

# **Tamawood Group**

**ABN 56 010 954 499**

## **Annual Report**

**For the Year Ended 30 June 2019**

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## Chairman's Report

The results for the year for Tamawood Limited was a net profit after tax attributable to members of \$3.970 million (2018:\$8.692 million).

The final fully franked dividend for the full financial year 18/19 was paid with the interim dividend on 18 April 2019 which totalled 33 cents (including a special dividend of 6 cents). The Tamawood Board took the decision to pay both the interim and final dividend prior to the Federal Election given the heightened uncertainty around franking credits.

The deterioration of our results compared to last years, is a direct result of the fall in the housing market nationally, in particular the well above average fall in Queensland, our main source of revenue. The following chart illustrates this clearly. (HIA release July 2019)

### National Ranking Summary

Rank	State	State Score	Change in State Score	Change in Rank	Market Momentum*
1	VIC	73	-1	Unchanged	→
2	TAS	68	+12	Up 3	↑
3	NSW	64	-5	Down 2	↓
3	ACT	64	+2	Up 1	↑
5	SA	53	-2	Up 1	↑
6	QLD	52	-11	Down 3	↓
7	NT	32	3	Unchanged	→
8	WA	26	3	Unchanged	→

\*A decline in a state score of more than five is considered to be indicative of declining momentum, an increase of more than five is considered positive momentum and any positive or negative movement of less than five is considered neutral.

While the result is not as good as we would have liked, we believe we have fared far better than most in this difficult market. This is as a result of our low overhead model, ability to adapt quickly to the changing market and stability of our workforce, most of whom have been with us for a considerable number of years.

As a result of initiatives taken during last year, and in particular the changes to our marketing strategies, the outlook for the current financial year has improved. This has resulted in an increase in appointments of 26%, in the second half of FY19 compared to the first half of FY19. There are still challenges to be met as a result of tighter credit and slow council approvals, but the outlook for the current year is much improved.

- The customer share reward program continued in FY19 with 44,300 shares issued.
- I take this opportunity to thank all stakeholders in Tamawood Limited. In particular
  - Our key suppliers and subcontractors for their continued support and dedication to building our customer homes.
  - Our hard-working staff who have handled the construction obstacles that occurred during FY19.
  - Finally, I would like to thank our shareholders, I appreciate their continuous input and their support to the Board and the initiatives we are trying to implement for the benefit of all our stakeholders.

*R. Lynch.*

Mr Robert Lynch  
Non-Executive Chairman

Dated 9 August 2019

## Managing Director's Report

The fully franked dividend for FY19 was 33 cents including a 6 cent special dividend that was paid on 18th April 2019.

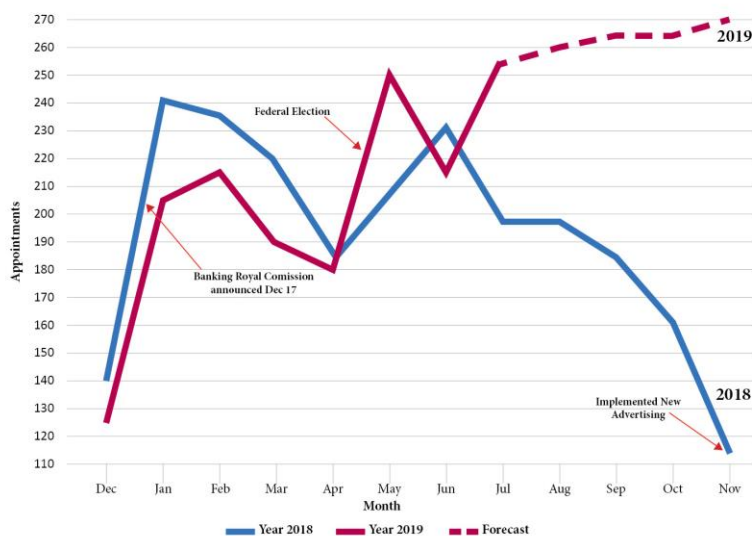
Tamawood remains debt free with a cash balance of \$4.309 million at 30<sup>th</sup> June 2019.

The profitability of the group was significantly impacted by deteriorating market conditions over the past 12 months as highlighted by the recent HIA release July 2019.

Tamawood has implemented a number of strategies to improve the performance in FY20;

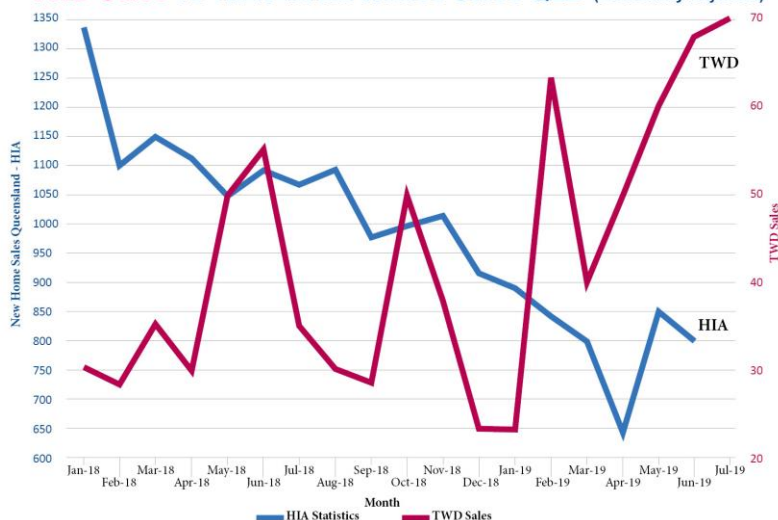
- A full review of advertising and marketing and improve the targeted spend of our advertising budget.
- Improve the range of designs for specific market segments.
- Expand our construction activities into new areas through remote regional sale offices.
- Reduce the construction build times through improved construction techniques.

### Initial Sales Appointments



\* TWD appointments include SEQ and NSW regional but do not include Franchise areas.

### TWD Sales vs HIA Private House Sales QLD (Seasonally Adjusted)



\* HIA statistics obtained from HIA New Home Sales April 2019 (a monthly update on the sales of new homes)

\*\* TWD sales include SEQ and NSW regional but do not include Franchise areas

\*\*\*TWD sales for past 2 months adjusted based on historical data of gross vs net.

*T Bartholomaeus*

Mr Tim Bartholomaeus  
Managing Director

Tamawood Group  
Annual Report 30 June 2019

## Directors' Report

### For the Year Ended 30 June 2019

The directors present their report, together with the financial statements of the Group, being Tamawood Group (the Company) and its controlled entities, for the financial year ended 30 June 2019.

#### Directors

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

<b>Names</b>	<b>Position</b>	<b>Appointed/Resigned</b>
Mr Robert Lynch	Non-executive Chairman	
Mr Lev Mizikovsky	Non-executive Director	
Mrs Laurie Lefcourt	Non-executive Director / Chairperson of the Audit Committee	
Mrs Linda Horgan	Non-executive Director	Appointed 24 January 2019
Mr Rade Dudurovic	Non-executive Director	Resigned 6 August 2018
Mr Andrew Thomas	Non-executive Director	Resigned 9 August 2018
Mr Timothy Bartholomaeus	Managing Director	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Company secretary

The following persons held the position of Joint Company Secretary at the end of the financial year:

- Mr Geoff Acton (B.Com, CA, GAICD)
- Miss Narelle Lynch ("Cert Gov Prac")

#### Principal activities

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

- contract home construction, home design and other associated activities in Australia.
- franchising and licensing operations
- generating and trading of renewable energy certificates associated with solar products

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

#### Review of operations for the year

##### Highlights

Refer to Managing Director's Report on page 2 of this report

##### Review of financial position

The net assets of the Group have decreased by \$1.525 million from \$13.523 million at 30 June 2018 to \$11.998 million at 30 June 2019.

The accompanying notes form part of these financial statements.

## Directors' Report

### 30 June 2019

#### Significant changes in state of affairs

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

#### Dividends paid

	000's
Final ordinary dividend of 16 cents per share, paid on 3 December 2018	4,097
Final and Interim fully franked ordinary dividend of 33 cents per share, paid on 18 April 2019	8,459

#### Events after the reporting date

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

#### Future developments and results

The Group will continue to focus on improvements to its automated construction administration processes and operational efficiencies whilst looking to expand and develop its construction operations in NSW, Victoria and South Australia.

#### Environmental issues

There are various local council requirements that the Group must adhere to during the construction process. The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

## Directors' Report

### 30 June 2019

#### **Mr Robert Lynch - Non-executive Chairman** **LREA, Justice of the Peace**

As Chairman of Tamawood Limited, Robert has had more than 30 years experience in residential housing construction and land development. Robert was CEO of Mirvac Homes for 17 years and Clarendon Homes for two years.

Robert is a past President of the New South Wales Housing Industry Association.

Robert has been a Non-executive Director of the Tamawood Group since 2008 and Chairman of the Group since November 2011. He is currently the Chairman of the Group's Risk Management Committee and is a member of the Nominations, Remuneration and Audit Committees.

Robert was formerly a Non-executive Director of AstiVita Limited until 16 March 2017.

#### **Mr Lev Mizikovsky - Non-executive Director** **FAICD**

Lev Mizikovsky started Tamawood in July 1989. The Company was listed on the ASX in August 2000 and in December 2000 acquired Dixon Homes. Lev is currently Non-executive Chairman of AstiVita Limited (AIR). Since 1997, Lev has been a Fellow of the Australian Institute of Company Directors (AICD). He is a substantial shareholder in a number of other Queensland Companies including Collection House Limited (CLH) and Lindsay Australia Limited (LAU). Lev is a Non-executive Chairman of Advance NanoTek Limited (ANO) since 3 March 2017, Chairman of Senterprisys Limited (SPS) and was formerly a Non-executive director of Collection House Limited (CLH).

He is currently the Chairman of the Group's Remuneration and Nominations Committees and is a member of the Risk Management and Audit Committees.

#### **Mrs Laurie Lefcourt - Non-executive Director** **GAICD**

Laurie is a Fellow of the Chartered Accountants of Australia and New Zealand, a Chartered Accountant of Ontario, Canada and a Graduate of Australian Institute of Company Directors. Laurie is currently a Non-executive Director and Audit Committee Chair of Advance NanoTek Limited (ANO) and a Non-executive Director of SenterpriSys Limited (SPS).

Laurie has had a long career in senior finance roles in private, public and government organisations and brings a substantial amount of experience in strategy, governance, risk and control to the Board.

Laurie is the Chair of Audit Committee and member of the Risk Management, Remuneration and Nomination Committees.

#### **Mrs Linda Horgan – Non-executive Director** **AAICD**

Linda has over a decade of marketing experience as the Marketing Manager of various national franchise brands and as Group Account Director with a global marketing agency, overseeing and directing major omnichannel campaigns.

Linda has a Diploma in Digital and Promotional Marketing and studied Retail Marketing, Shopper Marketing and Experiential Marketing. During this time Linda has won multiple national awards for driving sales volumes, best retail campaigns and for the marketing campaign of the year.

## Directors' Report

### 30 June 2019

#### **Mr Timothy Bartholomaeus - Managing Director GAICD**

Timothy has been with the group since 1996 commencing as a Building Designer. Since 2001 he held a number of management positions including Design and Estimating Manager, Construction Manager, Administration Manager, Premium Brands Manager and Sales & Marketing Manager.

Timothy was Chief Operating Officer from 2010 until his appointment as Managing Director and is a Director of the Group's Dixon Homes NSW operations.

Timothy has regularly attended Board Meetings since 2010 and has significantly contributed to the Board's ability to navigate through a difficult period in the aftermath of the Global Financial Crisis.

Timothy is not and has not been a director of any other publicly listed company in the past three years.

#### **Mr Rade Dudurovic - Non-executive Director (Resigned 6 August 2018) B Com (Hons), LLB (Hons), CPA**

Rade has an extensive background in private equity with strong exposure to industrial and branded consumer manufacturing and distribution businesses particularly in the Asian region. He has qualifications in commerce and law and is a CPA as well as Senior Fellow of FINSIA.

Rade is a Non-executive Director of Advance NanoTek Limited (ANO) and AstiVita Limited (AIR).

#### **Mr Andrew Thomas - Non-executive Director (Resigned 9 August 2018)**

Andrew has been involved within the building industry for over 25 years. In that time he has been involved with several large scale unit developments, land developments and constructed many spec homes. Andrew has been a member of HIA and QMBA in Queensland for almost 20 years and has a builder's licence in Queensland.

Andrew has a 27 year history with Tamawood, 20 years as a highly successful franchisor in Cairns and Townsville.

Details of each director's relevant interest in shares of the company can be found at page 13 of this report.

#### **Information on company secretary**

##### **Mr Geoff Acton B.Com, CA, GAICD**

Geoff is a chartered accountant and has a 20 year history with Tamawood in various capacities including Director, Chief Financial Officer, Company Secretary and head of Tamawood's Renewable Energy Certificates trading business, which Geoff established in 2004.

##### **Miss Narelle Lynch "Cert (Gov Prac)"**

Narelle was appointed joint company secretary on 24 May 2013.



## Directors' Report

### 30 June 2019

#### Meetings of directors

The number of meetings of directors (including committees of directors) held during the financial year and the number of meetings attended by each director were as follows:

	Directors' Meetings		Audit & Risk Committee Meetings		Remuneration & Nomination Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr Robert Lynch	11	11	4	4	2	2
Mr Lev Mizikovsky	11	11	4	4	2	2
Mrs Laurie Lefcourt	11	11	4	4	2	2
Mr Rade Dudurovic (Resigned 6 August 2018)	2	2	1	1	0	0
Mr Andrew Thomas (Resigned 9 August 2018)	2	2	1	1	0	0
Mr Timothy Bartholomaeus	11	11	4	4	0	2*
Mrs Linda Horgan (Appointed 24 January 2019)	5	9*	2	3*	0	2*

\* Attended by invitation

#### Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

#### Indemnification and insurance of officers

The Directors, Secretaries and Officers of the Group and its controlled entities are insured for liabilities that include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group.

The liabilities insured exclude any criminal, fraudulent, dishonest or malicious act or omission or improper use of information or position to gain a personal advantage.

## Directors' Report

### 30 June 2019

#### Non-audit services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The total fees to the Group's external auditors, William Buck (Qld), for non-audit services during the year ended 30 June 2019 was nil (2018 : Nil).

#### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2019 has been received and can be found on page 14 of the financial report.

#### ASIC Corporations Instrument 2016/191 rounding of amounts

The Group is an entity to which ASIC Corporations Instrument 2016/191 applies and, accordingly, amounts in the financial statements and directors' report have been rounded to the nearest thousand dollars unless otherwise stated.

## Directors' Report

### 30 June 2019

#### Remuneration report (audited)

This remuneration report for the year ended 30 June 2019 outlines the remuneration arrangements of the key management personnel of the Group, including the Directors, in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

#### Remuneration policy

The performance of Tamawood Group depends upon the quality of its key management personnel. To prosper, the Group must attract, motivate and retain highly skilled Directors and other key management personnel.

To this end, the Group embodies the following principles in its remuneration framework:

Provide competitive rewards to attract high calibre key management personnel

Link executive rewards to shareholder value

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct.

#### Non-executive Director Remuneration

##### *Objective*

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, and at a remuneration level within market rates.

##### *Structure*

The Constitution and the ASX Business Rules specify that the aggregate remuneration of Non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The latest determination was at the Annual General Meeting held on 30 November 2012 when shareholders approved an aggregate remuneration of \$300,000 per annum (inclusive of superannuation guarantee contributions). It should be noted that Directors Fees plus Superannuation for the 2019 financial year totalled \$231,018, which is below the approved remuneration. However, termination benefits were paid to two past Directors during the year resulting in the total payments including the termination benefits exceeding the approved remuneration value by \$31,018.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. Each Non-executive Director receives a fee for being a Director of the Group.

Non-executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fee is determined independently to the fees of Non-executive Directors and based on comparable roles in the market. The Chairman is not present at any discussion relating to determination of his own remuneration.

The remuneration of Non-executive Directors for the period ended 30 June 2019 is detailed in the table at page 9 to 13 of this report.

## Directors' Report

### 30 June 2019

#### Remuneration report (audited)

##### Remuneration policy

##### Other Key Management Personnel

###### *Objective*

The Group aims to reward other key management personnel with a level and mix of remuneration commensurate with their position and responsibilities within the Group and so as to:

- Align the interests of other key management personnel with those of shareholders
- Link rewards with the strategic goals and performance of the Group
- Ensure total remuneration is competitive by market standards

###### *Structure*

Remuneration consists of the following key elements:

- Fixed remuneration
- Other remuneration such as superannuation
- Discretionary bonus

##### Relationship between remuneration policy and company performance

The Remuneration Committee is cognisant of the link between Directors', and other key management personnel remuneration to the achievement of strategic goals and performance of the Group. In setting the remuneration policy the Group seeks to align key management personnel rewards with overall shareholder value creation.

The Board reviews senior management remuneration on a regular basis to ensure base remuneration and any performance payments are directly linked to the achievement of profit contribution targets.

The following table shows the gross revenue, net profits and dividends for the last five years for the Group, as well as the share prices at the end of the respective financial years. The Group has maintained a consistent dividend policy during the past five years.

	2015 \$'000	2016 \$'000	2017 \$'000	2018 \$'000	2019 \$'000
Revenue	95,319	101,753	122,949	123,562	102,869
Net profit attributable to members of the parent entity	6,416	8,049	9,066	8,692	3,970
Dividends paid	5,879	6,390	6,646	6,909	12,556
Dividends per share (cents)	23.0c	25.0c	26.0c	27.0c	49.0c
Share price at year-end (not rounded)	\$3.48	\$3.10	\$3.69	\$4.00	\$3.61
Weighted average no. of shares on issue at year end	25,559	25,559	25,567	25,587	26,019

## Directors' Report

### 30 June 2019

#### Remuneration report (audited)

The following table of benefits and payments details, in respect to the 2019 and 2018 financial years, the components of remuneration for each member of the key management personnel (KMP) of the Group.

2019	Short-term benefits			Equity-settled share-based payments	Post employment	Long-term benefits	Termination Benefits \$	TOTAL \$
	Cash salary, fees & leave \$	Bonus \$	Non-monet ary \$	Shares \$	Superannu- ation \$	LSL \$		
Non-executive directors								
- R Lynch	94,740	-	-	-	25,000	-	-	119,740
- L Mizikovsky	-	-	-	-	-	-	-	-
- L Lefcourt	55,000	-	-	-	-	-	-	55,000
- L Horgan (Appointed – January 2019)	27,125	-	-	-	-	-	-	27,125
- R Dudurovic (Resigned - August 2018)	18,333	-	-	-	-	-	50,000	68,333
- A Thomas (Resigned - August 2018)	10,820	-	-	-	-	-	50,000	60,820
Sub-total Non-executive Directors	206,018	-	-	-	25,000	-	100,000	331,018
Executive directors								
- T Bartholomaeus (Managing Director) <sup>1</sup>	194,350	40,000	26,415	-	22,263	-	-	283,028
Sub-total executive directors	194,350	40,000	26,415	-	22,263	-	-	283,028
Other KMP								
- K Waldron (Sales Manager)	131,841	2,328	-	-	11,498	-	-	145,667
- Jacqueline Rodger (Office Manager)	110,598	-	-	-	10,080	2,041	-	122,719
Sub-total Other KMP	242,439	2,328	-	-	21,578	2,041	-	268,386
TOTAL	642,807	42,328	26,415	-	68,841	2,041	100,000	882,432

2018	Short-term benefits			Equity-settle d share-based payments	Post employment	Long-term benefits	Termination benefits \$	TOTAL \$
	Cash salary, fees & leave \$	Bonus \$	Non-moneta ry \$	Shares \$	Superannu- ation \$	LSL \$		
Non-executive directors								
- R Lynch (Chairman)	99,350	-	-	-	19,870	-	-	119,220
- L Mizikovsky	47,610	-	-	-	-	-	-	47,610
- R Dudurovic	55,000	-	-	-	-	-	-	55,000
- A Thomas	43,282	-	-	-	-	-	-	43,282
- L Lefcourt (Appointed - April 2018)	11,000	-	-	-	-	-	-	11,000
Sub-total Non-executive Directors	256,242	-	-	-	19,870	-	-	276,112
Executive directors								
- T Bartholomaeus (Managing Director)	175,407	70,000	26,415	1,000	23,980	7,016	-	303,818
Sub-total Executive Directors	175,407	70,000	26,415	1,000	23,980	7,016	-	303,818
Other KMP								
- K Waldron (Sales Manager)	125,065	14,250	-	-	11,792	-	-	151,107
- Jacqueline Rodger (Office Manager)	104,171	-	-	-	9,389	408	-	113,968
-P Souter-Robertson (Franchise Manager) - Resigned January 2018	76,423	20,000	-	-	9,160	-	8,576	114,159
-P Hogan ( General Manager & Director - DixonNSW Pty Ltd) - Resigned May 2018	175,250	52,230	25,034	-	21,611	-	-	274,125
Sub-total Other KMP	480,909	86,480	25,034	-	51,952	408	8,576	653,359
TOTAL	912,558	156,480	51,449	1,000	95,802	7,424	8,576	1,233,289

## Directors' Report

### 30 June 2019

#### Remuneration report (audited)

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##### Cash performance-related bonuses

None of the key management personnel remuneration paid is performance based, with the exception of personnel detailed below.

The terms and conditions relating to bonuses granted as remuneration during the year to key management personnel during the year are as follows:

Bonuses paid and other short-term payments	Amount paid \$	Proportion of total remuneration related to performance	Proportion of remuneration not related to performance
<b>Executive Directors</b>			
T Bartholomaeus (Managing Director)	40,000	14.13%	85.87%
<b>KMP</b>			
K Waldron (Sales Manager)	2,328	1.59%	98.41%

Cash bonuses which were granted to key management personnel were awarded at the discretion of the Remuneration Committee during the financial year ended 30 June 2019. The bonuses therefore vested 100% during the financial year.

##### Service Agreements

It is the Group's policy that service contracts and employment contracts for key management personnel are open-ended, but are capable of termination on two weeks' notice. The Group retains the right to terminate the contract immediately by making payment equal to one month's remuneration in lieu of notice.

On termination, Directors and other key management personnel are entitled to receive their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. No other termination benefits are payable, except as otherwise approved by the Remuneration Committee.

Unless otherwise stated, service agreements and employment contracts do not provide for predetermined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy outlined above. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Board.

## Directors' Report

### 30 June 2019

#### Remuneration report (audited)

##### KMP Shareholdings

	Balance at Beginning of Year	Granted as Remuneration during the Year	Issued on Exercise of Options during the Year	Other Changes during the Year	Balance at End of Year
	No.	No.	No.	No.	No.
L Mizikovsky	12,382,132	-	-	1,765,545	14,147,677
R Lynch	532,052	-	-	13,302	545,354
L Lefcourt	-	-	-	-	-
L Horgan	-	-	-	-	-
T Bartholomaeus	546,260	-	-	-	546,260
	<b>13,460,444</b>	<b>-</b>	<b>-</b>	<b>1,778,847</b>	<b>15,239,291</b>

##### Other Transactions with KMP and their Related Parties

The terms and conditions, together with the amount of any transaction during the reporting period between the Group, or any of its subsidiaries, and a key management person and their related parties, are disclosed in Note 28 to the financial statements.

#### End of Remuneration Report

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



**Mr Robert Lynch**  
Non-Executive Chairman

Dated 9 August 2019

The Directors  
Tamawood Limited  
1821 Ipswich Road  
ROCKLEA QLD 4106

**Auditor's Independence Declaration under Section 307c of the Corporations Act 2001.**

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 Tamawood Limited and the entities it controlled during the period.

*William Buck*

**William Buck (Qld)**  
ABN 21 559 713 106

*M. Monaghan*

**M J Monaghan**  
Director

Brisbane 9 August 2019

**CHARTERED ACCOUNTANTS  
& ADVISORS**

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Williambuck.com



## Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

	Note	2019 000's	2018 000's
Revenue	3	102,869	123,562
Other income	3	77	130
Cost of sales		(85,961)	(99,423)
Accrued expenses adjustment (Unbilled)		1,602	271
Employee benefits expense		(7,258)	(7,911)
Depreciation expense	14	(245)	(226)
Advertising		(718)	(755)
Consultancy		(778)	(723)
Rent		(877)	-
Other operating expenses		(3,025)	(3,506)
<b>Profit before income tax</b>		<b>5,686</b>	<b>11,419</b>
Income tax expense	6	(1,716)	(2,719)
<b>Profit for the year</b>		<b>3,970</b>	<b>8,700</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<b>3,970</b>	<b>8,700</b>
<b>Profit attributable to:</b>			
Members of the parent entity		3,970	8,692
Non-controlling interest		-	8
		<b>3,970</b>	<b>8,700</b>
<b>Total comprehensive income attributable to:</b>			
Members of the parent entity		3,970	8,692
Non-controlling interest		-	8
		<b>3,970</b>	<b>8,700</b>
<b>Earnings per share</b>			
- Basic earnings per share	31	15.26	33.99
- Diluted earnings per share	31	15.26	33.99

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

The accompanying notes form part of these financial statements.

## Consolidated Statement of Financial Position As At 30 June 2019

	Note	2019 000's	2018 000's
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	8	4,309	5,455
Trade and other receivables	9	5,375	5,829
Uninvoiced completed works	10	8,042	12,193
Inventories - STC (Renewable energy certificates)	11	187	842
Other inventories	12	605	831
Other assets	13	29	454
Current tax assets	18	86	-
<b>Total Current Assets</b>		<b>18,633</b>	<b>25,604</b>
<b>Non-Current Assets</b>			
Investment in associates	22	815	255
Property, plant and equipment	14	876	677
Deferred tax assets	18	370	386
<b>Total Non-Current Assets</b>		<b>2,061</b>	<b>1,318</b>
<b>TOTAL ASSETS</b>		<b>20,694</b>	<b>26,922</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	15	3,184	4,456
Accrued expenses (Unbilled)	16	2,262	3,863
Provisions	17	577	479
Current tax liabilities	18	-	599
<b>Total Current Liabilities</b>		<b>6,023</b>	<b>9,397</b>
<b>Non-Current Liabilities</b>			
Provisions	17	260	344
Deferred tax liabilities	18	2,413	3,658
<b>Total Non-Current Liabilities</b>		<b>2,673</b>	<b>4,002</b>
<b>TOTAL LIABILITIES</b>		<b>8,696</b>	<b>13,399</b>
<b>NET ASSETS</b>		<b>11,998</b>	<b>13,523</b>
<b>EQUITY</b>			
Issued capital	19	7,647	586
Reserves	20	(479)	(479)
Retained earnings		4,682	13,268
<b>Total equity attributable to equity holders of Tamawood Limited</b>		<b>11,850</b>	<b>13,375</b>
Non-controlling interest		148	148
<b>TOTAL EQUITY</b>		<b>11,998</b>	<b>13,523</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity For the Year Ended 30 June 2019

### 2019

	Note	Ordinary Shares 000's	Retained Earnings 000's	General Reserves 000's	Non-controll ing Interests 000's	Total 000's	
Balance at 1 July 2018		586	13,268	(479)	13,375	148	13,523
Profit for the year		-	3,970	-	3,970	-	3,970
Total comprehensive income for the year		-	3,970	-	3,970	-	3,970
Transactions with owners in their capacity as owners							
Shares issued during the year	19	7,061	-	-	7,061	-	7,061
Dividends paid	7	-	(12,556)	-	(12,556)	-	(12,556)
Total transactions with owners in their capacity as owners		7,061	(12,556)	-	(5,495)	-	(5,495)
Balance at 30 June 2019		7,647	4,682	(479)	11,850	148	11,998

### 2018

	Note	Ordinary Shares 000's	Retained Earnings 000's	General Reserves 000's	Non-controll ing Interests 000's	Total 000's	
Balance at 1 July 2017		434	11,485	(479)	11,440	140	11,580
Profit for the year		-	8,692	-	8,692	8	8,700
Other comprehensive income for the year		-	-	-	-	-	-
		-	8,692	-	8,692	8	8,700
Transactions with owners in their capacity as owners							
Shares issued during the year	19	152	-	-	152	-	152
Dividends paid	7	-	(6,909)	-	(6,909)	-	(6,909)
Total transactions with owners in their capacity as owners		152	(6,909)	-	(6,757)	-	(6,757)
Balance at 30 June 2018		586	13,268	(479)	13,375	148	13,523

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows For the Year Ended 30 June 2019

	Note	2019 000's	2018 000's
<b>Cash flows from operating activities</b>			
Receipts from customers (including GST)		105,562	126,989
Payments to suppliers and employees (including GST)		(96,521)	(113,745)
Interest received		121	113
Income taxes paid		(3,630)	(4,164)
Net cash from operating activities	26	5,532	9,193
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		99	81
Payments for property, plant and equipment		(563)	(319)
Loan to related parties		-	220
Payment for investments in associates		(560)	-
Net cash used by investing activities		(1,024)	(18)
<b>Cash flows from financing activities</b>			
Dividend paid by parent entity		(7,996)	(6,909)
Shares issued by parent entity		2,342	-
Net cash used by financing activities		(5,654)	(6,909)
Net increase (decrease) in cash and cash equivalents		(1,146)	2,266
Cash and cash equivalents at beginning of year		5,455	3,189
<b>Cash and cash equivalents at end of financial year</b>	8	4,309	5,455

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

The accompanying notes form part of these financial statements.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

This financial report covers the consolidated financial statements and notes of Tamawood Group and Controlled Entities (the 'Group'). Tamawood Group is a for profit Company incorporated and domiciled in Australia and whose shares are publicly traded on the Australian Securities Exchange Limited.

The financial statements were authorised for issue by the Board of Directors on 9 August 2019.

#### 1 Summary of Significant Accounting Policies

##### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

##### Rounding of amounts

The Company is an entity to which ASIC Corporations Instrument 2016/191 rounding of amounts applies and accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

##### (b) Principles of Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

##### Non-controlling interests

Non-controlling interests (i.e. equity in a subsidiary not attributable directly or indirectly to a parent) are presented in the consolidated statement of financial position within equity separately from the equity of the owners of the parent.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (b) Principles of Consolidation

##### Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Tamawood Limited.

##### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

A list of subsidiaries is contained in Note 21 to the financial statements.

##### Associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, 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 other entity.

A list of associates is contained in Note 22 to the financial statements.

#### (c) Income Tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (c) Income Tax

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

#### Tax consolidated group

Tamawood Limited is the head entity for the income tax consolidated group. Each entity in the Group recognises its own current and deferred tax amounts which are measured using the "separate taxpayer within group" taxpayer approach for allocation. Current and deferred tax assets resulting from unused tax losses and tax credits are assumed by the parent entity. The current tax liability of each Group entity is also assumed by the parent entity. The Group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2003. The tax consolidated group has entered into tax sharing and funding arrangement.

Under the terms of the arrangement, the wholly-owned entities reimburse Tamawood Limited for any current income tax payable by Tamawood Limited arising in respect of their activities. The reimbursements are payable on the date advised by Tamawood Limited after the end of the relevant financial year. In the opinion of the Directors, the tax sharing agreement is also a valid arrangement under the tax consolidation legislation and limits the joint and several liabilities of the wholly-owned entities in the case of a default by Tamawood Limited.

#### (d) Comparative Amounts

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening consolidated statement of financial position at the earliest date of the comparative period has been presented.

#### (e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies

##### (e) Inventories

##### (i) STC (Renewable Energy Certificates)

Tamawood enters into renewable energy certificate contracts with both buyers and sellers. The renewable energy certificates are valued at the lower of cost or net realisable value. Cost of inventory is determined using the weighted average costs basis and are net of any rebates and discounts received.

##### (ii) Other Inventories

Tamawood has entered into construction development projects involving the purchase of residential lots and construction of homes on these lots for subsequent sale ("Ready-to-Occupy Homes"). Ready-to-Occupy Homes are treated as trading stock and are valued at lower of cost and net realisable value. Sales are not recognised until the date of unconditional contract. Costs are assigned on the basis of direct input costs together with an apportionment of indirect overhead expenses. The complete apportionment of these indirect costs are based on the percentage stage of completion.



## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies

##### (f) Property, Plant and Equipment

Classes of property, plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

##### Plant and equipment

Plant and equipment comprising motor vehicles, office furniture and equipment, are measured using the cost model.

##### Depreciation

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a diminishing value method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Motor Vehicles	4 - 8 years
Office Furniture and Equipment	2 - 10 years
Computer Software	5 years
Leasehold improvements	15 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies

##### (g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial Assets

Financial assets are assigned to different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

##### Financial liabilities

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included in the consolidated statement of profit or loss and other comprehensive income line items "finance costs" or "finance income".

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables, which are measured at amortised cost using the effective interest rate method.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (g) Financial instruments

##### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

#### (h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

#### (i) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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 the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cashflows.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies

##### (j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used 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 unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

##### Provision for warranties

The cost of rectification work undertaken during construction is charged as an expense in the year in which it is incurred. A provision is recognised for warranty in respect of houses constructed and products sold which are still under the statutory warranty period as at balance date. The provision for warranty has been based upon total sales for the past year and the history of claims made to date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation.

##### (k) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

##### (l) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

##### (m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies

##### (n) Revenue and other income

Revenue is recognised when it is highly probable that a significant reversal will not occur.

##### Construction Contracts

Contracts entered into are for the construction of residential homes. The construction of each home is taken to be one performance obligation. The transaction price is normally fixed at the start of the contract. When a variation for the building works is required and agreed upon per the contract the variation will be included in the transaction price and accounted for accordingly. As a result, the one performance obligation recognised and fulfilled over time and as such revenue is recognised over time.

Revenue earned is referenced to the stage of completion of the contract activity, based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Customers are invoiced on achievement of key task milestones in the construction program. Invoices are paid on normal commercial terms.

##### Renewable energy certificates

Revenue from the sale of renewable energy certificates is recognised at the point of delivery or when renewable energy certificates have been approved and are available to meet contract obligations as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those certificates.

##### Franchise revenue

Franchise revenue is recognised once a franchisee has issued progress claims for the framing stage with their customer, and the franchisee charge is a percentage of the total contract. There are additional monthly charges for hardware maintenance, advertising and any other associated costs which can be charged per contracted agreements.

##### Dividend revenue

Dividends are recognised when the entity's right to receive payment is established.

##### (o) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

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

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (p) Share based payments

The Group operates on equity-settled share based payment employee share scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense immediately with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price.

An Employee Share Plan ( 'Plan' ) has been established to enable officers, staff and contractors to participate in the capital growth of the Company. The Group follows this by allowing all Eligible Employees of the Group to be issued shares in the Company.

Offer to participate - The Board may, from time to time, at its absolute discretion, issue written offers to eligible employees, inviting them to accept shares in the Company ( 'Offer' ). The Board must make Offers on a non-discriminatory basis to at least 75% of Australian-resident permanent employees who have completed at least 3 years of service (whether continuous or non-continuous) with the Group

Restriction on disposal - A participant may not dispose of, deal in, or grant a security interest over, any interest in a share issued under the Plan until the earlier of

- the end of the period of three years commencing on the date of the issue of that share
- the date on which the participant is no longer employed by a Group company; and
- the end of any other period determined by the Board in accordance with relevant law.

Shares to rank pari passu - Shares issued under the Plan will rank equally in all respects with ordinary shares in the company for the time being on issue except for any rights attached to the shares by reference to a record date prior to the date of issue.

The Plan is in compliance with the Corporations Act and Listing Rules of ASX as amended or waived from time to time.

#### (q) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

#### Key estimates - Uninvoiced Completed Works

The Group uses the stage-of-completion based on the input method in accounting for its fixed-price contracts to deliver construction services as discussed in Note 1(n). Use of the stage-of-completion method requires the Group to estimate the work performed to date as a proportion of the total estimated cost of construction to be performed. The key management personnel regularly review actual costs against contracted budgeted costs at each milestone of the construction cycle.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 1 Summary of Significant Accounting Policies

#### (q) Critical accounting estimates and judgments

##### Key estimates - provisions

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes.

As discussed in Note 1(j), in determining the level of provisions required for warranties for construction of homes and products sold, the Group has made judgements in respect of the number of customers who will actually use the maintenance warranty and how often and the costs of fulfilling the performance of the maintenance warranty. Historical experience and current knowledge of the performance of products has been used in determining this provision. The related carrying amounts are disclosed in Note 17. The Group assesses provisions at each reporting date by evaluating conditions specific to the Group that may lead to a provision being raised. Where a future obligation for costs is to be incurred a provision is recognised.

#### (r) New and Amended Standards Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period and the group had to change its accounting policies and consider making retrospective adjustments as a result of adopting the following standards:

- AASB 9: Financial Instruments, and
- AASB 15: Revenue from Contracts with Customers.

The impact of the adoption of these standards and the respective accounting policies are disclosed in Note 1(s).

#### (s) Impact of New Standards Adopted by the Group

The Group has reviewed its accounting policy with respect to work in progress for the various residential home building contracts entered into with customers following the adoption of accounting standard AASB 15 Revenue from Contracts with Customers noting the following:

- The Group enters into contracts with customers for residential home building
- The benefit of services performed by the group is transferred to the customer by reference to the stage of completion of the contract, based on the proportion of contracts costs incurred for work performed to date relative to the estimated total contract value
- The group has no alternate use of the asset and has an enforceable right to payment for works completed to date

Prior to adopting this standard, the group had determined that this should be accounted as "Inventory -uninvoiced completed works" under AASB 102, with the carrying value stated at the aggregate of contract costs incurred plus recognised profits less recognised losses and progress billings. Under AASB 15 these are now disclosed as "uninvoiced completed works" as a construction and services contract. There is no other impact on the group.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 1 Summary of Significant Accounting Policies

##### (t) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided against early adoption of these standards. The following table summarises those future requirements, and their impact on the Group:

Standard Name	Effective date for entity	Requirements	Impact
AASB 16 Leases	1 July 2019	Significant revisions to accounting for operational leases on balance sheet by Lessees of property and high value equipment. However, exemptions for short-term leases and needed leases of low value assets will reduce the impact.	The entity will be required to recognise a right-of-use asset and lease liability for its operating leases of premises.
AASB Interpretation 23	1 July 2019	Clarifies the application of the recognition and measurement criteria in AASB112 Income Taxes where there is uncertainty over income tax treatments and requires an assessment of each uncertain tax position as to whether it is probable that a taxation authority will accept the position.	Adoption is not expected to have a material impact on the group but will depend on the facts and circumstances each year.



## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 2 Parent entity

The following information has been extracted from the books and records of the parent, Tamawood Group, and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Tamawood Group, has been prepared on the same basis as the consolidated financial statements except as disclosed below.

	2019 000's	2018 000's
<b>Statement of Financial Position</b>		
<b>Assets</b>		
Current assets	2,813	2,306
Non-current assets	7,335	7,611
<b>Total Assets</b>	<b>10,148</b>	<b>9,917</b>
<b>Liabilities</b>		
Current liabilities	45	742
Non-current liabilities	2,413	5,904
<b>Total Liabilities</b>	<b>2,458</b>	<b>6,646</b>
<b>Equity</b>		
Issued capital	7,647	586
Retained earnings	43	2,685
<b>Total Equity</b>	<b>7,690</b>	<b>3,271</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Profit for the year	9,914	6,472
Total comprehensive income	9,914	6,472

#### Guarantees

The parent entity did not have any guarantees as at 30 June 2019.

#### Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2019.

#### Contractual commitments

The parent entity did not have any contractual commitments for the acquisition of property, plant and equipment as at 30 June 2019 or 30 June 2018.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 3 Revenue and Other Income

Revenue from continuing operations

	Note	2019 000's	2018 000's
Sales revenue			
- Construction contract revenue		95,489	117,558
- Uninvoiced completed works adjustment		(4,131)	(234)
- Renewable energy certificates		10,350	4,767
- Franchise revenue		641	1,022
- Rental income		399	336
Other revenue			
- Interest revenue		121	113
<b>Total Revenue</b>		<b>102,869</b>	<b>123,562</b>
Other Income			
Other income		77	130
<b>Total other income</b>		<b>77</b>	<b>130</b>

Construction contract revenue includes \$95.5m (2018: \$117.5m) of revenue recognised for residential construction which are accounted for over time using the input method.

### 4 Expenses

The result for the year includes the following specific expenses:

	2019 000's	2018 000's
Defined contribution plan expenses	533	588
Bad and doubtful debts - trade receivables	51	185
Employee Share Scheme expenses	-	27
Rental expense on operating leases		
- minimum lease payments	396	948

### 5 Remuneration of Auditors

	2019 \$	2018 \$
Remuneration of the auditor of the parent entity, William Buck (Qld) including related entities for:		
- auditing or reviewing the financial report	70,000	70,000
	<b>70,000</b>	<b>70,000</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 6 Income Tax Expense

(a) Components of tax expense

	2019 000's	2018 000's
<b>Current tax expense</b>		
Current income tax	2,942	3,923
Adjustments in respect of current income tax of previous years	4	(773)
<b>Deferred tax expense</b>		
Relating to origination and reversal of temporary differences	(1,230)	(430)
Adjustments recognised for deferred tax of prior periods	-	(1)
	<u>1,716</u>	<u>2,719</u>

(b) Reconciliation of income tax to accounting profit

Profit before income tax from continuing operations	5,686	11,419
Prima facie income tax expense at the statutory income tax rate of 30% (2018: 30%)	1,706	3,426
The following items have affected income tax expense for the period:		
Tax effect of:		
- permanent differences	6	67
- Adjustments recognised for current tax of prior periods	4	(773)
- Adjustments recognised for deferred tax of prior periods	-	(1)
	<u>1,716</u>	<u>2,719</u>

The applicable tax rate for 2019 is 30%	30%	30%
---	-----	-----

For the 2019 financial year, the effective tax rate is 30.16 % (2018 : 23.8%). We note that the 2019 effective tax rate is in line with the effective corporate tax rate.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 7 Dividends

Dividends paid

	2019 000's	2018 000's
The following dividends were declared and paid:		
Final dividend of 16 cents (fully franked at 30%) per fully paid share paid 3 December 2018	4,097	-
Full Interim & Final dividends of 33 cents (fully franked at 30%) per fully paid share paid 18 April 2019	8,459	-
Final dividend of 16 cents (fully franked at 30%) per fully paid share paid 1 December 2017	-	4,093
Interim dividend of 11 cents (fully franked at 30%) per fully paid share paid 1 June 2018	-	2,816
<b>Total</b>	<b>12,556</b>	<b>6,909</b>

Total dividends per share

	2019 Cents	2018 Cents
Total dividends per share declared and paid	49	27

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Franking account

	2019 000's	2018 000's
Balance of franking account at year end	1,036	2,786
<b>Adjusted for franking credits arising from:</b>		
Payment of provision for income tax	(86)	599
The franking credits available for subsequent financial years at a tax rate of 30%	<b>950</b>	<b>3,385</b>

The above available balance is based on the dividend franking account at year-end adjusted for:

- (a) Franking credits that will arise from the payment of the current tax liabilities;
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The impact on the franking credit of the dividends paid during the year of the reporting period is to reduce it by \$5.38 million (2018: \$1.753 million).

The ability to use the franking credits is dependent upon the entity's future ability to declare dividends.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 8 Cash and cash equivalents

	2019 000's	2018 000's
Cash at bank	2,871	2,931
Short-term bank deposits	1,358	2,358
Other cash and cash equivalents	80	166
	<u>4,309</u>	<u>5,455</u>

#### Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	2019 000's	2018 000's
Cash and cash equivalents	4,309	5,455
<b>Balance as per consolidated statement of cash flows</b>	<u><b>4,309</b></u>	<u><b>5,455</b></u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 9 Trade and other receivables

	Note	2019 000's	2018 000's
CURRENT			
Trade receivables		288	377
Construction contract progress bills receivable		5,147	5,512
Trade and other receivables (impairments)	9(a)	(60)	(60)
<b>Total current trade and other receivables</b>		<b>5,375</b>	<b>5,829</b>

#### (a) Impairment of receivables

Reconciliation of changes in the provision for impairment of receivables is as follows:

Balance at beginning of the year	60	60
<b>Balance at end of the year</b>	<b>60</b>	<b>60</b>

#### (b) Aged analysis

The ageing analysis of trade receivables and construction contract progress bills receivable is as follows:

0-30 days	3,800	4,080
31-60 days	623	888
61-90 days (past due not impaired)	251	665
91+ days (past due not impaired)	701	196
91+ days (considered impaired)	60	60
	<b>5,435</b>	<b>5,889</b>

The amounts past due date but not impaired are those customers with good credit history and are therefore not impaired.

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. Refer to Note 29(a) for further details of credit risk management.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 10 Uninvoiced Completed Works

	Note	2019 000's	2018 000's
CURRENT			
At cost:			
Uninvoiced completed works	10(a)	8,400	12,473
Less Provision for deleted jobs		(358)	(280)
		<u>8,042</u>	<u>12,193</u>

#### (a) Construction Contracts

As per the Group's accounting policy detailed at Note 1(s), construction work in progress consists of construction costs incurred and recognised profits, less recognised losses and progress claims invoiced.

	2019 000's	2018 000's
Contract costs incurred plus recognised profits	45,649	55,257
Less: Progress claims	(37,249)	(42,784)
	<u>8,400</u>	<u>12,473</u>

#### 11 Inventories - STC (Renewable energy certificates)

	2019 000's	2018 000's
CURRENT		
At cost:		-
Inventories - STC (Renewable energy certificates)	187	842
	<u>187</u>	<u>842</u>

#### 12 Other Inventories

	2019 000's	2018 000's
CURRENT		
At cost:		
Display home and home available for sale	603	630
New South Wales developments (Land)	2	201
	<u>605</u>	<u>831</u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 13 Other assets

	2019 000's	2018 000's
CURRENT		
Prepayments and other deposits	29	454
	<u>29</u>	<u>454</u>



## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 14 Property, plant and equipment

	2019 000's	2018 000's
<b>Motor vehicles</b>		
At cost	960	1,023
Accumulated depreciation	(451)	(470)
<b>Total motor vehicles</b>	<b>509</b>	<b>553</b>
<b>Office furniture &amp; equipment</b>		
At cost	907	691
Accumulated depreciation	(663)	(574)
<b>Total office equipment</b>	<b>244</b>	<b>117</b>
<b>Computer software</b>		
At cost	62	10
Accumulated depreciation	(17)	(3)
<b>Total computer software</b>	<b>45</b>	<b>7</b>
<b>Leasehold Improvements</b>		
At cost	86	-
Accumulated depreciation	(8)	-
<b>Total leasehold improvements</b>	<b>78</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>876</b>	<b>677</b>

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 14 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

<b>Consolidated</b>	<b>Motor Vehicles 000's</b>	<b>Office Equipment 000's</b>	<b>Computer Software 000's</b>	<b>Lease Hold Improvement s 000's</b>	<b>Total 000's</b>
<b>Year ended 30 June 2019</b>					
Balance at the beginning of year	553	117	7	-	677
Additions	209	216	52	86	563
Disposals - written down value	(119)	-	-	-	(119)
Depreciation expense	(134)	(89)	(14)	(8)	(245)
<b>Balance at the end of the year</b>	<b>509</b>	<b>244</b>	<b>45</b>	<b>78</b>	<b>876</b>
<b>Year ended 30 June 2018</b>					
Balance at the beginning of year	538	131	-	-	669
Additions	260	49	10	-	319
Disposals - written down value	(85)	-	-	-	(85)
Depreciation expense	(160)	(63)	(3)	-	(226)
<b>Balance at the end of the year</b>	<b>553</b>	<b>117</b>	<b>7</b>	<b>-</b>	<b>677</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 15 Trade and other payables

	2019 000's	2018 000's
CURRENT		
Unsecured liabilities		
Trade payables	3,108	4,456
Other Payables	76	-
	<u>3,184</u>	<u>4,456</u>

All amounts are short term and the carrying values are considered to be a reasonable approximation of fair value.

#### 16 Unbilled accrued expenses

	2019 000's	2018 000's
CURRENT		
Accrued expenses (Unbilled)	2,262	3,863
	<u>2,262</u>	<u>3,863</u>

#### 17 Provisions

	2019 000's	2018 000's
CURRENT		
Employee benefits	577	479
NON-CURRENT		
Warranties	150	150
Employee benefits	110	194
	<u>260</u>	<u>344</u>

	Warranties 000's	Total 000's
	\$	\$
Opening balance at 1 July 2018	150	150
Additional provisions	-	-
<b>Balance at 30 June 2019</b>	<u>150</u>	<u>150</u>

Provision for Warranties

A provision of \$150,000 at 30 June 2019 (2018: \$150,000) has been recognised for estimated warranty claims in respect of houses constructed and products sold which are still under the statutory warranty period as at balance sheet date. The statutory warranty period as stated with the Queensland Building and Construction Commission is between 6 and 7 years of completed building work. The provision for warranties has been based upon total sales for the past year and the history of claims made to date.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 17 Provisions

#### Provision for Warranties

Refer to Note 1(j) for the relevant accounting policy and a discussion of the estimations and assumptions applied in the measurement of this provision.

#### Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current as the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The measurement and recognition criteria relating to employee benefits have been discussed at Note 1(i).

### 18 Tax

#### (a) Current tax

	2019 000's	2018 000's
Income tax refundable (payable)	86	(599)
	<u>86</u>	<u>(599)</u>

#### (b) Recognised deferred tax assets and liabilities

	Note	2019 000's	2018 000's
Deferred tax assets	18(c)	370	386
		<u>370</u>	<u>386</u>
Deferred tax liabilities	18(d)	2,413	3,658
		<u>2,413</u>	<u>3,658</u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 18 Tax

##### (c) Deferred tax assets

###### Deferred tax assets

	Opening Balance 000's	Charged to Income 000's	Closing Balance 000's
Provisions	63	-	63
Employee benefits	202	4	206
Accrued expenses	14	2	16
Deferred tax assets attributable to tax losses	90	(23)	67
Plant and equipment	7	(2)	5
Other	10	3	13

###### Balance at 30 June 2019

	Opening Balance 000's	Charged to Income 000's	Closing Balance 000's
Provisions	75	(12)	63
Employee benefits	203	(1)	202
Accrued expenses	14	-	14
Deferred tax assets attributable to tax losses	100	(10)	90
Plant and equipment	2	5	7
Other	9	1	10

###### Balance at 30 June 2018

##### (d) Deferred tax liability

###### Deferred tax liability

	Opening Balance 000's	Charged to Income 000's	Closing Balance 000's
Work in progress	3,658	(1,245)	2,413

###### Balance at 30 June 2019

	Opening Balance 000's	Charged to Income 000's	Closing Balance 000's
Work in progress	4,105	(447)	3,658

###### Balance at 30 June 2018

	Opening Balance 000's	Charged to Income 000's	Closing Balance 000's
Work in progress	4,105	(447)	3,658

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 19 Issued Capital

	2019 000's	2018 000's
27,612,589 (2018: 25,604,864) Ordinary shares fully paid	7,647	586
	<b>7,647</b>	<b>586</b>

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

##### (a) Movement in ordinary shares

	2019 000's	2018 000's
At the beginning of the reporting period	586	434
Shares issued under capital raising	2,342	-
Dividend re-investment	4,560	-
Shares issued under the Employee Share Scheme and Customer reward program	159	152
<b>At the end of the reporting period</b>	<b>7,647</b>	<b>586</b>

	2019 No.	2018 No.
At the beginning of the reporting period	25,604,864	25,567,576
Shares issued during the year		
- Shares issued under capital raising	641,548	-
- Dividend re-investment	1,321,877	-
- Employee Share Scheme and Customer reward program	44,300	37,288
<b>At the end of the reporting period</b>	<b>27,612,589</b>	<b>25,604,864</b>

##### (b) Capital Management

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

The Group is required to maintain a current ratio greater than 1:1 under its licensing conditions with the Queensland Building and Construction Commission and the NSW Home Owners Warranty Scheme.

The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in the statement of financial position.

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.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 19 Issued Capital

##### (c) Dividend Re-investment Plan

The Dividend Re-investment Plan was reinstated on 18 April 2019 and remains in place since that date.

#### 20 Reserves

	2019 000's	2018 000's
<b>Transactions with Non-Controlling Interest (NCI) reserve</b>		
Opening balance	(479)	(479)
<b>Ending balance</b>	<b>(479)</b>	<b>(479)</b>

The Transactions with NCI Reserve is used to record the differences described in note 1(b) which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

#### 21 Interests in Subsidiaries

##### (a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) <sup>*</sup> 2019	Percentage Owned (%) <sup>*</sup> 2018
<b>Subsidiaries:</b>			
Dixonbuild Pty Ltd	Brisbane, Australia	100	100
DixonConstruct Pty Ltd	Brisbane, Australia	100	100
Dixon NSW Pty Ltd	Sydney, Australia	100	100
DixonRes Pty Ltd	Brisbane, Australia	100	100
Dixon Systems Pty Ltd	Brisbane, Australia	100	100
SolarpowerRex Pty Ltd	Brisbane, Australia	70	70
SolarRex Pty Ltd	Brisbane, Australia	70	70
TamawoodL Pty Ltd	Brisbane, Australia	100	100

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

##### (b) Significant restrictions relating to subsidiaries

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

##### (c) Non-controlling interests

None of the Group's subsidiaries have non-controlling interests that are material to the Group.

##### (d) Transactions with Non-controlling interests

Note: the increase / decrease to parent equity is recorded in the Transactions with Non-controlling Interest reserve.

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 22 Investment in Associates

	Principal place of business / Country of Incorporation	Percentage Owned (%) <sup>*</sup> 2019	Percentage Owned (%) <sup>*</sup> 2018
<b>Associates:</b>			
Senterprisys Limited (Formerly Resiweb Limited)	Brisbane, Australia	23.13	23.53

\*The percentage of ownership interest held is equivalent to the percentage voting rights for all associates.

All associates have the same year end as the parent entity.

There are no significant restrictions on the ability of associates to transfer funds to the Group in the form of cash dividends or to repay loans or advances made by the entity.

#### Senterprisys Limited (Formerly Resiweb Limited)

Senterprisys Limited is a public company that is developing a software system including back-office and client interface processes to support small home builders. The Group's interest in the company represents a strategic investment.

On 31 July 2018 the Group participated in the share issue conducted by Senterprisys Limited. Tamawood Limited received 5,109,361 shares at 8.8 cents for a total of \$449,624. On 5 February 2019 Tamawood purchased a further 1,097,801 shares for \$109,780. Senterprisys Limited is now listed on the NSX, effective from 5 February 2019.

### 23 Capital and Leasing Commitments

#### (a) Operating Leases

	2019 000's	2018 000's
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	1,238	1,219
- later than one year but not later than five years	3,391	2,942
- later than five years but not later than ten years	2,722	3,087
	<u>7,351</u>	<u>7,248</u>

Operating lease commitments are comprised of various leases for office premises. The leases are non-cancellable with varying terms of between two and five years. Provisions within the lease agreements require that minimum lease payments be increased by the change in consumer price index (CPI) on an annual basis.

#### (b) Other Commitments

The Group had no other significant capital expenditure or lease commitments at 30 June 2019 (30 June 2018: None).



## Notes to the Financial Statements For the Year Ended 30 June 2019

### 24 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2019 (30 June 2018: None) except as follows:

From time to time the Group receives claims from its customers and third parties in relation to rectification to building faults and other claims. The Directors' believe that these types of claims currently outstanding are not material to the results of the financial statements and in any case can be resolved with the respective parties. Other legal claims are adequately covered by its insurance and it is unlikely that the Group will be required to meet the costs of the claims, apart from the normal insurance excess requirements.

#### Contingent Assets

At the reporting date the Group had no contingent assets.

### 25 Operating Segments

#### Segment information

The Group has identified it has one operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. There were 4 operating segments based on the internal reporting no longer used by the Board.

### 26 Cash Flow Information

#### Reconciliation of profit for the year to net cash from operating activities

	2019 000's	2018 000's
Profit after income tax for the year	3,970	8,700
Adjustments for non-cash items in profit:		
- depreciation	245	226
- net (gain)/loss on disposal of property, plant and equipment	20	3
- Employee share scheme expense	159	152
Net changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	454	1,179
- (increase)/decrease in prepayments	501	(170)
- (increase)/decrease in inventories	5,032	1,315
- (increase)/decrease in deferred tax receivable	16	17
- increase/(decrease) in trade and other payables	(1,348)	(452)
- increase/(decrease) in income taxes payable	(685)	(317)
- increase/(decrease) in deferred tax liabilities	(1,245)	(447)
- increase/(decrease) in provisions	14	(42)
- increase/(decrease) in Unbilled accrued expenses	(1,601)	(971)
<b>Net cash from operating activities</b>	<b>5,532</b>	<b>9,193</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 27 Key Management Personnel Disclosures

Key management personnel remuneration included within employee expenses and consultancy expenses for the year is shown below:

	2019	2018
	\$	\$
Short-term employee benefits	711,550	1,120,487
Long-term benefits	2,041	7,424
Post-employment benefits	68,841	95,802
Termination benefits	100,000	8,576
Employee share scheme - Share-based payments	-	1,000
	<b>882,432</b>	<b>1,233,289</b>

The Remuneration Report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2019.

#### 28 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Amounts receivable from related parties for the sale and purchase of goods and services are unsecured and interest free and are included in the balances of trade and other receivables. Balances are settled within normal trading terms or as per agreement with the Board. No provisions for doubtful debts have been recognised on these outstanding balances, nor have any bad debt expenses been incurred.

(a) The Group's main related parties are as follows:

*(i) Key management personnel:*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel ('KMP').

AstiVita Limited and Advanced Nano Technologies Ltd. (ANO) are deemed to be related parties of Tamawood Limited by virtue of Mr L Mizikovsky, Non-executive Director of Tamawood Limited, having a controlling interest in AstiVita and ANO. Transactions between the Group and the above related parties are disclosed below.

Transactions with KMP and their related parties, excluding remuneration, are shown below. Amounts disclosed below are rounded to the nearest dollar.

For details of remuneration disclosures relating to KMP, refer to Note 27 and the remuneration report in the Directors' Report.

*(ii) Entities subject to significant influence by the Group (associates):*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

The Group's only associate is Senterprisys Limited as detailed in Note 22.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 28 Related Party Transactions

##### (b) Transactions with related parties

##### *(i) Sale of goods and services*

	2019	2018
	\$	\$
<i>Key management personnel:</i>		
<b>Mr L Mizikovsky - Non-executive Director</b>		
Sales to an entity controlled by Mr L Mizikovsky		
- for construction materials supplied by Dixonbuild Pty Ltd	54,478	22,815
- for miscellaneous services	-	342,403
- insurances	10,400	10,000
<b>Mr G Acton - Joint Company Secretary</b>		
- Rent collected on leased property & miscellaneous services	56,021	6,542
<b>Mr R Lynch - Non-executive Director</b>		
- Recovery of travel charges by Dixonbuild Pty Ltd.	-	5,095
<b>Mr A Thomas - Non-executive Director (Resigned - August 2018)</b>		
- franchise fees to Dixon Systems Pty Ltd	211,261	278,579
- insurance fees charged by Tamawood Ltd	4,550	3,900
<b>Mr. T Bartholomaues - Managing Director</b>		
- for construction materials supplied by Dixon Build Pty Ltd	8,540	-
<b>Mrs P Bartholomaeus - Sr. Designer, Dixon Systems Pty Ltd</b>		
- Insurance fees charged by Tamawood Ltd	650	650
- Construction of home under normal commercial terms	-	478,444

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 28 Related Party Transactions

##### (b) Transactions with related parties

	2019	2018
	\$	\$
<i>Related party</i>		
<b>AstiVita Limited</b>		
- Sales to AstiVita for advertising, IT & admin and lease of premises	29,894	21,006
- Sales of PV Panels	204,968	-
<b>Advanced NanoTek Limited</b>		
- Sales to ANO for IT and administration services	12,086	13,345
- Rent on sub-leased property	82,618	-
<i>Associates:</i>		
<b>Senterprisys Limited (Formerly Resiweb Limited)</b>		
- Accounting and general services provided	8,115	7,966
- Rent collected on leased property	26,974	34,931
- Insurance fees charged by Tamawood Ltd.	1,300	1,300
<b>CyberguardAU Pty Ltd</b>		
- Rent on sub-leased property	6,381	-
<i>(ii) Purchase of goods and services</i>		
	2019	2018
	\$	\$
<i>Key management personnel:</i>		
<b>Mr L Mizikovsky - Non-executive Director</b>		
- Lease of premises from an entity controlled by Mr L Mizikovsky	224,138	498,691
- Management Services	4,000	-
<b>Mr R Lynch - Non-executive Director</b>		
<b>Mr A Thomas - Non-executive Director (Resigned 9 August 2018)</b>		
- Purchase of renewable energy certificates from an entity controlled by Mr A Thomas	27,664	33,448
<b>Mr P Hogan - General Manager, Dixon NSW Pty Ltd (Resigned May 2018)</b>		
- Remuneration as General Manager of Dixon NSW Pty Ltd	-	274,125
<b>Mr G Acton - Joint Company Secretary</b>		
- Provision of management services to SolarpowerRex Pty Ltd	140,394	48,000
- Provision of consulting, secretarial and payroll services to subsidiaries within the Group	93,178	142,677
<b>Mrs P Bartholomaeus - Senior Designer, Dixon Systems Pty Ltd (Resigned January 2019)</b>		
- Remuneration	86,028	86,973

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 28 Related Party Transactions

##### (b) Transactions with related parties

	2019	2018
	\$	\$
<i>Related party</i>		
<b>AstiVita Limited</b>		
- Purchase of materials including bathroom, kitchen and solar products	935,627	1,591,695
<i>Associates:</i>		
<b>Senterprisys Limited (Formerly Resiweb Limited)</b>		
- Computer support services provided to the Group	526,356	575,286
<b>CyberguardAU Pty Ltd</b>		
- Software services provided to the Group	3,022	-
<b>Winothai Pty Ltd</b>		
- Management services provided to the group	4,125	-
<b>Bart Inc Family Trust</b>		
- Provision of management services to Solarpowerrex Pty Ltd	1,378	-
<i>(iii) Outstanding balances</i>		
	2019	2018
	\$	\$
<i>Key management personnel:</i>		
<b>Mr L Mizikovsky - Non-executive Director</b>		
- Amounts receivable for construction material supplied and miscellaneous services by Dixonbuild Pty Ltd	12,187	2,594
<b>Mr A Thomas - Non-executive Director (Resigned 9 August 2018)</b>		
- Amounts receivable by Dixon Systems Pty Ltd for franchise fees	46,702	31,342
- Amounts payable by SolarpowerRex Pty Ltd	-	7,608
<i>Related party</i>		
<b>AstiVita Limited</b>		
- Amounts receivable for sales	228,143	357
- Amounts receivable for IT & admin services and rent	1,136	2,336
<i>Associates</i>		
<b>Senterprisys Limited (Formerly Resiweb Limited)</b>		
- Amounts payable for purchases from Dixonbuild Pty Ltd and Dixon Systems Pty Ltd	853	-
- Amounts receivable for accounting services by Dixonbuild	-	649
<b>Advance NanoTek Limited</b>		
- Amount receivable for sales	6,498	606
- Amount receivable for IT & tenant services	14,832	1,705
<b>G&amp;S Quality Systems Pty Ltd</b>		
- Amount receivable for sales	105	-

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 29 Financial Risk Management

This note discloses the Group's objectives, policies and processes for managing and measuring these risks.

The Group is primarily exposed to the following financial risks:

- Market risk - interest rate risk
- Credit risk
- Liquidity risk

Objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and whilst remaining ultimately responsible for them, it has delegated the authority to management for developing and operating processes that ensure the effective implementation of the objectives and policies of the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impact of these risks on the results of the Group where such impact may be material.

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and accounts payable.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Specific information regarding the mitigation of each financial risk to which the Group is exposed is provided below.

##### (a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The objective of the Group is to minimise the risk of loss from credit risk exposure.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

There is no significant concentration of credit risk with respect to current and non-current receivables as the Group has a large number of customers. The nature of the Group's business is such that 90% (2018: 90%) of the Group's current trade receivables were individual construction contracts which were secured by external lending institutions. The largest single construction receivable was \$172,044 (2018: \$234,868) and has been fully received. The remainder of the Group's current trade receivables is represented by debtors of the Franchise segment. The largest single receivable was for \$91,151 (2018: \$98,173). Therefore, the Group does not have any material credit risk exposure to any single receivable or group of receivables. The Board believe that the Group's receivables are adequately diversified therefore ensuring the Group does not have significant credit risk.

The Group's maximum exposure to credit risk, without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments in relation to each class of recognised financial asset at reporting date is the carrying amount of those assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 9. Refer to Note 9 for an ageing analysis and movement in provision for impairment of receivables.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 29 Financial Risk Management

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

##### (b) Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due (e.g. funding work-in-progress).

The Group's policy is to ensure, as much as possible, that it will always have sufficient cash to allow it to meet its liabilities when they become due, under normal and stressed conditions. The Group is required to maintain a current ratio of 1:1 under its licensing conditions with the Queensland Building and Construction Commission and NSW Home Owners Warranty Scheme. The Group achieves the required ratios by holding sufficient cash in liquid form and carefully monitoring the timing of its commitments.

At the reporting date, the Group is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

	2019 000's	2018 000's
Current assets	18,633	25,604
Current liabilities	(6,023)	(9,397)
<b>Working capital</b>	<b>12,610</b>	<b>16,207</b>

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

	Within 1 to 6 months		6 months to 1 year		1 to 5 Years		Total *	
	2019 000's	2018 000's	2019 000's	2018 000's	2019 000's	2018 000's	2019 000's	2018 000's
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	5,446	8,319	-	-	-	-	5,446	8,319
Total contractual outflows	5,446	8,319	-	-	-	-	5,446	8,319

\* The total contractual cash flows approximate the carrying amounts as presented in consolidated statement of financial position

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 29 Financial Risk Management

##### (c) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising return. Market risk exposures comprise mainly interest rate risk.

##### (i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

Interest rate risk is managed by ensuring that any excess cash within the Group is utilised in reducing any borrowing facilities. The Group repaid its borrowing facilities during the 2012 financial year and currently have no borrowings.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +/-1% (2018: +/-1%). These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

Consolidated	2019		2018	
	\$'000s		\$'000s	
	+1%	1%	-	
Profit	43	(43)	54	(54)
Equity	43	(43)	54	(54)

The movements in profit are due to higher/lower interest received from cash balances. The sensitivity analysis is performed on the same basis as in the prior year other than the change in relevant risk variable.

##### (d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The Group's financial assets and financial liabilities consist only of short-term trade receivables and payables. Due to the short-term nature of trade receivables and payables, the carrying amounts as presented in the consolidated statement of financial position are assumed to approximate their fair values.

#### 30 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.



## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 31 Earnings per Share

(a) Earnings used to calculate overall earnings per share

	<b>2019</b>	<b>2018</b>
	<b>000's</b>	<b>000's</b>
Profit attributable to members of the parent entity used in the calculation of basic and diluted EPS	<b>3,970</b>	8,692

(b) Weighted average number of shares used

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	<b>26,018,865</b>	25,587,310

## Notes to the Financial Statements For the Year Ended 30 June 2019

### 32 Company Details

The registered office of the company is:

Tamawood Group  
1821 Ipswich Road  
Rocklea QLD 4106

The principal places of business are:

**Dixon Homes**

1821 Ipswich Road  
Rocklea  
Queensland 4106

**Dixon Homes**

684 Nicklin Way  
Currimundi  
Queensland 4572

**Dixon Homes**

Shop 1, 10 Kerr St.  
Ballina  
New South Wales 2478

**Dixon Homes**

Unit 1, 50 Lawrence Drive  
Nerang  
Queensland 4211

**Dixon Homes**

Suite 11, 39 Old Cleveland Rd  
Capalaba Business Centre  
Queensland 4157

**Dixon Homes**

992 Gympie Road  
Chermside  
Queensland 4032

**Dixon Homes**

12A, 189 Anzac Ave  
Toowoomba  
Queensland 4350

**Dixon NSW**

Unit 2/141 Gordon St.  
Port Macquarie  
New South Wales 2444

**Dixon Homes**

Unit 4/19 Tamborine St.  
Jimboomba  
Queensland 4280

**Dixon Homes**

4424 Warrego Highway  
Plainlands  
Queensland 4341

**Dixon NSW**

137 Melbourne St.  
East Maitland  
New South Wales 2323

**Dixon NSW**

Shop 3, 245 Princes Hwy,  
Albion Park  
New South Wales 2527

**Dixon Homes**

2/5 River Road,  
Gympie  
Queensland 4570

**Dixon Homes**

178 Pacific Highway  
Coffs Harbour  
New South Wales 2450

## Directors' Declaration

### 30 June 2019

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2019 are in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements and:
  - a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position and performance of the consolidated group;
2. the Managing Director has given the declarations required by Section 295A that:
  - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
  - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
  - c. the financial statements and notes for the financial year give a true and fair view.
3. in the directors' opinion, there are reasonable grounds to believe that the Company 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 the Board of Directors.



**Mr Robert Lynch**  
Non-Executive Chairman

Dated 9 August 2019

## Independent Audit Report to the members of Tamawood Group

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Tamawood Limited. (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Uninvoiced completed works and revenue recognition	
Refer also to note 1(n), 1(q) 1(s) and 10	How our audit addressed it
<p>Uninvoiced completed works of \$8.042million is significant to the financial statements.</p> <p>Uninvoiced completed works is based on the application of AASB 15 Revenue from Contracts with Customers, with revenue recognised in accordance with</p>	<p>Our audit procedures included:</p> <p>On a sample basis, performing site inspections throughout the financial year to determine the status of construction projects and compared this to the Group's accounting records and construction information system;</p>

Tamawood Group  
Annual Report 30 June 2019

#### CHARTERED ACCOUNTANTS & ADVISORS

Level 21, 307 Queen Street  
Brisbane QLD 4000  
GPO Box 563  
Brisbane QLD 4001  
Telephone: +61 7 3229 5100  
Williambuck.com

## Independent Audit Report to the members of Tamawood Group

<p>the stage of completion based on the input method. The calculation of the stage of completion of the contract activity is based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs and is material to the estimation of revenue to be recognised in the financial statements.</p>	<p>Testing the design and operation of controls regarding the recognition of revenue and work in progress;</p> <p>Analysis of data contained in the construction information system, including tracing back to individual contracts;</p> <p>Substantive tests of details in respect of tracing to individual contracts, bank statements and construction information system and accounting records;</p> <p>Analytical procedures in respect of gross margin, number of contracts signed, progress payments received and constructions completed.</p> <p>We have also assessed the adequacy of disclosures in the notes to the financial statements.</p>
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### Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related

Tamawood Group

Annual Report 30 June 2019

## Independent Audit Report to the members of Tamawood Group

to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf)

This description forms part of our independent auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 13 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Tamawood Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

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.

*William Buck*

**William Buck (Qld)**  
ABN 21 559 713 106

*M. Monaghan*

**M J Monaghan**  
Director  
Brisbane 9 August 2019

Tamawood Group  
Annual Report 30 June 2019

## Shareholder Information

### ASX Additional Information

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

### Substantial shareholders

The number of substantial shareholders and their associates are set out below:

### Voting rights

#### Ordinary Shares

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Voting rights of shareholders are governed by the Company's Rules. In summary, a shareholder is entitled to exercise one vote for each share on any question arising from a meeting of the Company.

Members wishing to appoint proxies may do so in accordance with the Corporations Act 2001 and Rules of the Company.

### Distribution of equity security holders

Holding	No. of Shares	No. of Holders
1 – 1,000	273,702	1,144
1,001 – 5,000	1,766,462	618
5,001 – 10,000	1,582,136	209
10,001 – 100,000	4,518,673	201
100,001 and over	19,471,616	21
	<hr/> 27,612,589	<hr/> 2,193

## Corporate Governance Statement

30 June 2019

The objective of the Board of Tamawood Limited ("Tamawood") is to create and deliver long term shareholder value through a range of diversified but interrelated activities around home design, project management services and home contract construction.

Tamawood and its subsidiaries operate as a single economic entity under a unified Board and management. As such, the Board's corporate governance arrangements apply to all entities within the economic Group ("the Group").

Tamawood Limited has adopted the recommendations of the ASX Corporate Principles and Recommendations Edition 4. Tamawood has completed and lodged an Appendix 4G and Corporate Governance Statement in conjunction with the lodgement of its Annual Report. Tamawood has clearly explained in its governance strategy where principles have been adopted and if not why not.

The company's charters, committees and corporate governance principles are on our website [www.tamawood.com.au](http://www.tamawood.com.au)

## Shareholder Information

### Twenty largest shareholders

	Number held	% of issued shares
RAINROSE PTY LTD	6,827,532	24.73
ANKLA PTY LTD	5,401,512	19.56
NOWCASTLE PTY LTD	1,326,718	4.80
MUTUAL TRUST PTY LTD	1,183,850	4.29
RIPELAND PTY LTD	526,779	1.91
STODDART BUILDING PRODUCTS PTY LTD	519,151	1.88
MR ROBERT PATRICK LYNCH + MS SINEAD JOSEPHINE LYNCH <LYNCH FAMILY S/F A/C>	512,500	1.86
MR TIMOTHY MARK BARTHOLOMAEUS + MS PATRESE CAROLINE BARTHOLOMAEUS <BART INC FAMILY A/C>	460,000	1.67
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	417,643	1.51
MR ANDREW THOMAS + MRS TANIA THOMAS <AB THOMAS SUPER FUND A/C>	375,225	1.36
SKYLEVI PTY LTD <SUPERFUN SUPER FUND A/C>	333,983	1.21
CITICORP NOMINEES PTY LIMITED	287,090	1.04
SUNSTAR AUSTRALIA PTY LTD	255,263	0.92
MR ANDREW BARRY THOMAS	210,779	0.76
ROLLEE PTY LTD	141,688	0.51
GENERAL PACKAGING PTY LTD	125,131	0.45
MRS MEREDITH BERNICE KUHNEMANN	125,000	0.45
J & P CHICK PTY LIMITED <J & P CHICK PTY LTD S/F A/C>	123,000	0.45
KIRKFARE PTY LTD	110,526	0.40
MIZI SUPERANNUATION PTY LTD <MIZI SUPER FUND A/C>	107,145	0.39
	<b>19,370,515</b>	<b>70.15</b>

### Securities exchange

The Company is listed on the Australian Securities Exchange (ASX code: TWD).

### Share registry

The register of security holders of the Company is kept at the office of Computershare Investor Services Pty Limited.

Level 1, 200 Mary Street  
Brisbane QLD 4000

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