ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING

Appendix 4E

Year Ended 30 June 2019

Lodged with the ASX under Listing Rule 4.3A

30 August 2019

The following information should be read in conjunction with the attached Annual Report.

1. DETAILS OF REPORTING PERIODS:

The current reporting period is the 52 weeks to 30 June 2019. The previous corresponding reporting period was from 1 July 2017 to 1 July 2018 reflecting our move to a 4-4-5 week based calendar in line with the group's weekly reporting calendar. The consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position relates to Ashley Services Group Limited ("ASH" and its controlled entities).

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET:

Results:

		Change %	Change	Amount $'000
Revenue from ordinary activities	Down	13.6%	To	287,570
Profit from ordinary activities after tax attributable to members	Up	13.3%	To	5,424
Profit for the year attributable to members	Up	13.3%	To	5,424

Refer to Chairman and Managing Director's review in the Annual Report and separate results presentation for commentary on the results.

Control gained over entities:

Not applicable.

Loss of control over entities:

Not applicable.

Details of interests in significant joint ventures and associates:

Not applicable.

Dividend re-investment plans:

Not applicable.

Dividends:

	Record Date	Payment Date	Cents per Share	Franked Amount per Share (Cents)
Final Dividend - 2019	28 August 2019	6 September 2019	2.7	2.7

Additional Information:

	2019	2018
Net tangible assets / (liabilities) ($000)	23,424	21,651
Shares on Issue	143,975,904	143,975,904
Net tangible assets / (liabilities) per share ($)	**0.163**	**0.150**

Audit qualification or review:

The audited financial statements are attached.

Ross Shrimpton

Managing Director

Sydney, 30 August 2019

ASHLEY SERVICES GROUP

LABOUR HIRE | RECRUITMENT | TRAINING

ACTION WORKFORCE

ashley institute of training

Concept Engineering

Australian Institute of Vocational Development

concept Recruitment Specialists

INTEGRACOM

BLACKADDER RECRUITMENT

national institute of training

TRACMIN Training Action Motivating Industry

Annual Report 2019

Ashley Services Group Limited Annual Report 2019

Chairman and Managing Director's Review

MR IAN PRATT AND MR ROSS SHRIMPTON

FY19 was a continuation of recent positive profitability growth for Ashley Services Group. As flagged prior to the end of our FY18 financial year, Action Workforce saw a decrease in revenue following the exit of a low margin contract. Concept Engineering, after a few periods of year on year significant growth saw a temporary lull due to a downturn in demand from Q2 onwards. Despite these factors it is a testament to the strength of our business that we were able to deliver a pleasing lift in profitability. Our strategic decision taken back in early 2017 to reposition Ashley Services as a Labour Hire company with a focused, complementary Training division continues to have been the right move for our organisation.

Our Labour Hire division is the driving force and we are delighted to report that despite a combined 14% drop in Labour Hire revenue as outlined below, overall Labour Hire EBITDA of $11.46 million was down just $0.32 million on the $46.5 million revenue decline. Coming from this lower revenue base it is very pleasing to see our EBITDA % lift 49bps to 4.10%.

With Labour Hire profitability down slightly, it was exciting to see our Training division step up with a much improved result from steady growth throughout the year. This improvement in Training along with further Corporate cost reductions enabled us to deliver the pleasing profitability lifts evidenced by our FY19 result.

The impressive safety performance of our Labour Hire division continues, with injury rates at record lows over the last three years, continuing a long history of industry-leading results for our employees and our corporate partners. Our safety record is world's best practice and something we are extremely proud of and which is a direct consequence of our strenuous on-boarding programmes, closely partnering with our customers, and also an absolute commitment to continued innovation across our Workplace Health & Safety programmes.

Corporate costs are now under $3.4 million, down a further $0.4 million or 11%. Since FY16 we have managed to deliver a $2.3 million or just over 40% reduction in corporate costs (FY16: $5.7 million).

Operating cash flow was strong in the second half, recovering from an inflow of just $0.3 million at the half due to peak period seasonality, to end at an overall $4.8 million inflow for the year (FY18: $3.2 million).

Our strong cash flow performance has seen us again close the year with zero debt and a solid cash balance after the resumption of dividends during the year. We are also pleased we have been able to lift our dividend payment by 8% on the back of our improved result for FY19.

FY19 also saw us conclude a class action dating back to 2014 which was launched in the courts back in December 2016. The Deed of Settlement was signed in December 2018 by all parties without admission of liability by any party and was subsequently approved by the Federal Court in June 2019. There was no negative impact on our FY19 financial results as the result of the resolution.

Chairman and Managing Director's Review

LABOUR HIRE DIVISION

Action Workforce delivered an 8.5% growth in revenue, excluding the exited contract, with a significant new customer coming on board, as well as strong growth across many of our existing customers by increasing market share and/or adding locations. Growth also resulted from the development of some higher margin business lines which bode well for the future business mix in Action.

Concept Engineering, which has grown at rates of 70% (FY17) and 58% (FY18), came back a little in FY19 as the Victorian market softened for us, particularly in the rail sector, no doubt impacted by a general slowdown around the state election. We have seen a lift in the first part of the new financial year, and we maintain a positive outlook for this business.

Our Concept Engineering brand has successfully grown a permanent recruitment revenue stream during FY19. We are looking to build on this through the development of a meaningful white-collar permanent recruitment division under a new brand, Concept Recruitment Specialists, based out of four locations in Sydney including a new Western Sydney office. Our existing Blackadder brand will focus more on white collar temp and contracting activity complementing our Action Workforce customer base.

TRAINING DIVISION

The Training division benefited from a strong recovery in our Victorian business which more than doubled its revenue in FY19, driving a pleasing profit result. Our Western Australian operations remain profitable on similar revenue levels as prior year, whilst Queensland saw modest revenue growth following the opening of two new branches focused on the job network market.

In total, the Training division in FY19 delivered a pleasing $1 million EBITDA from what was basically a breakeven result in FY18. Revenues were up $1.3 million or 19%, with Victoria the key driver of this growth.

The Training division has grown steadily throughout FY19 and we anticipate that this steady growth trend will continue for the year ahead.

We remain committed to ensuring a culture of compliance sits above everything we do in our Training division. Strong processes and practices protect our position in the industry as a highly trusted, quality training partner for our customers, students, and also for the relevant government authorities who control many aspects of the training sector and its associated government funding schemes.

Chairman and Managing Director's Review

DISCUSSION ON RESULTS

Earnings and result

Earnings

Net profit after tax ("**NPAT**") for the financial year ended 30 June 2019, was a profit of $5.4 million (FY18: profit $4.8 million) driven by a strong performance from the Labour Hire division, an improving Training division and further reduction in Corporate overheads.

Key elements within the result include:

Revenues

Group Revenue at $287.6 million decreased by $45.2 million (-13.6%) from the comparative period. The prior period included $59.2 million of revenue related to a single Action Workforce contract exited at the end of FY18 as previously outlined. Excluding this prior period revenue, full year revenue for the group was up by $13.9 million or 5.1%.

Labour Hire revenues for the year were up $12.7 million or 4.7% (excluding prior year contract exit revenues), with Action Workforce up 8.5%, Concept Engineering down 10.3% and Blackadder Recruitment up 4.8%.

Training revenues were up by $1.27 million or 19.0% with Victoria more than doubling its revenue across the year.

Earnings before interest taxes depreciation and amortisation ("EBITDA")

Group EBITDA for the financial year was a profit of $9.1 million, up $1.1 million or 13.8% on the prior corresponding period (FY18: profit of $8.0 million).

- Labour Hire EBITDA of $11.5 million, was down $0.3 million or 2.7% on the prior corresponding period (FY18: $11.8 million), despite the loss of $59.2 million of revenue related to the exited contract. EBITDA margin at 4.10%, was up from 3.61% for the prior corresponding period, due in part to the lower revenue base, as well as continuing operational efficiency improvements.
- Training EBITDA of $1.0 million was a strong recovery from last year's breakeven position (FY18: $0.04 million) with the growth in the Victorian operations being the strongest driver of this lift.
- Corporate overheads, at $3.39 million, continue to deliver on all available cost reduction opportunities, and were down $0.44 million (-11.5%) on prior corresponding period (FY18: $3.83 million).

Statement of financial position

The Group balance sheet has strengthened overall by $1.8 million, with NPAT of $5.4 million less the dividend payment of in FY19 of $3.6 million. Net tangible assets at 30 June 2019 were $23.4m or 16.3c per share (1 July 2018: $21.7m or 15.0c per share).

As at 30 June 2019, the Group had a $5 million working capital facility through Shrimpton Holdings Pty Limited, a company associated with Ross Shrimpton, Managing Director and major shareholder of the Group. Shrimpton Holdings Pty Limited has fixed and floating charges over the Group's assets, subject to conditions outlined by a separate agreement between Ashley Services Group Limited and Shrimpton Holdings Pty Limited and in line with the conditions outlined in the ASX Listing Rule Waiver as subsequently revised on 6 August 2018, following the extension of the Facility Agreement out until 31 January 2020.

As at 30 June 2019, the working capital facility was undrawn (1 July 2018: Nil).

Chairman and Managing Director's Review

Cash Flow

Operating cash flow was strong in the second half, recovering from an inflow of just $0.3 million at the half due to peak period seasonality, to end at an overall $4.8 million inflow for the year. Our strong cash flow performance has seen us again close the year with zero debt and a solid cash balance after the resumption of dividends during the year.

Capital expenditure at $0.9 million was at a similar level to the prior year, offset by a $0.2 million inflow resulting from the sale of some surplus assets. Outflow from financing activities of $3.6 million was due to the dividend payment of 2.5 cent per share made during the year.

Overall this delivered a net cash inflow for FY19 of $0.4 million.

DIVIDEND

On 9 August 2019 the Group declared a fully franked final dividend of 2.7 cents in relation to the financial year ended 30 June 2019. This represents an 8% increase over the dividend for the prior financial year (FY18: 2.5 cents).

EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end, the Company on 27 August 2019 announced that it has entered into agreements to acquire a major shareholding of the CCL Group, comprised of Construction Contract Labour (VIC) Pty Ltd, Complete Traffic Services (VIC) Pty Ltd and CCL Filcon Pty Ltd

The combined acquisition price for the 80% purchase of the CCL Group is $11.2 million adjusted for subsequent earn-outs for FY20 and FY21. Payments will be based on FY19 (80%), FY20 (10%) and FY21 (10%) audited results. Pre-audited FY19 results were a normalised EBITDA of $4.1 million from Revenue of $40.0 million.

Ian Pratt
Chairman

Ross Shrimpton
Managing Director

ASHLEY SERVICES GROUP
LABOUR HIRE | RECRUITMENT | TRAINING

Directors' Report

The Directors present their annual financial report on the consolidated entity, being Ashley Services Group Limited and its controlled entities ("**Group**") for the financial year ended 30 June 2019.

1. GENERAL INFORMATION

a. Directors

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

Table 1: Director Details

Names		Appointed / Resigned
Mr Ian Pratt	Chairman	Appointed 1 October 2015
Mr Ross Shrimpton	Managing Director	Appointed 12 Oct 2000; Managing Director to 15 Feb 2016, Non-Executive Director 15 Feb 2016 to 23 Jan 2017 and Managing Director from 23 Jan 2017
Mr Chris McFadden	Executive Director	Appointed 6 April 2017

Directors' Information

Mr Ian Pratt | Non-Executive Chairman (since 1 October 2015)

Qualifications | CA

Experience | Ian has over 40 years' experience in the accounting profession and is a Director of a number of Public and Private companies. During this time, he has been involved in the recruitment, finance and property industries, and advises on income tax and related matters. Currently Ian is a Partner at Trood Pratt & Co Chartered Accountants and is a Director of Charter Hall Direct Property Management Limited (formerly Macquarie Direct Property Management Limited).

Mr Pratt is a Member of Chartered Accountants Australia and New Zealand.

Ian is Chairman of the Nominations, Audit & Risk Management and Remuneration Committees.

Mr Ross Shrimpton | Managing Director (since 23 January 2017) (previously Non-Executive Director from 15 February 2016 and Managing Director to 15 February 2016)

Qualifications | BComm (UNSW), CA, MAICD

Experience | Ross is the founder and Managing Director of Ashley Services Group and has been instrumental in the overall growth and strategic direction of Ashley Services. Ross has over 40 years' experience in finance and management across a number of large international organisations such as CSR/Humes and David Brown, originally commencing his professional career with Deloitte Touche Tohmatsu. Overall, Ross has over 20 years of relevant experience in the labour hire and training industries.

Ross is a Member of Chartered Accountants Australia and New Zealand and a member of the Australian Institute of Company Directors.

Ross is a member of the Nominations, Audit & Risk Management and Remuneration Committees.

Mr Chris McFadden | Executive Director (from 6 April 2017)

Qualifications | BBus (UTS), FCPA, GAICD

Experience | Chris was appointed Chief Financial Officer of Ashley Services Group in January 2017 and was appointed Executive Director in April 2017. Chris was formerly CFO at Ross Human Directions Limited (ASX: RHD), a company principally involved in the provision of temporary labour and recruitment services. Most recently Chris was CFO of Australian fashion brand, sass & bide, a division of Myer. Chris's previous roles include: CFO of Staples Australia, Senior Commercial Manager at Woolworths Limited and Asia Pacific CFO of The Nuance Group.

Chris is a Fellow of CPA Australia and a Graduate of the Australian Institute of Company Directors.

Chris is a member of the Nominations, Audit & Risk Management and Remuneration Committees.

Directors' Report

Interests in shares and options

As at the date of this report, the interests of the directors in the shares of Ashley Services Group Limited were:

Table 2: Shares Held by Directors

Names	Number of Shares Held	Shareholding %
Mr Ian Pratt	15,060	0.01
Mr Ross Shrimpton	80,279,030	55.76
Mr Chris McFadden[1]	630,630	0.44

Note:
1. The changes in Chris McFadden's holding are as advised to the ASX on 31 October 2018 following an on-market purchase through a director related entity – Christoula Pty Limited ATF Christoula Superannuation Fund.

Directorships of other listed companies

Directorships held in other listed companies by the Directors in the three years immediately before the end of the financial year are as follows:

Table 3: Other Directorships of listed entities

Name	Company	Date from	Date to
Mr Ian Pratt	Nil	-	-
Mr Ross Shrimpton	Nil	-	-
Mr Chris McFadden	Nil	-	-

a. Principal activities

The principal activities of the Group during the financial year were the provision of labour hire (including recruitment) and training services.

b. Company secretary

Mr Ron Hollands held the position of Company Secretary for the entire financial year. Ron is a qualified Chartered Accountant and holds a Bachelor of Business from University of Technology, Sydney, an MBA from MGSM and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia. Ron has over 25 years' experience in a range of industries including professional practice, financial services and real estate.

Directors' meetings

Details of meetings of directors (including committees of directors) held in the financial year and attendances by each director are shown in the following table:

Table 4: Meeting Attendance

	Board Meetings		Audit & Risk Management Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Ian Pratt	6	6	2	2	1	1	1	1
Mr Ross Shrimpton	6	6	2	2	1	1	1	1
Mr Chris McFadden	6	6	2	2	1	1	1	1

Directors' Report

1. BUSINESS REVIEW

a. Operating results

The consolidated profit of the Group attributable to equity holders after providing for income tax amounted to $5,424,000 (2018: profit $4,789,000).

b. Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Chairman and Managing Director's Review.

c. Future developments

Likely developments in the operations of the consolidated entity in future years and the expected results of those operations are referred to generally in the Chairman and Managing Director's Review.

d. Events subsequent to reporting date

There have been no matters or circumstances that have arisen since the end of the year that would have significantly affected the group's operations in financial year 2019, except as follows:

On 27 August 2019 the Company announced that it had entered into agreements to acquire a major shareholding of the CCL Group, comprised of Construction Contract Labour (VIC) Pty Ltd, Complete Traffic Services (VIC) Pty Ltd and CCL Filcon Pty Ltd.

The combined acquisition price for the 80% purchase of the CCL Group is $11.2 million adjusted for subsequent earn-outs for FY20 and FY21. Payments will be based on FY19 (80%), FY20 (10%) and FY21 (10%) audited results. Pre-audited FY19 results were a normalised EBITDA of $4.1 million from Revenue of $40.0 million.

On 9 August 2019 the Group declared a fully franked final dividend of 2.7 cents in relation to the financial year ended 30 June 2019, with a payment date of 6 September 2019.

e. Ongoing Litigation

Ashley Services Group Limited (ASH) has no current ongoing litigation.

2. OTHER INFORMATION

a. Options

There are no unissued ordinary shares that are either under option at the date of this report or have been exercised during the year.

During the year, the Group issued no further Performance Rights to senior executives and cancelled 344,736 Performance Rights for Nil consideration.

b. Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

The current auditor, HLB Mann Judd Assurance (NSW) Pty Ltd, did not provide any non-audit services during the year ended 30 June 2019.

Details of the amounts paid to HLB Mann Judd for audit services provided during the year are outlined in Note 4 to the financial statements.

c. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307c of the *Corporations Act 2001* is set out on page 22 and forms part of this report.

d. Environmental issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

e. Indemnifying officers or auditors

Insurance of officers

During the financial year, Ashley Services Group Limited paid a premium to insure the directors, secretaries and officers of the Group and its Australian entities.

The insurance policies prohibit disclosure of the premiums payable under the policies and details of the insured liabilities.

f. Proceedings on behalf of the Company

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

g. Rounding off of amounts

In accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, amounts in the financial report are rounded off to the nearest thousand dollars unless otherwise indicated.

3. REMUNERATION REPORT – AUDITED

The directors of Ashley Services Group Limited present the remuneration report for Non-Executive Directors, Executive Directors and other key management personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

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

- key management personnel;
- principles used to determine the nature and amount of remuneration;
- Non-Executive Director remuneration;
- details of remuneration;
- executive service agreements;
- share-based compensation; and
- additional information.

a. Key management personnel

The following persons acted as Directors of the Group or as key management personnel during the financial year:

Executive Directors:

- Ross Shrimpton
- Chris McFadden

Non-Executive Directors:

- Ian Pratt

Other key management personnel:

- Paul Rixon (General Manager, Labour Hire)

Key management personnel include both the Directors and other key management personnel named above.

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

The objective of the Group's executive reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework seeks to align executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board seeks to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

Alignment of shareholders' interest

- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering a return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high-calibre executives.

Alignment to program participants' interests

- rewards capability and experience;
- provides a clear structure for earning rewards; and
- provides recognition for contribution to the business.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives, albeit the LTI scheme has been temporarily suspended for the financial years 2017, 2018 and 2019.

The Board has established a Remuneration Committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for executives and Directors. The Corporate Governance Statement provides further information on the role of this committee.

Directors' Report

Executive pay

The executive pay and reward framework has three components:

- base pay and benefits, including superannuation;
- short-term performance incentives, provided in cash; and
- long-term incentives provided through participation in the Ashley Services Group Performance Rights Share Plan, albeit the LTI scheme has been temporarily suspended for the financial years 2017, 2018 and 2019.

The combination of these comprises the executive's total remuneration.

Directors' Report

Table 5: Key components of senior executive remuneration framework in place during the year ended 30 June 2019.

Remuneration Elements		
Fixed Remuneration/Base Pay	**Short Term Incentive (STI)**	**Long Term Incentive (LTI)**
• Base pay is determined by reference to appropriate benchmark information, taking into account an individual's responsibilities, performance, qualifications and experience, the broad objective being to pitch fixed remuneration at median market levels.	• 'At risk' award opportunity for the achievement of annual performance objectives linked to annual financial targets and non-financial goals set by individual.	• In light of the loss for financial years ended 30 June 2016 and 2017 and the reduced share price, the Board and the Remuneration Committee have temporarily suspended the LTI scheme for the financial years 2017, 2018 and 2019. Accordingly, there was no award of performance rights to senior executives in relation to the year ended 2019.
• Base pay is structured as a package, which may be delivered as a mix of cash and other benefits, such as the provision of a motor vehicle, at the executive's discretion.	• Financial targets in line with budgets set for the individual's area of influence for the financial year, coupled with non-financial key performance measures.	
• There are no guaranteed base pay increases in any executives' employment contracts.	• Paid in cash within 30 days of finalisation of Audited Annual Report.	

Table 6: Key features of the senior executive STI plan for FY19

Overview of the senior executive STI plan		
Who participates in the Senior Executive STI plan?	Senior executives participate in the senior executive STI plan.	
How much can executives earn?	STI opportunity for senior executives ranges from zero to 100% of target STI for significant out-performance.	
Thresholds and performance conditions		
Is there a threshold level of performance required?	Yes. There are threshold levels for EBITDA that must be met to receive an STI payment. Achievement of the thresholds does not automatically entitle executives to an STI award. Financial performance measures must also be met to earn an STI payment.	
What are the performance conditions?	**Measures**	**Senior Executives**
	Financial measures (80% of STI opportunity)	Assessed against: • Budget EBITDA for the individual's area of influence for the financial year. • 20% payable for achievement of 90% of budget. Remaining 80% payable on a straight-line pro rata basis for performance from 90% to 130% of budget.
	Non-Financial measures (20% of STI opportunity)	• Individually set Key Performance Indicators.

Directors' Report

Setting and assessing performance	
Who sets and assesses performance?	The MD sets and assesses performance and short term incentive outcomes for senior executives with guidance from the Remuneration Committee. The Remuneration Committee sets the targets for MD and assesses performance against those targets.
How is the STI delivered?	100% of any STI award is paid in cash within 30 days of finalisation of the audited Annual Report.

Table 7: Key features of the senior executive FY16 LTI plan
Note that LTI plan has been suspended for FY17, FY18 and FY19

Overview of the LTI plan for FY16		
Who participates in the Senior Executive LTI?	Senior executives, including the MD, participate in the senior executive LTI plan.	
What was awarded under the LTI plan in FY16?	On 25 September 2015 senior executives received an LTI award of 1,561,688 performance rights, the vesting of which is subject to the performance condition outlined below. The number of rights awarded was calculated by dividing the remuneration value of the award by the volume weighted average price of ASH shares for the 5 day trading period prior to the approval to grant their award.	
Performance conditions		
What are the performance conditions?	Senior executive LTI awards are earned only upon achievement of the following performance hurdles: • Earnings Per Share growth (EPS): 50% of the LTI grant • Total Shareholder Return (TSR): 50% of the LTI grant	
Over what period is performance measured?	The Board has determined that the FY16 LTI plan will be subject to the performance condition over a three year period, commencing 1 July 2015.	
How are the performance conditions assessed?	Absolute EPS performance condition - measured as the compound annual underlying EPS growth over the 3 year performance period. The EPS target is:	
Performance condition 1) EPS	EPS	EPS Target
	Actual proforma EPS for the financial year ended 30 June 2015	8.7 cents
	10% growth FY16 10% growth FY17 10% growth FY18	9.6 cents 10.5 cents 11.6 cents
	If actual EPS for the year ended 30 June 2018 exceeds 11.6 cents per share, 50% of the performance rights granted to each employee will vest as follows: 50% of performance rights granted to each employee vest at end of third year (25 September 2018) The remaining 50% vest at the end of the fourth year (25 September 2019), provided the executive is still employed at this vesting date.	
Performance condition 2) TSR	The TSR performance condition is a measure of ASH's TSR compared to the TSR of a comparator group of twenty competing and industry related companies at the beginning of the respective performance periods. TSR is measured by the change in value of the ASH's cumulative TSR over the performance period compared to the TSR performance of the comparator group over the 3 year performance period. If actual TSR for ASH is top quartile for the 3 year performance period, 50% of the performance rights granted to each employee will vest. If actual TSR for ASH is 2nd quartile for the 3 year performance	

Directors' Report

Overview of the LTI plan for FY16	
	period 25% of the performance rights granted to each employee will vest. If actual TSR for ASH is below 2nd quartile, none of the performance rights attributed to this performance hurdle will vest. Vesting of TSR related performance rights is as follows: • 50% of performance rights granted to each employee vest at end of third year (25 September 2018) • The remaining 50% vest at the end of the fourth year (25 September 2019), provided the executive is still employee at this vesting date.
Why were the performance measures chosen?	The Board considers two performance conditions to be appropriate because they ensure that a proportion of each executive's remuneration is linked to the generation of profits (expressed on a per share basis) and shareholder value through the combined application of both absolute and relative performance criteria. In particular, the use of a relative TSR based hurdle: • Ensures alignment between comparative shareholder return and reward for the executive; and • Provides a relative, external market performance measure, having regard to those companies with which the Group competes for capital, customers and talent. An absolute underlying EPS growth based hurdle: • Links executive reward to a fundamental indicator of financial performance that is directly connected to shareholders; and • Links directly to ASH's long term objectives of improving and maintaining earnings performance. The use of dual performance measures combines a strong external market based focus through share price growth and dividends (TSR), and a non-market based internal measure aimed at driving improved Company earnings results (EPS).
Is performance subject to retesting?	No, retesting of performance is not permitted.
Who assesses performance against targets?	The Remuneration Committee based on financial information (EPS measure) and share price performance (the TSR measure).
Does the executive receive dividends and voting rights on unvested awards?	No, there are no voting rights or entitlements to dividends on unvested awards under the LTI plan.
Cessation of employment and change of control	
What happens in the event of a change of control?	Upon a change of control event, the Board may determine to vest some or all of the LTI awards. In making this determination, the Board will consider all relevant circumstances, including the performance against the EPS measure up to the date of the change of control event and the portion of the performance period that has expired.
What happens in the event of cessation of employment?	In general, unvested LTI awards are forfeited. In limited circumstances, such as upon a senior executive's death, serious injury or incapacity during the performance period or other reason approved by the Board, any unvested performance shares will vest at the end of the performance period if the relevant performance conditions have been satisfied.

Directors' Report

STI and LTI plans for the financial year ended 30 June 2019

The remuneration committee has approved a similar Short Term Incentive (STI) plan for the year ended 30 June 2019, based upon budget targets for that annual period.

In light of the loss for the financial years ended 30 June 2016 and 2017 and the reduced share price, the Board and the Remuneration Committee have temporarily suspended the LTI scheme for the financial years 2017, 2018 and 2019. Accordingly there was no award of performance rights to senior executives in relation to the year ended 2019 nor were any awarded in relation to the year 2018.

c. Non-executive Director remuneration and Board performance review

Non-executive Directors' remuneration are reviewed annually and are determined by the Board based on recommendations from the Remuneration Committee. In making its recommendations, the Remuneration Committee takes into account remuneration paid to other non-executive Directors of comparable companies and where necessary will seek external advice. No remuneration consultants were used during the financial year.

In accordance with the Company's Constitution, the Directors are entitled to receive an annual fee and for participation in Board sub-committees. For non-executive Directors, fees are not linked to performance.

The Company does not operate equity plans for non-executive Directors.

Non-executive Directors are entitled to statutory superannuation included as part of their Directors' fees. There are no other schemes for retirement benefits for non-executive Directors.

d. Details of remuneration

Details of remuneration of the Directors and other key management personnel of Ashley Services Group are set out in the tables on pages 17 to 19.

The key management personnel of Ashley Services Group are listed in the table below. The key management personnel have authority and responsibility for planning, directing and controlling activities of the Group.

Remuneration and other terms of employment for the Executive Directors and other Key Management Personnel are formalised in a service agreement. The major provisions of the agreements relating to remuneration are set out below:

Table 8: Executive and Key Management Personnel Service Agreements

Name	Base Salary $[1]	Target STI %[2]	Target LTI %[2, 3]	Term of agreement	Notice Period
Ross Shrimpton	450,000	-	-	Ongoing	6 months
Chris McFadden	450,000	50	50	Ongoing	6 months
Paul Rixon	283,250	50	50	Ongoing	6 months

Note:
1. Base salary is on an annual basis and includes superannuation contributions.
2. Maximum annual award as a percentage of annual salary.
3. This plan has been suspended for the financial years ended 30 June 2017, 1 July 2018 and 30 June 2019.

Directors' Report

Table 9: Statutory key performance indicators of the group over the last five years[1]

	2019	2018	2017	2016	2015
Profit / (Loss) for the year attributable to members ($000)	**5,424**	4,789	(5,969)	(69,626)	13,676
Basic earnings per share (cents)	**3.77**	3.33	(4.08)	(46.42)	9.65
Dividend payments ($000)[2]	**3,887**	3,600	-	-	6,150
Dividend payout ratio (%)	**71.7**	75.1	-	-	45.0
Increase / (decrease) in share price (%)[3]	**33.3**	204.7	(70.9)	(63.0)	(64.2)
Total KMP incentives as percentage of profit/(loss) for the year (%)	**6.1**	3.1	-	-	1.8

Note:
1. Four years used since Ashley Services Group Pty Limited listed on 21 August 2014.
2. 2019 Dividend declared 9 August 2019 in relation to the 2019 financial year, with payment date of 6 September 2019. 2018 Dividend declared 26 July 2018 in relation to the 2018 financial year, with payment date of 17 August 2018.
3. Increase/(decrease) in share price (%) is year-end share price relative to prior year-end, other than 2015 which is relative to IPO price of $1.66.

Table 10: 2019 – Remuneration of Key Management Personnel

2019	ST[1] employee benefits			PE[2] benefits	LT[3] employee benefit	Total[4]	Performance based Remuneration
Name	Cash salary & fees $	Salary non-cash $	ST[1] employee bonus $	Super-annuation $	$	$	%
Non-executive Directors							
Ian Pratt[5]	206,347	-	-	19,603	-	**225,950**	-
Executive Director							
Ross Shrimpton	404,469	-	-	20,531	-	**425,000**	-
Chris McFadden	429,469	-	191,975	20,531	-	**641,975**	29.9
Other key management personnel							
Paul Rixon	262,719	-	136,400	20,531		**419,650**	32.5
Total	**1,303,004**	**-**	**328,375**	**81,196**		**1,712,575**	**19.2**

Note:
1. ST – Short-term.
2. PE – Post-employment.
3. LT – Long-term. Details of the long term incentive plan are included in the Directors' report, pages 12 to 17. As none of the performance hurdles for any of the relevant years has been met no expense has been recognised in the profit and loss account for the year ended 30 June 2019.
4. Amounts included in the above table include amounts paid to key management from all entities.
5. During the year tax advisory fees have also been paid to Trood Pratt & Co (Company in which Ian Pratt is a Partner).

Directors' Report

Table 11: 2018 – Remuneration of Key Management Personnel

2018	ST[1] employee benefits			PE[2] benefits	LT[3] employee benefit	Total[4]	Performance based Remuneration
Name	Cash salary & fees $	Salary non-cash $	ST[1] employee bonus $	Super-annuation $	$	$	%
Non-executive Directors							
Ian Pratt[5]	150,685	-	-	14,315	-	**165,000**	-
Executive Director							
Ross Shrimpton	279,951	-	-	20,049	-	**300,000**	-
Chris McFadden	429,951	-	50,000	20,049	-	**500,000**	10.0
Other key management personnel							
Marc Shrimpton[6]	127,867	-	-	505	-	**128,372**	-
Paul Rixon	254,951	-	99,829	20,049		**374,829**	26.6
Total	**1,243,405**	**-**	**149,829**	**74,967**		**1,468,201**	**10.2**

Note:
1. ST – Short-term.
2. PE – Post-employment.
3. LT – Long-term. Details of the long term incentive plan are included in the Directors' report, pages 12 to 17. Management have assessed the probability of the performance hurdles for the 2015 and 2016 plans being met as Nil and no expense has been recognised in the profit and loss account for the year ended 1 July 2018.
4. Amounts included in the above table include amounts paid to key management from all entities.
5. During the year tax advisory fees have also been paid to Trood Pratt & Co (Company in which Ian Pratt is a Partner).
6. Marc Shrimpton resigned as an Executive Director on 20 April 2017 but continued on as General Manager Blackadder Recruitment for the balance of FY17. Marc resigned 7 July 2017 as General Manager Blackadder Recruitment, with the above payments representing his final payment inclusive of accrued entitlements.

Other transactions with key management personnel

Information on share-based payments and other transactions with key management personnel is set out on the previous pages.

e. Shares held by key management personnel

The number of ordinary shares in the Company during the 2019 reporting period held by each of the Group's key management personnel, including their related parties are set out below:

Table 12: Shares held by Key Management Personnel

Name	Balance at start of the year	Shares Disposed	Change from KMP	Balance at end of the year
Ian Pratt	15,060	-	-	**15,060**
Ross Shrimpton	80,279,030	-	-	**80,279,030**
Chris McFadden[1]	76,623	-	554,007	**630,630**
Paul Rixon	41,416	-	-	**41,416**
Total	**80,412,129**	**-**	**554,007**	**80,966,136**

Note:
1. The changes in Chris McFadden's holding are as advised to the ASX on 31 October 2018 following an on-market purchase through a director related entity – Christoula Pty Limited ATF Christoula Superannuation Fund.

Directors' Report

f. Executive service agreements

On appointment to the Board, all non-executive Directors sign a letter of appointment with the Company. The letter summarises the terms including compensation, relevant to the office of Director.

All contracts with executives may be terminated by either party with a notice period as outlined in Table 8. Executives are typically restricted for twelve months after termination from conducting or engaging in competing businesses and from solicitation of customers and employees of the Company.

g. Share-based compensation

Senior Executive Share Plan

The Company established the Performance Rights Share Plan on 31 July 2014. The Performance Rights Share Plan is intended to provide incentives to attract motivate and retain key executives whose present and potential contributions are important to the success of the Group by offering them an opportunity to participate in ownership of the Company. The Performance Rights Share Plan is administered by the Board in its discretion. The terms and conditions of the Performance Rights Share Plan are summarised below.

During the financial year the Board issued Nil performance rights (2018: Nil).

The number of Performance Rights awarded to Executive Directors and Key Management Personnel is set out below:

Table 13: Performance Rights held by Key Management Personnel

Name	Balance at start of the year	Performance Rights Cancelled	Balance at end of the year
Paul Rixon[1]	344,736	(344,736)	-
Total	**334,736**	**(344,736)**	-

Note:

1. Paul Rixon's 344,736 Performance Rights were cancelled for Nil consideration on 12 October 2018 as performance conditions attached to these rights had not been met.

The offer of rights to Shares under the Employee Performance Rights Plan did not exceed 5% of the total number of issued shares in that class.

Consideration for the Shares is provided in the form of services to or for the benefit of the Company and as such performance conditions may be attached to any rights under the Employee Performance Rights Plan. An eligible employee who has contracted with Ashley Services (under the Employee Performance Rights Plan) for the right to Shares in the Company (Participant), holds those rights on the following terms:

- disposal of rights is not permitted without the permission of the Board;
- any new issue of shares to existing shareholders will only apply to the Participant if the rights to shares have vested in the Participant and the Participant has become a shareholder in the Company at the relevant record date (as defined in the ASX Listing Rules);
- in the event there is a bonus issue to Ashley Services shareholders, the number of shares a Participant is entitled to under the Employee Performance Rights Plan will be increased by the number of Shares the Participant would have received had they been a shareholder before the record date (as defined in the ASX Listing Rules) for the bonus issue; and
- in the event of a reconstruction of the issued capital of the Company prior to a Participant's rights under the Employee Performance Rights Plan vesting in the Participant, the rights and Shares to which the Participant is entitled will be reconstructed in accordance with ASX Listing Rules.

Rights under the Employee Performance Rights Plan will vest in a Participant at a determined date subject to the Participant's continued employment with Ashley Services and the satisfaction of any performance conditions and other terms and conditions imposed by the Board. Shares allotted under the plan are held under the following conditions:

- shares issued under the plan will rank equally to shares issued in Ashley Services; and
- compliance with Ashley Services' Share Trading Policy is required.

As none of the performance hurdles for any of the relevant years has been met no expense has been recognised in the profit and loss account for either the year ended 30 June 2019 or 1 July 2018.

End of audited Remuneration Report.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the *Corporations Act 2001*

Ian Pratt

Chairman

Sydney, 30 August 2019

HLB MANN JUDD

Auditor's Independence Declaration to Ashley Services Group Limited

As lead auditor for the audit of the consolidated financial report of Ashley Services Group Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to Ashley Services Group Limited and the entities it controlled during the period.

Sydney, NSW
30 August 2019

S P James
Director

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Corporate Governance Statement

A Corporate Governance Statement has been adopted by the Board on 30 August 2016 and can be found at

http://www.ashleyservicesgroup.com.au/investor-centre/corporate-governance/

The Board has adopted a suite of governance materials which are available in the Corporate Governance section of the Company's website (www.ashleyservicesgroup.com.au), under "Investor Centre". The governance materials have been prepared and adopted on the basis that corporate governance procedures can add to the performance of the Company and the creation of shareholder value, and help to engender the confidence of the investment market.

Diversity

To date, the board or a committee have not set measurable objectives for achieving gender diversity and to assess annually both the objectives and the company's progress in achieving them.

The Company provides the following information on the proportion of women employees in the whole organisation, women in Senior Executive positions and women on the Board of the Company.

	Female	Male
Directors & Senior Management	20%	80%
Corporate & Administration	89%	11%
Labour Hire	70%	30%
Recruitment	100%	0%
Training	57%	43%
Total	**66%**	**34%**

During the financial year ending 30 June 2019 the Company submitted its annual report to the Workplace Gender Equality Agency and is again compliant with the *Workplace Gender Equality Act 2012* (Act).

The performance of the Board and Senior Executives in the 2019 financial year has been reviewed against both quantitative and qualitative measures and Directors and Senior Executives provided feedback on the discharge of their responsibilities.

Directors' Declaration

1. In the opinion of the Directors of Ashley Services Group Limited:

   a. The consolidated financial statements and notes of Ashley Services Group Limited are in accordance with the *Corporations Act 2001*, including:
      i. Giving a true and fair view of its financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

   b. There are reasonable grounds to believe that Ashley Services Group Limited will be able to pay its debts as and when they become due and payable; and

   c. At the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 26 to the financial statements.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2019.

3. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Ian Pratt
Chairman

Sydney, 30 August 2019

Independent Auditor's Report to the Members of Ashley Services Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Ashley Services Group Limited ("the Company") and its controlled entities ("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 the directors' declaration for the Group.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of their financial performance for the year then ended; and

(b) 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.

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Key Audit Matter	How our audit addressed the key audit matter
Revenue recognition Refer to Note 1 (Summary of significant accounting policies) and Note 2 (Revenue and other income)	
Labour hire revenue is the most significant account balance in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Total revenue and other income of $288.7 million comprises a number of streams including: • labour hire revenue ($279.6 million); • training revenue ($8.0 million); and • other revenue ($1.2 million). We focussed on this matter due to the size and magnitude of labour hire revenue, as well as the higher level of inherent risk due to the manual processes for inputting, calculating, reviewing, and recording of the labour hire revenue.	We assessed whether the Group's accounting policies were in compliance with Australian Accounting Standards and specifcally whether revenue had been recognised in accordance with new accounting standard AASB 15 *Revenue from Contracts with Customers*. We tested the Group's process for recognising labour hire revenue. We tested labour hire revenue recognised in the period by agreeing to timesheets, payroll reports, amounts billed and subsequently received. We issued audit confirmation requests to a sample of customers to test the total revenue invoiced by the Group. We tested the process for raising and authorising credit notes throughout the financial year and immediately subsequent to year end. We compared the accuracy of hours on-billed as labour hire revenue to amounts paid to employees, refer to employment costs below. We tested the correct cut-off and accrual of labour hire revenue at year end.
Employment costs Refer to Note 1 (Accounting policies)	
Employment costs, both internal and allocated externally, is one of the most significant account balances in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Total employment costs amount to $274.0 million. We focussed on this matter due to the size and magnitude of employment costs, as well as the higher level of inherent risk due to the manual processes for the volume of inputting, calculating, reviewing, and recording of the employment costs.	We tested the Group's process for recognising employment costs. We tested the controls surrounding the authorisation of changes in employee details, such as pay rates. We tested employment costs recognised in the period by agreeing to timesheets, payroll reports, and amounts subsequently paid. We analytically reviewed the labour hire margins from the current and prior year. We tested the cut-off and accrual of employment costs at year end. We tested whether PAYG amounts were deducted and subsequently paid to the Australian Taxation Office. We tested superannuation amounts paid by recalculation and comparison to gross wages. We tested the subsequent payment to the superannuation clearing house.

Information Other than the Financial Report and Auditor's Report Thereon

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

Our opinion on the financial report does not cover the other information and accordingly 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 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 have 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 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 21 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Ashley Services Group Limited for the year ended 1 July 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.

HLB Mann Judd

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

S P James
Director

Sydney, NSW
30 August 2019

ASHLEY SERVICES GROUP
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2019

	Note	30 Jun 2019 $000	1 Jul 2018 $000
Revenue	2	287,570	332,803
Other income	2	1,184	830
Employment costs		(273,995)	(318,951)
Depreciation and amortisation expense	3	(1,007)	(660)
Finance costs	3	(647)	(574)
Other expenses		(5,570)	(6,610)
Profit before income tax from continuing operations		**7,535**	**6,838**
Income tax expense	5	2,111	2,048
Profit for the year from continuing operations		**5,424**	**4,789**
Profit / (Loss) for the year from discontinued operations		-	-
Profit for the year		**5,424**	**4,789**
Other comprehensive income		-	-
Total comprehensive Profit for the year		**5,424**	**4,789**
Basic earnings per share (cents) from continuing operations	**20**	**3.77**	**3.33**
Diluted earnings per share (cents) from continuing operations	**20**	**3.77**	**3.33**
Basic earnings per share (cents) from discontinued operations	**20**	**0.00**	**0.00**
Diluted earnings per share (cents) from discontinued operations	**20**	**0.00**	**0.00**
Basic earnings per share (cents) Total	**20**	**3.77**	**3.33**
Diluted earnings per share (cents) Total	**20**	**3.77**	**3.33**

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2019

	Note	30 Jun 2019 $000	1 Jul 2018 $000
Assets			
Current assets			
Cash and cash equivalents	7	6,784	6,364
Trade and other receivables	8	28,524	29,767
Contract assets	9	571	-
Other assets	10	1,444	927
Total current assets		**37,323**	**37,058**
Non-current assets			
Property, plant and equipment	11	1,140	1,347
Deferred tax assets	14	3,602	5,398
Intangible assets	12, 13	3,200	3,148
Total non-current assets		**7,942**	**9,893**
Total assets		**45,265**	**46,951**
Liabilities			
Current liabilities			
Trade and other payables	15	13,900	15,713
Current tax payable	14	307	-
Provisions	17	2,295	2,773
Total current liabilities		**16,502**	**18,486**
Non-current liabilities			
Deferred tax liabilities	14	964	1,782
Provisions	17	1,175	1,884
Total non-current liabilities		**2,139**	**3,666**
Total liabilities		**18,641**	**22,152**
Net assets		**26,624**	**24,799**
Equity			
Share capital	18	148,815	148,815
Common control reserve	19	(57,687)	(57,687)
Accumulated losses		(64,504)	(66,329)
Total equity		**26,624**	**24,799**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2019

	Share Capital $000	Common Control Reserve $000	Retained Earnings $000	Total $000
For the year ended 30 June 2019				
Balance at 2 July 2018	**148,815**	**(57,687)**	**(66,329)**	**24,799**
Profit for the period	-	-	5,424	5,424
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the period	**-**	**-**	**5,424**	**5,424**
Dividends paid	-	-	(3,599)	(3,599)
Balance at 30 June 2019	**148,815**	**(57,687)**	**(64,504)**	**26,624**
For the year ended 1 July 2018				
Balance at 1 July 2017	**148,815**	**(57,687)**	**(71,118)**	**20,010**
Profit for the period	-	-	4,789	4,789
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the period	**-**	**-**	**4,789**	**4,789**
Balance at 1 July 2018	**148,815**	**(57,687)**	**(66,329)**	**24,799**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the financial year ended 30 June 2019

	Note	30 Jun 2019 $000	1 Jul 2018 $000
Operating activities			
Receipts from customers		318,707	363,434
Payments to suppliers and employees		(312,564)	(360,058)
Interest received		66	52
Interest paid		(632)	(558)
Income taxes received/(paid)		(825)	286
Net cash from continuing operations		**4,752**	**3,156**
Net cash used in discontinued operations		**-**	**-**
Net cash from operating activities	**22**	**4,752**	**3,156**
Investing activities			
Payments for property, plant and equipment in continuing operations		(899)	(633)
Proceeds from sale of property, plant and equipment		166	189
Net cash used in investing activities		**(733)**	**(444)**
Financing activities			
Repayment of external borrowings in continuing operations		-	(724)
Dividends paid		(3,599)	-
Net cash used in financing activities		**(3,599)**	**(724)**
Net increase in cash and cash equivalents		**420**	**1,988**
Cash and cash equivalents at beginning of the financial year		6,364	4,376
Cash and cash equivalents at end of the financial year	**7**	**6,784**	**6,364**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

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Notes to the Financial Statements

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. General information

The financial statements for the financial year ended 30 June 2019 cover Ashley Services Group Limited and its controlled entities ("**Ashley Services**" or the **"Group"**). Ashley Services Group is a public Company listed on the Australian Securities Exchange (trading under the symbol "**ASH"**), incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the consolidated financial statements. The accounting policies have been consistently applied unless otherwise stated.

b. Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board. The consolidated financial statements of the Group also comply with International Financial Reporting Standards ('IFRS') adopted by the International Accounting Standards Board. The Group is a for-profit entity for the purposes of preparing the financial statements.

The consolidated financial statements were authorised for issue by the Board of Directors on 30 August 2019.

c. Basis of preparation

The consolidated financial statements have been prepared on an accruals basis and are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities as disclosed in this note. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

In accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, amounts in the financial report are rounded off to the nearest thousand dollars unless otherwise indicated.

d. Going concern

The consolidated financial statements have been prepared on a going concern basis.

e. Adoption of new and revised Accounting Standards and Interpretations

The Group adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

As stated below, the nature and effects of changes arising from adoption of new, revised or amending Accounting Standards and Interpretations did not have a significant impact on the Group.

The main new Accounting Standards and Interpretations that became effective during the current reporting period are as follows:

AASB 9: Financial Instruments

The Group has adopted AASB 9 from 2 July 2018 which replaces AASB 139 Financial Instruments: Recognition and Measurement. The standard introduced new classification and measurement models for financial assets.

A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.

A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New and simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Group's financial instruments include cash and cash equivalents, trade and other receivables and trade and other payables. The Group does not apply hedge accounting. On initial application of AASB 9, the Group determined that its financial assets and liabilities continue to be measured at amortised cost and the Group has applied the simplified approach to measuring expected credit losses of its trade and other receivables.

The adoption of AASB 9 has not had a significant effect on the Group's accounting policies relating to financial instruments or a material impact on the financial performance or position of the Group. In accordance with the transitional provisions in AASB 9, comparatives have not been restated and no differences were required to be recognised to the opening balance of accumulated losses at 2 July 2018 as a result of the adoption of AASB 9. Consequently, no further disclosures have been included in this financial report.

AASB 15: Revenue from Contracts with Customers

The Group has adopted AASB 15 from 2 July 2018 which replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue related Interpretations. The standard provides a single comprehensive model for revenue recognition.

The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment.

Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been restated. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of accumulated losses at 2 July 2018. In accordance with the transition guide, AASB 15 only applies to contracts with customers that were incomplete at 2 July 2018.

The Groups' revenue includes labour hire revenue, training revenue, interest revenue and other income. The adoption of AASB 15 has not had an effect on the Group's accounting policies relating to revenue or had an impact on the financial performance or position of the Group. No adjustment was required to be recognised to the opening balance of accumulated losses at 2 July 2018 as a result of the adoption of AASB 15. The adoption of AASB 15 has seen $571,000 recognised as a Contract asset instead of Other receivables, as at 30 June 2019.

Other amending Accounting Standards and Interpretations

Several other amending Accounting Standards and Interpretations apply for the first time for the current reporting period commencing 2 July 2018. These other amending Accounting Standards and Interpretations did not result in any adjustments to

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the amounts recognised or disclosures in the financial report.

f. New Accounting Standard and Interpretations not yet adopted and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 16: Leases

AASB 16 replaces AASB 117: Leases, which was issued in February 2016 and is effective for periods beginning on or after 1 January 2019 (i.e. the Group's 5 July 2020 financial year end). AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations;
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and
- requires new and different disclosures about leases.

Based on the Group's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 5 July 2020 includes:

- there will be an increase in lease assets and financial liabilities recognised on the balance sheet by approximately $1.8 million (subject to change once the Group finalises the assessment);
- the reported equity will reduce as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities;
- EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses; and
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities.

g. Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses and result in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised (subject to certain limited exceptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are recognised as expenses in the statement of profit or loss and other comprehensive income when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

h. Basis of consolidation

The Group financial statements consolidate those of Ashley Services Group Limited and all of its subsidiaries as of 30 June 2019. Ashley Services Group Limited controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those

Notes to the Financial Statements

returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June 2019.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains or losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

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

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

i. Revenue and other income

Revenue for both labour hire and training services is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring services to a customer. For each contract with a customer, the Group undertakes the following:

i. Identifies the contract with a customer
ii. Identifies the performance obligations in the contract
iii. Determines the transaction price which takes into account estimates of variable consideration and the time value of money
iv. Allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered
v. Recognises revenue when, or as, each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

All revenue is stated net of the amount of GST.

Labour hire

Labour hire revenue is recognised upon delivery of the service to the customers or in the instance of placement fees at the time the employee has been placed. Revenue from a contract to provide labour hire services is recognised over time as the services are rendered based predominantly upon an hourly rate.

Training revenue

Revenue from a contract to provide training services is recognised over time as the services are rendered using the percentage of completion method that depicts the transfer to the customer of the services rendered.

Interest revenue

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established, usually on declaration of the dividend / distribution.

Other income

Other income primarily includes State funding employer rebates earned in relation to specified categories of individuals.

j. Intangible assets

Goodwill

Goodwill is initially recognised as the difference between the fair value of consideration, and the fair value of net assets acquired less any accumulated impairment losses.

The value of goodwill is recognised on acquisition of the business.

The Group adopts the full goodwill method. The fair value of the interests in the business is determined using valuation techniques which make the maximum use of market information where available. Under this method, goodwill attributable to the interests of the business is recognised in the financial statements.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or group of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains or losses on the disposal of equity include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interest in a subsidiary are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Other intangibles

Intangibles acquired by the group are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the profit or loss on a straight line basis over the estimated useful life.

Estimated useful life of intangibles is as follows:

Customer relationships	7 years
Licenses	5 years
Intellectual property	
- Course material	5-7 years

Intangible assets, such as Brands, which are deemed to have an indefinite useful life are not amortised, but are assessed for impairment annually, within the CGU to which they are attributed. Where impairment is recognised, it is recorded in the profit or loss in the period the impairment is identified.

k. Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary differences can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Ashley Services Group Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the ‘standalone taxpayer’ approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to head entity. The group notified the Australian Taxation Office that it has formed an income tax consolidation group to apply from 1 July 2003. The income tax consolidated

Notes to the Financial Statements

group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contributions to the Group's taxable income.

Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution, to the head entity.

l. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown with short term borrowings in current liabilities on the consolidated statement of financial position.

m. Trade and other receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

The recoverability of trade receivables is reviewed on an ongoing basis. Amounts which are determined not to be recoverable are written off by reducing the carrying amount to its recoverable amount, the difference is charged to the statement of profit or loss and other comprehensive income in that period.

Expected credit losses, described in previous years' financial statements of the Group as an allowance for impairment, are measured by the Group by applying a simplified approach which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

n. Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

o. Property, plant and equipment

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

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of fixed assets is depreciated on a straight line basis, over the useful asset's life to the Group commencing from the time the assets are held ready for use.

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

Class of fixed assets	Depreciation rate
Computer equipment	20 - 33%
Office equipment	20 - 33%
Furniture and fittings	10%
Motor vehicles	18.75 - 25%
Training equipment	33.33%
Leasehold improvements	20% - 50%

In the case of leasehold improvements, expected useful lives are determined by reference to comparable owned assets or over the term of the lease, if shorter.

The carrying amount of property, plant and equipment is reviewed annually at the end of the reporting period by the Directors to ensure it is not in excess of the recoverable amount of these assets.

The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These

Notes to the Financial Statements

gains or losses are recognised immediately in profit or loss.

p. Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

q. Employee benefits

Provision is made for the Group's liability for the 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 not satisfy vesting requirements. Those cash flows are discounted using market yields on HQ corporate bonds with terms to maturity that match the expected timing of cash flows.

r. 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 best estimate of the amounts required to settle the obligation at the end of the reporting period.

s. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

t. Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired.

The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell, and its value in use, to the asset's carrying amount. Any excess of the asset's carrying value over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed at least annually for goodwill and intangible assets with indefinite lives.

u. Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

v. GST

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the ATO.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

w. Significant management judgement in applying accounting policies

Notes to the Financial Statements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Determination of Cash Generating Units for purpose of impairment reviews

Determination of the Cash Generating Units ("CGUs") for purpose of impairment reviews is a key judgement made by management. Management has undertaken a formal assessment of what constitutes the CGUs, by identifying the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets, being Training and Labour Hire.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Both future operating results and discount rates are discussed in Note 13. In 2019, the Group recognised no impairment losses on goodwill and/or other intangible assets (see Note 13).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Long service leave provisions

In determining the provision for employees' long service leave, consideration is given to the probability an employee may not satisfy vesting requirements. In doing this, management considers the likelihood of employees reaching a qualifying period of service and adjust the valuation for these estimated probabilities.

Long term incentive plan

In determining the provision for senior management's long term incentive plan, consideration is given to the probability the required "earnings per share" performance requirement being achieved to be remote, and therefore a provision has not been recognised in relation to this.

x. Dividends

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

y. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, after deducting any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Notes to the Financial Statements

Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of 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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Financial Statements

2. REVENUE AND OTHER INCOME

	2019 $000	2018 $000
Operating activities:		
Labour hire revenue	279,556	326,067
Training revenue	8,014	6,736
	287,570	**332,803**
Other income:		
Interest received	66	52
Sundry income	1,118	778
	1,184	**830**

a. Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

2019	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	**279,556**	**8,014**	**287,570**
Timing of revenue recognition			
Services transferred over time	268,294	8,014	276,308
Services transferred at a point in time	11,262	-	11,262
	279,556	**8,014**	**287,570**

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

3. EXPENSES

Profit before income tax from continuing operations includes the following specific expenses:

	2019 $000	2018 $000
Finance costs		
Interest expense	633	558
Bank fees	14	16
	647	**574**
Depreciation		
Motor vehicles	2	-
Office equipment	511	396
Leasehold improvements	247	135
	760	**531**
Amortisation		
Customer contracts and relationships – amortisation	129	129
Course material	118	-
	247	**129**

Notes to the Financial Statements

4. AUDITOR'S REMUNERATION

	2019 $	2018 $
Auditor of the parent entity		
Audit and review of financial reports under the *Corporations Act 2001* - HLB Mann Judd Assurance (NSW) Pty Ltd	150,000	145,000
Total Remuneration	**150,000**	**145,000**
Other entities		
In addition to the above, the related entities detailed in Note 24 have also paid fees to the auditor(s) as follows:		
Audit of financial reports - HLB Mann Judd Assurance (NSW) Pty Ltd	26,000	25,000
	26,000	**25,000**

5. INCOME TAX EXPENSE

a. Components of tax expense for continuing operations

	2019 $000	2018 $000
Current tax expense	1,295	16
Deferred tax – origination and reversal of temporary differences	978	2,049
Over provision of tax in prior year	(162)	(17)
Income tax expense	**2,111**	**2,048**

b. Reconciliation of prima facie tax on profit from ordinary activities to income tax expense

	2019 $000	2018 $000
Net profit before tax from continuing operations	7,535	6,838
Prima facie tax expense on net profit from ordinary activities before income tax at 30% (FY18: 30%)	2,261	2,051
Add / (less) Tax effect of:		
– Entertainment	3	5
– Other	9	9
– Over provision of tax in prior year	(162)	(17)
Income tax expense	**2,111**	**2,048**

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Notes to the Financial Statements

6. KEY MANAGEMENT PERSONNEL DISCLOSURES

a. Key management personnel compensation for the year was as follows

	2019 $	2018 $
Short-term employee benefits	1,631,379	1,393,234
Post-employment benefits	81,196	74,967
Total	**1,712,575**	**1,468,201**

b. Individual director and key management personnel disclosures

Detailed remuneration disclosures are included in the Directors' Report. The relevant information can be found in the Remuneration section of the Directors' Report on page 17 to 19, Tables 8 to 11.

7. CASH AND CASH EQUIVALENTS

	2019 $000	2018 $000
Cash on hand	4	3
Cash at bank	6,780	6,361
	6,784	**6,364**

8. TRADE AND OTHER RECEIVABLES

	2019 $000	2018 $000
Current		
Trade receivables	26,086	25,151
Allowance for expected credit losses	(10)	(555)
Other receivables	2,448	5,171
	28,524	**29,767**

a. Ageing of trade receivables (before allowing for impairment of receivables) at year end is detailed below

	2019 $000	2018 $000
Current	19,147	18,371
Past due 0 – 30 days (not considered impaired)	4,582	4,834
Past due 31 – 60 days (not considered impaired)	1,001	1,085
Past due 60+ days (not considered impaired)	1,346	306
Past due 60+ days (considered impaired (b))	10	555
	26,086	**25,151**

Notes to the Financial Statements

b. The movement in the allowance for expected credit losses in respect of trade receivables is detailed below

	2019 $000	2018 $000
Balance at beginning of year	555	1,250
Increase/(decrease) in allowance recognised in profit or loss	(92)	62
Amounts written-off	(453)	(757)
Balance at end of year	**10**	**555**

9. CONTRACT ASSETS

	2019 $000	2018 $000
Current		
Contract assets	571	-
	571	**-**

10. OTHER ASSETS

	2019 $000	2018 $000
Current		
Prepayments	939	422
Deposits	-	-
Bank guarantee[1]	505	505
	1,444	**927**

Note:

1. As at balance date the company had bank guarantees of $330,276 relating to property leases. The $504,635 represents a restricted bank account to cover the company's total available guarantee facility of $504,635.

Notes to the Financial Statements

11. PROPERTY, PLANT AND EQUIPMENT

	2019 $000	2018 $000
Motor vehicles		
Cost	148	114
Accumulated depreciation	(116)	(114)
	32	**-**
Office equipment		
Cost	4,725	4,944
Accumulated depreciation	(3,784)	(3,911)
	941	**1,033**
Leasehold improvements		
Cost	1,968	1,810
Accumulated depreciation	(1,818)	(1,571)
	150	**239**
Capital works in progress		
Cost	17	75
	17	**75**
Total property, plant and equipment	**1,140**	**1,347**

a. Movement in carrying amounts of property, plant and equipment

2019	Motor vehicles $000	Office equipment $000	Leasehold improvements $000	Capital Work In Progress $000	Total $000
Balance at 2 July 2018	-	1,032	240	75	1,347
Additions/(transfers)	34	466	157	-	657
Disposals	-	(46)	-	(58)	(104)
Depreciation expense – continuing operations	(2)	(511)	(247)	-	(760)
Balance at 30 June 2019	**32**	**941**	**150**	**17**	**1,140**

2018	Motor vehicles $000	Office equipment $000	Leasehold improvements $000	Capital Work In Progress $000	Total $000
Balance at 1 July 2017	-	797	198	264	1,259
Additions/(transfers)	-	642	180	-	822
Disposals	-	(11)	(3)	(189)	(203)
Depreciation expense – continuing operations	-	(396)	(135)	-	(531)
Balance at 1 July 2018	**-**	**1,032**	**240**	**75**	**1,347**

The Group’s property, plant and equipment are encumbered by a fixed and floating charge as security for the group’s working capital facility (Refer Note 16).

Notes to the Financial Statements

12. INTANGIBLE ASSETS

	2019 $000	2018 $000
Goodwill		
Cost	65,256	65,256
Impairment (note 13)	(62,474)	(62,474)
Net carrying value	**2,782**	**2,782**
Customer relationships/Licences		
Cost	2,062	2,062
Impairment (note 13)	(918)	(918)
Accumulated amortisation	(907)	(778)
Net carrying value	**237**	**366**
Brand names		
Cost	4,640	4,640
Impairment (note 13)	(4,640)	(4,640)
Net carrying value	**-**	**-**
Intellectual property		
Cost	8,132	7,833
Impairment (note 13)	(3,896)	(3,896)
Accumulated amortisation	(4,055)	(3,937)
Net carrying value	**181**	**-**
Total intangible assets	**3,200**	**3,148**

a. Intangible assets – detailed reconciliation

2019	Goodwill $000	Customer Relationships and Licences $000	Brand Names $000	Intellectual Property $000	Total $000
Balance at 2 July 2018	2,782	366	-	-	3,148
Capitalised course materials	-	-	-	299	299
Amortisation – continuing operations	-	(129)	-	(118)	(247)
Balance at 30 June 2019	**2,782**	**237**	**-**	**181**	**3,200**

2018	Goodwill $000	Customer Relationships and Licences $000	Brand Names $000	Intellectual Property $000	Total $000
Balance at 1 July 2017	2,782	495	-	-	3,277
Capitalised course materials	-	-	-	-	-
Amortisation – continuing operations	-	(129)	-	-	(129)
Balance at 1 July 2018	**2,782**	**366**	**-**	**-**	**3,148**

Notes to the Financial Statements

13. IMPAIRMENT

a. Impairment

The consolidated entity tests whether goodwill and other intangible assets have suffered any impairment on an annual basis, or more frequently, if required.

All remaining goodwill and other intangibles are confined to the Labour Hire division, with all earlier amounts previously attributed to the Training division being fully impaired across both the FY16 and FY17 financial years.

There were no indicators of impairment in relation to the Labour Hire division at 30 June 2019.

Labour Hire division

The recoverable amount of the Labour Hire division has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial forecasts approved by management for FY20 and a pre-tax discount rate of 18.7 per cent. Cash flows beyond that period have been held constant, reflecting the competitive nature of the industry.

Management's key assumption is that revenues for the Labour Hire division will increase by 7.5% in FY20. EBITDA margin is forecast at 4.1% (before corporate overhead allocations).

The recoverable amounts of the CGUs were determined based on value-in-use calculations, covering detailed forecasts for five years, followed by an extrapolation of expected cash flows for the units' remaining useful lives using the growth rates determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate.

Long term growth rates after the forecast period and discount rates used were as follows:

	Terminal Growth rates		Pre-tax discount rates	
	30 June 2019	1 July 2018	30 June 2019	1 July 2018
Labour Hire	0%	0%	18.7%	18.7%

The growth rate reflects management's view of longer-term average growth rates for the respective sectors. The discount rate reflects appropriate adjustments relating to market risk and specific risk factors of each unit.

b. Impairment charges

As a result of the analysis, there is no need for any impairment charges in the FY19 results. The same analysis in the prior year resulted in no impairment charge being recorded in the FY18 results.

Movements in the net carrying amount of goodwill and other intangibles are presented in note 12a.

The amount of goodwill, brand names and other intangibles remaining by CGU and subject to future impairment testing is as follows:

2019	Goodwill $'000	Customer Relationships/ Licences $'000	Brand Names $'000	Intellectual Property $'000	Total $'000
Training	-	-	-	181	**181**
Labour Hire	2,782	237	-	-	**3,019**
Total	**2,782**	**237**	**-**	**181**	**3,200**

Notes to the Financial Statements

2018	Goodwill $'000	Customer Relationships/ Licences $'000	Brand Names $'000	Intellectual Property $'000	Total $'000
Training	-	-	-	-	-
Labour Hire	2,782	366	-	-	**3,148**
Total	**2,782**	**366**	**-**	**-**	**3,148**

c. Sensitivity analysis

Management has also run various sensitivity scenarios, primarily reviewing sensitivity of outcomes to FY19 EBITDA forecasts, long term growth rates and discount rates. In respect of reasonably possible changes in the key assumptions, major sensitivities are summarised as follows:

Change in VIU	Labour hire CGU $'M
Sustainable EBITDA margin; +/- $0.5 million each CGU	+/-3.0
1% increase or decrease in long term growth rate	+/-2.0
1% increase or decrease in pre-tax discount rate	+/-3.0

14. TAX BALANCES

	2019 $000	2018 $000
Current assets		
Income tax receivable	-	-
Non-current assets		
Deferred tax assets (a)	3,602	5,398
Current tax liabilities		
Income tax payable	307	-
Non-current liabilities		
Deferred tax liabilities (a)	964	1,782

Notes to the Financial Statements

a. Deferred tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

2019	Balance at Beginning of the Year $000	Recognised in Other comprehensive income $000	Recognised in Business Combination $000	Recognised in Profit & Loss $000	Balance at End of the Year $000
Current assets					
Trade, other receivables and other assets	(1,505)	-	-	785	(720)
Contract assets	-	-	-	(171)	(171)
Non-current assets					
Intangible assets	26	-	-	(97)	(71)
Property, plant and equipment	315	-	-	4	319
Current liabilities					
Trade and other payables	2,842	-	-	(805)	2,037
Provision	1,398	-	-	(154)	1,244
2016 Tax loss carried forward					
Deferred tax asset	540	-	-	(540)	-
Total	**3,616**	**-**	**-**	**(978)**	**2,638**

2018	Balance at Beginning of the Year $000	Recognised in Other comprehensive income $000	Recognised in Business Combination $000	Recognised in Profit & Loss $000	Balance at End of the Year $000
Current assets					
Trade, other receivables and other assets	(1,241)	-	-	(264)	(1,505)
Non-current assets					
Intangible assets	-	-	-	26	26
Property, plant and equipment	593	-	-	(278)	315
Current liabilities					
Trade and other payables	4,333	-	-	(1,491)	2,842
Provision	909	-	-	489	1,398
2016 Tax loss carried forward					
Deferred tax asset	1,071	-	-	(531)	540
Total	**5,665**	**-**	**-**	**(2,049)**	**3,616**

Notes to the Financial Statements

15. TRADE AND OTHER PAYABLES

	2019 $000	2018 $000
Current		
Trade payables	833	1,650
Accrued expenses	4,359	5,009
GST payable	2,641	2,274
Sundry creditors	6,067	6,780
	13,900	**15,713**

The average credit period on purchases of certain products and services is 30 days. No interest is charged on trade payables. The group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

16. BORROWINGS

As at 30 June 2019, the Group had a $5 million working capital facility through Shrimpton Holdings Pty Limited, a company associated with Ross Shrimpton, Managing Director and major shareholder of the Group. As at 30 June 2019, this working capital facility was undrawn (1 July 2018: Nil).

a. Group credit facility

	2019 $000	2018 $000
Total facilities at reporting date		
Working capital facility	5,000	5,000
	5,000	**5,000**
Used at reporting date		
Bank overdraft	-	-
	-	**-**
Unused at reporting date		
Working capital facility	5,000	5,000
	5,000	**5,000**

On 6 August 2018, the Company announced it had extended its $5 million working capital facility through Shrimpton Holdings Pty Limited, out for a further period to 31 January 2020, in line with the conditions outlined in the revised ASX Listing Rule Waiver as granted 1 August 2018.

Shrimpton Holdings has fixed and floating charges over the Group's assets, subject to conditions outlined by a separate agreement between Ashley Services Group Limited and Shrimpton Holdings Pty Limited in line with the ASX Listing Rule Waiver as granted 1 August 2018.

Notes to the Financial Statements

17. PROVISIONS

	2019 $000	2018 $000
Current		
Employee benefits (a)	1,993	2,169
Provision for discontinued operation (b)	302	604
Total	**2,295**	**2,773**
Non-current		
Employee benefits (a)	491	722
Provision for discontinued operation (b)	684	1,162
Total	**1,175**	**1,884**

a. Reconciliation of employee provisions

	2019 $000	2018 $000
Opening balance	2,891	2,728
Less: leave taken during the year	(1,657)	(1,343)
Add: leave provided for during the year	1,250	1,506
Closing balance	**2,484**	**2,891**

b. Provision for discontinued operation

During the second half of financial year ended 30 June 2017, the Board approved an orderly exit from the international and domestic hospitality student business originally acquired through the SILK acquisition in April 2015. The Group has fulfilled its obligations for the remaining students and the Registered Training Organisation ("RTO") has been deregistered through the Australian Skills Quality Authority ("ASQA").

The $0.99 million provision at 30 June 2019 (FY18: $1.77 million) represents the discounted cost of future surplus lease obligations.

18. SHARE CAPITAL

The Company does not have any share options on issue as at the date of this report. Details of share capital of the group are as follows:

	30 Jun 2019 $000	1 Jul 2018 $000
143,975,904 (FY18: 143,975,904) fully paid ordinary shares	154,234	154,234
Share issue costs	(5,419)	(5,419)
Share capital	**148,815**	**148,815**
	30 Jun 2019 Number of rights	**1 Jul 2018 Number of rights**
Performance rights	0	344,736

a. Ordinary shares

The reduction in Share Capital from 150,000,000 shares ($149.9m) at 30 Jun 16 to 143,975,904 shares ($148.8m) net of share issue costs at 30 June 2019 was the result of the cancellation of 6,024,096 shares issued by way of consideration to fund the purchase of Integracom as approved by shareholders at the AGM of 9 November 2016.

Notes to the Financial Statements

Ordinary shares confer on their holders the right to participate in dividends declared by the Board. Ordinary shares confer on their holders an entitlement to vote at any general meeting of the Company.

b. Performance rights

During the financial year ended 30 June 2019 the Group cancelled 344,736 Performance Rights for Nil consideration. This followed on from the cancellation of 206,842 Performance Rights for Nil consideration during the financial year 1 July 2018.

As at 30 June 2019 their remains Nil Performance Rights on issue.

None of the performance hurdles for the 2015 and 2016 plans have been met and accordingly no expense has been recognised in the profit and loss account for either the year ended 30 June 2019 or 1 July 2018.

The plan has been suspended for the financial years ending 30 June 2017, 1 July 2018 and 30 June 2019.

19. COMMON CONTROL RESERVE

The common control reserve has arisen following the adoption of the pooling of interests method used to account for the 1 July 2014 acquisition of the following entities:

- ADV Services Pty Limited;
- Ashley Institute Holdings Pty Limited;
- TBRC Holdings Pty Limited;
- Tracmin Pty Limited; and
- Australian Institute of Vocational Development Pty Limited.

20. EARNINGS PER SHARE

	2019 $000	2018 $000
Net profit after tax	5,424	4,789
Weighted number of ordinary shares outstanding during the year used in calculating basic earnings per share (EPS)	143,975,904	143,975,904
Weighted number of ordinary shares outstanding during the year used in calculating diluted earnings per share (EPS)	143,975,904	143,975,904
Basic earnings per share (cents) from continuing operations	3.77	3.33
Diluted earnings per share (cents) from continuing operations	3.77	3.33
Basic earnings per share (cents) from discontinued operations	-	-
Diluted earnings per share (cents) from discontinued operations	-	-
Basic earnings per share (cents) Total	**3.77**	**3.33**
Diluted earnings per share (cents) Total	**3.77**	**3.33**

Notes to the Financial Statements

21. SEGMENT INFORMATION

The Group's management identifies two operating segments, Labour Hire and Training, representing the main products and services provided by the Group. During the financial year ended 30 June 2019, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss. The revenues and profit generated by each of the Group's operating segments are summarised as follows:

2019	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	279,556	8,014	287,570
Segment revenue	**279,556**	**8,014**	**287,570**
Other income	995	123	1,118
Employment cost	(266,157)	(5,778)	(271,935)
Depreciation and amortisation expense	(460)	(222)	(682)
Finance costs	(134)	(3)	(137)
Other expenses	(2,926)	(1,314)	(4,240)
Segment Profit	**10,874**	**820**	**11,694**
Unallocated items			(4,159)
Profit before income tax			**7,535**
Income tax expense			(2,111)
Profit after income tax			**5,424**
Other comprehensive income			-
Total comprehensive income for the year from continuing operations			**5,424**

2018	Labour Hire $000	Training $000	Total $000
Revenue			
From external customers	326,067	6,736	332,803
Segment revenue	**326,067**	**6,736**	**332,803**
Other income	594	182	776
Employment cost	(312,006)	(4,683)	(316,689)
Depreciation and amortisation expense	(335)	-	(335)
Finance costs	(18)	(4)	(22)
Other expenses	(2,865)	(2,185)	(5,050)
Segment Profit	**11,437**	**46**	**11,483**
Unallocated items			(4,645)
Profit before income tax			**6,838**
Income tax expense			(2,049)
Profit after income tax			**4,789**
Other comprehensive income			-
Total comprehensive income for the year from continuing operations			**4,789**

Notes to the Financial Statements

No segments assets or liabilities are disclosed because there is no measure of segments assets or liabilities regularly reported to Management and to the Board.

a. Information about major customers

Included in revenues from external customers are revenues of $90.5 million (2018: $143.3 million) which arose from sales to 2 (2018: 3) of the Group's customers whose individual revenue exceeds 10% of total revenue in the Labour Hire segment. Sales to these 2 customers were $59.7 million and $30.8 million respectively (2018: $57.9 million, $54.4 million and $31.0 million respectively).

There are no customers whose individual revenue exceeded 10% of total revenue in the Training segment in either financial year.

22. CASH FLOW INFORMATION

Reconciliation of cash flow from operations to profit after income tax

	2019 $000	2018 $000
Profit for the year	5,424	4,789
Cash flows excluded from profit attributable to operating activities		
Adjustments for non-cash items:		
- Depreciation and amortisation expense	1,007	660
- Bad and doubtful debts	(90)	62
- Profit on disposal of fixed assets	14	(3)
- **Changes in assets and liabilities**		
- Decrease/(increase) in trade and other receivables	1,200	(3,148)
- Decrease/(increase) in contract assets	(571)	-
- Decrease/(increase) in other assets	(517)	523
- Decrease/(increase) in deferred tax asset	1,796	1,883
- (Decrease)/increase in trade and other payables	(1,813)	(1,371)
- (Decrease)/increase in provisions	(1,187)	(120)
- (Decrease)/increase in current tax receivables	-	(285)
- (Decrease)/increase in current tax liabilities	307	-
- (Decrease)/increase in deferred tax liabilities	(818)	166
Net cash from operating activities	**4,752**	**3,156**

23. BUSINESS COMBINATION

The Group made no acquisitions during the financial year ended 30 June 2019 and also the previous financial year ended 1 July 2018.

Notes to the Financial Statements

24. CONTROLLED ENTITIES

Set out below are the controlled entities of Ashley Services Group Limited:

	Country of incorporation	2019 percentage owned %	2018 percentage owned %
Action Arndell Park Pty Limited	Australia	100	100
Action Botany Pty Limited	Australia	100	100
Action James (Qld) Pty Limited	Australia	100	100
Action James Mascot Pty Limited	Australia	100	100
Action James NSW Pty Limited	Australia	100	100
Action James Parramatta Pty Limited	Australia	100	100
Action James WCF Pty Limited	Australia	100	100
Action James Western Suburbs Pty Limited	Australia	100	100
Action Job Support Pty Limited	Australia	100	100
Action Merchandising Pty Ltd[1]	Australia	100	-
Action MMX Pty Limited	Australia	100	100
Action Workforce AC Pty Limited	Australia	100	100
Action Workforce ACT Pty Limited	Australia	100	100
Action Workforce BAX1 Pty Limited	Australia	100	100
Action Workforce CAT Pty Limited	Australia	100	100
Action Workforce COL1 Pty Limited	Australia	100	100
Action Workforce COS1 Pty Limited	Australia	100	100
Action Workforce COT Pty Limited	Australia	100	100
Action Workforce IMT Pty Limited	Australia	100	100
Action Workforce LIN1 Pty Limited	Australia	100	100
Action Workforce NSW Pty Limited	Australia	100	100
Action Workforce OS Pty Limited	Australia	100	100
Action Workforce OSI1 Pty Limited	Australia	100	100
Action Workforce OST Pty Limited	Australia	100	100
Action Workforce Pty Limited	Australia	100	100
Action Workforce T1 Pty Limited	Australia	100	100
Action Workforce T2 Pty Limited	Australia	100	100
Action Workforce VAPS Pty Limited	Australia	100	100
Action Workforce VER1 Pty Limited	Australia	100	100
Action Workforce Victoria Pty Limited	Australia	100	100
Action Workforce VM Pty Limited	Australia	100	100
Action Workforce VPS Pty Limited	Australia	100	100
ADV Services Pty Limited	Australia	100	100
ADV1 Pty Limited	Australia	100	100
ADV2 Pty Limited	Australia	100	100
ADV3 Pty Limited	Australia	100	100
ADV4 Pty Limited	Australia	100	100
ADV5 Pty Limited	Australia	100	100
ADV6 Pty Limited	Australia	100	100

Notes to the Financial Statements

	Country of incorporation	2019 percentage owned %	2018 percentage owned %
ADV7 Pty Limited	Australia	100	100
ADV8 Pty Limited	Australia	100	100
ADV9 Pty Limited	Australia	100	100
Advance BGT Pty Limited	Australia	100	100
Advance Exchange Pty Limited	Australia	100	100
Advance GW Pty Limited	Australia	100	100
Advance GX Pty Ltd	Australia	100	100
Advance KM Pty Limited	Australia	100	100
Advance LLA Pty Limited	Australia	100	100
Advance MAN Pty Limited	Australia	100	100
Advance MIX Pty Limited	Australia	100	100
Advance Recruitments Pty Limited	Australia	100	100
Advance WL Pty Limited	Australia	100	100
Advance WLE Pty Limited	Australia	100	100
Advance WLT Pty Limited	Australia	100	100
Advance WMPM Pty Limited	Australia	100	100
AIVD Holdings Pty Limited	Australia	100	100
ASG Integracom (AUST) Holdings Pty Limited	Australia	100	100
ASG Integracom (AUST) Pty Limited	Australia	100	100
Ash Pty Limited	Australia	100	100
Ashley Apprenticeship Network Pty Limited	Australia	100	100
Ashley Institute Holdings Pty Limited	Australia	100	100
Australian Institute of Vocational Development Pty Limited	Australia	100	100
AWF Training 1 Pty Limited	Australia	100	100
AWF Training 2 Pty Limited	Australia	100	100
AWF Training 3 Pty Limited	Australia	100	100
AWF Training 4 Pty Limited	Australia	100	100
AWF Training 5 Pty Limited	Australia	100	100
Cantillon Holdings Pty Limited	Australia	100	100
Capra Ryan Online Learning Pty Limited	Australia	100	100
College of Innovation and Industry Skills Pty Limited	Australia	100	100
Concept AWF Pty Limited (formerly Advance TR Pty Limited)	Australia	100	100
Concept Employment (Aust) Pty Limited	Australia	100	100
Concept Engineering (Aust) Pty Limited	Australia	100	100
Concept Project Resources Pty Limited (formerly Action Workforce VPN Pty Limited)	Australia	100	100
Concept Recruitment Specialists Pty Ltd[2]	Australia	100	-
CP Action Electronics Pty Limited	Australia	100	100
CP Action Workforce Pty Limited	Australia	100	100
ECA Chullora Pty Limited	Australia	100	100
ECA Plastics Pty Limited	Australia	100	100
Executive Careers Australia Pty Limited	Australia	100	100
Global Education and Training Group Pty Limited	Australia	100	100
Integracom Holdings Pty Limited	Australia	100	100
Integracom Unit Trust	Australia	100	100
James Personnel Pty Limited	Australia	100	100

Notes to the Financial Statements

	Country of incorporation	2019 percentage owned %	2018 percentage owned %
James Warehousing Pty Limited	Australia	100	100
Logistics People Pty Limited (formerly Action WA Pty Limited)	Australia	100	100
Qualitas Education Pty Limited (formerly Advance LSA Pty Limited)	Australia	100	100
Silk Group Holdings Pty Limited	Australia	100	100
TBRC Holdings Pty Limited	Australia	100	100
The Blackadder Recruitment Company Pty Limited	Australia	100	100
Tracmin Holdings Pty Limited	Australia	100	100
Tracmin Pty Limited	Australia	100	100
Training Support Group Pty Limited	Australia	100	100
Vocational Training Australia Pty Limited	Australia	100	100

Notes:

1. Action Merchandising Pty Ltd was a company incorporated on 4 January 2019.
2. Concept Recruitment Specialists Pty Ltd was a company incorporated on 6 June 2019.

25. PARENT ENTITY DISCLOSURES

a. Financial position

	2019 $000	2018 $000
Assets		
Current assets	92	92
Non-current assets	17,028	17,028
Total assets	**17,120**	**17,120**
Liabilities		
Non-current liabilities	(3,599)	-
Total liabilities	**(3,599)**	**-**
Net assets	**13,521**	**17,120**
Equity		
Share capital	148,815	148,815
Common control reserve	(57,687)	(57,687)
Accumulated losses	(77,607)	(74,008)
Total equity	**13,521**	**17,120**

b. Statement of profit or loss and other comprehensive income

	2019 $000	2018 $000
Profit/(Loss) for the year	-	(724)
Other comprehensive income	-	-
Total comprehensive income/(loss)	**-**	**(724)**

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

The Parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Notes to the Financial Statements

d. Contingent liabilities of the Parent Entity

The Parent entity had no other known material contingent liabilities as at 30 June 2019.

e. Commitments for expenditure for the Parent entity

The Parent entity had Nil committed expenditure as at 30 June 2019 (1 July 2018: Nil).

26. DEED OF CROSS GUARANTEE

The following entities have entered into a deed of cross guarantee dated 22 February 2018 under which each company guarantees the debts of the others:

- Ashley Services Group Limited
- Action Workforce Pty Limited
- ADV6 Pty Limited
- Ashley Institute Holdings Pty Ltd
- Concept Engineering (Aust) Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Ashley Services Group Limited, they also represent the 'Extended Closed Group'.

a. Statement of profit or loss and other comprehensive income

Extended Closed Group	2019[1] $000	2018[1] $000
Revenue	268,294	315,052
Other Income	995	594
Employment costs	(255,750)	(301,657)
Depreciation and amortisation expense	(413)	(287)
Finance costs	(134)	(18)
Other expenses	(2,737)	(3,286)
Profit before income tax	**10,255**	**10,398**
Income tax expense	(3,076)	(3,119)
Profit after income tax	**7,179**	**7,279**
Other Comprehensive Income	-	-
Total comprehensive income for the year	**7,179**	**7,279**

Notes:

1. The Statement of profit or loss and other comprehensive income for the extended group is presented for the financial year ended 30 June 2019 and 1 July 2018, as it is deemed that this information is more relevant to users of the financial report than if the period 22 February 2018 to 1 July 2018 was presented.

Notes to the Financial Statements

b. Statement of Financial position

Extended Closed Group	30 Jun 2019 $000	1 Jul 2018 $000
Assets		
Current assets		
Cash and cash equivalents	2,297	4,571
Trade and other receivables	27,681	28,318
Other assets	883	161
Total current assets	**30,861**	**33,050**
Non-current assets		
Trade and other receivables	83,616	71,755
Property, plant and equipment	550	800
Deferred tax assets	3,485	3,485
Other	17,028	17,028
Total non-current assets	**104,679**	**93,068**
Total assets	**135,540**	**126,118**
Liabilities		
Current liabilities		
Trade and other payables	27,151	27,095
Dividend payable	3,599	-
Current tax payable	9,575	6,783
Provisions	1,480	1,707
Total current liabilities	**41,805**	**35,585**
Non-current liabilities		
Deferred tax liabilities	(114)	(114)
Provisions	372	557
Total non-current liabilities	**258**	**443**
Total liabilities	**42,063**	**36,028**
Net assets	**93,477**	**90,090**
Equity		
Share capital	148,815	148,815
Common control reserve	(57,687)	(57,687)
Retained earnings/(accumulated losses)	2,349	(1,038)
Total Equity	**93,477**	**90,090**

Notes to the Financial Statements

c. Equity – retained profits

Extended Closed Group	30 Jun 2019 $000	1 Jul 2018 $000
Retained profits at the beginning of the financial year	(1,038)	(7,325)
Adjustment to opening retained profits	(193)	(992)
Profit after income tax expense	7,179	7,279
Dividends paid	(3,599)	-
Retained profits/(accumulated losses) at the end of the financial year	**2,349**	**(1,038)**

d. Contingent liabilities of the Extended Closed Group

The Extended Closed Group had no other known material contingent liabilities as at 30 June 2019.

e. Commitments for expenditure for the Extended Closed Group

The Extended Closed Group had Nil committed expenditure as at 30 June 2019 (1 July 2018: Nil).

f. Going Concern and Financial Support

The financial statements of the Extended Closed Group have been prepared on a going concern basis. The directors have provided a letter of financial support confirming that each of the below listed companies within the Ashley Services group Limited and controlled entities agrees to provide whatever financial support is necessary to ensure each entity will be able to continue as a going concern and pays its debts as and when they fall due and payable.

The financial support covers the following entities:

- Ashley Services Group Limited;
- Action Workforce Pty Limited;
- Concept Engineering (Aust.) Pty Ltd;
- ASH Pty Ltd;
- Vocational Training Australia Pty Ltd;
- Australian Institute of Vocational Development Pty Ltd; and
- Tracmin Pty Ltd.

The financial support includes but is not limited to the actions as noted below:

- not calling on related party loans;
- agreeing to any cost re-allocations or management fee re-charges; and
- agreeing to debt forgiveness with any related entity.

The undertaking remains current until the date on which the directors approve the financial statements of the Group for the financial year ending 30 June 2019. The directors are satisfied that collectively the Group has the financial ability to provide this support.

g. Security Offered

Shrimpton Holdings has fixed and floating charges over the Extended Closed Group's assets, subject to conditions outlined by a separate agreement between Ashley Services group Limited, the parent company, and Shrimpton Holdings Pty Limited in line with the ASX Listing Rule Waiver as granted 1 August 2018.

Notes to the Financial Statements

27. RELATED PARTY TRANSACTIONS

a. Parent company

There is no ultimate parent company for Ashley Services Group Limited.

b. Transactions with related entities

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

Transactions with related parties are as follows:

	2019[2] $	2018[2] $
Rent and outgoings paid or payable to Shrimpton Holdings Pty Limited as trustee for the Shrimpton Family Trust, an entity which is controlled by Mr Ross Shrimpton for the head office at Arndell Park, New South Wales[1]	116,454	3,125
Loan balances from entities associated with Mr Ross Shrimpton.	-	-
Interest and line fee paid to Shrimpton Holdings Pty Limited, an entity which is controlled by Mr Ross Shrimpton	175,169	199,706
Fees payable to Trood Pratt & Co (of which Ian Pratt is a Partner) for taxation services	37,484	83,170

Note:
1. 2018 amount is for Outgoings only whilst 2019 amount includes Rent/Outgoings payment for FY19 ($116,454).
2. All amounts as shown are exclusive of GST.

28. SECURED AND CONTINGENT LIABILITIES

For assets pledged as security for borrowing facilities see Note 16.

The Group had no other known contingent liabilities at 30 June 2019.

29. FINANCIAL INSTRUMENTS

a. Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statement.

b. Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial management framework. The Board has an established Audit and Risk Management Committee which is responsible for developing and monitoring the Group's financial management policies. The Committee provides regular reports to the Board of Directors on its activities.

The Audit and Risk Management Committee oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

The main risks arising from the Group's financial instruments are market risk (including fair value interest rate risk), credit risk and liquidity risk. The Board reviews and approves policies for managing each of these risks.

The Audit and Risk Management Committee oversees how management monitors compliance with risk management policies and procedures and review the adequacy of the risk management framework in relation to the risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purpose.

Notes to the Financial Statements

c. Market risk

Interest rate risk

The Group is exposed to interest rate risk associated with borrowed funds at floating interest rates. During the financial year, risks associated with interest rate movements were monitored by the Board; however, no hedging instruments were considered necessary to manage the risk.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the effect on the Group would be as follows:

	2019 $000	2018 $000
Change in profit		
Increase in interest rates of 1%	91	78
Decrease in interest rates of 1%	(91)	(78)
Change in equity		
Increase in interest rates of 1%	91	78
Decrease in interest rates of 1%	(91)	(78)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The carrying value of trade receivables recorded in the financial statements, net of any impairment allowances, represents the Group's maximum exposure to credit risks.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counter parties are a reputable bank with high quality external credit ratings.

The maximum credit risk exposure of financial assets is their carrying amount in the financial statements.

d. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Managing Director and Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously comparing actual cash flows with forecasts and matching the maturity profiles of

Notes to the Financial Statements

financial assets and liabilities. Included in Note 16 is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been presented based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group may be required to pay. The table includes both interest and principal cash flows.

Financial liabilities

2019	Weighted average effective interest rate %	Within 1 year $000	1 to 5 years $000	Over 5 years $000	Total $000
Trade and other payables	n/a	13,900	-	-	13,900
Borrowings – working capital facility	5.85%	-	-	-	-
Total		**13,900**	**-**	**-**	**13,900**

2018	Weighted average effective interest rate %	Within 1 year $000	1 to 5 years $000	Over 5 years $000	Total $000
Trade and other payables	n/a	15,713	-	-	15,713
Borrowings – working capital facility	5.85%	-	-	-	-
Total		**15,713**	**-**	**-**	**15,713**

Fair value of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- level 1 – the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;
- level 2 – the fair value of other financial assets and liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- level 3 – where quoted prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Notes to the Financial Statements

30. OPERATING LEASE COMMITMENTS

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2019[1] $000	2018[1] $000
Leases as lessee		
Less than one year	1,384	1,400
Between one and five years	1,756	2,588
Total	**3,140**	**3,988**

Note:
1. All amounts as shown are exclusive of GST.

The Group leases a number of offices under operating leases. The leases run over varying periods, some with option periods. Some of the leases have fixed rate rental periods, and some have market rate rental adjustments.

31. EVENTS 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, except for the following:

Subsequent to year end, the Company on 27 August 2019 announced that it has entered into agreements to acquire a major shareholding of the CCL Group, comprised of Construction Contract Labour (VIC) Pty Ltd, Complete Traffic Services (VIC) Pty Ltd and CCL Filcon Pty Ltd

The combined acquisition price for the 80% purchase of the CCL Group is $11.2 million adjusted for subsequent earn-outs for FY20 and FY21. Payments will be based on FY19 (80%), FY20 (10%) and FY21 (10%) audited results. Pre-audited FY19 results were a normalised EBITDA of $4.1 million from Revenue of $40.0 million.

On 9 August 2019 the Group declared a fully franked final dividend of 2.7 cents in relation to the financial year ended 30 June 2019, with a payment date of 6 September 2019.

32. EMPLOYEE SHARE RIGHTS PLAN

The Company implemented a performance rights share plan for its executives, which operated during the financial years ended 30 June 2015 and 30 June 2016. The terms of the 2016 Performance Plan have been outlined in the Directors' Report (Table 7) within this Annual Report.

The plan has been suspended for the financial years ending 30 June 2017, 1 July 2018 and 30 June 2019. No Performance Rights were issued during the financial years ended 30 June 2019 or 1 July 2018, see Note 18b.

Notes to the Financial Statements

33. DIVIDENDS

a. Ordinary shares

On 26 July 2018 the Group declared a fully franked final dividend of 2.5 cents in relation to the financial year ended 1 July 2018 (FY17: Nil).

b. Franking credits

	2019 $000	2018 $000
Franking credits available for subsequent financial years based on a tax rate of 30% (2018: 30%)	332	742

The balance of the franking accounts includes:

- franking credits that arose from the payment of the amount of the provision for income tax;
- franking debits that arise from the refund of the amount of the provision for income tax;
- franking debits that arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that arise from the receipt of dividends recognised as receivables at the reporting date.

ASX Additional Information

Set out below is additional information as required by the ASX Limited Listing Rules and not disclosed elsewhere in this report. This information is effective as at 16 August 2019.

Number of security holders and securities on issue

Quoted equity securities

Ashley Services has on issue 143,975,904 fully paid ordinary shares which are held by 633 shareholders.

Voting rights

Quoted equity securities

The voting rights attached to fully paid ordinary shares are that on a show of hands, every member present, in person or proxy, has one vote and upon a poll, each share shall have one vote.

Distribution of security holders

Quoted equity securities

Ordinary fully paid ordinary shares

Holding	Number of shareholders	Number of shares	%
1 – 1,000	164	122,479	0.09
1,001 – 5,000	152	351,797	0.24
5,001 – 10,000	63	496,716	0.34
10,001 – 100,000	190	7,326,185	5.09
100,001 and over	64	135,678,727	94.24
Total	**633**	**143,975,904**	**100.00**

Unmarketable parcel of shares

The number of shareholders holding less than a marketable parcel of Fully Paid Ordinary shares is 221 with a total number of shares held is 188,499.

Substantial Shareholders

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

Fully Paid Ordinary Shares

Name	Number	%
Ross Shrimpton	80,279,030	55.76%
JP Morgan Nominees Australia Limited ATF Viburnum Funds Pty Ltd	10,869,941	7.55%

Unquoted equity securities

There are no unquoted shares.

On-market buy-back

There is no current on-market buy-back.

ASX Additional Information

Twenty largest shareholders

Fully paid ordinary shares

Details of the 20 largest shareholders of quoted securities (grouped) by registered shareholding are:

Name	Number of shares	%
Mr Ross Shrimpton	80,279,030	55.76%
JP Morgan Nominees Australia Limited	11,211,480	7.79%
HSBC Custody Nominees (Australia) Limited	5,457,230	3.79%
BNP Paribas Nominees Pty Ltd	4,122,416	2.86%
Hishenk Pty Ltd	3,300,000	2.29%
JJC Group (Aust) Pty Ltd	3,005,832	2.09%
Action James Holdings Pty Limited	2,467,275	1.71%
Aust Executor Trustees Ltd	1,582,009	1.10%
Mr Marc Shrimpton	1,500,000	1.04%
Moat Investments Pty Ltd	1,484,507	1.03%
Kingston Properties Pty Limited	1,390,122	0.97%
Mr Andrew Douglas Shrimpton	1,275,000	0.89%
Velkov Funds Management Pty Ltd	1,000,000	0.69%
Wide Eagle Pty Ltd	1,000,000	0.69%
Mrs Kerry Elizabeth Draffin	949,834	0.66%
Mr Mark Christopher Garrick	896,618	0.62%
Mr Richard Ewan Bromley Mews	750,000	0.52%
Gailforce Marketing & PR Pty Limited	820,001	0.57%
Mr Dean Michael Shrimpton	632,388	0.44%
Mr Christopher John McFadden & Mrs Toula McFadden	630,630	0.44%
Aust Executor Trustees Ltd	589,575	0.41%
Total	**124,343,947**	**86.36%**

Annual General Meeting

The annual general meeting of the Company will be held at the company’s offices at Level 10, 92 Pitt Street Sydney NSW 2000 at 10.00am on Thursday 24 October 2019. Shareholders who are unable to attend the meeting are encouraged to complete and return their proxy form that will accompany the notice of meeting.

Corporate Directory

Non-Executive Directors

Mr Ian Pratt (Chairman)

Executive Directors

Mr Ross Shrimpton – Managing Director
Mr Chris McFadden

Company Secretary

Mr Ron Hollands

Registered Office

Level 10
92 Pitt Street
Sydney NSW 2000

Australian Company Number

094 747 510

Australian Business Number

92 094 747 510

Auditors

HLB Mann Judd
Level 19
207 Kent Street
Sydney NSW 2000
Telephone: + 61 2 9020 4000
Facsimile: + 61 2 9020 4190

Legal Adviser

Addisons Lawyers
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Sydney NSW 2000
Telephone: + 61 2 8915 1000
Facsimile: + 61 2 8916 2000

Bankers

Bankwest
Level 16
45 Clarence Street
Sydney NSW 2000
Telephone: + 61 2 9276 8000
Facsimile: 1300 453 796

Share Registry

Link Market Services Limited
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Perth WA 6000
Telephone: +61 1300 554 474
Facsimile: +61 2 9287 0303
Website: www.linkmarketservices.com.au

Website

www.ashleyservicesgroup.com.au

ASX Code

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