PITCHER PARTNERS

Midway Limited and controlled entities

ABN 44 005 616 044

Re-issued Consolidated Financial report
For the year ended 30 June 2015

Pitcher Partners
Level 19
15 William Street
Melbourne VIC 3000
Telephone (03) 8610 5000

TABLE OF CONTENTS

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED DIRECTORS' REPORT

The directors present their report together with the financial report of the economic entity, being the company and its controlled entities, for the year ended 30 June 2015 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors names

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

G H McCormack (Chairman)

J P D Frederick (Resigned 30 September 2015)

T H Gunnersen AM

T B Keene

N G Gunnersen

N P Koren (Alternate director for T H Gunnersen)

A C Bennett

A R Price (Appointed 10 November 2015)

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

Results

The profit of the economic entity for the year after providing for income tax amounted to $18,824,975 (2014: $2,402,281 profit). This result includes an after-tax increment to the fair value of biological assets of $7,543,115 (2014: $2,581,102 increment). The operating result before this fair value adjustment is a profit after tax of $11,281,860 (2014:$178,821 loss).

The fair value of plantation land was reassessed at 30 June 2015 resulting in a decrease to the carrying value by $2,429,211 (2014: $10,010,172 decrease). This fair value adjustment is recognised in the asset revaluation reserve and the after tax effect is disclosed as Other Comprehensive Income in the Statement of Comprehensive Income.

Review of operations

The economic entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the economic entity's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

RE-ISSUED DIRECTORS' REPORT

Principal activities

The principal activity of the economic entity during the year was procuring, processing and marketing residual wood products and management of forestry plantations.

No significant change in the nature of these activities occurred during the year.

After balance date events

Particulars of matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the economic entity, the results of those operations or the state of affairs of the economic entity in future financial years are as follows:

On 5 February 2016 Midway Plantations Pty Ltd and Strategy Timber Pty Ltd executed a Sale Agreement whereby Midway Plantations Pty Ltd to sell substantially all of its plantation trees to Strategy Timber Pty Ltd. This sale transaction was completed on 29 February for approximately $55.7 million, resulting in a net profit recognised on sale at 29 February 2016 of approximately $2.4 million.

As at 31 December 2015 approximately $67,000 was paid on deposits for two blocks of plantation land. These blocks were settled between 22 January and 25 January 2016 with approximately $635,000 being paid upon settlement. During February 2016, 10% deposits were paid on an additional four blocks of plantation land totalling approximately $168,000 with 90 day settlement terms. As at the date of this financial report, these blocks have not yet settled with approximately $1.5 million payable on settlement.

Subsequent to 31 December 2015, the Board of Directors resolved to enter into proceedings to undertake an initial public offering of the Midway Ltd group. This process is underway but not yet complete at the date of signing.

The financial statements of Midway Limited and controlled entities were initially authorised for issue on 15 October 2015. These financial statements have been subsequently reissued at the date of signing of the Directors report based on a prior period error being identified in the financial statements for the year ended 30 June 2013 relating to understatement of the Deferred Tax Liability and overstatement of the Asset Revaluation Reserve, as detailed in Note 30 of the re-issued financial statements of Midway Ltd and controlled entities for the period ended 30 June 2013, as well as restatement of the fair value of biological assets at 30 June 2015.

Likely developments

With the exception of the matters occurring after balance date as detailed above, the economic entity expects to maintain the present status and level of operations.

Environmental regulation

The economic entity's operations are subject to environmental regulations under a law of the Commonwealth or of a State or Territory. Details of the economic entity's performance in relation to such environmental regulation are as follows:

As Midway Ltd and its controlled entities are in the business of procuring and selling wood products and timber production, it must comply with all relevant Commonwealth, State and Local government laws, in particular the Code of Forest Practice for timber production in Victoria. The Company has achieved certification under the Australian Forestry Standard (AS4708). To the best of our knowledge, there have been no material breaches of any environmental laws by the company or its contractors during the reporting period.

There are certain pre-existing environmental issues associated with the Gatic property which was acquired in 1998. This is owned by the wholly owned subsidiary, Midway Properties Pty Ltd, including contaminated soil, etc. An ongoing environmental management plan to monitor the water table has been in place for a number of years.

Dividends paid, recommended and declared

Dividends paid or declared since the start of the financial year are as follows:

- Fully franked at 30% - $5,896,174 (2014: $3,449,199)

Information on directors

G H McCormack	Non-Executive Director and Board Chairman, Chairman of OH&S and Management Systems Committee and member of the Audit & Risk Management and Remuneration & Nomination Committees
Qualifications	Bachelor of Business
Experience	Strong forestry and sawmilling background. Director since 1980.
J P D Frederick	CEO and Executive Director
Qualifications	B.Econ
Experience	Extensive commercial and senior management experience. Midway CEO from 1996 until 31 March 2012 and from 1 March 2013. Director from 2008 until November 2012, recommenced from 1 March 2013. Resigned 30 September 2015.
T B Keene	Independent Non-Executive Director. Chairman of Audit & Risk Management Committee and member of Remuneration & Nomination Committee.
Qualifications	B.Ec., FAICD
Experience	Strong commercial and agribusiness background. Director since 2008.

Information on directors (Continued)

T H Gunnersen AM	Non-Executive Director. Chairman of Remuneration & Nomination Committee and member of OH&S and Management Systems Committee.
Qualifications	B.Com, Master of Science (Social Science)
Experience	Strong forestry, sawmilling and distribution of wood-related products background. Director since 1993.
N G Gunnersen	Non-Executive Director. Member of Audit & Risk Management and OH&S and Management Systems Committees.
Qualifications	B. Bus., Ag Commerce (UNE)
Experience	Commercial experience in forestry, harvesting and logistics, sawmilling and processing, sales and marketing and distribution of wood related products. Director since October 2013.
N P Koren	Alternate Director for T H Gunnersen
A C Bennett	Non Executive Director.
Qualifications	Dip. E (Civil) Grad Dip. (Industrial Management).
Experience	Extensive background in production management, particularly in the manufacture of high volume/low margin products for use in civil engineering construction. Director since November 2013.
A R Price	CEO and Executive Director.
Qualifications	BSc Forestry, Grad Dip. (Business Management).
Experience	Appointed 10 November 2015.

Meetings of directors

Directors	Directors' meetings		Audit & Risk Management Committee meetings		Remuneration & Nomination Committee meetings		OH&S and Management Systems Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
G H McCormack	10	9	3	3	3	3	3	3
J P D Frederick	10	10	-	-	-	-	-	-
T H Gunnersen AM	10	9	1	1	3	1	3	3
T B Keene	10	8	3	2	3	2	1	1
N G Gunnersen	10	10	3	3	1	1	3	3
A C Bennett	10	10	1	1	1	1	1	1

Options

No options over unissued shares or interests in the economic entity were granted during or since the end of the year and there were no options outstanding at the end of the year.

Indemnification of officers

During or since the end of the year, the economic entity has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums in order to indemnify the directors of the economic entity against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director/officer of the economic entity, other than conduct involving a wilful breach in relation to the economic entity.

Further disclosure required under section 300(9) of the corporations law is prohibited under the terms of the contract.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the economic entity.

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

Proceedings on behalf of the economic entity

No person has applied for leave of Court to bring proceedings on behalf of the economic entity or intervene in any proceedings to which the economic entity is a party for the purpose of taking responsibility on behalf of the economic entity for all or any part of those proceedings.

Signed on behalf of the board of directors.

Director: ______________________________

G H McCormack

Dated this 21st day of April 2016

PITCHER PARTNERS

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF MIDWAY LIMITED

In relation to the independent audit for the year ended 30 June 2015, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

This declaration is in respect of Midway Limited and the entities it controlled during the year.

S SCHONBERG

Partner

PITCHER PARTNERS

Melbourne

Date: 21/4/16

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Re-issued $	2014 Re-issued $
Revenue and other income			
Sales revenue	4	142,264,425	93,673,816
Other income	4	4,488,985	3,213,991
	4	146,753,410	96,887,807
Less: expenses			
Changes in inventories of finished goods and work in progress	5	6,632,622	(1,185,066)
Materials, consumables and other cost of sales	5	(123,360,047)	(78,923,942)
Depreciation and amortisation expense	5	(3,459,323)	(3,586,831)
Employee benefits expense		(4,990,743)	(4,311,891)
Finance costs	5	(1,724,494)	(2,013,635)
Biological assets net fair value increment / (decrement)	5	10,775,878	3,687,289
Plantation management expenses		(608,208)	(679,796)
Plantation land management expenses		(102,691)	-
Other expenses		(7,413,657)	(5,607,087)
		(124,250,663)	(92,620,959)
Share of net profits / (losses) of SWF and VTP accounted for using the equity method	5	3,025,939	(600,363)
Profit before income tax expense		25,528,686	3,666,485
Income tax expense	6	(6,703,711)	(1,264,204)
Net profit from continuing operations		18,824,975	2,402,281

The accompanying notes form part of these financial statements.

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Re-issued $	2014 Re-issued $
Profit for the year		18,824,975	2,402,281
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Revaluation of land, net of tax	20	(1,700,448)	(7,007,120)
Other comprehensive income for the year		(1,700,448)	(7,007,120)
Total comprehensive income		17,124,527	(4,604,839)
Profit/(loss) is attributable to:			
- Owners of Midway Limited		18,635,379	2,317,307
- Non-controlling interests		189,596	84,974
		18,824,975	2,402,281
Total comprehensive income is attributable to:			
- Owners of Midway Limited		16,934,931	(4,689,813)
- Non-controlling interests		189,596	84,974
		17,124,527	(4,604,839)

The accompanying notes form part of these financial statements.

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	2015 Re-issued $	2014 Re-issued $
Current assets			
Cash and cash equivalents	8	29,181,595	21,989,831
Receivables	9	13,960,166	14,906,163
Inventories	10	10,436,506	3,803,884
Other assets	11	3,460,466	1,375,203
Total current assets		57,038,733	42,075,081
Non-current assets			
Biological assets	12	54,200,000	51,343,388
Investments accounted for using equity method	13	7,335,126	4,380,755
Intangible assets	14	1,970,930	1,970,930
Property, plant and equipment	15	104,950,405	112,026,832
Total non-current assets		168,456,461	169,721,905
Total assets		225,495,194	211,796,986
Current liabilities			
Trade and other payables	16	16,389,781	16,741,819
Borrowings	17	561,910	3,582,814
Provisions	18	1,657,285	1,380,593
Current tax liabilities	6	3,815,321	91,629
Total current liabilities		22,424,297	21,796,855
Non-current liabilities			
Long term borrowings	17	29,634,840	29,316,308
Provisions	18	55,601	63,835
Deferred tax liabilities	6	32,306,917	30,774,802
Total non-current liabilities		61,997,358	60,154,945
Total liabilities		84,421,655	81,951,800
Net assets		141,073,539	129,845,186
Equity			
Share capital	19	28,833,038	28,833,038
Reserves	20	48,822,523	38,350,016
Retained earnings	21	62,131,898	61,415,645
Equity attributable to owners of Midway Consolidated Group		139,787,459	128,598,699
Outside equity interests in controlled entities		1,286,080	1,246,487
Total equity		141,073,539	129,845,186

The accompanying notes form part of these financial statements.

RE-ISSUED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Share capital $	Reserves $	Retained earnings $	Non-controlling interests $	Total equity $
Balance as at 1 July 2013	28,833,038	45,849,034	61,152,716	2,064,436	137,899,224
Profit for the year	-	-	2,317,307	84,974	2,402,281
Revaluation of land, net of tax	-	(7,007,120)	-	-	(7,007,120)
Total comprehensive income for the year	-	(7,007,120)	2,317,307	84,974	(4,604,839)
Transactions with owners in their capacity as owners:					
Buy-backs	-	-	-	(902,923)	(902,923)
Dividends	-	-	(3,449,199)	-	(3,449,199)
Purchase of additional ownership interest in QCE	-	-	902,923	-	902,923
Decrement of plantations, net of tax	-	(491,898)	491,898	-	-
Total transactions with owners in their capacity as owners	-	(491,898)	(2,054,378)	(902,923)	(3,449,199)
Balance as at 30 June 2014	28,833,038	38,350,016	61,415,645	1,246,487	129,845,186

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Share capital $	Reserves $	Retained earnings $	Non-controlling interests $	Total equity $
Balance as at 1 July 2014	28,833,038	38,350,016	61,415,645	1,246,487	129,845,186
Profit/(loss) for the year	-	-	18,635,379	189,596	18,824,975
Revaluation of land, net of tax	-	(1,700,448)	-	-	(1,700,448)
Total comprehensive income for the year	-	(1,700,448)	18,635,379	189,596	17,124,527
Transfers	-	-	(12,889,208)	-	(12,889,208)
Transactions with owners in their capacity as owners:					
Dividends	-	-	(5,746,171)	(150,003)	(5,896,174)
Transfer to retained earnings	-	(1,959,368)	1,959,368	-	-
Increment of plantations, net of tax	-	1,243,115	(1,243,115)	-	-
Transfers of current year profits	-	12,889,208	-	-	12,889,208
Total transactions with owners in their capacity as owners	-	12,172,955	(5,029,918)	(150,003)	6,993,034
Balance as at 30 June 2015	28,833,038	48,822,523	62,131,898	1,286,080	141,073,539

The accompanying notes form part of these financial statements.

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 Re-issued $	2014 Re-issued $
Cash flow from operating activities			
Receipts from customers		145,748,382	96,048,691
Payments to suppliers and employees		(132,433,544)	(89,689,608)
Interest received		800,556	783,821
Finance costs		(1,654,477)	(1,926,067)
Income tax paid		(719,140)	(623,212)
Net cash provided by operating activities	22(b)	11,741,777	4,593,625
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		3,658,806	290,655
Payment for property, plant and equipment		(1,655,574)	(1,231,262)
Net contribution to equity accounted associates and joint ventures		71,568	(29,769)
Net cash provided by / (used in) investing activities		2,074,800	(970,376)
Cash flow from financing activities			
Net hire purchase payments		(450,504)	(63,536)
Loan to associates		2,040,000	2,040,000
Movement in borrowings		(2,100,000)	(2,869,459)
Dividends paid		(5,896,174)	(3,449,199)
Net cash provided by / (used in) financing activities		(6,406,678)	(4,342,194)
Reconciliation of cash			
Cash at beginning of the financial year		21,771,696	22,490,641
Net increase / (decrease) in cash held		7,409,899	(718,945)
Cash at end of financial year	22(a)	29,181,595	21,771,696

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.*

The financial report was approved by the directors as at the date of the re-issued directors' report.

The financial report is for Midway Limited and its consolidated entities. Midway Limited is a company limited by shares, incorporated and domiciled in Australia. Midway Limited is a for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Compliance with IFRS

The consolidated financial statements of the economic entity also comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity ("the economic entity"), comprising the financial statements of the parent entity and all of the entities the parent controls. The economic entity controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the economic entity and are de-recognised from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the re-issued consolidated statement of comprehensive income and re-issued consolidated statement of financial position respectively.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

A balance sheet approach is adopted under which deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation

The parent entity Midway Limited and its subsidiaries have implemented the tax consolidation legislation and have formed a tax-consolidated group from 1 July 2002. The parent entity and subsidiaries in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiaries recognise current or deferred tax amounts arising in respect of their own transactions, events and balances;
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Finance Costs

Finance costs can include interest, amortisation of discounts or premiums relating to borrowings, ancillary costs incurred in connection with arrangement of borrowings, including trade creditors and lease finance charges.

Finance costs are expensed as incurred.

(e) Impairment of non-financial assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(f) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the economic entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease and is included in finance costs in the the statement of comprehensive income. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the economic entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating leases

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

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue

Revenue from sale of goods is recognised at the time of delivery of the goods to the customer.

Revenue from the rendering of services is recognised upon the delivery of the service to the customers.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Rental revenue is recognised on a straight-line basis over the rental term.

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

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct material, direct labour and a proportion of manufacturing overheads based on normal operating capacity.

(i) Biological assets

Biological assets comprise standing timber growing on freehold and leasehold land. Biological assets are revalued each year to net market value.

The fair value net increase or decrease to the carrying value of the standing timber revaluation is recognised in profit or loss. To the extent they remain unrealised, the after-tax net increase or decrease is transferred to a plantation revaluation reserve in shareholders equity as noted in Note 20.

The carrying amount of the forest plantation land is included in property, plant and equipment and is accounted for in accordance with Note 1(j).

In revaluing the biological asset component of the forest plantations, a deferred tax asset or liability has been recognised.

(j) Property, plant and equipment

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment (Continued)

Property

Freehold land and buildings are measured at fair value. At each balance date the carrying amount of each asset is reviewed to ensure that it does not differ materially from the asset's fair value at reporting date. Where necessary, the asset is revalued to reflect its fair value.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. Decreases that offset previous increases of the same asset are recognised in other comprehensive income under the heading of revaluation surplus; all other decreases are charged to the statement of comprehensive income.

Plant and equipment

Plant and equipment is measured on a cost basis.

Buildings

Buildings are measured on the cost basis.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

Class of fixed asset	Depreciation rates	Depreciation basis
Buildings at cost	2.5 - 20%	Straight line
Plant and equipment at cost	3 - 100%	Straight line
Roading at cost	4%	Straight line

(k) Intangibles

Goodwill

Goodwill is recognised initially at the excess over the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Foreign currency translations and balances

Functional and presentation currency

The financial statements of each entity within the consolidated entity is measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Transactions and Balances

Transactions in foreign currencies of entities within the consolidated economic entity are translated into functional currency at the rate of exchange ruling at the date of the transaction.
Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

A monetary item arising under a foreign currency contract outstanding at the reporting date where the exchange rate for the monetary item is fixed in the contract is translated at the exchange rate fixed in the contract.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re-statement are recognised as revenues and expenses for the financial year.

The foreign currency hedging policy is described under Note 26.

(m) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Investments in associates

An associated company is a company over which the economic entity is able to exercise significant influence.

The consolidated entity's interests in associates are brought to account using the equity method after initially being recognised at cost. Under the equity method, the profits or losses of the associate is recognised in profit or loss and the share of other comprehensive income items is recognised in other comprehensive income. Details relating to associates are set out in Note 30.

Unrealised gains and losses on transactions between the consolidated entity and an associate are eliminated to the extent of the entity's share in an associate.

(o) Interests in joint arrangements

Joint ventures

The economic entity's interest in joint venture entities are brought to account using the equity method after initially being recognised at cost. Under the equity method, the profits or losses of the joint venture entity is recognised in profit or loss and the share of other comprehensive income items is recognised in other comprehensive income. The profit or loss of the joint venture entity is recognised in profit or loss. Details relating to the joint venture entity are set out in Note 30.

(p) Financial instruments

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Loans receivable designated as 'at call' are carried at face value.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Financial instruments (Continued)

Derivative financial instruments

The economic entity holds derivative financial instruments to hedge its risk exposures from foreign currency movements.

Derivatives are initially recognised at fair value and applicable transaction costs are recognised in profit or loss as they are incurred.

Some financial instruments have embedded derivatives within them. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

(q) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(r) Re-issuance of financial statements

This general purpose financial report was approved by the Directors on 21 April 2016 and supersedes the previous general purpose financial report that was signed and approved by the Directors on 15 October 2015. This general purpose financial report was re-issued as a result of identification of a prior period error in the financial statements for the year ended 30 June 2013, relating to an understatement of the Deferred Tax Liability and overstatement of the Asset Revaluation Reserve, as detailed in Note 30 and Note 31 of the re-issued financial statements of Midway Ltd and controlled entities for the period ended 30 June 2013, as well as restatement of the fair value of biological assets at 30 June 2015. Refer to Note 27 for additional disclosures not included in superseded financial reports.

NOTE 2: ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE AT 30 JUNE 2015

The following standards and interpretations have been issued at the reporting date but are not yet effective.

AASB 9 *Financial Instruments*

Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value.

AASB 9 amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.

Chapter 6 Hedge Accounting supersedes the general hedge accounting requirements in AASB 139 *Financial Instruments: Recognition and Measurement*, which many consider to be too rules-based and arbitrary. Chapter 6 requirements include a new approach to hedge accounting that is intended to more closely align hedge accounting with risk management activities undertaken by entities when hedging financial and non-financial risks. Some of the key changes from AASB 139 are as follows:

- to allow hedge accounting of risk components of non-financial items that are identifiable and measurable (many of which were prohibited from being designated as hedged items under AASB 139);
- changes in the accounting for the time value of options, the forward element of a forward contract and foreign-currency basis spreads designated as hedging instruments; and
- modification of the requirements for effectiveness testing (including removal of the 'brightline' effectiveness test that offset for hedging must be in the range 80-125%).

Revised disclosures about an entity's hedge accounting have also been added to AASB 7 *Financial Instruments: Disclosures.*

Impairment of assets is now based on expected losses in AASB 9 which requires entities to measure:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument.

The effective date is annual reporting periods beginning on or after 1 January 2018.

The impact of AASB 9 has not yet been quantified.

NOTE 2: ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT OPERATIVE AT 30 JUNE 2015 (CONTINUED)

AASB 15 *Revenue from Contracts with Customers*

AASB 15 introduces a five step process for revenue recognition with the core principle being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services. The five step approach is as follows:

- Step 1: Identify the contracts with the customer;
- Step 2: Identify the separate performance obligations;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price; and
- Step 5: Recognise revenue when a performance obligation is satisfied.

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The effective date is annual reporting periods beginning on or after 1 January 2017.

The changes in revenue recognition requirements in AASB 15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. The impact of AASB 15 has not yet been quantified.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment of goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of five years. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future.

Refer to Note 14 for further details regarding the assumption used in the value in use calculations

(b) Income tax

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(c) Biological assets

For the significant assumptions applied in determining fair value of biological assets, refer to Note 32.

(d) Forest plantation land valuation

For the significant assumptions applied in determining fair value of land, refer to Note 32.

	2015 Re-issued $	2014 Re-issued $
NOTE 4: REVENUE AND OTHER INCOME		
Sale of goods	142,264,425	93,673,816
Interest income	704,740	787,838
Plantation management fees	408,673	414,799
Rental income	17,928	17,087
Profit on sale of non current assets	815,413	141,816
SWF operating fee	2,161,696	1,254,812
Other revenue	380,535	597,639
	146,753,410	96,887,807

NOTE 5: OPERATING PROFIT

	2015 Re-issued $	2014 Re-issued $
Profit before income tax has been determined after:		
Cost of sales	116,727,425	80,109,008
Finance costs		
Borrowing costs	3,750	28,737
Bank interest	1,654,477	1,897,330
Hire purchase charges	66,267	87,568
	1,724,494	2,013,635
Depreciation and amortisation	3,459,323	3,586,831
Foreign currency translation losses / (gains)	79,585	(27,600)
Loss on disposal of non current assets	75	2,275
Share of SWF and VTP (losses) / profit before tax	3,025,939	(600,363)
Biological assets net fair value increment	10,775,878	3,687,289
Remuneration of auditors for:		
Pitcher Partners (Melbourne)		
Audit and assurance services		
- Auditor's remuneration - audit fees	99,200	108,400
- Auditor's remuneration - other services	143,495	96,850

	2015 Re-issued $	2014 Re-issued $

NOTE 6: INCOME TAX

(a) Components of tax expense

	2015 Re-issued $	2014 Re-issued $
Current tax	4,528,377	1,365,972
Deferred tax	2,260,879	(101,768)
Under/(over) provision in prior years	(85,545)	-
	6,703,711	1,264,204

(b) Prima facie tax payable

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

	2015 Re-issued $	2014 Re-issued $
Prima facie income tax payable on profit before income tax at 30.0% (2014 Re-issued: 30.0%)	7,658,606	1,099,946
Add tax effect of:		
- Other non-allowable items	6,700	1,261
- Unrealised FX movement through statement of comprehensive income	34,572	9,005
- Under provision for income tax in prior years	-	111,118
- Share of SWF loss accounted for using the equity method	-	42,874
	41,272	164,258
Less tax effect of:		
- Over provision for income tax in prior years	85,545	-
- Share of SWF profits accounted for using the equity method	910,622	-
	996,167	-
Income tax expense attributable to profit	6,703,711	1,264,204

(c) Current tax

Current tax relates to the following:

	2015 Re-issued $	2014 Re-issued $
Current tax liabilities / (assets)		
Opening balance	91,629	(651,131)
Income tax	4,528,377	1,365,972
Tax payments	(719,140)	(623,212)
Under / (over) provisions	(85,545)	-
Current tax liabilities / (assets)	3,815,321	91,629

	2015 Re-issued $	2014 Re-issued $

NOTE 6: INCOME TAX (CONTINUED)

(d) Deferred tax

Deferred tax relates to the following:

	2015 Re-issued $	2014 Re-issued $
Deferred tax assets		
The balance comprises:		
Payables	242,623	232,187
Provisions	513,866	433,328
Tax losses carried forward	386,258	1,264,247
Other	139,518	92,580
	1,282,265	2,022,342
Deferred tax liabilities		
The balance comprises:		
Biological assets held at fair value	15,489,954	14,295,710
Property, plant and equipment	17,937,678	18,480,038
Investments accounted for using equity method	-	21,396
Prepaid roading costs	161,550	-
	33,589,182	32,797,144
Net deferred tax liabilities	32,306,917	30,774,802

(e) Deferred income tax (revenue)/expense included in income tax expense comprises

	2015 Re-issued $	2014 Re-issued $
Decrease / (increase) in deferred tax assets	740,077	1,415,626
(Decrease) / increase in deferred tax liabilities	1,520,802	(1,517,394)
	2,260,879	(101,768)

(f) Deferred income tax related to items charged or credited directly to equity

	2015 Re-issued $	2014 Re-issued $
(Decrease) / increase in deferred tax liabilities	(728,764)	(3,003,052)
	(728,764)	(3,003,052)

	2015 Re-issued $	2014 Re-issued $
NOTE 7: DIVIDENDS		
Fully franked at 30% (2014:30%)	5,896,174	3,449,199
Balance of franking account on a tax paid basis at financial year-end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and any credits that may be prevented from distribution in subsequent years:	8,671,638	6,678,906

NOTE 8: CASH AND CASH EQUIVALENTS

	2015 Re-issued $	2014 Re-issued $
Cash on hand	1,069	936
Cash at bank	12,992,640	1,291,651
Term deposit	16,187,886	20,697,244
	29,181,595	21,989,831

NOTE 9: RECEIVABLES

	2015 Re-issued $	2014 Re-issued $
CURRENT		
Trade debtors	10,313,311	9,491,490
GST receivable	985,328	713,146
Loans to associates	2,661,527	4,701,527
	13,960,166	14,906,163

The above loans to associates represents amounts receivable from South West Fibre Pty Ltd.

Aged analysis

	Gross 2015 Re-issued $	Impairment 2015 Re-issued $	Gross 2014 Re-issued $	Impairment 2014 Re-issued $
Not past due	13,938,421	-	14,903,074	-
Past due 31-60 days	12,561	-	275	-
Past due 61-90 days	6,234	-	776	-
Past due more than 91 days	2,950	-	2,038	-
	13,960,166	-	14,906,163	-

	2015 Re-issued $	2014 Re-issued $
NOTE 10: INVENTORIES		
CURRENT		
At cost		
Finished goods	10,436,506	3,803,884
NOTE 11: OTHER ASSETS		
CURRENT		
Prepayments	3,442,419	1,261,340
Accrued income	18,047	113,863
	3,460,466	1,375,203
NOTE 12: BIOLOGICAL ASSETS		
NON CURRENT		
At fair value		
Standing timber costs capitalised	-	1,043,388
Standing timber at independent valuation	54,200,000	50,300,000
	54,200,000	51,343,388

(a) Nature of activities involving biological assets

The independent valuation of the commercial tree crops was carried out as at 30 June 2015 by Chandler Fraser Keating Limited (CFK), international forest industry consultants. The valuation of the commercial tree crop is based on net market value in existing use.

(b) Financial risk management

Midway manages its own plantation estate and estates of third parties using well equipped, trained forestry staff to achieve production wood-flow consistent with the business plan and to mitigate against the risk of damage (including holding insurance against catastrophic events such as fire).

NOTE 12: BIOLOGICAL ASSETS (CONTINUED)

Nature and indication of physical quantities of commercial trees in forests, and movement of Net Market Value (NMV) recognised in the Statement of Financial Performance.

	2015		Change in NMV
	Hectares	$	$
Plantation Radiata & Eucalypt	9,233	53,500,000	4,100,000
Native Eucalypt	682	700,000	(200,000)
Fallow	1,626	-	-
Unutilised (unplantable) Area	5,255	-	-
	16,796	54,200,000	3,900,000
Less: Plantation costs capitalised during the year			(2,124,122)
Increment of Net Market Value			1,775,878

The movement in net market value has been recorded in the statement of comprehensive income as an allocation between cost of goods sold for the portion attributable to harvest during the year and the net fair value increment / (decrement) for the balance relating to changes in fair value inputs.

Sensitivity of the Net Market Value of the standing timber to changes in significant assumptions assuming all other variables that might impact on fair value remain constant:

2015	Change	Effect on fair value of standing timber $
Discount rate	1%	(2,553,000)
	(1%)	2,767,000
Log price	5%	7,084,000
	(5%)	(7,084,000)
Woodflow (softwood & hardwood)	5%	7,084,000
	(5%)	(7,084,000)
Harvest and haulage costs	5%	(3,526,000)
	(5%)	3,526,000

NOTE 12: BIOLOGICAL ASSETS (CONTINUED)

	2014		Change in NMV
	Hectares	$	$
Plantation Radiata & Eucalypt	9,822	49,400,000	1,960,000
Native eucalypt	677	900,000	(260,000)
Fallow	1,061	-	-
Unutilised (unplantable) Area	5,236	-	-
	16,796	50,300,000	1,700,000

Less: Plantation costs capitalised during the year	(2,402,711)
Decrement of Net Market Value	(702,711)

The movement in net market value has been recorded in the statement of comprehensive income as an allocation between cost of goods sold for the portion attributable to harvest during the year and the net fair value increment / (decrement) for the balance relating to changes in fair value inputs.

Sensitivity of the Net Market Value of the standing timber to changes in significant assumptions assuming all other variables that might impact on fair value remain constant:

2014	Change	Effect on fair value of standing timber $
Discount rate	1%	(2,532,000)
	(1%)	2,532,000
Log price	5%	7,570,000
	(5%)	(7,570,000)
Harvest & Haulage costs	5%	(3,986,000)
	(5%)	3,986,000
Woodflow (softwood & hardwood)	5%	7,603,000
	(5%)	(7,603,000)

	2015 Re-issued $	2014 Re-issued $
NOTE 13: INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD		
Equity accounted investments in SWF and VTP	7,335,126	4,380,755

	2015 Re-issued $	2014 Re-issued $
NOTE 14: INTANGIBLE ASSETS		
Goodwill on consolidation	1,970,930	1,970,930

(a) Impairment tests for goodwill and intangible assets with indefinite useful lives

	2015	2014
Goodwill and intangibles with indefinite useful lives are allocated to the following cash generating units (CGU):		
- Queensland Commodity Exports Pty Ltd	1,970,930	1,970,930

The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of five years (maximum of five years).

Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using the following assumptions:

Average growth rate for cash flows in years two to five:	3%	(2014: 5%)
Terminal value growth rate:	3.0%	(2014: 6.0%)
Discount rate:	12%	(2014: 12%)

No reasonable change in these key assumptions of the value in use calculations would result in an impairment.

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

	2015	2014
Land		
Forest plantations land at fair value	70,856,076	75,356,702
Freehold land at fair value	12,670,000	12,670,000
Buildings		
At cost	2,852,945	2,852,945
Accumulated depreciation	(954,979)	(878,476)
	1,897,966	1,974,469
Site improvements	160,500	160,500
Total buildings	2,058,466	2,134,969
Total land and buildings	85,584,542	90,161,671

	2015 Re-issued $	2014 Re-issued $

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2015 Re-issued $	2014 Re-issued $
Plant and equipment		
Plant and equipment at cost	44,926,810	45,376,137
Accumulated depreciation	(31,248,506)	(29,345,473)
	13,678,304	16,030,664
Roading at cost	8,779,697	8,736,815
Accumulated amortisation	(3,092,138)	(2,902,318)
	5,687,559	5,834,497
Total plant and equipment	19,365,863	21,865,161
Total property, plant and equipment	104,950,405	112,026,832

(a) Details for measurement of revalued amounts - 2015

An independent valuation of the forestry plantation land, on an unencumbered basis, was carried out on 30 June 2015 by VRC Property Pty Ltd. The current market value is based on the highest and best use being mixed between forestry and non-forestry.

The unencumbered value of the plantation land is $84,956,000 (2014: $86,321,820). The directors have subsequently valued the land on an encumbered basis (i.e. in recognition of the existing tree crops being grown on the land), taking into account reversionary costs and utilising a discounted cashflow analysis. The current encumbered value of plantation land is $70,856,076 (2014: $75,356,702).

The independent valuation of the other freehold land was carried out as at 30 June 2015 by Opteon (Victoria) Specialised Pty Ltd on the basis of fair value.

Refer to Note 32 for further details regarding the significant assumptions used in determining the fair value of land.

(b) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

	2015 Re-issued $	2014 Re-issued $
Forest plantation and freehold land		
Opening carrying amount	75,356,702	85,368,374
Disposals	(2,071,414)	(1,500)
Revaluation	(2,429,212)	(10,010,172)
Closing carrying amount	70,856,076	75,356,702

	2015 Re-issued $	2014 Re-issued $

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Reconciliations (Continued)

	2015 Re-issued $	2014 Re-issued $
Other freehold land		
Opening carrying amount	12,670,000	12,670,000
Closing carrying amount	12,670,000	12,670,000
Buildings		
Opening carrying amount	2,134,969	2,213,915
Depreciation expense	(76,503)	(78,946)
Closing carrying amount	2,058,466	2,134,969
Plant and equipment		
Opening carrying amount	16,030,664	18,438,072
Additions	779,705	792,713
Disposals	(171,147)	(147,339)
Depreciation expense	(2,960,918)	(3,052,782)
Closing carrying amount	13,678,304	16,030,664
Roading		
Opening carrying amount	5,834,497	5,777,916
Additions	875,869	438,549
Disposals	(600,905)	-
Amortisation	(421,902)	(381,968)
Closing carrying amount	5,687,559	5,834,497
Total property, plant and equipment		
Carrying amount at 1 July	112,026,832	124,468,277
Additions	1,655,574	1,231,262
Disposals	(2,843,466)	(148,839)
Depreciation expense	(3,459,323)	(3,513,696)
Revaluation	(2,429,212)	(10,010,172)
Carrying amount at 30 June	104,950,405	112,026,832

	2015 Re-issued $	2014 Re-issued $
NOTE 16: PAYABLES		
CURRENT		
Unsecured liabilities		
Trade creditors	14,153,740	13,966,526
Sundry creditors and accruals	2,236,041	2,775,293
	16,389,781	16,741,819

NOTE 17: BORROWINGS

	2015 Re-issued $	2014 Re-issued $
CURRENT		
Secured liabilities		
Bank overdraft	-	218,135
Commercial bills	-	2,800,000
Hire purchase liability	595,430	628,267
Unexpired term charges	(33,520)	(63,588)
	561,910	3,582,814
NON CURRENT		
Secured liabilities		
Commercial bills	29,400,000	28,700,000
Hire purchase liability	242,578	643,167
Unexpired term charges	(7,738)	(26,859)
	29,634,840	29,316,308

Midway has fully complied with all debt related financial covenant obligations since the start of the financial year.

As at 30 June 2015 the secured liabilities were secured in full by a registered mortgage debenture over the assets of Midway Limited, Midway Plantations Pty Ltd and Midway Tree Farms Pty Ltd and a First Registered Mortgage over properties at 150-190 Corio Quay Road, North Shore, 1A North Shore Road, Norlane, 10 The Esplanade North Shore and over Forest Plantation Land throughout Victoria. Secured liabilities of Queensland Commodity Exports Pty Ltd are secured by a fixed and floating charge over the whole of the company assets. Guarantees and Indemnity in favour of Midway Limited have also been provided by Midway Plantations Pty Ltd, Midway Properties Pty Ltd and Midway Tree Farms Pty Ltd.

		2015 Re-issued $	2014 Re-issued $
NOTE 18: PROVISIONS			
CURRENT			
Employee benefits	(a)	1,657,285	1,380,593
NON CURRENT			
Employee benefits	(a)	55,601	63,835
(a) Aggregate employee benefits liability		1,712,886	1,444,428
(b) Number of employees at year end		62	53

NOTE 19: SHARE CAPITAL

Issued and paid-up capital			
- 74,819,933 (2014: 74,819,933) ordinary shares	(a)	28,833,038	28,833,038

	2015 Re-issued		2014 Re-issued	
	Number	$	Number	$
(a) Ordinary shares				
Opening balance	74,819,933	28,833,038	74,819,933	28,833,038
At reporting date	74,819,933	28,833,038	74,819,933	28,833,038

Ordinary

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share has voting rights in proportion to their number of shares held.

Capital management

When managing capital, management's objective is to ensure the economic entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cashflows.

During 2015, dividends were paid of $5,896,174 (2014: $3,449,199).

		2015 Re-issued $	2014 Re-issued $
NOTE 20: RESERVES			
Asset revaluation reserve	20(a)	37,656,784	41,316,600
Plantation valuation reserve	20(b)	(1,723,469)	(2,966,584)
Profits reserve	20(c)	12,889,208	-
		48,822,523	38,350,016

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.

	2015 Re-issued $	2014 Re-issued $
Movements in reserve		
Opening balance	41,316,600	48,323,720
Revaluation of land, net of tax	(1,700,448)	(7,007,120)
Transfer to retained earnings	(1,959,368)	-
Closing balance	37,656,784	41,316,600

(b) Plantation revaluation reserve

	2015 Re-issued $	2014 Re-issued $
Movements in reserve		
Opening balance	(2,966,584)	(2,474,686)
Increment / (decrement) of plantations, net of tax	1,243,115	(491,898)
Closing balance	(1,723,469)	(2,966,584)

(c) Profits reserve

The profits reserve is used to record transfers of profits that would otherwise be offset against accumulated losses. The balance of the profits reserve is available for distribution as a dividend in future periods.

	2015 Re-issued $	2014 Re-issued $
Movements in reserve		
Opening balance	-	-
Transfers of current year profits	12,889,208	-
Closing balance	12,889,208	-

	2015 Re-issued $	2014 Re-issued $
NOTE 21: RETAINED EARNINGS		
Retained earnings at beginning of year	61,415,645	61,152,716
Net profit	18,635,379	2,317,307
Transfers (to) / from reserves	(12,172,955)	491,898
Dividends provided for or paid out of retained earnings	(5,746,171)	(3,449,199)
Transfer of outside equity interest in QCE	-	902,923
	62,131,898	61,415,645

	2015 Re-issued $	2014 Re-issued $

NOTE 22: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the re-issued consolidated statement of cash flows is reconciled to the related items in the re-issued consolidated statement of financial position is as follows:

	2015 Re-issued $	2014 Re-issued $
Cash on hand	1,069	936
Cash at bank	12,992,640	1,291,651
At call deposits with financial institutions	16,187,886	20,697,244
Bank overdrafts	-	(218,135)
	29,181,595	21,771,696

(b) Reconciliation of cash flow from operations with profit after income tax

	2015 Re-issued $	2014 Re-issued $
Profit from ordinary activities after income tax	18,824,975	2,402,281
Adjustments and non-cash items		
Depreciation	3,459,323	3,586,831
Net (gain) / loss on disposal of property, plant and equipment	(815,338)	(141,816)
Plantation revaluation decrement	(1,775,878)	702,711
Distribution not received in cash	-	419,664
Share of equity accounted SWF net profit after dividends	(3,025,939)	600,363
Hire purchase charges	66,267	87,568
Changes in assets and liabilities		
(Increase) / decrease in receivables	(1,094,003)	(8,994,339)
(Increase) / decrease in other assets	(2,085,263)	(241,971)
(Increase) / decrease in inventories	(6,632,622)	1,185,066
Increase in biological assets (net of revaluation increment/decrement)	(1,080,734)	(2,483,563)
Increase / (decrease) in payables	(352,027)	6,824,694
(Increase) / decrease in deferred taxes	2,260,879	(101,768)
Increase / (decrease) in provisions	268,445	5,144
Increase / (decrease) in tax provision	3,723,692	742,760
	(7,083,198)	2,191,344
Cash flows from operating activities	11,741,777	4,593,625

	2015 Re-issued $	2014 Re-issued $

NOTE 22: CASH FLOW INFORMATION (CONTINUED)

(c) Loan facilities

Loan facilities	43,350,000	46,150,000
Amount utilised	(30,196,870)	(32,899,122)
Unused loan facilities	13,153,130	13,250,878

The major facilities are summarised as follows:

Banking overdrafts:
Limit: $1,500,000
Amount utilised: $ 0

Bank overdraft facilities are arranged with the National Australia Bank with the general terms and conditions as outlined in the bank letter of offer. Interest rates are variable and subject to change.

Commercial Bill Facility:
Limit: $37,400,000
Amount utilised: $29,400,000

Commercial bill facility is provided by the National Australia Bank. Interest rates are variable and subject to change.

Asset finance facilities:
Limit: $4,450,000
Amount utilised: $796,870

Asset finance facilities are provided by National Australia Bank to finance the purchase of plant and equipment. Interest rates are fixed however are subject to change on an item-by-item basis.

NOTE 23: CAPITAL AND LEASING COMMITMENTS

(a) Hire purchase commitments		
Payable		
- not later than one year	612,261	690,776
- later than one year and not later than five years	225,746	580,658
Minimum hire purchase payments	838,007	1,271,434
Less future finance charges	(41,257)	(90,447)
Total hire purchase liability	796,750	1,180,987
Represented by:		
Current liability	578,741	564,679
Non-current liability	218,009	616,308

	2015 Re-issued $	2014 Re-issued $
NOTE 23: CAPITAL AND LEASING COMMITMENTS (CONTINUED)		
	796,750	1,180,987
(b) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	1,760,842	1,560,431
- later than one year and not later than five years	5,910,428	5,611,206
- later than five years	8,571,949	9,839,385
	16,243,219	17,011,022
(c) Other Commitments		
Payable		
- not later than one year	1,689,904	1,689,904
- later than one year and not later than five years	6,759,614	6,759,614
- later than five years	20,278,843	21,968,747
	28,728,361	30,418,265

Other commitments relate to the minimum charges under the Port of Geelong bulk loader agreement.

	2015 Re-issued $	2014 Re-issued $
NOTE 24: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the economic entity		
- short-term employee benefits	1,749,151	1,786,827
- short-term employee benefits - Incentive scheme	357,647	649,389
- post-employment benefits	114,586	161,386
	2,221,384	2,597,602

The names of directors who have held office during the year are:

Name	Appointment / resignation details
G H McCormack	(Chairman)
J P D Frederick	(Resigned 30 September 2015)
T H Gunnersen AM	
T B Keene	
N G Gunnersen	
N P Koren (Alternate director for T H Gunnersen)	
A C Bennett	
A R Price	(Appointed 10 November 2015)

The names of key management personnel during the year are:

Name

John Frederick
Ashley Merrett
Stephen Roffey
Rowan Eyre
Michael Taylor
Andrew Dawson

NOTE 25: RELATED PARTY TRANSACTIONS

(a) The name of each person holding the position of Director of Midway Ltd during the financial year have been disclosed in Note 24.

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

At 30 June 2015, an accrual was recorded in respect of Directors fees for six days to year end.

Aggregate number of shares of Midway Ltd held directly, indirectly or beneficially by the Directors of the Company or the consolidated entity or their Director-related entities at 30 June 2015.

	2015 Number	2014 Number
Ordinary shares	47,558,161	47,558,161

Transactions with Directors and Director-related entities

Aggregate amounts of transactions with Directors and their Director-related entities for the year ended 30 June 2015:			**2015 $**	**2014 $**
Company Name	**Director Name**	**Nature of Transaction**		
McCormack Timbers	G H McCormack	Directors' fees	179,384	159,452
		Directors' reimbursements (Marketing costs associated with international travel by directors paid on behalf of Midway)	60,797	50,473
Gunnersen Companies	TH & NG Gunnersen	Directors' fees	209,280	164,434
		Directors' reimbursements	386	1,198
W H Bennett & Sons	S H Bennett	Directors' fees	-	34,037
		Lease	-	16,771
	A C Bennett	Directors' fees	79,726	39,978
		Directors' reimbursements	3,107	1,162
	T B Keene	Directors' fees	109,623	84,709
		Directors' reimbursements	4,045	4,679
			646,348	556,893

NOTE 25: RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with other related entities

Aggregate amounts of transactions with other related entities for the year ended 30 June 2015:

Company Name	Nature of transaction	2015 Re-issued $	2014 Re-issued $
South West Fibre Pty Ltd	Operator fee income	(2,161,696)	(1,258,304)
	Reimbursement of costs	(316,577)	(342,932)
	Loan repayments (net)	(2,040,000)	(2,040,000)
	Sale of wood products	(943,615)	(113,159)
	Purchase of wood product	-	1,107,047
Victorian Treefarm Project	Plantation management fees	1,509	(97,881)
	Reimbursement of costs	(1,588)	(261,128)
	Purchase of wood product	195,739	1,879,998
	Contributions	-	29,769
	Final block payments	100,355	-
		(5,165,873)	(1,096,590)

(c) Aggregate amounts receivable from other related entities at 30 June 2015:

	2015 Re-issued $	2014 Re-issued $
South West Fibre Pty Ltd	2,661,527	4,701,527
	2,661,527	4,701,527

NOTE 26: FINANCIAL RISK MANAGEMENT

The economic entity is exposed to a variety of financial risks comprising:

(a) Market risk
(b) Currency risk
(c) Interest rate risk
(d) Credit risk
(e) Liquidity risk
(f) Financial risk

The board of directors have overall responsibility for identifying and managing operational and financial risks.

The economic entity holds the following financial instruments:

	2015 Re-issued $	2014 Re-issued $
Financial assets		
Cash and cash equivalents	12,993,709	1,292,587
Receivables	10,313,311	9,491,490
Other receivables	985,328	713,146
Related party receivables	2,661,527	4,701,527
Other financial assets	16,187,886	20,697,244
	43,141,761	36,895,994
Financial liabilities		
Bank overdraft	-	218,135
Bank and other loans	29,400,000	31,500,000
Creditors	14,153,740	13,966,526
Hire purchase liability	796,750	1,180,987
Other payables	2,247,284	2,775,295
	46,597,774	49,640,943

NOTE 26: FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable, loans to and from subsidiaries, bills, leases and derivatives.

The main purpose of non-derivative financial instruments is to raise working capital for entity operations.

Derivatives in the form of forward exchange contracts are used by the entity for hedging purposes. The entity does not speculate in the trading of derivative instruments

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The entity mitigates this risk by entering into forward exchange option contracts to sell specified amounts of foreign currencies in the future at stipulated exchange rates. The objective in entering the forward exchange contracts is to protect the company against unfavourable exchange rate movements for the contracted and anticipated future sales undertaken in foreign currencies.

The accounting policy for forward exchange contract is detailed in Note 1(p) . At balance date the net amount of outstanding forward exchange contracts was $NIL (2014
Re-issued: $167,160).

The full amount of the foreign currency the economic entity will be required to pay or purchase when settling the brought forward exchange contracts should the counterparty not pay the currency it is committed to deliver to the economic entity, at balance date are:

Buy US dollars	**Sell Australian dollars**		**Average exchange**	
	2015	**2014**	**2015**	**2014**
Settlement	**Re-issued**	**Re-issued**	**Re-issued**	**Re-issued**
	AUD $	**AUD $**	**$**	**$**
Less than 6 months	-	167,160	-	0.94

NOTE 26: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

The economic entity's exposure to interest rate risk in relation to future cashflows and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2015
Re-issued

Financial instruments	**Interest bearing**	**Non-interest bearing**	**Total carrying amount**	**Weighted average effective interest rate**	
	$	**$**	**$**		
Financial assets					
Cash	12,992,640	1,069	12,993,709	1.5 %	Floating
Debtors	-	10,313,311	10,313,311	0.0 %	
Other receivables	-	985,328	985,328	0.0 %	
Related party receivables	-	2,661,527	2,661,527	0.0 %	
Term deposit	16,187,886	-	16,187,886	3.0 %	Fixed
	29,180,526	13,961,235	43,141,761		
Financial liabilities					
Bank and other loans	29,400,000	-	29,400,000	4.1 %	Floating
Creditors	-	14,153,740	14,153,740	0.0 %	
Hire purchase liability	796,750	-	796,750	6.2 %	Fixed
Other payables	-	2,247,284	2,247,284	0.0 %	
	30,196,750	16,401,024	46,597,774		

2014
Re-issued

Financial assets					
Cash	1,291,651	936	1,292,587	0.3 %	Floating
Debtors	-	9,491,490	9,491,490	0.0 %	
Other receivables	-	713,146	713,146	0.0 %	
Related party receivables	-	4,701,527	4,701,527	0.0 %	
Term Deposit	20,697,244	-	20,697,244	3.5 %	
	21,988,895	14,907,099	36,895,994		

NOTE 26: FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Interest rate risk (Continued)

Financial liabilities					
Bank overdraft	218,135	-	218,135	11.4 %	Floating
Bank and other loans	31,500,000	-	31,500,000	4.7 %	Floating
Creditors	-	13,966,526	13,966,526	0.0 %	
Hire purchase liability	1,180,987	-	1,180,987	6.8 %	Fixed
Other payables	-	2,775,295	2,775,295	0.0 %	
	32,899,122	16,741,821	49,640,943		

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

(d) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in statement of financial position and notes to financial statements.

One of the economic entity's largest customers (Japanese) represents a large portion of the economic entity's annual sales. Offsetting the credit risk for this customer is the short trading terms applicable to the customer, being payment within 7 days of invoicing. Letters of credit are used to mitigate credit risk with significant Chinese customers which comprise the majority of the economic entity's annual sales.

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Refer to Note 22(c) for more information.

(f) Financial risk exposures and management

The main risks the entity is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

NOTE 27: EVENTS SUBSEQUENT TO REPORTING DATE

On 5 February 2016 Midway Plantations Pty Ltd and Strategy Timber Pty Ltd executed a Sale Agreement whereby Midway Plantations Pty Ltd sells substantially all of its plantation trees to Strategy Timber Pty Ltd. This sale transaction completed on 29 February for approximately $55.7 million resulting in a net profit recognised on sale at 29 February 2016 of approximately $2.4 million.

As at 31 December 2015 approximately $67,000 was paid on deposits for two blocks of plantation land. These blocks were settled between 22 January and 25 January 2016 with approximately $635,000 being paid upon settlement. During February 2016, 10% deposits were paid on an additional four blocks of plantation land totalling approximately $168,000 with 90 day settlement terms. As at the date of this financial report, these blocks have not yet settled with approximately $1.5 million payable on settlement.

Subsequent to 31 December 2015, the Board of Directors resolved to enter into proceedings to undertake an initial public offering of the Midway Ltd group. This process is underway but not yet complete at the date of signing.

The financial statements of Midway Limited and controlled entities were initially authorised for issue on 15 October 2015. These financial statements have been subsequently reissued at the date of signing of the Directors report based on a prior period error being identified in the financial statements for the year ended 30 June 2013 relating to understatement of the Deferred Tax Liability and overstatement of the Asset Revaluation Reserve, as detailed in Note 30 of the re-issued financial statements of Midway Ltd and controlled entities for the period ended 30 June 2013, as well as restatement of the fair value of biological assets at 30 June 2015.

NOTE 28: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, Midway Ltd, financial statements:

(a) Summarised re-issued consolidated statement of financial position

	2015 Re-issued $	2014 Re-issued $
Assets		
Current assets	53,744,679	39,866,790
Non-current assets	64,749,069	64,474,391
Total assets	118,493,748	104,341,181
Liabilities		
Current liabilities	43,595,418	37,339,128
Non-current liabilities	29,614,470	29,206,388
Total liabilities	73,209,888	66,545,516
Net assets	45,283,860	37,795,665
Equity		
Share capital	28,833,037	28,833,037
Retained earnings	5,101,207	5,101,207
Reserves		
Asset revaluation reserve	3,861,421	3,861,421
Profit reserve	7,488,195	-
Total equity	45,283,860	37,795,665

(b) Summarised re-issued consolidated statement of comprehensive income

	2015 Re-issued $	2014 Re-issued $
Profit for the year after income tax	13,243,366	1,515,743

NOTE 29: CONTINGENT LIABILITIES

No contingent liabilities have been identified in respect of any future claims which may be made against the economic entity.

NOTE 30: INTERESTS IN ASSOCIATES AND JOINT ARRANGEMENTS

(a) Associates and Joint Ventures

	Equity instrument	Ownership interest		Measurement basis	Carrying value	
		2015 Re-issued %	2014 Re-issued %		2015 Re-issued $	2014 Re-issued $
Joint venture						
South West Fibre Pty Ltd	Ordinary shares	51	51	Equity accounted	7,335,126	4,299,721
Country of incorporation: Australia						

(b) Summarised financial information for associates and joint ventures

	South West Fibre Pty Ltd $
2015	
Re-issued	
Cash and cash equivalents	5,339,099
Other current assets	10,946,591
Total current assets	16,285,690
Property, plant and equipment	18,853,464
Other non-current assets	-
Total non-current assets	18,853,464
Other current liabilities	(20,629,163)
Total current liabilities	(20,629,163)
Other non-current liabilities	(127,391)
Total non-current liabilities	(127,391)
Net assets	14,382,600
Revenue	144,361,077
Interest income	79,788
Depreciation and amortisation	(2,444,991)
Income tax expense	(2,551,749)
Profit from continuing operations	5,951,774
Total comprehensive profit	5,951,774
Reconciliation to carrying amount of interest in associates:	
Opening net assets	8,430,826

NOTE 30: INTERESTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

(b) Summarised financial information for associates and joint ventures (Continued)

Add: Current year profit	5,951,774
Closing net assets	14,382,600
Group's % share of net assets	51.0%
Group's share of net assets	7,335,126
Carrying amount of investment	7,335,126

2014

Re-issued

Cash and cash equivalents	778,292
Other current assets	7,620,779
Total current assets	8,399,071
Property, plant and equipment	20,802,295
Other non-current assets	18,774
Total non-current assets	20,821,069
Other current liabilities	(20,789,314)
Total current liabilities	(20,789,314)
Total non-current liabilities	-
Net assets	8,430,826
Revenue	83,488,811
Interest income	50,183
Depreciation and amortisation	(2,412,748)
Income tax expense	118,968
Loss from continuing operations	(280,219)
Total comprehensive loss	(280,219)
Reconciliation to carrying amount of interest in associates:	
Opening net assets	8,711,045
Add: Current year profit	(280,219)
Closing net assets	8,430,826
Group's % share of net assets	51.0%
Group's share of net assets	4,299,721
Carrying amount of investment	4,299,721

NOTE 30: INTERESTS IN ASSOCIATES AND JOINT ARRANGEMENTS (CONTINUED)

(c) Individually immaterial joint ventures (VTP)

	2015 Re-issued $	2014 Re-issued $
Aggregate carrying amount of individually immaterial associates - VTP	-	81,034
Profit/(loss) from continuing operations	-	(457,451)

NOTE 31: INTERESTS IN SUBSIDIARIES

(a) Subsidiaries

The following are the economic entity's significant subsidiaries:

Subsidiaries of Midway Consolidated Group:	Country of incorporation	Ownership interest held by the group 2015 Re-issued %	Ownership interest held by the group 2014 Re-issued %	Ownership interest held by NCI 2015 Re-issued %	Ownership interest held by NCI 2014 Re-issued %
Queensland Commodity Exports Pty Ltd	Australia	90	90	10	10
Ownership interest are the same as voting rights					
Midway Plantations Pty Ltd	Australia	100	100	-	-
Ownership interest are the same as voting rights					
Midway Properties Pty Ltd	Australia	100	100	-	-
Ownership interest are the same as voting rights					
Midway Tree Farms Pty Ltd	Australia	100	100	-	-
Ownership interest are the same as voting rights					

NOTE 32: FAIR VALUE MEASUREMENT

(a) Fair Value Hierarchy

Assets and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Inputs for the asset or liability that are not based on observable market data

	Level 1	Level 2	Level 3	Total
2015				
Re-issued	**$**	**$**	**$**	**$**
Recurring fair value measurements				
Non-financial assets				
Revalued property, plant and equipment				
Freehold land	-	12,670,000	70,856,076	83,526,076
Biological assets at fair value less cost to sell				
Biological assets - plantations	-	-	54,200,000	54,200,000
Total non-financial assets	-	12,670,000	125,056,076	137,726,076
2014				
Re-issued				
Recurring fair value measurements				
Non-financial assets				
Revalued property, plant and equipment				
Freehold land	-	12,670,000	75,356,702	88,026,702
Biological assets at fair value less cost to sell				
Biological assets - plantations	-	-	51,343,388	51,343,388
Total non-financial assets	-	12,670,000	126,700,090	139,370,090
Financial liabilities				
Hedging instruments				
Cash flow hedge				
Hedging instruments	-	167,160	-	167,160

NOTE 32: FAIR VALUE MEASUREMENT (CONTINUED)

(b) Valuation techniques and inputs used in level 2 fair value measurements

	Fair value $	Valuation technique	Description of valuation technique and inputs used
2015 **Re-issued** **Fair value measurements**			
Non-financial assets			
Revalued property, plant and equipment			
Freehold land	12,670,000	Market approach	The consolidated entity's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, plus any subsequent capital improvements. The fair value measurements of the consolidated entity's land and buildings as at 30 June 2015 were performed by Opteon, independent valuers. The valuation was performed using a direct market comparison approach.

NOTE 32: FAIR VALUE MEASUREMENT (CONTINUED)

Valuation techniques and inputs used in level 2 fair value measurements (Continued)

	Fair value $	Valuation technique	Description of valuation technique and inputs used
2014 **Re-issued** **Fair value measurements**			
Non-financial assets *Revalued property, plant and equipment*			
Freehold land	12,670,000	Market approach	The consolidated entity's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, plus any subsequent capital improvements. The fair value measurements of the consolidated entity's land and buildings as at 9 May 2014 were performed by Opteon, independent valuers. The valuation was performed using a direct market comparison approach.
Financial liabilities *Hedging instruments*			
Cash flow hedge			
Hedging instruments	167,160	Income approach	The fair value of the foreign currency forward contract is calculated using the present value of estimated future cash flows based on observable forward exchange rates and yield curve data.

NOTE 32: FAIR VALUE MEASUREMENT (CONTINUED)

(c) Valuation techniques and significant unobservable inputs used in level 3 fair value measurements

	Fair value $	Valuation technique	Description of valuation technique and inputs used
2015 **Re-issued** **Fair value measurements** ***Non-financial assets*** *Revalued property, plant and equipment*			
Freehold land	70,856,076	Market Approach	The consolidated entity's plantation land is stated at revalued amounts, being the fair value at the date of revaluation, adjusted by the Directors using a DCF methodology to an encumbered value to take into account clear fall period, reversionary costs and rental income for current use. The fair value measurements of the consolidated entity's plantation land as at 30 June 2015 were performed by VRC Property, independent valuers.
Biological assets - plantations	54,200,000	Net present value approach	The fair value of biological assets has been determined using a discounted cash flow methodology over twelve years. The following key assumptions were applied: - a pre-tax discount rate of 8% to take into account the uncertainty associated with plantation growth, price received for logs and chips as well as fluctuations in input costs including exposure to climatic risk; - harvest yields are based on wood flow optimisation models with a single rotation of existing crops; - future log and chip prices are forecast based on industry information; - development costs relating to maintenance of existing crops set based on current expenditures; and - the other costs associated with maintaining the plantations and processing logs are based on expected costs.

NOTE 32: FAIR VALUE MEASUREMENT (CONTINUED)

(c) Valuation techniques and significant unobservable inputs used in level 3 fair value measurements (Continued)

	Fair value $	Valuation technique	Description of valuation technique and inputs used
2014 **Re-issued** **Fair value measurements**			
Non-financial assets *Revalued property, plant and equipment*			
Freehold land	75,356,702	Market Approach	The consolidated entity's plantation land is stated at revalued amounts, being the fair value at the date of revaluation, adjusted by the Directors using a DCF methodology to an encumbered value to take into account clear fall period, reversionary costs and rental income for current use. The fair value measurements of the consolidated entity's plantation land as at 30 June 2014 were performed by VRC Property, independent valuers.
Biological assets - plantations	51,343,388	Net present value approach	The fair value of biological assets has been determined using a discounted cash flow methodology over fourteen years. The following key assumptions were applied: - a pre-tax discount rate of 8% to take into account the uncertainty associated with plantation growth, price received for logs and chips as well as fluctuations in input costs including exposure to climatic risk; - harvest yields are based on wood flow optimisation models with a single rotation of existing crops; - future log and chip prices are forecast based on industry information; - development costs relating to maintenance of existing crops set based on current expenditures; and - the other costs associated with maintaining the plantations and processing logs are based on expected costs.

NOTE 32: FAIR VALUE MEASUREMENT (CONTINUED)

(d) Reconciliation of recurring level 3 fair value movements

For each asset and liability categorised as recurring level 3 fair value measurements, the following table presents the reconciliation of fair value from opening balances to the closing balances.

	2015 Re-issued	2014 Re-issued
Land at fair value	**$**	**$**
Opening balance	75,356,702	85,368,374
Transfers out	(2,071,414)	(1,500)
Valuation adjustment, net of rental, reversion and clear fall period adjustments	(2,429,212)	(10,010,172)
Closing balance	70,856,076	75,356,702
Biological assets - plantations		
Opening balance	51,343,388	49,562,536
Purchases	2,124,122	3,446,099
Transfers from Nursery Trees	(1,043,388)	(962,536)
Harvest during the period classified as cost of goods sold	(9,000,000)	(4,390,000)
Net fair value increment recognised in profit or loss	10,775,878	3,687,289
Closing balance	54,200,000	51,343,388

Gains and losses recognised in the statement of comprehensive income that are attributable to change in unrealised gains and losses are included with [state line item].

(e) Transfers between recurring level 1 and level 2 fair value measurements

There were no transfers between level 1 and level 2 during the year.

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 - 58, are in accordance with the *Corporations Act 2001*: and

   (a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and

   (b) as stated in Note 1, the consolidated financial statements also comply with *International Financial Reporting Standards*; and

   (c) give a true and fair view of the financial position of the consolidated entity as at 30 June 2015 and its performance for the year ended on that date.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: ______________________________

G H McCormack

Dated this 21st day of April 2016

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MIDWAY LIMITED

We have audited the accompanying financial report of Midway Limited and controlled entities, which comprises the re-issued consolidated statement of financial position as at 30 June 2015, the re-issued consolidated statement of comprehensive income, re-issued consolidated statement of changes in equity and re-issued consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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

MIDWAY LIMITED AND CONTROLLED ENTITIES
ABN 44 005 616 044

RE-ISSUED INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MIDWAY LIMITED

Independence

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

Opinion

In our opinion:

(a) the financial report of Midway Limited and controlled entities is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

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

(b)the consolidated financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modification to the opinion expressed above, as detailed in Note 1(r), this audit report supersedes our previous independent audit report to the members of Midway Ltd and controlled entities dated 2 October 2015 on the financial statements for the year ended 30 June 2015, signed and approved by Directors on 15 October 2015.

S SCHONBERG | PITCHER PARTNERS

Partner | Melbourne

Date 21/4/16