,164	990,992

25 Dividends

(a) Ordinary shares

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Fully franked based on tax paid at 30%	800,000	2,500,000	800,000	2,500,000

(b) Franked dividends

The franked portions of the final dividends recommended after 30 June 2015 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 June 2016.

	Parent entity	
	2015	2014
	\$	\$
Franking credits available for subsequent reporting periods based on a tax rate of 30%	2,852,027	1,277,207

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

- (a) franking credits that will arise from the payment of the amount of the provision for income tax
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

26 Remuneration of auditors

PricewaterhouseCoopers

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
<i>Audit and other assurance services</i>				
Audit and review of financial statements	75,500	73,500	75,500	73,500
<i>Taxation services</i>				
Tax services	68,000	26,300	57,000	19,100
<i>Other services</i>				
Financial management services	60,000	60,400	60,000	60,400
Corporate registry services	4,900	4,200	350	350
Total remuneration of PricewaterhouseCoopers Australia	208,400	164,400	192,850	153,350

27 Contingencies

(a) Contingent liabilities

The Group had contingent liability at 30 June 2015 in respect of:

(i) Defects liability

The Group is liable for any defects to the BM Alliance Coal Operations Pty Ltd modular construction project for a period 5 years subsequent to the date of completion. There are currently no claims, and no provision has been recognised in the financial report for any potential future claims that may arise.

28 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

29 Reconciliation of profit after income tax to net cash inflow (outflow) from operating activities

	Consolidated entity		Parent Entity	
	2015	2014	2015	2014
	\$	\$	\$	\$
Profit for the year	2,034,795	783,149	2,377,172	1,186,380
Depreciation and amortisation	649,329	700,067	572,543	575,051
Dividend income	-	-	(500,000)	-
Net (gain) loss on sale of non-current assets	(32,120)	105,128	(32,120)	104,055
Net (gain)/loss on sale of available-for-sale financial assets	(351,381)	-	-	-
Change in operating assets and liabilities:				
(Increase) decrease in trade and other receivables	(10,313,736)	8,453,599	(1,620,285)	(2,556,141)
(Increase) decrease in inventories	301,838	(228,455)	-	-
(Increase) decrease in deferred tax assets	(675,623)	(20,064)	(373,303)	182,655
Increase (decrease) in trade and other payables	5,655,716	(6,904,331)	3,434,499	(2,750,569)
Increase (decrease) in current tax liabilities	1,494,703	(557,877)	1,292,992	(214,175)
Increase (decrease) in deferred tax liabilities	(25,119)	39,410	510	(29,962)
Increase (decrease) in other provisions	853,742	150,718	164,533	124,961
Net cash inflow (outflow) from operating activities	(407,856)	2,521,344	5,316,541	(3,377,745)

**AWX Pty Ltd
Directors' declaration
30 June 2015**

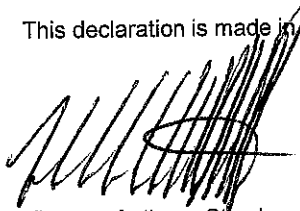
As stated in note 1(a) to the consolidated financial statements, in the directors' opinion, the Group is not a reporting entity because there are no users dependent on general purpose financial reports. This is a special purpose financial report that has been prepared to meet *Corporations Act 2001* requirements.

The financial report has been prepared in accordance with Accounting Standards and mandatory professional reporting requirements to the extent described in note 1.

In the directors' opinion:

- (a) the financial report and notes set out on pages 4 to 30 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.



Thomas Anthony Strachan
Director

Brisbane
Date: 22 December 2015



Independent auditor's report to the members of AWX Pty Ltd

Report on the financial report

We have audited the accompanying financial report, being a special purpose financial report, of AWX Pty Ltd (the company), which comprises the statements of financial position as at 30 June 2015, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for both AWX Pty Ltd and AWX Pty Ltd Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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 that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Independence

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

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Auditor's opinion

In our opinion, the financial report of AWX Pty Ltd is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Basis of accounting and restriction on distribution and use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members of AWX Pty Ltd.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Trevor Mahony'.

Trevor Mahony
Partner

Brisbane
22 December 2015