



## Results for announcement to the market

			<b>March 2017 \$'000</b>	<b>March 2016 \$'000</b>
<b>Financial Results</b>				
Revenue from ordinary activities	<i>Down</i>	<i>30.88%</i>	81,891	118,481
Loss from ordinary activities after tax attributable to members	<i>Down</i>	<i>16.05%</i>	(8,230)	(7,092)
Net loss for the period attributable to members	<i>Down</i>	<i>16.05%</i>	(8,230)	(7,092)

<b>Dividends</b>	Payment Date	Amount per Ordinary Security	Franked amount per security	Tax rate for franking credit
2016 interim dividend	23 December 2015	8 cents	8 cents	30%
2017 special interim dividend	14 September 2016	8 cents	8 cents	30%

<b>Net Tangible Asset Backing</b>	<b>March 17</b>	<b>March 16</b>
Net tangible asset backing per ordinary security	\$0.720	\$0.953

### Other explanatory notes

All other information required to be disclosed by Neptune Marine in the Appendix 4E is either not applicable or has been included in the attached financial report.



# **NEPTUNE MARINE SERVICES LIMITED AND CONTROLLED ENTITIES**

**ABN: 76 105 665 843**

**Preliminary Final Report for the Year Ended  
31 March 2017**

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**NEPTUNE MARINE SERVICES LIMITED  
AND CONTROLLED ENTITIES  
PRELIMINARY FINAL REPORT (UNAUDITED)**

**31 March 2017**

**ABN: 76 105 665 843**

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**CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

		Consolidated	
	Note	2017 \$000	2016 \$000
Revenue	2(a)	81,891	118,481
Other revenue	2(a)	80	123
Total Revenue		81,971	118,604
Cost of sales and services rendered		(64,734)	(89,351)
Gross Profit		17,237	29,253
Other income	2(b)	678	2,591
Marketing expenses		(110)	(475)
Occupancy expenses		(3,792)	(4,503)
Corporate, shared services and board expenses		(2,396)	(3,878)
Business operating expenses		(18,762)	(22,190)
Technical expenses		(288)	(266)
Finance costs		(202)	(248)
Fixed asset impairment		-	(6,919)
Other expenses	3(a)	(286)	(1,798)
<b>Loss before income tax</b>		(7,921)	(8,433)
Income tax (expense)/ benefit		(309)	1,341
<b>Net loss for the period</b>		<b>(8,230)</b>	<b>(7,092)</b>
<b>Loss Per Share</b>			
Basic loss per share (in dollars)	6	(0.134)	(0.115)
Diluted loss per share (in dollars)	6	(0.134)	(0.115)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 31 MARCH 2017

	Consolidated	
	2017 \$000	2016 \$000
<b>Net loss for the period</b>	<u>(8,230)</u>	<u>(7,092)</u>
<b>Other Comprehensive income</b>		
Items in other comprehensive income that may be recycled subsequently through profit and loss		
Foreign currency translation	(1,819)	(101)
Net (loss) /profit on cash flow hedges	(184)	298
<b>Other comprehensive income for the period</b>	<u>(2,003)</u>	<u>197</u>
<b>Total comprehensive loss for the period attributable to members of the parent</b>	<u>(10,233)</u>	<u>(6,895)</u>

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	Note	Consolidated	
		31 March 2017 \$000	31 March 2016 \$000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		12,603	14,165
Trade and other receivables		16,556	26,476
Inventories		1,086	901
Other current assets		7,278	10,618
<b>TOTAL CURRENT ASSETS</b>		<u>37,523</u>	<u>52,160</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables		-	20
Property, plant and equipment	7	17,320	20,072
Deferred tax assets		5,931	6,166
Intangible assets and goodwill	8	13,409	14,248
<b>TOTAL NON-CURRENT ASSETS</b>		<u>36,660</u>	<u>40,506</u>
<b>TOTAL ASSETS</b>		<u>74,183</u>	<u>92,666</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		13,162	14,194
Current tax liability		451	3,078
Interest bearing loans and borrowings		309	70
Provisions		850	1,170
<b>TOTAL CURRENT LIABILITIES</b>		<u>14,772</u>	<u>18,512</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables		333	447
Interest bearing loans and borrowings		465	15
Deferred tax liabilities		191	224
Provisions		771	669
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>1,760</u>	<u>1,355</u>
<b>TOTAL LIABILITIES</b>		<u>16,532</u>	<u>19,867</u>
<b>NET ASSETS</b>		<u>57,651</u>	<u>72,799</u>
<b>EQUITY</b>			
Contributed equity	9	273,540	273,540
Reserves		(15,725)	(13,722)
Accumulated losses		(200,164)	(187,019)
<b>TOTAL EQUITY</b>		<u>57,651</u>	<u>72,799</u>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

	Ordinary Shares	Accumulated Losses	Foreign Currency Translation Reserve	Employee Equity Benefits Reserve	Hedge Reserve	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Consolidated Group</b>						
<b>Balance at 1 April 2015</b>	273,540	(175,012)	(20,143)	6,127	97	84,609
Loss for the period	-	(7,092)	-	-	-	(7,092)
Other comprehensive income	-	-	(101)	-	298	197
<b>Total comprehensive income for the year</b>	-	(7,092)	(101)	-	298	(6,895)
<b>Transactions with owners in their capacity as owners</b>						
Dividends paid	-	(4,915)	-	-	-	(4,915)
Sub-total	-	(12,007)	(101)	-	298	(11,810)
<b>Balance at 31 March 2016</b>	273,540	(187,019)	(20,244)	6,127	395	72,799
<b>Balance at 1 April 2016</b>	273,540	(187,019)	(20,244)	6,127	395	72,799
Loss for the period	-	(8,230)	-	-	-	(8,230)
Other comprehensive income	-	-	(1,819)	-	(184)	(2,003)
<b>Total comprehensive income for the year</b>	-	(8,230)	(1,819)	-	(184)	(10,233)
<b>Transactions with owners in their capacity as owners</b>						
Dividends paid	-	(4,915)	-	-	-	(4,915)
Sub-total	-	(13,145)	(1,819)	-	(184)	(15,148)
<b>Balance at 31 March 2017</b>	273,540	(200,164)	(22,063)	6,127	211	57,651

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	<b>Consolidated</b>	
	<b>31 March 2017 \$000</b>	<b>31 March 2016 \$000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	90,369	122,446
Interest received	80	123
Payments to suppliers and employees	(85,231)	(117,792)
Interest paid	(202)	(248)
Income tax paid	(76)	(741)
Net cash flows derived from operating activities	11(a) <u>4,940</u>	<u>3,788</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	66	3,028
Purchase of property, plant and equipment	(903)	(4,985)
Repayment of loan to controlling entity	(79)	-
Net cash flows used in investing activities	<u>(916)</u>	<u>(1,957)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(4,915)	(4,915)
Repayment of borrowings	(240)	(240)
Receipt of deposits	30	126
Net cash flows used in financing activities	<u>(5,125)</u>	<u>(5,029)</u>
Net decrease in cash and cash equivalents held	(1,101)	(3,198)
Cash and cash equivalents at beginning of financial year	14,165	17,594
Net foreign exchange difference	(461)	(231)
<b>Cash and cash equivalents at end of financial year</b>	<u><u>12,603</u></u>	<u><u>14,165</u></u>

The accompanying notes form part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS

**Note 1 Statement of Significant Accounting Policies**

The preliminary final report has been prepared in accordance with the Australian Securities Exchange Listing Rules as set out in Appendix 4E and in accordance with the measurement and recognition (but not disclosure) requirements of the Australian Accounting Standards, *Corporations Act 2001* and other pronouncements of the Australian Accounting Standards.

As such, this Preliminary Final Report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 31 March 2017 and with any public announcements made by Neptune Marine Services Limited during the reporting period in accordance with the disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous year.

**New Standards, Interpretations and Amendments thereof, adopted by the Group**

The accounting policies adopted in the preparation of the Preliminary Final report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2017.

The Group did not early adopt any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group did not adopt any new and or revised standards, amendments or interpretations from 1 April 2016 which had any effect on the financial position or performance of the Group.

**Note 2 Revenue**

	<b>Consolidated Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
a) Revenue		
— Rendering of services revenue from operating activities	81,891	118,481
— Other revenue - interest received	80	123
Total Revenue	<u>81,971</u>	<u>118,604</u>
b) Other Income		
— Insurance proceeds	121	2,510
— Other income	557	81
Total Other Income	<u>678</u>	<u>2,591</u>

During the prior year, several assets were subject to insurance claims and in line with the relevant provisions of AASB 116, any associated loss or damage of the asset, compensation subsequently received and any subsequent replacement have been disclosed as separate events. Refer to note 3(a) for details on loss on disposal of property, plant and equipment.

**Note 3 Other Expenses**

	<b>Consolidated Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
a) Other Expenses		
— Loss on sale of property, plant and equipment	70	1,273
— Other	216	525
Total Other Expenses	<u>286</u>	<u>1,798</u>

**Note 4**                      **Income Tax**

The major components of income tax expense in the income statement for the year are:

	<b>Consolidated Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
<b>Income taxes</b>		
Current income tax expense	220	573
Adjustments in respect of current income tax or previous years	(111)	(16)
Deferred income tax benefit relating to origination and reversal of temporary differences	200	(1,898)
<b>Income tax (benefit) / expense</b>	<b>309</b>	<b>(1,341)</b>
Income tax recognised in other comprehensive income	(108)	(123)
<b>Total income taxes</b>	<b>201</b>	<b>(1,464)</b>

**Note 5**                      **Dividends**

	<b>Consolidated Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash dividends on ordinary shares declared and paid</b>		
Interim dividend for 2017: 8 cents per share (2016: 8 cents per share)	4,915	4,915
	<u>4,915</u>	<u>4,915</u>
<b>Franking credit balance</b>		
The amount of franking credits available for subsequent financial year are:		
Franking account balance as at end of the financial year	5,144	7,250

**Note 6**                      **Earnings per Share**

	<b>Consolidated Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>
(a) Earnings used in calculating earnings per share		
<b>For basic loss per share</b>	<b>\$000</b>	<b>\$000</b>
Net loss attributable to ordinary equity holder of the parent	(8,230)	(7,092)
<b>For diluted loss per share</b>		
Net loss attributable to ordinary equity holders of the parent	(8,230)	(7,092)
	<u>(8,230)</u>	<u>(7,092)</u>
	<b>No.</b>	<b>No.</b>
	<b>Thousands</b>	<b>Thousands</b>
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	61,441	61,441
Dilutive effect of options	100	100
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	61,541	61,541

**Note 7 Property, Plant and Equipment**

Movements in carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial period

	Office Furniture, Equipment & Software \$000	Leasehold Improvements \$000	Plant and Equipment \$000	Leased Vehicle \$000	ROV's & Vessels \$000	Construction in Progress \$000	Total \$000
<b>Consolidated Group:</b>							
<b>Balance at 1 April 2015</b>	<b>1,592</b>	<b>527</b>	<b>16,690</b>	<b>322</b>	<b>10,474</b>	<b>3,535</b>	<b>33,140</b>
Additions	105	-	423	12	207	4,237	4,984
Disposals	(192)	(443)	(2,855)	(14)	(679)	(137)	(4,320)
Transfers	1,093	1,769	(1,627)	-	5,763	(6,998)	-
Depreciation expense	(569)	(247)	(3,192)	(75)	(2,661)	-	(6,744)
Impairment expense	-	-	-	-	(6,919)	-	(6,919)
Foreign exchange	-	-	(9)	(2)	20	(78)	(69)
<b>Balance at 31 March 2016</b>	<b>2,029</b>	<b>1,606</b>	<b>9,430</b>	<b>243</b>	<b>6,205</b>	<b>559</b>	<b>20,072</b>
Cost	4,658	1,856	21,179	433	29,939	559	58,624
Accumulated depreciation & impairment	(2,629)	(250)	(11,749)	(190)	(23,734)	-	(38,552)
<b>Net carrying amount</b>	<b>2,029</b>	<b>1,606</b>	<b>9,430</b>	<b>243</b>	<b>6,205</b>	<b>559</b>	<b>20,072</b>
<b>Balance at 1 April 2016</b>	<b>2,029</b>	<b>1,606</b>	<b>9,430</b>	<b>243</b>	<b>6,205</b>	<b>559</b>	<b>20,072</b>
Additions	241	-	36	-	-	1,076	1,353
Disposals	(10)	-	(89)	-	(33)	-	(132)
Transfers	310	17	793	-	182	(1,302)	-
Depreciation expense	(447)	(189)	(1,930)	(55)	(993)	-	(3,614)
Foreign exchange	(25)	-	(140)	(7)	(185)	(2)	(359)
<b>Balance at 31 March 2017</b>	<b>2,098</b>	<b>1,434</b>	<b>8,100</b>	<b>181</b>	<b>5,176</b>	<b>331</b>	<b>17,320</b>
Cost	5,071	1,872	21,563	424	26,270	331	55,531
Accumulated depreciation & impairment	(2,973)	(438)	(13,463)	(243)	(21,094)	-	(38,211)
<b>Net carrying amount</b>	<b>2,098</b>	<b>1,434</b>	<b>8,100</b>	<b>181</b>	<b>5,176</b>	<b>331</b>	<b>17,320</b>

Impairment testing was performed at 31 March 2017 and no impairment has been recognised. The recoverable amount was based on value in use calculations.

**Note 8 Intangible Assets and Goodwill**

	Consolidated Group	
	2017 \$000	2016 \$000
<b>Goodwill</b>		
Balance at 1 April	13,111	13,255
Foreign exchange differences	(553)	(144)
Balance at 31 March	<u>12,558</u>	<u>13,111</u>
<b>Other Intangible Assets</b>		
Balance at 1 April	1,137	1,492
Amortisation	(286)	(355)
Balance at 31 March	<u>851</u>	<u>1,137</u>
<b>Total Intangible Assets</b>	<u><b>13,409</b></u>	<u><b>14,248</b></u>

**Note 9 Issued Capital**

	Consolidated Group	
	2017	2016
	\$000	\$000
61,441,291 (2016: 61,441,291) fully paid ordinary shares	273,540	273,540

(a) Ordinary Shares	Consolidated Group	
	No.	\$000
At 1 April 2015	61,441,291	273,540
Movements during the prior period	-	-
At 31 March 2016	<u>61,441,291</u>	<u>273,540</u>
At 1 April 2016	61,441,291	273,540
Movements during the current period	-	-
At 31 March 2017	<u>61,441,291</u>	<u>273,540</u>

**Note 10 Operating Segments**

**Identification of Reportable Segments**

The Group has identified its operating segments based on the internal reports that are reviewed and used by Neptune’s management team in assessing performance and in determining the allocation of resources. The operating segments are identified by management based on the nature of the services provided to customers. Discrete financial information about each of these operating businesses is reported to Neptune’s management team on at least a monthly basis.

**Types of Products and Services**

The reportable segments are based on aggregated operating segments determined by the similarity of the products produced and sold and/or services provided, as these are the sources of the Group’s major risks and have the most effect on the rates of return. Neptune Marine Services comprises the two distinct divisions: Offshore Services and Engineering Services. Globally, the company has operational bases in Australia, South East Asia and the United Kingdom. The services provided to customers are on an offshore and engineering basis and can combine services from multiple regions.

*Offshore Services*

The Offshore Services division provides the oil and gas, marine and associated industries with a range of specialised services, including: commercial diving, inspection, repair and maintenance support, difficult and confined area access via rope access, tension netting and modular platforms, remotely operated vehicles (ROVs), subsea pipeline/cable stabilisation and protection, hydro graphic surveying, positioning and geophysical support, and project management.

*Engineering Services*

The Engineering Services division provides the oil and gas, marine, renewable energy and associated industries with a range of specialised services, including: subsea and pipeline engineering, fabrication, assembly and testing, refurbishment, installation, maintenance, the patented NEPSYS® dry underwater welding technology, and project management.

**Accounting Policies and Inter-Segment Transactions**

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2 to the Annual Report and in the prior period, except as detailed below:

*Inter-entity sales*

Inter-entity sales are recognised based on an internally set transfer price. The price aims to reflect what the business operation could achieve if they sold their output and services to external parties at arm's length.

*Corporate charges*

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are allocated to each business segment on a proportionate basis linked to segment revenue so as to determine a segmental result.

It is the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

*Unallocated items*

The following items and associated assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Finance costs
- Corporate, shared service and Board expenses
- Technical expenses
- Share-based payments
- Foreign exchange gain/ (loss)
- Deferred tax assets

**Note 10 Operating Segments (continued)**

The following table presents revenue and profit information for the reportable segments:

	Continuing Operations					
	Engineering		Offshore Services		Total	
	2017	2016	2017	2016	2017	2016
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Sales to external customers	16,086	26,501	65,805	91,980	81,891	118,481
Intersegment sales	6,348	11,248	29,787	24,630	36,135	35,878
Other revenue	3	8	77	115	80	123
Total sales revenue	22,437	37,757	95,669	116,725	118,106	154,482
Internal sales elimination					(36,135)	(35,878)
Total revenue per the income statement					81,971	118,604

	Continuing Operations					
	Engineering		Offshore Services		Total	
	2017	2016	2017	2016	2017	2016
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Result</b>						
Segment result before impairments, asset write downs and items below:	599	1,671	(1,852)	5,447	(1,253)	7,118
Fixed asset impairment	-	-		(6,919)	-	(6,919)
Segment results after impairment and before items below:	599	1,671	(1,852)	(1,472)	(1,253)	199

**Reconciliation of segment net profit before tax to net profit before tax**

Finance costs					(202)	(248)
Unallocated Corporate, shared services and Board expenses					(6,131)	(7,549)
Share-based payments					162	(46)
Technical expenses					(288)	(266)
Foreign exchange loss					(209)	(523)
Net loss from continuing operations before tax per the income statement					(7,921)	(8,433)

**Note 10 Operating Segments (continued)**

	Continuing Operations					
	Engineering		Offshore Services		Total	
	2017	2016	2017	2016	2017	2016
<b>Segment assets</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Segment operating assets	7,460	13,924	48,234	59,465	55,694	73,389
Goodwill	3,573	4,270	8,985	8,841	12,558	13,111
Segment assets	11,033	18,194	57,219	68,306	68,252	86,500

**Reconciliation of segment assets to the statement of financial position**

Deferred tax assets	5,931	6,166
Total assets from continuing operations per the statement of financial position	<u>74,183</u>	<u>92,666</u>

**Entity Wide Information**

Revenue from external customers by geographical locations is detailed below:

	Segment Revenues from External Customers		Carrying Amount of Total Assets	
	2017 \$000	2016 \$000	2017 \$000	2016 \$000
Australia - country of domicile	53,864	72,700	42,283	50,195
Asia and Middle East	14,756	18,587	12,035	12,574
United Kingdom	13,271	27,194	19,865	29,897
	<u>81,891</u>	<u>118,481</u>	<u>74,183</u>	<u>92,666</u>

**Note 11 Cash Flow Information**

	Consolidated Group	
	2017 \$000	2016 \$000
<b>(a) Reconciliation of net loss after tax to net cash flows from operations</b>		
Loss after income tax	(8,230)	(7,092)
<b>Cash flows excluded from profit attributable to operating activities:</b>		
<b>Non-cash flows in profit</b>		
Depreciation / Amortisation	3,901	7,099
Fixed Asset Impairment	-	6,919
Loss on disposal of plant and equipment	69	1,273
Share based payment expense	(161)	46
Foreign exchange loss	216	523
Other non-cash movements	(86)	109
<b>Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries</b>		
Decrease/(Increase) in trade and term receivables	8,836	(507)
Decrease in prepayments/other current assets	959	1,226
Increase in inventories	(212)	(109)
Increase/(decrease) in deferred tax assets and liabilities	311	(1,775)
Decrease in trade payables and accruals	(424)	(3,303)
Decrease in income taxes payable	(78)	(307)
Decrease in provisions	(161)	(314)
<b>Cash flow from operations</b>	<u><b>4,940</b></u>	<u><b>3,788</b></u>

(b) Bank Facilities	Consolidated Group	
	2017	2016
	\$000	\$000
ANZ Banking Facility	10,000	10,000
Bank Guarantees on Issue	<u>2,500</u>	<u>1,979</u>
Unutilised Facility	<u>7,500</u>	<u>8,021</u>

**Note 12 Events after the Balance Sheet Date**

There have been no events after balance sheet date that have a material impact on the financial statements.

**Note 13 Commitments**

(a) Finance Lease Commitments	Consolidated Group	
	2017	2016
Payable — minimum lease payments	\$000	\$000
— not later than 12 months	340	91
— between 12 months and 5 years	<u>471</u>	<u>0</u>
Minimum lease payments	811	91
Less future finance charges	<u>(37)</u>	<u>(6)</u>
Present value of minimum lease payments	<u>774</u>	<u>85</u>

The finance leases relate to software and equipment financing. All finance leases will be settled within the next 5 years. The carrying value of finance leases and hire purchase contracts for various items of software licences, IT equipment, plant and machinery is \$694,919 (2016: \$227,118). There are no restrictions placed upon the lessee by entering into these leases.

(b) Operating Lease Commitments	Consolidated Group	
	2017	2016
	\$000	\$000
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months	2,268	2,521
— between 12 months and 5 years	7,279	7,980
— more than 5 years	<u>2,380</u>	<u>4,774</u>
Minimum lease payments	<u>11,927</u>	<u>15,275</u>

All operating leases of the Group relate to the leasing of premises. All leases are payable monthly. These leases have a varied life of between one and ten years. There are no restrictions placed upon the lessee by entering into these leases.

**(c) Capital Expenditure Commitments**

The Group had contractual obligations to purchase plant and equipment for \$484,766 at balance date (2016: \$87,744). Commitments are in relation to ROV equipment in the UK and Bulk Cement Silos in Asia. These commitments are expected to be settled within 12 months of the balance sheet date. The 2016 commitment was settled during 2016.

**Audit Report**

The preliminary final report is based on financial statements which are in the process of being audited.