TW Holdings Limited

ACN 008 095 207

ANNUAL FINANCIAL REPORT
for the year ended
30 JUNE 2014

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COMPANY INFORMATION

DIRECTORS
Mr Scott Douglas
(Chairman, Non-Executive Director)

Mr Craig Anderson
(Non-Executive Director)

Mr Johann Jooste-Jacobs
(Non-Executive Director)

COMPANY SECRETARY
Mr Mark Clements

REGISTERED OFFICE
Level 3, 18 Richardson Street
West Perth WA 6005

AUDITORS
BDO
Level 7, BDO Centre
420 King William St
Adelaide SA 5000

STOCK EXCHANGE
Australian Securities Exchange Ltd

ASX CODE
TWH

HOME EXCHANGE
Adelaide

SHARE REGISTRY
Computershare Investor
Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000

DIRECTORS' REPORT

Your directors present their report on TW Holdings Limited ("the Company") for the financial year ended 30 June 2014. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

DIRECTORS
The following persons were directors of TW Holdings Limited during or since the end of the financial year and up to the date of this report unless otherwise stated:

Scott Douglas, Chairman, Non-Executive Director
Craig Anderson, Non-Executive Director
Johann Jooste-Jacobs, Non-Executive Director

INFORMATION ON DIRECTORS

Mr Scott Douglas (Non-Executive Chairman)
Mr Douglas is a highly experienced public company executive with a considerable track record and skills in the exploration and resources sector. He was Chairman of Resource Generation Limited (ASX Code: RES) responsible for the acquisition and subsequent delineation of a six billion tonne coal resource in South Africa. Mr Douglas was also directly involved with the formation and listing of ASX listed public companies Nucoal Resources Limited (ASX Code: NCR) and Ironclad Mining Limited (ASX Code: IFE). He has previously held board positions with various unlisted public and private companies. Mr Douglas is a shareholder and active participant in the wine production and marketing company Domaines and Vineyards.

Directorships of listed entities in the past 3 years: Indus Coal Limited, Resource Generation Limited and Indigo Properties Australia Limited (resigned 7 February 2014).

Mr Craig Anderson (Non-Executive Director)
Mr Anderson is a primary industry specialist with a diverse background in a significant number of commodities in Australia and Asia. Mr Anderson has tertiary qualifications in science and business management and more than 20 years' experience in developing, financing and managing large scale production enterprises. He has held a number of executive and board positions in both public and private companies in Australia and has strong experience of project management and trade in Asian jurisdictions. This has included various forestry, horticultural and viticultural commodities as well as carbon and environmental offset projects in Australia and Asia.

Directorships of listed entities in the past 3 years: Indigo Properties Australia Limited.

Mr Johann Jooste-Jacobs (Non-Executive Director)
Mr Jooste-Jacobs is a highly experienced resource sector executive in project development, project expansions and operational management for established and start-up mining operations in Australia, South Africa and Indonesia. He has been a Chartered Accountant in the mining industry for many years and is a Fellow of both the Institute of Chartered Accountants and the Institute of Company Directors of Australia. Mr Jooste-Jacobs was Non-Executive Chairman of ASX listed IMX Resources Limited and Coalworks Ltd. He is currently a Non-Executive Director of ASX listed uranium explorer, Uranex Limited and King Island Scheelite Limited, and a Director of Australian Zircon NL.

Directorships of listed entities in the past 3 years: IMX Resources Limited, Coalworks Ltd, Uranex Limited, King Island Scheelite Limited and Australian Zircon NL.

DIRECTORS' REPORT *(continued)*

INFORMATION ON COMPANY SECRETARY

Mr Mark Clements (Company Secretary)
Mr Clements gained a Bachelor of Commerce degree from the University of Western Australia. He is a Fellow of the Institute of Chartered Accountants and a member of both the Australian Institute of Company Directors and the Governance Institute of Australia. Mr Clements currently holds the position of Company Secretary for a number of publically listed companies and has experience in corporate finance, accounting and administration, capital raisings and ASX compliance and regulatory requirements.

DIRECTORS' INTERESTS

The interests of directors in securities of the company at the date of this report are:

Director	Ordinary Shares	Options
S Douglas	19,000,000	-
C Anderson	7,000,000	-
J Jooste-Jacobs	5,493,807	-

PRINCIPAL ACTIVITIES

The principal activity of the Company during the course of the financial year was the continued management of its existing wine operations. There were no significant changes in the nature of the Company's principal activities during the year.

REVIEW AND RESULTS OF OPERATIONS

Wine Business

The Company continued to manage existing operations with no material changes to report.

Van Hoogen Oil Project

During the period, the Company released a capital raising presentation and entered into a mandate with Patersons Securities and CPS Capital to jointly manage the capital raising relating to the acquisition of the Van Hoogen Oil Project.

On 19 December 2013, the Company announced that discussions with key stakeholders to complete the transaction were ongoing and the Board was continuing to finalise the due diligence process with the assistance of the Project vendors and the discussions with stakeholders were expected to enhance the corporate, strategic and financial benefits to TWH and its shareholders.

On 20 February 2014, the Company advised that it would not be proceeding with the acquisition of the Van Hoogen Oil Project on the basis the acquisition was subject to the satisfaction of several conditions precedent and these conditions precedent were not satisfied.

The due diligence process identified a number of issues which impacted on the valuation of the proposed transaction which, combined with feedback from potential investors regarding the project's valuation, resulted in numerous discussions between the Company and project vendors. However, the parties were not able to resolve the outstanding matters to the satisfaction of TWH.

The Company will continue to carry on its current business and will seek to identify investment opportunities which will generate shareholder value.

DIRECTORS' REPORT *(continued)*

Corporate

During the year the Company incurred a loss after tax of $753,126 (2013 – loss of $417,232).

The Company's financial position is sound as at the end of the year, with cash on hand of $784,931. The outflows during the period related mainly to the Van Hoogen Oil Project due diligence.

FINANCIAL POSITION AND SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The net assets of the Company at 30 June 2014 were $617,225 (2013 - $1,370,351).

Cash on hand at 30 June 2014 totalled $784,931 (2013 - $1,387,780).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The Company will continue to carry on its current business and evaluate investment opportunities as part of the Board's wider strategy to acquire interests outside the wine industry which will be value enhancing for shareholders.

GREENHOUSE GAS AND ENERGY DATA REPORTING REQUIREMENTS

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period to 30 June 2014 the directors have assessed that there are no current reporting requirements but may be required to do so in the future.

DIVIDENDS

No dividends have been provided for or paid by the consolidated entity in respect of the year ended 30 June 2014 (2013 – nil).

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect:

- the Company's operations in future years; or
- the results of those operations in future years; or
- the Company's state of affairs in future years.

ENVIRONMENTAL REGULATIONS

The Company's environmental obligations are regulated by Australian State and Federal Law, and by the Laws of other countries in which it operates. The Company has complied with its environmental performance obligations. No environmental breaches have been notified by any Government agency to the date of the Directors' Report.

PROCEEDINGS OF THE COMPANY

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

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

DIRECTORS' REPORT *(continued)*

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Company resolved that it would indemnify its current directors and officers. Coverage in respect of this indemnity has been provided via a *Directors and Officers* insurance policy negotiated at commercial terms. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Excluding the matter noted above the Company has not, during or since the financial year-end, in respect of any person who is, or has been an officer or auditor of the Company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 20 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 20 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

DIRECTORS' MEETINGS

The number of meetings attended by each director during the year is as follows:

Director	Number of meetings held while in office	Number of meetings attended
S Douglas	8	8
C Anderson	8	8
J Jooste-Jacobs	8	8

SHARES UNDER OPTION OR ISSUE ON EXERCISE OF OPTION

At the date of this report, there are no options to acquire ordinary shares on issue.

During the financial year the Company issued no ordinary shares as a result of the exercise of options.

DIRECTORS' REPORT *(continued)*

REMUNERATION REPORT - AUDITED

This report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for the key management personnel of the Company for the financial year ended 30 June 2014. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Key Management Personnel

Directors

Mr Scott Douglas (Non-Executive Chairman)
Mr Craig Anderson (Non-Executive Director)
Mr Johann Jooste-Jacobs (Non-Executive Director)

There were no executives in the Company during the financial year.

Remuneration Philosophy

The objective of the Company's reward framework is to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors and executives of the highest calibre whilst maintaining a cost which is acceptable to shareholders.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed by the board. The chairman's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

Directors' fees

Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum, for all directors, currently stands at $300,000 in aggregate. This amount is separate from any specific tasks the directors may take on for the company in the normal course of business and at normal commercial rates.

Fees for directors are not linked to the performance of the consolidated entity however, to align all directors' interests with shareholders' interests, directors are encouraged to hold shares in the company and may receive options. This effectively links directors' performance to the share price performance and therefore to the interests of shareholders. There have been no performance conditions imposed prior to the grant of options which act as an incentive to increase the value for all shareholders.

Executive remuneration

The company aims to reward executives (both directors and executives) with a level and mix of remuneration commensurate with their position and responsibilities within the company and so as to:

- Reward executives for company performance;
- Align the interest of executives with those of shareholders; and
- Ensure total remuneration is competitive by market standards.

DIRECTORS' REPORT *(continued)*

Fixed remuneration is reviewed annually or upon renewal of fixed term contracts by the board and the process consists of a review of company and individual performance, relevant comparative remuneration in the market and internal policies and practices. Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the company.

The objective of variable remuneration provided is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth. Variable remuneration may be delivered in the form of share options granted with or without vesting conditions.

Details of remuneration

REMUNERATION FOR THE YEAR ENDED 30 JUNE 2014

Name	**Short-Term Benefits $** *Base Remuneration*	**Post-Employment Benefits $** *Super-annuation*	**Share Based Payments $** *Value of Options and ESS*	**Total $**	**Value of Share Based Payments as a Proportion of Remuneration %**
Directors					
Scott Douglas	40,000	-	-	40,000	-
Craig Anderson	40,000	-	-	40,000	-
Johann Jooste-Jacobs	40,000	-	-	40,000	-
Total	120,000	-	-	120,000	-

REMUNERATION FOR THE YEAR ENDED 30 JUNE 2013

Name	**Short-Term Benefits $** *Base Remuneration*	**Post-Employment Benefits $** *Super-annuation*	**Share Based Payments $** *Value of Options and ESS*	**Total $**	**Value of Share Based Payments as a Proportion of Remuneration %**
Directors					
Scott Douglas[1]	20,000	-	-	20,000	-
Craig Anderson[1]	20,000	-	-	20,000	-
Johann Jooste-Jacobs[1]	20,000	-	-	20,000	-
S Evans[2]	18,300	1,700	-	20,000	-
D Stephens[2]	20,000	-	-	20,000	-
M Drummond[2]	18,300	1,700	-	20,000	-
Total	116,600	3,400	-	120,000	-

Notes: 1. *These directors were appointed on 14 December 2012*
2. *These directors resigned on 14 December 2012*

DIRECTORS' REPORT *(continued)*

Key management personnel equity holdings
Fully paid, ordinary shares of the Company, including shares held either directly or indirectly:

	Balance at 1 July	Movement	Balance at 30 June
	No.	*No.*	*No.*
2014			
S Douglas	19,000,000	-	19,000,000
C Anderson	7,000,000	-	7,000,000
J Jooste-Jacobs	3,533,948	-	3,533,948
2013			
S Douglas	19,000,000	-	19,000,000
C Anderson	7,000,000	-	7,000,000
J Jooste-Jacobs[1]	-	3,533,948	3,533,948

Note 1: The movement relates to shares purchased on-market.

End of Audited Remuneration Report

Auditor's Independence Declaration
Section 307C of the Corporations Act 2001 requires our auditors, BDO, to provide the Directors of the Company with an Independence Declaration in relation to the review of the interim financial report. This Independence Declaration is set out on page 6 and forms part of this Directors' Report for the year ended 30 June 2014.

Signed in accordance with a resolution of the Directors.

Scott Douglas
Chairman
30 September 2014

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

Level 7, BDO Centre
420 King William St
Adelaide SA 5000
GPO Box 2018, Adelaide SA 5001
AUSTRALIA

DECLARATION OF INDEPENDENCE
BY G K EDWARDS
TO THE DIRECTORS OF TW HOLDINGS LIMITED

As lead auditor of TW Holdings Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

G Edwards

Geoff Edwards
Partner

BDO Audit Partnership (SA)

Adelaide, 30 September 2014

CORPORATE GOVERNANCE STATEMENT

INTRODUCTION

The company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the company's needs. To the extent applicable, the company has adopted *The Corporate Governance Principles and Recommendations (2nd Edition)* as published by ASX Corporate Governance Council (Recommendations).

In light of the company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at 30 June 2014 are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.twholdings.com.au.

Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- maintain and increase Shareholder value;
- ensure a prudential and ethical basis for the Company's conduct and activities; and
- ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- developing initiatives for profit and asset growth;
- reviewing the corporate, commercial and financial performance of the company on a regular basis;
- acting on behalf of, and being accountable to, the Shareholders; and
- identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting. The Board currently consists of only executive directors. As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

Identification and management of risk

The Board's collective skills and experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

CORPORATE GOVERNANCE STATEMENT *(continued)*

Remuneration committee
The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process, following the recommendation of the Remuneration Committee.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $300,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Remuneration Committee reviews and approves the remuneration policy to enable the company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy
The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Managing Director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading. Details of the policy are available on the company's website.

External audit
The company in general meetings is responsible for the appointment of the external auditors of the company, and the Board from time to time will review the scope, performance and fees of those external auditors following the recommendation from the Audit Committee.

Audit committee
The company has established an Audit Committee which operates under an Audit Charter which includes but is not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the company, the company's internal financial control system and risk management systems and the external audit function.

Diversity
The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly the company has a diversity policy. This policy outlines the company's diversity objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board to establish measurable objectives for achieving diversity, and for the Board to assess annual both the objectives, and the company's progress in achieving them. Details of the policy are available on the company's website.

CORPORATE GOVERNANCE STATEMENT *(continued)*

Diversity Policy
The company and all its related bodies corporate are committed to workplace diversity.

The company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention, accessing different perspectives and ideas and benefiting from all available talent.

Diversity includes, but is not limited to, gender, age, ethnicity and cultural background.

To the extent practicable, the company will address the recommendations and guidance provided in the ASX Corporate Governance Council's *Principles and Recommendations*.

The Diversity Policy does not form part of an employee's contract of employment with the company, nor gives rise to contractual obligations. However, to the extent that the Diversity Policy requires an employee to do or refrain from doing something and at all times subject to legal obligations, the Diversity Policy forms a direction of the company with which an employee is expected to comply.

The key objectives of the Diversity Policy are to achieve:

- a diverse and skilled workforce, leading to continuous improvement in service delivery and achievement of corporate goals;
- a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff;
- improved employment and career development opportunities for women;
- a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives through improved awareness of the benefits of workforce diversity and successful management of diversity; and
- awareness in all staff of their rights and responsibilities with regards to fairness, equity and respect for all aspects of diversity,

(collectively, the **Objectives**).

The Diversity Policy does not impose on the Company, its directors, officers, agents or employee any obligation to engage in, or justification for engaging in, any conduct which is illegal or contrary to any anti-discrimination or equal employment opportunity legislation or laws in any State or Territory of Australia or of any foreign jurisdiction.

Diversity Reporting
The Company's gender diversity as at the end of the reporting period is as follows:

	30 June 2014				**30 June 2013**			
Gender representation	**Female**		**Male**		**Female**		**Male**	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
Board representation	-	-	3	100	-	-	3	100

There are currently no senior positions with the group that are held by female employees.

The Company's proposed diversity objective for the 2015 financial year is to continue to assess and proactively monitor gender diversity at all levels of the business and report to the Board and monitor the implementation and effectiveness of the Company's diversity initiatives and programs.

CORPORATE GOVERNANCE STATEMENT *(continued)*

The Company's compliance and departures from the Recommendations as at the date of this report are set out on the following pages.

1.	***Lay solid foundations for management and oversight***	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The Board has adopted a formal charter setting out the responsibilities of the Board. This charter can be accessed at: www.twholdings.com.au
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board will meet annually to review the performance of executives. The senior executives' performance is to be assessed against the performance of the Company as a whole.
1.3	Companies should provide the information indicated in the *Guide to reporting on Principle 1*.	A performance evaluation will be completed during the reporting period in accordance with the process detailed in 1.2 above.
2.	***Structure the board to add value***	
2.1	A majority of the board should be independent directors.	A definition of director independence can be accessed at www.twholdings.com.au. The Board currently does not have any independent Directors.
2.2	The chair should be an independent director.	The Chairman is not independent.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	The Chairman and Managing Director is not the same person.
2.4	The board should establish a nomination committee.	The Board has established a Remuneration and Nomination Committee and has adopted a formal Charter.
2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	The performance evaluation of Board members occurs in accordance with the Board's Performance Evaluation Policy can be accessed at www.twholdings.com.au
2.6	Companies should provide the information indicated in the *Guide to reporting on Principle 2*.	The skills, experience and expertise relevant to the position held by each Director will be disclosed in the Directors' Report which forms part of the Annual Report. The company's policies can be accessed at www.twholdings.com.au
3.	**Promote ethical and responsible decision-making**	
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the company's integrity • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company has adopted a Code of Conduct and Diversity Policy which can be accessed at www.twholdings.com.au.

CORPORATE GOVERNANCE STATEMENT *(continued)*

3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Company has adopted a Diversity Policy which can be accessed at www.twholdings.com.au.
3.3	Companies should disclose in each annual report the measureable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	The information is disclosed in the Annual Report.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The information is disclosed in the Annual Report.
3.5	Companies should provide the information indicated in the *Guide to reporting on Principle 3*.	The diversity policy is disclosed in the Directors' Report which forms part of the Annual Report. The company's policies can be accessed at www.twholdings.com.au.
4.	**Safeguard integrity in financial reporting**	
4.1	The board should establish an audit committee.	The company has established an Audit Committee.
4.2	The audit committee should be structured so that it: • consists only of non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not chair of the board • has at least three members.	The company has an Audit Committee which consists of three members. The Board currently does not have any independent or non-executive directors. The Company Secretary acts as secretary to the committee and attends its meetings.
4.3	The audit committee should have a formal charter.	The formal charter can be accessed at www.twholdings.com.au.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	The members of the Audit Committee will be disclosed in the Directors Report which forms part of the Annual Report. The Audit Committee will meet twice in each year, before signing off the annual and half year financial statements.
5.	***Make timely and balanced disclosure***	
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has adopted a Continuous Disclosure Policy which can be accessed at www.twholdings.com.au
5.2	Companies should provide the information indicated in *Guide to Reporting on Principle 5.*	The information will be disclosed in the Annual Report.

CORPORATE GOVERNANCE STATEMENT *(continued)*

6.	***Respect the rights of shareholders***	
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company has adopted a Shareholder Communications Policy which can be accessed at www.twholdings.com.au.
6.2	Companies should provide the information indicated in the *Guide to reporting on Principle 6*.	The information is disclosed in the Annual Report.
7.	**Recognise and manage risk**	
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Company has adopted a Risk Management Policy which can be accessed at www.twholdings.com.au. This policy outlines the key material risks faced by the Company as identified by the Board.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	The CEO/Executive Directors (equivalent) and Chief Financial Officer (equivalent) report to the Board on the areas they are responsible for, including material business risks and provide an annual written report to the Board summarizing the effectiveness of the Company's management of material business risks.
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board receives assurance in the form of a declaration, from the CEO/Executive Directors and Chief Financial Officer (equivalent) as required by the Corporations Act.
7.4	Companies should provide the information indicated in Guide to Reporting on Principle 7.	The information is disclosed in the Annual Report.
8.	***Remunerate fairly and responsibly***	
8.1	The board should establish a remuneration committee.	The Company has established a Remuneration and Nomination Committee under a formal charter.
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent director • has at least three members	The Company has a Remuneration Committee which consists of three members. The Board currently does not have any independent or non-executive Directors. The Company Secretary acts as secretary to the committee and attends its meetings.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The structure of non-executive Directors' remuneration is clearly distinguished from that of executive Directors and senior executives will be described in the Directors' Report which forms part of the Annual Report.
8.4	Companies should provide the information indicated in the *Guide to reporting on Principle 8*.	The information is disclosed in the Annual Report.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2014

	Notes	2014 $	2013 $
Continuing operations			
Other income	*5(a)*	35,542	56,066
Expenses			
Administration expenses	*5(b)*	(372,420)	(287,912)
Employee benefits and directors fees		(120,000)	(120,000)
Project expenses		(295,211)	-
Depreciation expense		(1,037)	(860)
Loss before income tax expense		(753,126)	(408,772)
Income tax expense	*6*	-	(8,460)
Net loss for the year		(753,126)	(417,232)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive loss for the period		(753,126)	(417,232)
Earnings per share			
Basic earnings per share (cents per share)	*13*	(0.2)	(0.1)
Diluted earnings per share (cents per share)	*13*	(0.2)	(0.1)

The statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Notes	2014 $	2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	*16(a)*	784,931	1,387,780
Trade and other receivables	*7*	18,681	22,847
Other assets	*8*	-	15,267
Total Current Assets		803,612	1,425,894
Non-Current Assets			
Property, plant and equipment	*9*	1,552	2,589
Total Non-Current Assets		1,552	2,589
TOTAL ASSETS		805,164	1,428,483
LIABILITIES			
Current Liabilities			
Trade and other payables	*10*	187,939	58,132
Total Current Liabilities		187,939	58,132
TOTAL LIABILITIES		187,939	58,132
NET ASSETS		617,225	1,370,351
EQUITY			
Issued capital	*11*	80,486,376	80,486,376
Accumulated losses	*12*	(79,869,151)	(79,116,025)
TOTAL EQUITY		617,225	1,370,351

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2014

	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2013	80,486,376	-	(79,116,025)	1,370,351
Comprehensive income				
Net loss for the year	-	-	(753,126)	(753,126)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(753,126)	(753,126)
Total transactions with owners and other transfers	-	-	-	-
Balance at 30 June 2014	80,486,376	-	(79,869,151)	617,225

for the year ended 30 June 2013

	Issued Capital $	Reserves $	Accumulated Losses $	Total $
Balance at 1 July 2012	79,987,061	14,000	(78,712,793)	1,288,268
Comprehensive income				
Net loss for the year	-	-	(417,232)	(417,232)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(417,232)	(417,232)
Shares issued during the year	500,000	-	-	500,000
Exercise of options	20,000	-	-	20,000
Transfer from share option reserve upon exercise of options	-	(14,000)	14,000	-
Transaction costs (net of tax)	(20,685)	-	-	(20,685)
Total transactions with owners and other transfers	499,315	(14,000)	14,000	499,315
Balance at 30 June 2013	80,486,376	-	(79,116,025)	1,370,351

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

STATEMENT OF CASH FLOWS

for the year ended 30 June 2014

	Notes	**2014** $	**2013** $
Cash flows from operating activities			
Interest received		44,710	50,751
Project due diligence		(295,211)	-
Payments to suppliers and employees		(352,348)	(467,595)
Net cash outflow used in operating activities	*6(b)*	(602,849)	(416,844)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(3,449)
Net cash outflow from investing activities		-	(3,449)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)		-	490,855
Net cash inflow from financing activities		-	490,855
Net increase (decrease) in cash and cash equivalents		(602,849)	70,562
Cash and cash equivalents at the beginning of the financial period		1,387,780	1,317,218
Cash at the end of the financial period	*6(a)*	784,931	1,387,780

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The financial statements of TW Holdings Limited for the year ended 30 June 2014 were authorised for issue in accordance with a resolution of the directors on 30 September 2014.

TW Holdings Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange and operating in Australia.

The nature of operations and principal activities of the Company are described in the Directors' Report.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied to all of the years presented unless otherwise stated.

(a) Basis of preparation

Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The financial report is presented in Australian dollars, which is the Company's functional and presentational currency.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2014

In the year ended 30 June 2014, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2014. As a result of this review the directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Company and, therefore, no change is necessary to Company accounting policies.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

(c) Income Tax

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

A deferred tax asset for unused tax losses is recognised only if it is probable that future taxable amounts will be available to utilise losses.

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

(d) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset during their expected useful life of 2 to 5 years.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not shown in the accounts at a value in excess of the recoverable amount from assets.

(e) Financial instruments

Classification

The Company classifies its investments in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after 30 June 2014 which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Available-for-sale financial assets
Available-for-sale financial assets, principally comprising marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of 30 June 2014.

Recognition and derecognition
Regular purchases and sales of financial assets are recognised on trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed to the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

When securities are classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement
Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of income from continuing operations when the company’s right to receive payment is established.

Fair value
The fair values of quoted investments are based on last trade prices. If the market for financial assets is not active (and for unlisted securities), the company establishes fair value by using valuation techniques.

Impairment
At each balance date the company assesses whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement.

(f) Impairment of assets
At each reporting date the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

(g) Provisions and employee benefits

Provisions and employee benefits

Provisions are recognised when the Company has a present obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at 30 June 2014 using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free government bond rate relative to the expected life of the provision is used as a discount rate. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee leave benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Revenue recognition

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(j) Trade and other payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are presented as current unless payment is not due within 12 months.

(k) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("management approach"). The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of TW Holdings Limited.

(l) Share based payments

The Company provides benefits to directors, employees, consultants and other advisors of the company in the form of share-based payments, whereby the directors, employees, consultants and other advisors render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the market price of the shares of the company if applicable.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant recipient becomes fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired, and
- the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

(m) Earnings per share

Basic earnings per share is determined by dividing the profit (loss) after income tax attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

4. OPERATING SEGMENTS

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded at this time that there are no separately identifiable segments.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

	2014 $	2013 $
5. REVENUE AND EXPENSES		
(a) Revenue and other income		
Interest and other income	35,542	56,066
	35,542	56,066
(b) Expenses		
Employees benefits expense		
Wages, salaries, directors fees and other remuneration expenses	120,000	116,600
Defined contribution superannuation expense	-	3,400
	120,000	120,000

6. INCOME TAX

	2014	2013
Tax expense comprises:		
Tax portion of share issue costs	-	8,460
Total tax expense	-	8,460
Income tax expense calculated at 30%	(195,821)	(122,632)
Add tax effect of:		
Tax portion of share issue costs	-	8,460
Less:		
Effect of tax losses not capitalised	195,821	122,632
	-	8,460

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

The Company has tax losses arising in Australia of $41,184,448 (2013 - $40,988,627) that are available indefinitely for offset against future taxable profits, subject to meeting eligibility criteria within the Income Tax Assessment Act. No deferred tax asset has been recognised as there is uncertainty whether forecast future taxable profits will be realised that will utilise the tax losses.

7. TRADE AND OTHER RECEIVABLES

	2014	2013
Goods and services tax recoverable	19,913	13,679
Accrued income	-	9,168
	19,913	22,847

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

8. OTHER CURRENT ASSETS

	2014 $	2013 $
Prepaid expenses	-	10,867
Other	-	4,400
	-	15,267

9. PROPERTY, PLANT AND EQUIPMENT

	2014 $	2013 $
Cost		
Balance at 1 July	3,449	-
Acquisitions	-	3,449
Balance at 30 June	3,449	3,449
Accumulated depreciation		
Balance at 1 July	(860)	-
Depreciation for the year	(1,037)	(860)
Balance at 30 June	(1,897)	(860)
Net book value	1,552	2,589

10. TRADE AND OTHER PAYABLES

	2014 $	2013 $
Trade payables	50,111	9,832
Accrued expenses	137,828	48,300
	187,939	58,132

11. ISSUED CAPITAL

	2014 $	2013 $
410,258,865 fully paid, ordinary shares (2013: 410,258,865)	80,486,376	80,486,3789

	2014 No.	2014 $
Fully paid, ordinary shares		
Balance at 1 July	410,258,865	80,486,376
Movement during the year	-	-
Balance at 30 June	410,258,865	80,486,376

The ordinary shares have no par value and the Company does not have a limited amount of ordinary share capital.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

	2014 $	2013 $
12. ACCUMULATED LOSSES		
Balance at 1 July	(79,116,025)	(78,712,793)
Transfer from Share Option Reserve	-	14,000
Net loss attributable to members of the Company	(753,126)	(417,232)
Balance at 30 June	(79,869,151)	(79,116,025)

13. EARNINGS PER SHARE

Basic earnings; cents per share	(0.2)	(0.1)
Diluted earnings; cents per share	(0.2)	(0.1)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of the basic and diluted earnings per share are as follows:

Net loss	(753,126)	(417,232)
	Number	Number
Weighted average number of ordinary shares for the purposes of calculating basic and diluted earnings per share	410,258,865	395,453,386

14. DIVIDENDS

No dividends were declared or paid during the financial year (2013: Nil)

Franking account balance at 1 July and 30 June	1,404,000	1,404,000

15. COMMITMENTS FOR EXPENDITURE

There are no capital, finance lease or operating lease commitments at 30 June (2013: Nil)

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash and cash equivalents	784,931	1,387,780

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

	2014 $	2013 $
(b) Reconciliation of profit for the year to net cash flows from operating activities		
Loss for the year after tax	(753,126)	(417,232)
Non cash income tax expense	-	8,460
Depreciation	1,037	860
Changes in assets and liabilities		
(Increase)/Decrease in trade and other receivables	15,033	(14,500)
(Increase)/Decrease in other current assets	4,400	(15,267)
Increase/(Decrease) in trade and other payables	129,807	20,835
Net cash used in operating activities	(602,849)	(416,844)

17. FINANCIAL INSTRUMENTS

(a) Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimising the debt and equity balance.

The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders, comprising issued capital and accumulated losses as disclosed in Notes 11 and 12.

(b) Financial Risk Management

The Company's financial management team provides services to the business, coordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the Company and identifies any exposures by degree and magnitude of risks. These risks include credit risk, liquidity and cash flow interest rate risk and currency risk. The Company actively pursues avenues to minimise the effect of these risks.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

(c) Categories of Financial Instruments

	2014	2013
Financial Assets		
Cash and cash equivalents	784,931	1,387,780
Financial Liabilities		
Amortised cost	50,111	9,832

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

(d) Foreign Currency Risk

The Company undertakes certain transaction denominated in United States dollars and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The Company's exposure to currency risk at 30 June 2014 was $Nil (2013: $Nil). The effect of future movements in the exchange rate for United States dollars on the Company's financial position and results of its activities is likely to be negligible.

(e) Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed periodically.

The Company does not have a significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and borrowings is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

(f) Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices. The carrying amount approximates fair value because of their short term to maturity; and
- the fair value of short term financial liabilities and approximates because of their short term to maturity; and
- the fair value of long term finance borrowings is estimated using discounted cash flow analysis, based on current incremental borrowing rates for similar types of borrowing arrangements.

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

(g) Interest rate risk management

The Company is exposed to interest rate risk as it holds cash deposits at floating interest rates. The risk is that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and liabilities. The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity disk management section below.

Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rates for non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting date. The board of Directors has determined that a 50 basis point increase of decrease represents a material interest rate risk and represents management's assessment of the possible changes in interest rates.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

At reporting date, if the interest rates has been 50 basis points higher or lower and all other variables were held constant, the Company's net profit would have been increased by $6,938 and decrease by $6,938 respectively. This is attributable to the Company's exposure to interest rates to interest rates on its variable rate deposits.

(h) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity Profile of Financial Instruments

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The financial liabilities are derived on undiscounted cash flows based on the earliest date on which the Company can be required to pay:

	Average Interest Rate	**Less than 1 year**	**1 to 5 years**	**5+ years**	**Total**
	%	$	$	$	$
2014					
Financial Liabilities					
Trade payables	Nil	50,111	-	-	50,111
2013					
Financial Liabilities					
Trade payables	Nil	9,832	-	-	9,832

18. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate compensation made to key management personnel of the Company is set out below:

	2014	**2013**
	$	$
Short-term employee benefits	120,000	116,600
Post-employment benefits	-	3,400
Share based payments	-	-
Franking account balance at 1 July and 30 June	120,000	120,000

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

19. RELATED PARTY TRANSACTIONS

(a) Transactions with key management personnel

(i) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 18 to the financial statements.

(ii) Loans to key management personnel

There were no loans granted to key management personnel during the financial year (2013: Nil)

(b) Other transactions with Directors and Director related entities

The Company pays an entity associated with Mr S Douglas for administration, rent and office services. During the year the amount paid for these services was $69,913 (2013 - $Nil).

During the year, other than key management personnel compensation and the matter noted above, no transactions occurred between the Company and a Director or a Director related entity.

20. REMUNERATION OF AUDITORS

	2014	**2013**
	$	$
Audit or review of the financial report	26,294	17,700
Investigating accountant's report	15,527	-
	41,821	17,700

21. CONTINGENT LIABILITIES

There are no contingent liabilities requiring disclosure in the financial report.

22. SUBSEQUENT EVENTS

There are no matters that have arisen since the end of the financial year requiring disclosure in the financial report.

DIRECTORS' DECLARATION

In the opinion of the directors of TW Holdings Limited ('the Company'):

1. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 including:
   a. complying with Accounting Standards and the Corporations Regulations 2001; and
   b. giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the half-year then ended; and
   c. complying with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001.

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

Scott Douglas
Chairman
30 September 2014

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

Level 7, BDO Centre
420 King William St
Adelaide SA 5000
GPO Box 2018, Adelaide SA 5001
AUSTRALIA

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TW HOLDINGS LIMITED

Report on the Financial Report

We have audited the accompanying financial report of TW Holdings Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and 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.

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 2, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of TW Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of TW Holdings Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

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

(b) the financial report also complies *with International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 9 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of TW Holdings Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO

BDO Audit Partnership (SA)

G Edwards

Geoff Edwards
Partner

Adelaide, 30 September 2014

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited and not shown elsewhere in this report is as follows. The information is current as at 25 September 2014.

Distribution of equity securities	**Number of Shareholders**
1 - 1,000	1,148
1,001 - 5,000	260
5,001 - 10,000	56
10,001 - 100,000	105
100,001 and over	196
	1,765
Holding less than a marketable parcel	1,571

Ordinary Share Capital
410,258,865 fully paid, ordinary shares are held by 1,765 individual shareholders.
All issued, ordinary shares carry one vote per share and carry the rights to dividends.

Substantial Shareholders	**No. of ordinary shares in which interest is held**	**%**
As at 25 September 2014, the register of substantial shareholders disclosed the following information:		
Holders Giving Notice		
Jason Peterson	40,649,225	9.90

Ordinary Shareholders

JDK Nominees Pty Ltd <Kenny Capital A/C>	26,600,000	6.48
Celtic Capital Pte Ltd <Trading 1 A/C>	21,300,000	5.19
Mr Jason Peterson + Mrs Lisa Peterson <J & L Peterson S/F A/C>	17,349,225	4.23
Mrs Katherine Elizabeth MacDermott <The Warrior A/C>	16,500,000	4.02
Mr Daniel Eddington + Mrs Julie Eddington <DJ Holdings A/C>	12,100,000	2.95
Cleland Projects Pty Ltd <CT A/C>	10,000,000	2.44
Taycol Nominees Pty Ltd <211 A/C>	10,000,000	2.44
Mr Matthew Gaden Western Wood	10,000,000	2.44
Calama Holdings Pty Ltd <Mambat Super Fund A/C>	9,190,625	2.24
Nurragi Investements Pty Ltd	8,214,000	2.00
Mr Simon Thomas O'Loughlin	8,000,000	1.95
Mr Michael Andrew Whiting + Mrs Tracey Anne Whiting <Whiting Family S/F A/C>	7,950,625	1.85
Andra Holdings Pty Ltd <Anderson Family A/C>	7,000,000	1.71
Mr John Della Bosca <JA&JG Della Bosca Family A/C>	7,000,000	1.71
Agens Pty Ltd <The Mark Collins S/F A/C>	6,000,000	1.46
Corporate Property Services Pty Ltd <K W Share A/C>	5,500,000	1.34
Octifil Pty Ltd	5,436,773	1.33
Ms Marnie Jane Eddington <G & K Family A/C>	5,000,000	1.22
Mr Vinay Parmanand Hariani	5,000,000	1.22
Robert Nairn Pty Ltd <Cherham A/C>	5,000,000	1.22
	202,781,248	49.43