2017
ANNUAL REPORT

2017 Annual General Meeting

The annual general meeting of shareholders in the company will be held at 9.30am (WST) on Friday 28 July 2017 at Brookfield Tower 2, Ground Floor, 123 St Georges Terrace, Perth WA 6000.

Programmed is a leading provider of staffing, maintenance and facility management services.

We directly employ more than 20,000 people across a broad range of industries, providing services to more than 10,000 customers, often under long-term contracts. Our business model is built around our ability to recruit, deploy, manage and maintain a large directly employed workforce of professional, skilled and semi-skilled staff.

We operate through a network of more than 100 branches, often delivering multiple services from across our business.

2017 Corporate Governance Statement and Appendix 4G disclosures

Programmed has published its 2017 Corporate Governance Statement and the disclosures required by Appendix 4G of the ASX Listing Rules in the Investor Centre section of its website: www.programmed.com.au/investors

Shareholders are encouraged to read the Corporate Governance Statement and Appendix 4G disclosures.

Programmed Maintenance Services Limited

ABN 61 054 742 264

Contents

Our Services

Staffing

Recruitment, staff hire and managed labour services.

Pictured: Programmed account manager Clint Boyle works within our Staffing division managing a number of contracts in Auckland, New Zealand.

Maintenance

Maintenance, building and operational services.

Pictured: Programmed electrician Sabrina Coates works flexibly as part of our Electrical Technologies business based in Perth.

Chairman's Letter

Bruce Brook Chairman

In difficult trading conditions, we are pleased to have completed the integration of Skilled, generated strong cash flow, paid down debt and set the foundations for future growth.

We deliver staffing, maintenance and facility management services to all sectors of the economy, and in the past year we have absorbed a significant decline in marine services work by growing our property and infrastructure maintenance activities and reducing our overheads.

Our FY2017 results include, for the first time, 12 months' revenue and earnings from Skilled and reflect a company continuing to adjust its costs and integrating its operations to deliver the long-term plan for the business. Revenue was $2,691 million, up 22% on the previous year, and profit before amortisation and non-trading items was $41.3 million, up 6.4%. We incurred amortisation and non-trading expenses totalling $29 million after tax to complete the Skilled integration and to provide for other one-off items. After non-trading items, our reported profit was $12.3 million compared to a $98 million loss in FY2016.

Importantly, we are pleased to have maintained very strong cash flow. Net debt, which was $302 million on completion of the Skilled acquisition in October 2015 and $239.1 million at 31 March 2016, has been reduced further to $200 million at 31 March 2017. We have announced a final dividend of 3.5 cents per share, fully franked, payable on 31 July 2017, bringing dividends for the year to 7 cents fully franked.

The board works closely with management to monitor our safety performance which regrettably has not improved over the past year, as measured by both the Long Term Injury Frequency Rate (1.7) and the Total Injury Frequency Rate (12). This followed a number of years when there were considerable improvements. Management has prepared a plan to improve safety performance further, and both board and management are committed to the goal of Zero harm.

I would like to recognise and thank Andrea Grant, who has retired from the board to commence a new career in the USA. The board has determined at this time not to replace Andrea, but will consider the need for a replacement director next year.

I thank all shareholders for their support during this challenging year for Programmed.

Finally, I would like to thank Chris Sutherland and the entire Programmed team for their commitment and efforts on behalf of customers and shareholders.

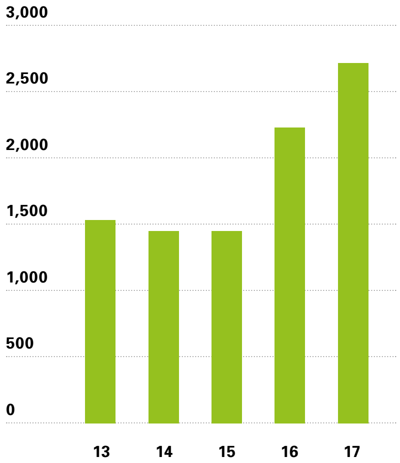
Bruce Brook
Chairman
24 May 2017

20,000
Number of employees working across the organisation each day

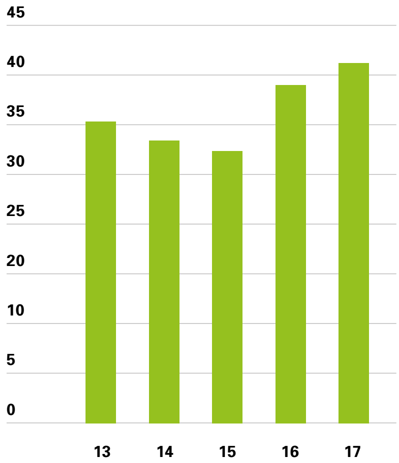
260 metres/ 63 storeys
Highest point painted

Results in Brief

Revenue: $2.7b
(continuing operations)



Profit after Tax: $41.3m
before amortisation and non-trading items



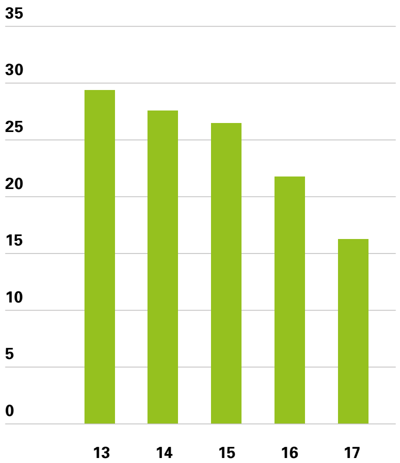
Revenue by Division

51% Staffing
49% Maintenance

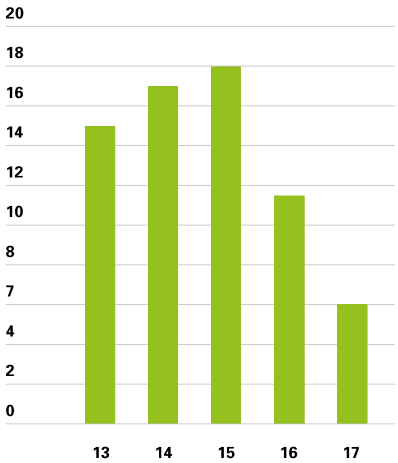
EBIT by Division

38% Staffing
62% Maintenance

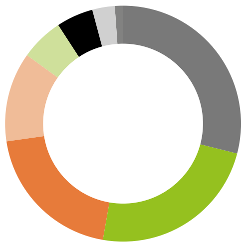
Earnings per Share: 16.2 cps
(before amortisation and non-trading items)



Dividends: 7.0 cps
fully franked

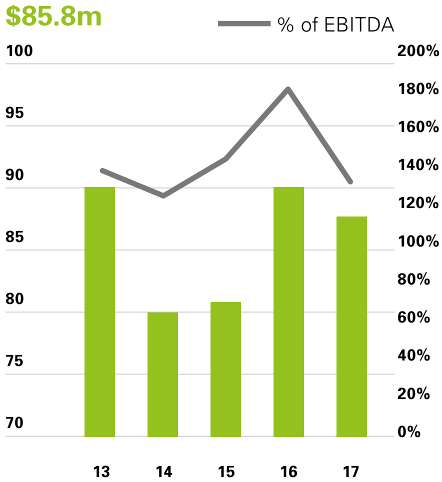


Revenue by State/Country

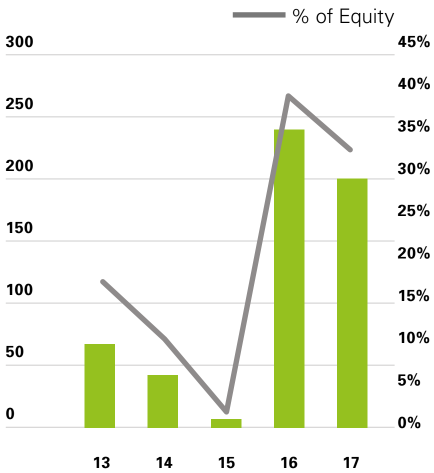


29% WA
24% NSW
20% VIC
12% QLD
6% NZ
5% SA
3% TAS
1% Other

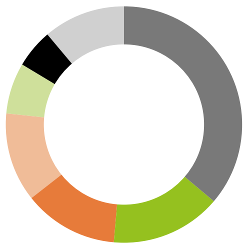
Gross Operating Cash Flow: $85.8m



Net Debt: $200.0m



Revenue by Sector



36% Government & infrastructure
16% Manufacturing & industrial
13% Onshore mining
12% Retail & commercial
7% Offshore oil & gas
5% Transport
11% Other

Business Summary

STAFFING

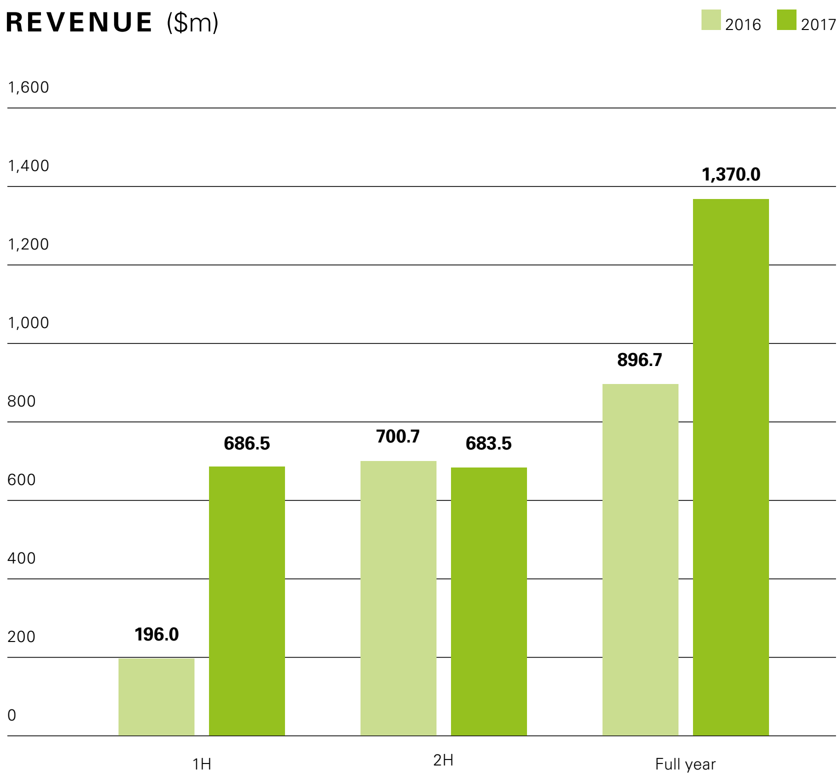
Staffing services including:

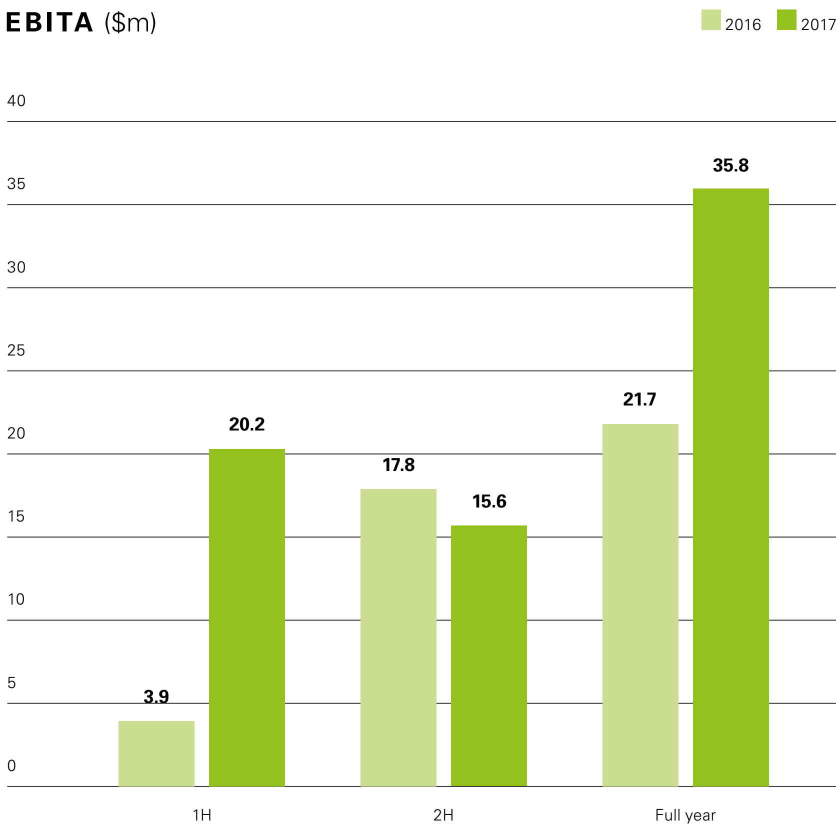
- Short-term, temporary and casual staffing
- Permanent recruitment
- Trainees and apprentices
- Trades, transport, warehousing, manufacturing, mining staff
- IT, engineering, healthcare, management, administration, call centre staff
- General labour
- Training services
- OneShift, an online staff recruitment application

Services provided across Australia and New Zealand to most sectors including mining, energy, construction, manufacturing, industrial, infrastructure, utilities, agriculture, communications, transport and logistics, government, health, aged care and education.

2017 Commentary

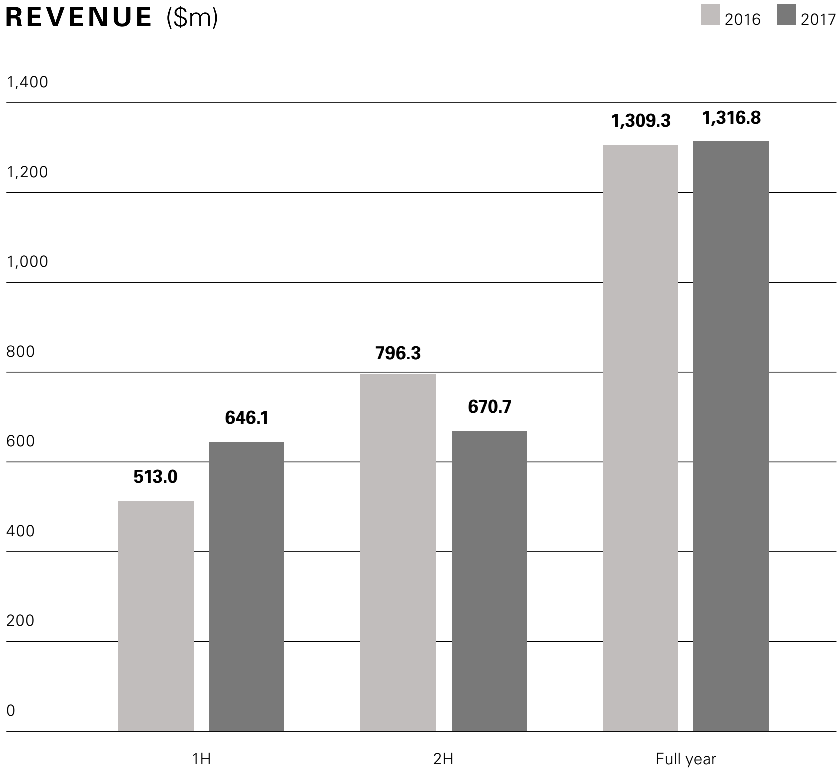
- Revenue significantly higher than FY17 due to the additional 6 month contribution from Skilled
- As a result, EBITA was $35.8 million, up 65%
- Demand in manufacturing, industrial, materials, transport and logistics sectors tightened further in the second half, lowering margins
- Have in past month reduced management and administration expenses further
- Completed 100% exit of Skilled head office in Hawthorn to deliver future cash savings
- Developing plan for expansion of Health Professional business
- Training Services business concluded the purchase of Apprenticeships Australia contracts with major LNG operators



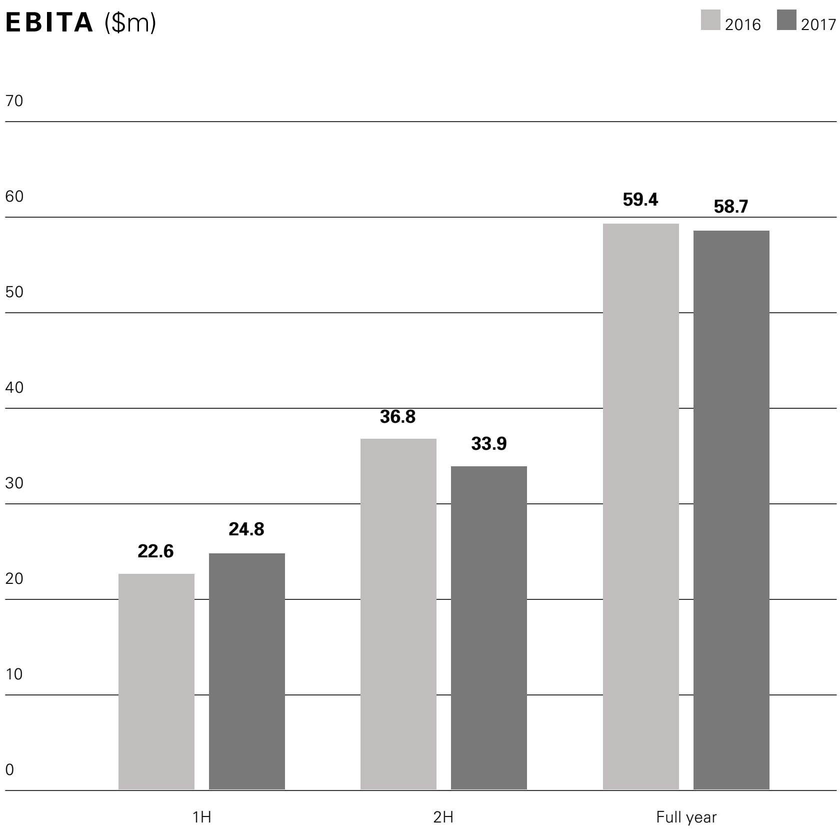


MAINTENANCE

REVENUE ($m)



EBITA ($m)



Maintenance and operational services to maintain and/or operate assets including:

- Painting
- Grounds maintenance and landscaping
- Specialist turf construction and maintenance for golf and horse racing
- Corporate imaging and signage
- Building projects and repair
- Electrical and lighting installation and repair
- Audio visual, data and communications installation and repair
- Facility management and maintenance services
- Industrial maintenance, shutdowns and minor capital works
- Offshore vessel management, catering and manning services for vessels, rigs, platforms and FPSO's

Services provided across Australia and New Zealand, often under long-term contracts and planned maintenance programs to most sectors including mining, energy, manufacturing, industrial, infrastructure, utilities, agriculture, communications, government, health, aged care and education.

2017 Commentary

- Revenue steady with growth in the property and infrastructure sectors offset by steep decline in oil & gas / marine services
- EBITA was flat, however excluding marine, EBITA was up 33%
- The Property Services business performed well, with the sales pipeline across its traditional education, aged care, retail and commercial sectors remaining solid
- The Facility Management business consolidated its contract wins of the last 12 months, and has a strong pipeline of further opportunities under active development
- The Industrial Maintenance business improved its performance compared to the prior year
- Demand for Marine Services fell significantly however we expect FY17 to be the bottom of the earnings cycle

The Programmed Difference

The Programmed Difference is our ability to:

- Get safety right on the ground
- Deliver operational improvements, flexibility and high levels of satisfaction to our customers
- Deploy the right person with the right competency to each job
- Manage human resources in an increasingly regulated environment
- Recruit and develop people

Painter Tom Ricketts has one of the most picturesque work settings within the business, working on New Zealand's North Island based in Akitio.

Managing Director's Review of Operations

"Our business model, providing staffing, maintenance and facility management services across all industry sectors, gives Programmed considerable strength in an economy that continues to present different challenges."

Chris Sutherland Managing Director

Our results for FY2017 reflect continuing weakness in some of our markets, as the integration of Skilled was completed and we put in place the building blocks for our future sustainability and growth.

Safety

Regrettably, our safety results were disappointing with an increase in the Lost Time Injury Frequency Rate (per million hours worked) from 1.0 to 1.7 on more than 45,000,000 hours worked. Our Total Injury Frequency Rate, which includes lost time and medical treatment injuries, remained steady at 12. These results cover all permanent, casual and contracted employees plus all employees of subcontractors engaged by us and all our labour hire employees who work under the direct supervision and work systems of others. As many companies do not report injuries to casual and contracted workers or subcontractors' workers, direct comparisons are seldom possible.

Compared to the industries that we serve, these results are better than average; however, our goal remains Zero injuries, and we remain committed to ensuring all our workers come home uninjured every night.

To reduce the number of injuries, incidents and near misses further, we are continuing to focus on leadership, behaviour and personal responsibility. In addition, we are raising awareness of critical risks through improvements to our critical risk standards and further education on our Life Saving Rules.

Strategy

We have a clear vision to be the leading provider of staffing, maintenance and facility management services, without injury.

To deliver our vision we have a plan built on four key components:

i) Safety

We need to have every employee come home uninjured every night as a basic tenet of our operations. This also means our productivity improves and our costs are lower. Customers will hire Programmed because we work safely and can help them improve the safety of their own operations.

ii) People and Culture

We have more than 20,000 employees working every day. We seek a common standard of personal behaviour across the organisation based upon personal safety leadership, care and empathy, and good old-fashioned customer service. These behaviours define the Programmed Culture.

iii) Systems

We have integrated all Skilled's operations on to our core business systems for HSE, HR, payroll, finance, staffing and customer relationship management. We now seek to deliver further efficiencies through continuous enhancements to our systems.

iv) Growth

A summary of our plan to grow sales over the next three years is outlined in the table "Programmed Growth Plan" on page 8 of this Annual Report.

Group Results

Programmed's revenue for the year ended 31 March 2017 was $2,691 million, up 22% on FY2016 ($2,209 million), with the increase arising from the acquisition of Skilled.

EBITDA (earnings before interest, tax, depreciation and amortisation) before non-trading items was $96.5 million, compared to $80.6 million in FY2016, an increase of 20%.

EBITA (earnings before interest, tax and amortisation) before non-trading items was $77.5 million, compared to $65.5 million in FY2016, an increase of 18%.

Profit after tax was $41.3 million before amortisation and non-trading items, an increase of 6.4% from FY2016 ($38.8 million).

After inclusion of amortisation and non trading items, profit after tax was $12.3 million, up from the reported loss of $98 million in FY2016.

38,000 kms

Pipes maintained through water contracts

Programmed Growth Plan

Staffing

Professionals
White Collar

Growth in white collar employment

Service white collar staffing needs across all of group customers

New outsourced public sector administration opportunities

Skilled Workforce
Blue Collar

Integration onto single business system now complete

63 branches

Consolidation of suppliers

Partnership pitch to major customers

Health Professionals
Health and Aged Care

Ageing population

Government support programs (consumer directed care)

Plan to develop full service models
– Health
– Aged care at home
– NDIS
– Third party trauma insurance

Training Services
Apprentices and Trainees

A trusted brand

Reskill existing candidates

Reskill blue collar workers where displacement occurring due to automation or globalisation

Expand into LNG by acquisition of Appenticeship Australia

OneShift
Online Staffing Services

Move to 100% ownership of OneShift

Sell online placement services to customers of the group

Enable all job candidates to be employed through OneShift

Maintenance

Facility Management
Infrastructure

Growing population requires new infrastructure to be built

Ageing infrastructure requires greater operations and maintenance expenditure

Long term contracts

Public-private partnerships

Defence

Property Services
Property

Schools, universities, retirement villages, sporting fields, resorts

Demand is growing for complete property maintenance solutions

Industrial Maintenance
Industrial and Mining

Many new assets built that must be maintained for next 50 years

Focus on long term contracted operation and maintenance opportunities

Marine
Offshore Oil and Gas

Now only 7% of group revenue

Expect FY17 to be bottom of earnings cycle

Establish JV with global partner

Electrical Technologies
Electrical, Data and Communications

Focus on fit-out, maintenance and upgrades of electrical, data and communications systems in existing buildings and infrastructure

Staffing

The Staffing division provides a range of staffing services across all industry sectors. It trades as five business units: Skilled Workforce (blue collar); Professionals (white collar); Health Professionals (hospitals and aged care); Training Services (licenced RTO and GTO) and OneShift (online recruitment services).

The division's revenue was $1,370 million, up 53% on FY2016 ($897 million) due to the additional six month contribution from Skilled. As a result, EBITA was $35.8 million, 65% up on the $21.7 million in FY2016.

Skilled Workforce

In the second half of FY2017, demand in the main blue collar markets tightened further as customers in the manufacturing, industrial, materials, transport and logistics sectors reduced their labour requirements, particularly in Western Australia. We maintained revenue through this period, but at a lower margin.

We have responded recently by reducing management and administration expenses further (see "Further Cost Reductions" on page 13) to improve margins going forward whilst continuing to execute our sales growth plan.

After the removal of all corporate functions from the former Skilled head office in Hawthorn, the Skilled Workforce national office remained there, utilising less than half the space. We determined that the lowest cost option was to exit the premises completely, rather than continue to use it at less than capacity for the duration of the lease to 2022. The building has now been fully sublet and Programmed has incurred a one-off

Foreman Gareth Wilson works on a number of Property Services contracts and is based in Blenheim, New Zealand.

Safety is in our DNA

At Programmed we're known for our commitment to safety and it's important that our people work safely and stay safe.

Our ultimate goal is zero, meaning zero injuries across our business operations. We believe that all injuries are preventable and, with the correct planning and processes in place, all incidents, including those at home, can be prevented.

We believe that if our people understand that all injuries are preventable, they will be empowered to deliver safety leadership throughout the business.

Company-wide, our people make personal safety commitments regardless of their role or location. Team members also actively participate in thousands of safety conversations each year where they ask:

What could go wrong as this work is undertaken?

How could anyone be injured?

What should we do to prevent an incident from occurring?

Our Zero Harm goal ensures we're taking the right steps so that each of our employees, our contractors and our customers returns home in the same state he or she arrived – injury free. It also encompasses Zero Harm to the natural environments in which we work and operate.

Our commitment to safety defines our business operations, and our future.

expense of $4.9 million for impairment of the lease and office fixed assets.

All Skilled Workforce branches are now operating on the one system after completion of Skilled's integration in the second half of FY2017, which will improve our sales performance. We are seeking to consolidate suppliers across numerous accounts and offering customers additional value through an expanded partnering approach.

Professionals

This business' staffing systems and national sales management have now been merged with those of the Skilled Workforce business. We are offering white collar staffing services to all customers of the group and expanding our reach into government administration. White collar employment is growing and we are seeking new opportunities in most sectors of the market.

Health Professionals

We have separated the Health Professionals staffing business from the broader Professionals business as we see an opportunity to develop a unique staffing and direct care service business in the health, aged care and disability sectors. This market, under new government funding arrangements and driven by an aging population, will see considerable growth over the next 20 years.

Training Services

This business focuses on training people in real jobs. Our plan is to be a trusted brand in this sector and to work with blue chip companies to employ and train their apprentices and trainees. In early May 2017, we concluded the purchase of the training business of Apprenticeships Australia from the Chamber of Commerce and Industry of WA. Apprenticeships Australia has focused primarily on the oil and gas industry, and we now have 19 contracts and more than 200 apprentices and trainees working with the major LNG operators in Western Australia, Northern Territory and Queensland.

Making a difference

Programmed Health Professionals state manager, Jodie Poole is responsible for leading the Western Australian (WA) team of allocations and recruitment consultants. She's also in charge of driving future growth across a diverse network of customers in WA.

"We supply acute, public and private hospitals as well as the Department of Corrective Services in Perth and regional areas," said Jodie.

"We also look after a number of other customers including disability, private home care, mining, aged care facilities, WA Police and mental health facilities in Perth and regional areas.

"Working in the health industry is very rewarding, assisting unwell, disabled and/or injured people in our community by providing quality care on a daily basis; this makes me feel like I am making a difference."

Jodie holds a Diploma in Human Resource Management, and has had the opportunity to grow with the business, beginning her career in 2001 as a casual allocations consultant in Perth, and progressing through a further eight positions over 16 years, all leading her to her current role as WA state manager.

"I am looking forward to seeing the results of new growth; there are exciting changes to come within the Programmed Health division," said Jodie.

OneShift

OneShift is the start-up online recruitment business in which Programmed invested $5 million for a 27.5% equity stake in October 2013. Programmed has moved to 100% ownership, effective 30 March 2017, with the other shareholder moving to 100% ownership of a separate online staffing business targeting the retail and hospitality industries that we had developed jointly. This was a mutual decision in the best interests of both businesses. Programmed has revalued its investment in OneShift, incurring a non-cash impairment of $2.1 million. We intend to continue to develop OneShift's online offering, sell its staff placement services to customers across the group and provide all job candidates the opportunity to be recruited by an employer through OneShift.

Maintenance

The Maintenance division provides a range of maintenance, building and operational services to asset owners across all industry sectors. Due to the significant fall in marine revenue, the marine/offshore oil and gas business was combined with the division's other operational and maintenance services from 1 April 2016.

The division's services include painting, grounds maintenance and landscaping; specialist turf construction and maintenance for golf and horse racing; corporate imaging and signage; building repair; electrical and lighting installation, audio-visual, data and communications; complete maintenance and asset management services; industrial maintenance, shut downs, project management and minor capital works; and marine operations and maintenance, catering and logistics.

The division's results were relatively flat, with revenue of $1,317 million (FY2016: $1,309 million) and EBITA of $58.7 million (FY2016: $59.4 million). Growth in revenue and earnings from the non-marine businesses was offset by significant falls from the Marine business due to the impact of lower oil and gas prices and completion of major offshore construction contracts. Excluding the Marine results, Maintenance revenue was up 19% to $1,146 million (FY2016: $960 million) and EBITA was up 33% to $54.8 million (FY2016: $41.1 million).

The division trades as five main business units: Property Services, Electrical Technologies, Facility Management; Industrial Maintenance and Marine.

42,000

Number of employees placed at staffing customer sites per year

As part of our ongoing partnership with Clontarf Foundation, students and Programmed employees attended the Perth Employment Forum in August 2016.

Programmed sets target of 5000 Aboriginal and Torres Strait Islander jobs

In March this year we announced our pledge to provide 5,000 employment opportunities for Aboriginal and Torres Strait Islander people through the Australia Employment Covenant initiative.

Target 5000 will build on our second generation, 10-year Aboriginal and Torres Strait Islander Engagement and Employment plan, and will work on growing a larger pipeline of Aboriginal and Torres Strait Islander candidates as well as developing new job opportunities with our customers. Elements of our plan include:

- a number of Aboriginal and Torres Strait Islander education scholarships at schools, where we support the scholarship holder with employment opportunities at the end of year 12;
- partnership with Clontarf Foundation supporting Aboriginal and Torres Strait Islander education;
- commitments with our community and employment partners;
- procurement of services from Aboriginal and Torres Strait Islander businesses; and
- working directly with many Programmed customers across mining, manufacturing, transport and government to place Aboriginal and Torres Strait Islander people into employment

Our first management graduate

It was 23 years ago when Programmed employed its first management graduate from a business discipline, Nathan D'Couto. Fast forward to 2017, now he is general manager for sales and marketing, heading up all marketing activities for the Property Services businesses, including overseeing their web content, digital media strategy, web platform marketing and new business development for national customers.

Nathan was fresh out of college when he started with Property Services in 1994. He had applied for a few roles and was lucky to land his job with Programmed. The management program was a great opportunity as it involved operational, sales and marketing training.

"The first five years of my career were in operations. I spent time in the field on the brushes learning how to paint, then came back into the office to learn all administrative functions," said Nathan.

"In 1994, Google hadn't been founded and everything was done manually, and I learnt how to estimate and quantity survey by hand. For large estimates, we had one IBM 386 PC that used a Lotus-base spread sheet to crunch the numbers; this meant putting the numbers in, pressing the calculate button then leaving for home – it would be finished by morning."

During his time with the business, Nathan has undertaken a number of management training and mentoring programs including studying for his MBA at Deakin University.

He has had many memorable moments during his career and holds his relationship with customer Moonee Valley Racecourse closest to his heart.

"Moonee Valley was the first site I managed; it was my first customer and my first account. Now Programmed is in its 47th year with the racecourse, making it our longest standing customer."

Having spent the majority of his adult working life with Programmed, Nathan loves the culture of the business, stating that even as it has grown, the culture has always remained the same, with the people of Programmed making it a fantastic place to work.

Property Services

Property Services' revenue and earnings grew on the back of increased demand across education, retirement, retail and strata apartment customers. Invested capital (Contract Recoverable) in long-term painting maintenance programs was $84.7 million at the end of FY2017, compared with $90.5 million a year earlier.

Electrical Technologies

Our focus on fit-out, maintenance and upgrades of electrical, data and communications systems in existing buildings and infrastructure is delivering new work, and opportunities in the defence sector are emerging.

Facility Management

The Facility Management business focused during the year on consolidating its existing contracts, including mobilising the Western Australian Government Department of Finance's Building Management and Works Maintenance Services Arrangement contract.

Existing public assets are getting older and require upgrades and greater levels of maintenance to maintain service. The growing population is requiring new assets to be built, thus creating further opportunities, and increasingly governments at all levels are looking for privately funded and managed solutions.

The business continues to seek opportunities in PPPs (public-private partnerships) and other forms of government outsourcing that match its existing skill sets.

Industrial Maintenance

The Industrial Maintenance business focuses on operational support and maintenance opportunities with traditional customers in the mining and industrial sectors. The business performed well in FY2017 compared with a poor second half of FY2016.

Marine

The Marine business provides a range of workforce, maintenance, construction manning support and operational services to the offshore oil and gas and marine services sectors. Marine revenue was $171 million (FY2016: $349 million) and EBITA was $3.8 million (FY2016: $18.3 million). A number of major offshore projects were completed in FY2016 and the business was downsized to suit the significantly lower activity in FY2017 that arose from the steep decline in oil and gas prices in 2016.

We expect growth in FY2018 with new work from the Prelude FLNG project and increasing exploration activity.

The offshore oil and gas business is a global one. Drilling rigs, seismic vessels, pipe laying ships and offshore supply vessels move from location to location and increasingly customers are seeking seamless and borderless manning and support services.

In view of this, we have agreed to enter into a 50/50 joint venture with Atlas Professionals, a global provider of staffing services to the offshore oil and gas industry based in the Netherlands. As part of the agreement, Programmed will sell Atlas 100% of its international marine activities and 50% of its Australian and New Zealand marine services business for $29 million, of which $7.5 million will be paid up-front and $21.5 million will be subject to a vendor finance arrangement, with the finance carrying 5% interest.

Atlas will bring opportunities with its global customers to the Australian and New Zealand joint venture which will enable the marine business to enjoy the benefits of operating as part of a global enterprise.

This transaction remains subject to due diligence and completion of sale and shareholder agreements, and is expected to be completed on or before 30 June 2017.

The result will be a stronger and more capable marine services business servicing the Australian and New Zealand market.

Net Unallocated Costs (FY2017: $16.9 million vs $15.6 million pcp)

These relate to corporate overheads and a range of non-trading income and expenses, including foreign exchange movements on UK and New Zealand payments.

Amortisation and Non Trading Items (FY2017: $29 million vs $136.8 million pcp, after tax)

These relate to non-cash amortisation of $11.2 million; Skilled transaction, integration and other expenses ($18.6 million); revaluation of OneShift ($2.1 million); a share of the net loss of associates ($0.3 million); exiting Skilled's Hawthorn head office ($4.9 million); further cost reductions to save $10 million pa ($2.6 million); and a tax credit ($10.7 million) relating to these non trading items.

Balance Sheet and Cash Flows

Gross operating cash flow was $85.8 million, down 6% on FY2016 ($90.9 million). Net operating cash flow was $61.5 million, 5% higher than FY2016 ($58.7 million).

With the continued focus on capital management and strong operating cash flow, the group's net debt reduced to $200 million at 31 March 2017 from $239 million at 31 March 2016. The net debt to equity ratio was 33% at 31 March 2017.

The group operated throughout the year within its loan covenants.

Current Economic Conditions

Whilst some leading economic indicators may point to business confidence improving and to the economy strengthening in the next 12 months, our current internal staffing indicators suggest a lack of growth in some of the sectors that we serve. We have visibility on a weekly basis of the ups and downs of the economy, and recent trading suggests that many businesses are still seeking to reduce costs and are reluctant to hire additional people or invest capital for growth, and governments of all levels are tightening expenditure due to the deficits or debts they now carry.

Further Cost Reductions

In light of present uncertainties and weaknesses that still remain in the economy, and the lack of growth we have experienced in the past six months, we have taken a prudent decision to take further costs of approximately $10 million out of the business to help ensure we deliver an improved return on capital deployed than was delivered in FY2017. This has involved the redundancies of approximately 60 management and administration personnel, leading to a one-off expense of $2.6 million for which a provision has been included in our FY2017 results. In further reducing our costs we have been mindful of the impacts on people and customers and have ensured that all our plans to grow sales or improve our services have not been impeded in any material way.

Looking Ahead

We have a clear vision and a long-term plan to grow our business.

Our business model, providing staffing, maintenance and facility management services across all industry sectors, gives Programmed considerable strength in an economy that continues to present different challenges.

There are growing opportunities in the public infrastructure, tourism, education, health and aged care sectors. However, demand for staff in the materials, transport, logistics and manufacturing sectors has weakened in past year. We believe the resources sector has completed a period of downsizing and staff reductions, and expect growth in next 12 months, particularly in oil and gas.

We thank our shareholders for supporting us, our more than 20,000 employees for the efforts they make every day, and our customers for trusting us with the operation and/or maintenance of their facilities, plant and production output.

C. Sutherland

Chris Sutherland
Managing Director
24 May 2017

As part of our 'It's Up to You' campaign, we produced a range of advertising material including the shot below which depicted young girls dressing up in uniforms of an electrician, engineer, painter and footballer.

It's up to you

At Programmed, we're committed to the pursuit of gender equity in pay and jobs. We're proud to be driving change, not only within our organisation, but in the wider community.

In line with this year's International Women's Day theme 'Be Bold for Change', and with our recent sponsorship of the Fremantle Dockers Women's team, we released a video aimed at inspiring future generations of young girls to pick from a wider range of career possibilities.

Programmed managing director and chair of CEOs for Gender Equity, Chris Sutherland believes that adults are influencing the decisions of children about appropriate career choices through their own unconscious bias.

"A significant factor in why the gender pay gap exists is the many highly paid jobs in occupations such as trades, engineering, and IT which are mainly performed by men," said Chris.

"Young girls, shaped by their parents, teachers and society, do not choose many of these rewarding occupations which can offer higher pay and greater flexibility throughout one's working life.

"By the time they reach high school, they have already determined that they do not want to undertake these roles because of social and cultural norms."

Programmed aims to encourage women into a variety of trades, management and executive roles with the goal of achieving a workforce whose diversity reflects the communities in which we live.

Our People

Melbourne-based Zorica Reith works within our Health Professionals business.

Our business is built around the provision of people, and it's our people that make Programmed a great place to work.

Our culture is embedded throughout our organisation. We seek to observe three personal behaviours across our entire operations, at every office, at every site and by each employee:

Personal safety leadership: we drive all our people to display their own personal safety leadership regardless of their role or location.

Care and empathy: our people are encouraged to display care and empathy for those they work and interact with.

Customer service: we ask all our people to deliver what we like to call 'good old fashioned' customer service.

Diversity

At Programmed we seek a workforce that represents the communities in which we work. We strive for a team that reflects the diversity of society by culture, gender, age, sexual orientation and abilities.

This means that we are attracting and developing the best people for our business from the entire population.

We aim to create a safe and inclusive environment and we recognise the value of attracting, engaging and retaining employees with different backgrounds, experience and perspectives.

Understanding and drawing on diversity is at the heart of meeting the needs of our customers and building strong relationships across the communities we serve.

Our commitment to diversity currently focuses on cultural diversity; increasing Aboriginal and Torres Strait Islander and Maori employment; generational diversity; people with disability; LGBTI+ inclusion; and achieving gender balance.

Some of our activities include sponsorship of the Diversity Council of Australia's Engaging Men in Gender Equality project and the Committee for Economic Development of Australia's Women in Leadership Series. Our people also participate in LGBTI+ inclusion awareness and confidence training.

In March this year we announced our pledge to provide 5,000 employment opportunities to Aboriginal and Torres Strait Islander people through the Australia Employment Covenant initiative. We will also continue our ongoing commitment to reconciliation through employment and community partnerships including Clontarf Foundation and Yalari.

Over the coming year we will continue to promote an inclusive and safe workplace where all employees have the opportunity to reach their potential and employee differences are respected and valued.

Gender balance

At Programmed, we know a gender-balanced board, management and workforce are good for business and we're committed to achieving gender balance across our organisation.

We are advocates for gender equality and opportunity and provide our workforce the freedom to work flexibly as they move through different stages of their life.

We're also committed to increasing the representation of women in leadership and to attract women into trades and operational roles. This is supported by our 'try-a-trade' days, school expo and information days, our commitment to

Our People continued

CEOs for Gender Equity which is led by our managing director and range of partnerships that promote career diversity including Diversity Council of Australia, Committee for Economic Development and National Association of Women in Operations.

As part of our program to change behaviours we also ran our 'It's up to you' campaign that included a range of material including a video aimed at inspiring young girls to pick from a wider range of career opportunities.

Our board is made up of 50 per cent female non-executive directors; women make up 33 per cent of our senior leadership; our non-field-based workforce is 51 per cent female; and our total workforce, including all field-based employees, is 25 per cent female.

Learning and Development

A key part of the Programmed Difference is our ability to identify, develop and place people into the right role at the right time. We take an active role in the training, career development and progression of our employees.

We employ more than 1100 trainees and apprentices in more than 30 vocations company-wide every year. We take a vested interest in our trainees and know how to progress someone from a trainee or apprenticeship to a supervisor or manager.

In the past year, our employees and subcontractors collectively undertook more than 20,000 documented training activities. Development initiatives include apprenticeships and traineeships, coaching and mentoring, health and safety training, compliance training and technical skills training.

Our people have access to more than 1300 web-based courses and activities through our Learning Management System all of which are specifically tailored to our operational needs.

We have developed a process for verification of competency, allowing us to assess the competence of our employees to undertake specific tasks which in turn will deliver better service to our customers.

We've rolled out a comprehensive behavioural framework that outlines the 'Programmed Way' across all levels of our organisation, focusing on safety, customer, people and finance.

We have also introduced collaborative learning where employees are able to create their own learning activities within the Learning Management System and share them with their co-workers.

Telecommunications trainee Dragan Vranjes is learning how to maintain our national copper, wireless and optical fibre networks, while being hosted by a leading Australian telecommunications company.

Caring for our Community

L-R: Programmed's Ryan Benson and Jacob Pollard, and Ronald McDonald House Perth chief executive officer Peter King, with Gus the Labrador and children Riley and Montana.

The communities where we operate, and in which our employees live, are an important part of our business.

Our team members are encouraged to identify community projects that are important to them, as well as take on active roles in delivering sponsorship and volunteering opportunities.

Our community commitment is focused on:

- investing in community sporting clubs, fundraising events, and charitable foundations; and
- helping to improve the wellbeing of individuals in the communities where we work.

Investing in community

Our employees have a broad range of skills to offer, with many actively taking part in community projects across Australia and New Zealand.

Earlier this year, our partnership with Ronald McDonald House in Nedlands, Western Australia was formalised. As part of the arrangement, we provide low-cost/ in-kind services to the house. Further to this, our team is able to volunteer at the house, cooking and baking for the families who reside there. We also launched our 'green thumb' community garden initiative that allows the children receiving treatment to visit the terrace garden and learn about sustainable and edible gardens.

Team members from across the organisation have donated their time volunteering for Whitelion, a non-profit community organisation that provides youth-focused gender and culturally specific services including mentoring, employment, role modelling, specialist outreach support and education-based prevention programs.

Our team in New Zealand helped a group of Christchurch Girls High School students with their year 13 Business Studies project by providing assistance and materials for the students' 'Project Jasper' – an initiative to assist under-privileged primary school children in low socio-economic schools who were affected by the 2011 Christchurch earthquakes.

For the fifth year running, team 'Mo'grammed' participated in Movember, taking our overall total raised for the charity during the past five years to more than $20,000.

We're now in our ninth year as major sponsor of the Fremantle Football Club men's team and our inaugural year for sponsorship of the women's team. Through our relationship, we facilitate community visits from members of the team as well as community-driven competitions including most recently our 'Win a Facility Facelift' competition won by Wirrabirra Primary School in Gosnells, Western Australia. Wirrabirra Primary School allocated its prize funds to building an outdoor playscape, which was designed, built and installed by our talented Property Services team.

Financial Report

Contents

Penrith-based boilermaker, Steve McLean is a trained craftsman who produces steel fabrications for our Industrial Maintenance business.

Directors' Report

L-R: Katina Nadebaum (Company Secretary), Jim Walker, Lisa Paul, Chris Sutherland, Bruce Brook, Andrea Grant, Robert McKinnon and Emma Stein.

The Directors present their report together with the financial report of the consolidated entity, being Programmed Maintenance Services Limited ("the Company") and its controlled entities, for the year ended 31 March 2017 and the auditor's report:

1. Directors

The names of the directors of the Company during or since the end of the financial year are:

B R Brook	Chairman, Non-Executive
C G Sutherland	Managing Director
E R Stein	Non-Executive Director
R J McKinnon	Non-Executive Director
A E Grant	Non-Executive Director (retired 24 May 2017)
J Walker	Non-Executive Director
L M Paul	Non-Executive Director

Details relating to each Director's qualifications, experience and special responsibilities, as at the date of this Directors' report, are set out below.

Bruce Robert Brook, Age 62
B.Com, B. Acc, FCA, MAICD
Independent, Non-Executive Chairman

Bruce Brook joined the Board in June 2010 and was appointed Chairman in August 2011. He is a chartered accountant with extensive experience in the mining industry, as well as experience in the financial services and manufacturing industries. Mr Brook was the Chief Financial Officer of WMC Resources Limited from 2002 to 2005 and has approximately 30 years' experience in senior finance positions at major public companies including Gold Fields of South Africa Limited, Rio Tinto Limited, Pacific Dunlop and ANZ Banking Group. His current other Non-Executive directorships include CSL Limited (since August 2011), NYSE listed Newmont Mining Corporation (since October 2011) and the Deep Exploration Technologies Co-operative Research Centre. Mr Brook joined the ASIC Director Advisory Panel in November

2013 and was appointed a member of the Anaesthesia and Pain Medicine Board of Governors in January 2014. He was previously a Non-Executive director of the Export Finance and Insurance Corporation and a member of the Financial Reporting Council.

Previous directorships of other listed companies within the last three years: Boart Longyear Limited (February 2007 to June 2015).

Mr Brook is the Chairman of the Board's Nomination Committee and a member of the Board's Remuneration & People Committee.

Christopher Glen Sutherland, Age 53

BEng (Hons), FIE (Aust)
Managing Director

Chris Sutherland was appointed Managing Director of the Company in January 2008. Mr Sutherland had been the Chief Executive of Integrated Group Limited since February 2006 (which merged with Programmed in June 2007) and prior to this appointment was an Executive Director of Asset Services for WorleyParsons. He is an experienced executive who has held senior management positions in various engineering, maintenance and contracting businesses with operations in Australia, Asia, Europe and the USA. He holds a Bachelor of Engineering (UWA) and completed the Advanced Management Program at Harvard Business School in 2001.

Emma Rachel Stein, Age 56

BSc. (Physics) Hons, MBA, FAICD, Hon Fellow (UWS)
Independent, Non-Executive Director

A Non-Executive Director since June 2010, Emma Stein has considerable experience in international energy and utilities markets, investments in long life assets and projects, and the upstream oil and gas sector. Formerly the UK Managing Director for French utility Gaz de France's energy retailing operations, Ms Stein moved to Australia in 2003. She is also a Non-Executive Director of Alumina Limited (since February 2011) and Transpacific Industries Limited (since August 2011). Her community activities include being a NSW Ambassador for the Guides. Ms Stein was previously a member of the University of Western Sydney's Board of Trustees.

Previous directorships of other listed companies within the last three years: Duet Group (June 2004 to May 2017)

Ms Stein was the Chair of the Board's HSE Committee, a member of the Board's Audit & Risk Committee and a member of the Board's Nomination Committee.

As at 24 May 2017, Ms Stein is the Chair of the Remuneration & People Committee, a member of the Board's Audit & Risk Committee and a member of the Board's Nomination Committee.

Robert John McKinnon, Age 67

FCPA, FGIA FCIS, MAICD
Independent, Non-Executive Director

A Non-Executive Director since November 2011, Bob McKinnon has 40 years' experience in finance and general management positions in the light manufacturing and industrial sectors in Australia, New Zealand and Canada. He is the former Managing Director of Austal Ships and Fleetwood Corporation Limited, and spent 28 years with Capral Aluminium (formerly Alcan Australia) in various financial and senior executive positions. Mr McKinnon was also a Non-Executive Director of Bankwest until November 2012 and the Chairman of the Esperance Port Authority until September 2014.

His current directorships include Chairman of Tox Free Solutions Limited (since July 2010) and Future Force Foundation in WA (since May 2016) and a Non-Executive Director of Peet Limited (since May 2014).

Mr McKinnon was the Chairman of the Board's Audit & Risk Committee and a member of the Board's Nomination Committee.

As at 24 May 2017, Mr McKinnon is the Chairman of the Board's Audit & Risk Committee and a member of the Board's HSE Committee and the Board's Nomination Committee.

Andrea Elizabeth Grant, Age 55 (retired 24 May 2017)

BEd, DipTch, MAICD
Independent, Non-Executive Director

A Non-Executive Director since September 2012, Andrea Grant is a senior human resources professional with over 20 years' experience with both global and Australian companies across the finance, pharmaceutical, automotive and telecommunication industries. She is the former Group Managing Director of Human Resources for Telstra, Executive Director of HR for GM Holden, Regional HR Director for GM's Asia Pacific Engineering function and Human Resources Director of Merck, Sharp and Dohme (New Zealand) Ltd a subsidiary of Merck & Co. Ms Grant is now the Managing Director of People Ingenuity, a boutique HR business.

Ms Grant holds a Bachelor of Education and a Post-Graduate Diploma in teaching. She is also a graduate of the London Business School's Advanced Development Program.

Ms Grant was the Chair of the Board's Remuneration & People Committee and a member of the Board's Nomination Committee.

James Walker, Age 64

MAICD
Independent, Non-Executive Director

A Non-Executive Director since November 2015, Jim Walker has over 40 years of experience in the resources sector, most recently as Managing Director and Chief Executive

Officer of WesTrac Pty Ltd, where he led the company's rapid development in industrial and mining services locally and in China. Prior to this, Mr Walker held various roles with other Australian Caterpillar dealers. His current directorships include Chairman of the WA State Training Board (since January 2014), Macmahon Holdings Ltd (since March 2014) and Austin Engineering Ltd (since November 2016). He is currently a Non-Executive Director of Seeing Machines Ltd (since May 2014), RACWA Holdings Pty Ltd (since November 2013) and Mosman Park Arts Foundation (since May 2016).

Previous directorships of other listed companies within the last three years: Skilled Group Limited (November 2013 to October 2015).

Mr Walker is a graduate member of the Australian Institute of Company Directors (AICD) and Australian Institute of Management (AIM WA), holding the position of President WA (2008 to 2010) and National President – Australia (2010 to 2013).

Mr Walker was a member of the Board's Nomination Committee, the Board's HSE Committee, and the Board's Remuneration & People Committee.

As at 24 May 2017, Mr Walker is the Chairman of the Board's HSE Committee and a member of the Board's Remuneration & People Committee and the Board's Nomination Committee.

LIsa Paul, AO PSM, **Age 58**

BA (Hons), FAICD, FACEL, FAIM, FIPAA, FANZSOG
Independent, Non-Executive Director

A Non-Executive Director since February 2016, Lisa Paul has been a Chief Executive in the Australian Public Service for the last eleven years, most recently as the Secretary of the Australian Government Department of Education and Training. During different times in her Australian Public Service career, she has held national responsibility for early childhood, schooling, vocational education, skills and training, higher education, international education, research, science, employment, workforce and workplace relations. Her current Non-Executive directorships include Social Ventures Australia (since August 2013), Australian Schools Plus (February 2015), Navitas Limited (since February 2016), High Resolves (since March 2016), APM Australia (since March 2016) and a Council Member of Bond University (since April 2016). Ms Paul is also a member of the advisory board to the Melbourne Accelerator Program and the government's Naval Ship Building Advisory Board. She was previously a member of the Board of CSIRO.

In 2011, Ms Paul was made an Officer of the Order of Australia for distinguished service to public sector leadership in key policy and program implementation, and also received the Australia Chartered Accountants' Federal Government Leader of the Year award. In 2003, she was awarded a Public Service Medal for leading the Australian Government's domestic response to the Bali bombings.

Ms Paul is a fellow of the Australian Institute of Company Directors, a fellow of the Australian Council for Educational Leaders, National Fellow of the Institute of Public Administration Australia, a fellow of the Australian Institute of Management, an Australian National University Public Policy Fellow, a Fellow of the Australia New Zealand School of Government and a member of Chief Executive Women.

Ms Paul is a member of the Board's Audit and Risk Committee, the Board's Nomination Committee and the Board's HSE Committee.

Directors' Meetings

The following table sets out the number of Directors' meetings (including meetings of Board committees) held during the financial year and the number of meetings attended by each Director:

	Standard Board Meetings		Special Board Meetings[1]		Audit & Risk Committee		Nomination Committee		Remuneration & People Committee		HSE Committee	
	A	B	A	B	A	B	A	B	A	B	A	B
B Brook	8	8	3	3	*	*	3	3	3	3	*	*
C Sutherland	8	8	3	3	*	*	*	*	*	*	*	*
E Stein	8	8	3	3	4	4	3	3	*	*	4	4
R McKinnon	8	8	3	3	4	4	3	3	*	*	*	*
A Grant	8	7	3	3	*	*	3	3	3	3	1	1
J Walker	8	8	3	3	*	*	3	3	3	3	4	3
L Paul	8	8	3	3	4	3	3	3	*	*	3	3

1. Special Board meetings were held during the financial year due to corporate activities.

Note:

A Number of meetings held during the time the Director held office during the year or was a member of the relevant committee.

B Number of meetings attended by the Director.

* Not a member of the relevant committee.

2. Company Secretaries

Stephen Leach *B.Com, CA*

Mr Leach has been the Chief Financial Officer of the Company since August 2007 and was appointed Company Secretary in February 2008. Mr Leach was previously the Chief Financial Officer and Company Secretary of Integrated Group Limited from October 2005. Prior to joining Integrated Group Limited, Mr Leach was Group Financial Controller of Macmahon Holdings Limited.

Katina Nadebaum *B. Com, CA, MAICD*

Ms Nadebaum joined the Company in June 2011 as joint Company Secretary. Previously, Ms Nadebaum was the Company Secretary of Macmahon Holdings Limited.

Ms Nadebaum has previously held the role of Company Secretary for various public companies and has also worked as an accountant in public practice where she provided corporate and company secretarial advice.

3. Principal Activities

During the financial year, the consolidated entity was a large provider of staffing, maintenance and facility management services operating in two divisions: Staffing and Maintenance.

The Staffing division provides short term temporary and casual staffing services to a range of industries including health, mining, construction, industrial, manufacturing, transport and logistics. These services are tailored to suit customer needs, from the provision of a single staff member to complete workforce and contract labour management. The division operates through a network of more than 60 branches across Australia and New Zealand and is supported by extensive health, safety and environment management systems, industrial relations and payroll services.

The Maintenance division provides maintenance, building and operational services to asset owners across all industry sectors. The division's services include painting, grounds maintenance and landscaping; specialist turf construction and maintenance for golf and horse racing; corporate imaging and signage; building repair; electrical and lighting installation, audio-visual, data and communications; complete maintenance and asset management services; industrial maintenance, shut downs, project management and minor capital works; and marine operations and maintenance, catering and logistics.

There were no significant changes in the nature of the activities of the consolidated entity during the financial year.

4. Operating and Financial Review

Our results for FY2017 reflect continuing weakness in some of our markets, as the integration of Skilled was completed and we put in place the building blocks for our future sustainability and growth.

Safety

Regrettably, our safety results were disappointing with an increase in the Lost Time Injury Frequency Rate (per million hours worked) from 1.0 to 1.7 on more than 45,000,000 hours worked. Our Total Injury Frequency Rate, which includes all lost time and medical treatment injuries, remained steady at 12. These results cover all permanent, casual and contracted employees plus all employees of subcontractors engaged by us and all our labour hire employees who work under the direct supervision and work systems of others. As many companies do not report injuries to casual and contracted workers or subcontractors' workers, direct comparisons are seldom possible.

Compared to the industries that we serve, these results are better than average; however, our goal remains Zero injuries, and we remain committed to ensuring all our workers come home uninjured every night.

To reduce the number of injuries, incidents and near misses further, we are continuing to focus on leadership, behaviour and personal responsibility. In addition, we are raising awareness of critical risks through improvements to our critical risk standards and further education on our Life Saving Rules.

Strategy

We have a clear vision to be the leading provider of staffing, maintenance and facility management services, without injury.

To deliver our vision we have a plan built on four key components:

i) Safety

We need to have every employee come home uninjured every night as a basic tenet of our operations. This also means our productivity improves and our costs are lower. Customers will hire Programmed because we work safely and can help them improve the safety of their own operations.

ii) People and Culture

We have more than 20,000 employees working every day. We seek a common standard of personal behaviour across the organisation based upon personal safety leadership, care and empathy, and good old-fashioned customer service. These behaviours define the Programmed Culture.

iii) Systems

We have integrated all Skilled's operations on to our core business systems for HSE, HR, payroll, finance, staffing and customer relationship management. We now seek to deliver further efficiencies through continuous enhancements to our systems.

iv) Growth

A summary of our plan to grow sales over the next three years is outlined below;

i) Professionals
   - Servicing white collar staffing needs across all group customers
   - Seeking new outsourced public sector administration opportunities

ii) Skilled Workforce
   - Consolidation of suppliers
   - Partnership pitch to major customers

iii) Health professionals
   - Plan to develop full service models for home and community care

iv) Training Services
   - Reskill existing candidates
   - Expand into LNG by acquisition of Apprenticeships Australia

v) OneShift
   - Move to 100% ownership
   - Sell online placement services to all customers of the group
   - Enable all job candidates to be employed through OneShift

vi) Facility Management
   - New infrastructure being built
   - Aging infrastructure needs more maintenance
   - Long term contracts
   - PPP's
   - Defence

vii) Property Services
   - Schools, Universities, Retirement Villages, Sporting fields, Resorts
   - Demand is growing for complete property maintenance service

viii) Industrial Maintenance
   - Many new assets built must be maintained for next 50 years
   - Focus on long term contracted O & M opportunities

ix) Electrical Technologies
   - Focus on fit-out, maintenance and upgrades of electrical, data and communication systems in existing buildings and infrastructure

x) Marine
   - Expect FY17 to be bottom of earnings cycle
   - Establish JV with global partner

Group Results

Programmed's revenue for the year ended 31 March 2017 was $2,691 million, up 22% on FY2016 ($2,209 million), with the increase arising from the acquisition of Skilled.

EBITDA (earnings before interest, tax, depreciation and amortisation) before non-trading items was $96.5 million, compared to $80.6 million in FY2016, an increase of 20%.

EBITA (earnings before interest, tax and amortisation) before non-trading items was $77.5 million, compared to $65.5 million in FY2016, an increase of 18%.

Profit after tax was $41.3 million before amortisation and non-trading items, an increase of 6.4% from FY2016 ($38.8 million).

After inclusion of amortisation and non trading items, profit after tax was $12.3 million, up from the reported loss of $98 million in FY2016.

Staffing

The Staffing division provides a range of staffing services across all industry sectors. It trades as five business units: Skilled Workforce (blue collar); Professionals (white collar); Health Professionals (hospitals and aged care); Training Services (licenced RTO and GTO) and OneShift (online recruitment services).

The division's revenue was $1,370 million, up 53% on FY2016 ($897 million) due to the additional six month contribution from Skilled. As a result, EBITA was $35.8 million, 65% up on the $21.7 million in FY2016.

Skilled Workforce

In the second half of FY2017, demand in the main blue collar markets tightened further as customers in the manufacturing, industrial, materials, transport and logistics sectors reduced their labour requirements, particularly in Western Australia. We maintained revenue through this period, but at a lower margin.

We have responded recently by reducing management and administration expenses further (see "Further Cost Reductions" on page 25) to improve margins going forward whilst continuing to execute our sales growth plan.

After the removal of all corporate functions from the former Skilled head office in Hawthorn, the Skilled Workforce national office remained there, utilising less than half the space. We determined that the lowest cost option was to exit the premises completely, rather than continue to use it at less than capacity for the duration of the lease to 2022. The building has now been fully sublet and Programmed has incurred a one-off expense of $4.9 million for impairment of the lease and office fixed assets.

All Skilled Workforce branches are now operating on the one system after completion of Skilled's integration in the second half of FY2017, which will improve our sales performance. We are seeking to consolidate suppliers across numerous accounts and offering customers additional value through an expanded partnering approach.

Professionals

This business' staffing systems and national sales management have now been merged with those of the Skilled Workforce business. We are offering white collar staffing services to all customers of the group and expanding our reach into government administration. White collar employment is growing and we are seeking new opportunities in most sectors of the market.

Health Professionals

We have separated the Health Professionals staffing business from the broader Professionals business as we see an opportunity to develop a unique staffing and direct care service business in the health, aged care and disability sectors. This market, under new government funding arrangements and driven by an aging population, will see considerable growth over the next 20 years.

Training Services

This business focuses on training people in real jobs. Our plan is to be a trusted brand in this sector and to work with blue chip companies to employ and train their apprentices and trainees. In early May 2017, we concluded the purchase of the training business of Apprenticeships Australia from the Chamber of Commerce and Industry of WA. Apprenticeships Australia has focused primarily on the oil and gas industry, and we now have 19 contracts and more than 200 apprentices and trainees working with the major LNG operators in Western Australia, Northern Territory and Queensland.

OneShift

OneShift is the start-up online recruitment business in which Programmed invested $5 million for a 27.5% equity stake in October 2013. Programmed has moved to 100% ownership, effective 30 March 2017, with the other shareholder moving to 100% ownership of a separate online staffing business targeting the retail and hospitality industries that we had developed jointly. This was a mutual decision in the best interests of both businesses. Programmed has revalued its investment in OneShift, incurring a non-cash impairment of $2.1 million. We intend to continue to develop OneShift's online offering, sell its staff placement services to customers across the group and provide all job candidates the opportunity to be recruited by an employer through OneShift.

Maintenance

The Maintenance division provides a range of maintenance, building and operational services to asset owners across all industry sectors. Due to the significant fall in marine revenue, the marine/offshore oil and gas business was combined with the division's other operational and maintenance services from 1 April 2016.

The division's services include painting, grounds maintenance and landscaping; specialist turf construction and maintenance for golf and horse racing; corporate imaging and signage; building repair; electrical and lighting installation, audio-visual, data and communications; complete maintenance and asset management services; industrial maintenance, shut downs, project management and minor capital works; and marine operations and maintenance, catering and logistics.

The division's results were relatively flat, with revenue of $1,317 million (FY2016: $1,309 million) and EBITA of $58.7 million (FY2016: $59.4 million). Growth in revenue and earnings from the non-marine businesses was offset by significant falls from the Marine business due to the impact of lower oil and gas prices and completion of major offshore construction contracts. Excluding the Marine results, Maintenance revenue was up 19% to $1,146 million (FY2016: $960 million) and EBITA was up 33% to $54.8 million (FY2016: $41.1 million).

The division trades as five main business units: Property Services, Electrical Technologies, Facility Management; Industrial Maintenance and Marine.

Property Services

Property Services' revenue and earnings grew on the back of increased demand across education, retirement, retail and strata apartment customers. Invested capital (Contract Recoverable) in long-term painting maintenance programs was $84.7 million at the end of FY2017, compared with $90.5 million a year earlier.

Electrical Technologies

Our focus on fit-out, maintenance and upgrades of electrical, data and communications systems in existing buildings and infrastructure is delivering new work, and opportunities in the defence sector are emerging.

Facility Management

The Facility Management business focused during the year on consolidating its existing contracts, including mobilising the Western Australian Government Department of Finance's Building Management and Works Maintenance Services Arrangement contract.

Existing public assets are getting older and require upgrades and greater levels of maintenance to maintain service. The growing population is requiring new assets to be built, thus creating further opportunities, and increasingly governments at all levels are looking for privately funded and managed solutions.

The business continues to seek opportunities in PPPs (public-private partnerships) and other forms of government outsourcing that match its existing skill sets.

Industrial Maintenance

The Industrial Maintenance business focuses on operational support and maintenance opportunities with traditional customers in the mining and industrial sectors. The business performed well in FY2017 compared with a poor second half of FY2016.

Marine

The Marine business provides a range of workforce, maintenance, construction manning support and operational services to the offshore oil and gas and marine services sectors. Marine revenue was $171 million (FY2016: $349 million) and EBITA was $3.8 million (FY2016: $18.3 million). A number of major offshore projects were completed in FY2016 and the business was downsized to suit the significantly lower activity in FY2017 that arose from the steep decline in oil and gas prices in 2016.

We expect growth in FY2018 with new work from the Prelude FLNG project and increasing exploration activity.

The offshore oil and gas business is a global one. Drilling rigs, seismic vessels, pipe laying ships and offshore supply vessels move from location to location and increasingly customers are seeking seamless and borderless manning and support services.

In view of this, we have agreed to enter into a 50/50 joint venture with Atlas Professionals, a global provider of staffing services to the offshore oil and gas industry based in the Netherlands. As part of the agreement, Programmed will sell Atlas 100% of its international marine activities and 50% of its Australian and New Zealand marine services business for $29 million, of which $7.5 million will be paid up-front and $21.5 million will be subject to a vendor finance arrangement, with the finance carrying 5% interest.

Atlas will bring opportunities with its global customers to the Australian and New Zealand joint venture which will enable the marine business to enjoy the benefits of operating as part of a global enterprise.

This transaction remains subject to due diligence and completion of sale and shareholder agreements, and is expected to be completed on or before 30 June 2017.

The result will be a stronger and more capable marine services business servicing the Australian and New Zealand market.

Net Unallocated Costs (FY2017: $16.9 million vs $15.6 million pcp)

These relate to corporate overheads and a range of non-trading income and expenses, including foreign exchange movements on UK and New Zealand payments.

Amortisation and Non Trading Items (FY2017: $29 million vs $136.8 million pcp, after tax)

These relate to non-cash amortisation of $11.2 million; Skilled transaction, integration and other expenses ($18.6 million); revaluation of OneShift ($2.1 million); a share of the net loss of associates ($0.3 million); exiting Skilled's Hawthorn head office ($4.9 million); further cost reductions to save $10 million pa ($2.6 million); and a tax credit ($10.7 million) relating to these non trading items.

Balance Sheet and Cash Flows

Gross operating cash flow was $85.8 million, down 6% on FY2016 ($90.9 million). Net operating cash flow was $61.5 million, 5% higher than FY2016 ($58.7 million).

With the continued focus on capital management and strong operating cash flow, the group's net debt reduced to $200 million at 31 March 2017 from $239 million at 31 March 2016. The net debt to equity ratio was 33% at 31 March 2017.

The group operated throughout the year within its loan covenants.

Current Economic Conditions

Whilst some leading economic indicators may point to business confidence improving and to the economy strengthening in the next 12 months, our current internal staffing indicators suggest a lack of growth in some of the sectors that we serve. We have visibility on a weekly basis of the ups and downs of the economy, and recent trading suggests that many businesses are still seeking to reduce costs and are reluctant to hire additional people or invest capital for growth, and governments of all levels are tightening expenditure due to the deficits or debts they now carry.

Further Cost Reductions

In light of present uncertainties and weaknesses that still remain in the economy, and the lack of growth we have experienced in the past six months, we have taken a prudent decision to take further costs of approximately $10 million out of the business to help ensure we deliver an improved return on capital deployed than was delivered in FY2017. This has involved the redundancies of approximately 60 management and administration personnel, leading to a one-off expense of $2.6 million for which a provision has been included in our FY2017 results. In further reducing our costs we have been mindful of the impacts on people and customers and have ensured that all our plans to grow sales or improve our services have not been impeded in any material way.

Looking Ahead

We have a clear vision and a long-term plan to grow our business.

Our business model, providing staffing, maintenance and facility management services across all industry sectors, gives Programmed considerable strength in an economy that continues to present different challenges.

There are growing opportunities in the public infrastructure, tourism, education, health and aged care sectors. However, demand for staff in the materials, transport, logistics and manufacturing sectors has weakened in past year. We believe the resources sector has completed a period of downsizing and staff reductions, and expect growth in next 12 months, particularly in oil and gas.

We thank our shareholders for supporting us, our more than 20,000 employees for the efforts they make every day, and our customers for trusting us with the operation and/or maintenance of their facilities, plant and production output.

5. Dividends

Dividends paid or declared by the Company to Shareholders since 1 April 2016 were:

Paid during the year

Dividends Paid	Cents per share	Total amount $'000	Franked/Unfranked	Date of payment
Final 2016	5.0	12,467	Fully franked	26 July 2016
Interim 2017	3.5	9,006	Fully franked	31 January 2017

Determined after end of year

Dividends Proposed	Cents per share	Total amount $'000	Franked/Unfranked	Date of payment
Final 2017[1]	3.5	9,006	Fully franked	31 July 2017

1. No provision has been made for the final 2017 dividend in the financial report for the financial year as the dividend was not declared or determined by the Directors on or before the end of the financial year.

6. Subsequent Events after the Balance Date

The offshore oil and gas business is a global one, with customers increasingly seeking borderless manning and support services. In view of this, the Company has, on the 23 May 2017, signed a Heads of Agreement to form a 50/50 joint venture with Atlas Professionals, a global provider of staffing services to the offshore oil and gas industry, headquartered in the Netherlands.

As part of the agreement, Programmed will sell Atlas 100% of its international marine activities and 50% of its Australian and New Zealand marine services business for $29 million of which $7.5 million will be paid up-front and $21.5 million will be subject to a vendor finance arrangement, with the finance carrying 5% interest.

Atlas will bring to the Australian and New Zealand joint venture, opportunities with its global customers, which will enable the marine business to enjoy the benefits of operating as part of a global enterprise.

This transaction remains subject to due diligence and completion of sale and shareholder agreements, and is expected to be completed on or before 30 June 2017.

The result will be a stronger and more capable marine services business servicing the Australian and New Zealand market.

As at the date of this Directors' report, the Directors are not aware of any other matter or circumstance that has arisen in the interval between the end of the financial year under review and the date of this Director's report that, in the opinion of the Directors, has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

7. Likely Developments, Future Business Strategies and Prospects

Information regarding the likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations, as well as information that shareholders would reasonably require to make an informed assessment of the consolidated entity's business strategies and prospects for future financial years, is included in the Operating and Financial Review above.

8. Significant Changes in the State of Affairs

Other than as disclosed elsewhere in this Annual Report, in the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year.

9. Environmental Regulations

The consolidated entity's activities are at times subject to environmental legislation and regulation by various authorities in Australia and New Zealand. The consolidated entity aims to achieve a high standard on environmental matters and has established procedures to be followed should an incident occur that has the potential to adversely impact the environment. During the financial year:

- licences were renewed and taken out as and when required by environmental legislation or authorities; and
- the Directors did not receive notification by any government agency, nor are they aware of any significant breaches of environmental laws or licence conditions, in respect of the consolidated entity's operations during the financial year under review.

10. Remuneration Report – Audited

Introduction

Dear Shareholder,

Programmed is pleased to present the Remuneration Report for the year ended 31 March 2017.

In this report, Programmed has presented its remuneration policies, practices and results for the prior financial year as well as setting out the strong links between business outcomes and rewards.

The Skilled acquisition and integration saw some members of the management team take on expanded and more complex roles. This was reflected in increases to the fixed annual remuneration of the Managing Director and some other executives where his or her responsibility and scope was increased. These increases, which were applied some six months after the acquisition, are wholly reflected in the FY2017 remuneration tables.

In terms of the Managing Director's STI (Short Term Incentive) in FY2017, in addition to financial returns, a key focus for our Managing Director was safety performance, employee engagement and diversity, the Skilled integration, operating cash flow and reduction of net debt. Key achievements included successful completion of a major IT integration project relating to combining the Skilled and Programmed staffing businesses, consolidation of offices to lower costs, high staff engagement, improved diversity, strong operating cash flow and 16% reduction of debt. However, the year was marked with poor trading conditions in some states and a weak oil and gas sector resulting in a lack of overall growth and lower than expected earnings. Whilst large improvements have been made in our safety performance in the past few years, regrettably there was a lack of improvement in our overall safety performance in FY2017.

This is the context that framed the board's decisions on the Managing Director's FY2017 STI outcome of $137,500 or 16.7% of the maximum potential. It is important to note that the targets set for KPI's within each objective in the Managing Director's STI Plan require considerable improvement or outperformance to be achieved. The non-achievement of a particular objective or KPI target with the Managing Director's STI Plan does not necessarily mean that performance was unsatisfactory.

The Board decided to apply a one off positive adjustment to the Performance Rights allocations of the executives in FY2017. This was done for two purposes. The first was to focus the executives on maximising shareholder value in the mid-term following the acquisition of Skilled. The second was to recognise that a number of former Skilled executives whom had joined Programmed in senior executive roles had no Long Term Incentives in place and we wished to provide increased alignment and accelerate their movement towards achieving the targets set in Programmed's Share Holdings Guideline as noted in our Remuneration report. The Managing Director did not participate in this process with his Performance Rights allocation determined with reference to the market data obtained.

The Non-Executive Directors did not have an increase in remuneration in the 2017 financial year despite a very heavy workload associated with the acquisition and other company activities. The fees paid to individual NED's was last increased in July 2012 (Board Chair July 2015).

Programmed has further increased the level of transparency around the remuneration of the KMP. This is most evident with regard to greater explanation of the process of benchmarking of remuneration and the position of the KMP against the market median, pages 29 to 31. Further, we have reported the performance demonstrated by the Managing Director against targets required to qualify for an annual incentive payment, page 32. We hope this aids understanding of the board's approach and decision-making.

Looking toward the 2018 financial year, Programmed will maintain a conservative approach to fixed annual reward. Where increases are proposed they will be modest, and reflect substantial increases in the executive's role. Entitlement to receive annual incentives or bonuses will require a high level of performance and the Performance Rights allocations have returned to a level which reflects those made prior to the acquisition of Skilled.

In addition, Programmed will maintain its strong focus on safety, its people and our customers and being an important contributor to the communities in which we operate.

The Board believes that the remuneration approach adopted by Programmed demonstrates a strong link between performance and reward that strengthens the alignment of executives with the long-term success of Programmed and its shareholders.

We therefore commend this report to you and welcome your suggestions for further improvements.

I will be retiring from the board on 24 May, 2017 and I would like to take this opportunity to thank you for the support I have enjoyed whilst serving as Chair of Programmed's Remuneration and People Committee. I will be succeeded by Emma Stein.

Andrea Grant

Chair – Remuneration and People Committee

Key Management Personnel

This Remuneration Report sets out remuneration information for the consolidated entity's Key Management Personnel for the financial year ended 31 March 2017. The prescribed details for each person covered by this report are set out below.

Details of Key Management Personnel

The Remuneration Report sets out remuneration information for the consolidated entity's Key Management Personnel, which includes the Non-Executive Directors, the Managing Director and those executives who have the authority and responsibility for planning, directing and controlling the activities of the consolidated entity. These individuals are outlined in the table below.

Person	Position	Period in position during the year
Directors: Non-executive		
Bruce Brook	Chairman	Full year
Emma Stein	Non-Executive Director	Full year
Robert McKinnon	Non-Executive Director	Full year
Andrea Grant	Non-Executive Director	Retired 24 May 2017
James Walker	Non-Executive Director	Full year
Lisa Paul	Non-Executive Director	Full year
Directors: Executive		
Christopher Sutherland	Managing Director	Full year
Executives:		
Stephen Leach	Chief Financial Officer	Full year
Nicolas Fairbank	CEO, Programmed Skilled Workforce	Full year
Glenn Thompson	CEO, Programmed Property Services	Full year
Damian Burton	CEO, Operations & Maintenance	Ceased 31 March 2017
Jennifer Boulding	CEO, Programmed Health Professionals	Full year

Remuneration policy

Remuneration Governance and External Remuneration Information

The Board oversees the Company's remuneration arrangements. In performing this function, the Board is assisted by recommendations from the Remuneration & People Committee ("Committee"), external consultants and internal advice. The Committee is responsible for the detailed review of the remuneration arrangements of Directors, the Managing Director and other executives and for making recommendations to the full Board in respect of those arrangements. The Board sets the remuneration arrangements for Directors and the Managing Director. The Managing Director, in consultation with the Board, sets remuneration arrangements for other executives.

Further details of the role and function of the Committee are set out in the Remuneration & People Committee Charter, which is available on the Company's website.

To perform its role, the Committee can directly engage and receive information, advice and recommendations from independent external advisers. The Company has arrangements in place to ensure that the engagement and use of external remuneration consultants by the Committee is free from undue influence by the members of Key Management Personnel to whom the information, advice or recommendation relates.

During the financial year, the Committee sought independent advice from Korn Ferry Hay Group and Crichton & Associates to review and provide remuneration information, advice and recommendations in the form of market assessment and comparative data in relation to the remuneration of the entity's Non-executive Directors, Managing Director and other executive reports to the Managing Director. Korn Ferry Hay Group also provided other services including job evaluation services, access to their remuneration database and training services to the consolidated entity. The consideration paid to Korn Ferry Hay Group in respect to the market advice and data was $6,175 and in relation to these other services was $33,529. The consideration paid to Crichton & Associates in respect to market advice and data was $18,975.

In accordance with the protocols approved by the Board, Korn Ferry Hay Group and Crichton & Associates were commissioned by the Chair of the Committee. Where requested all reports, advice and recommendations relating to the Managing Director's remuneration, the other executives' remuneration and the Non-Executive Directors' fees are required to be provided directly to the Chair of the Committee. In addition to these internal protocols, in each case where advice is provided, Korn Ferry Hay Group and Crichton & Associates are required to provide a formal declaration confirming that the recommendation was made free from undue influence by the members of the Key Management Personnel to whom the recommendation related.

For the reasons set out above, the Board is satisfied that the remuneration recommendations received from Korn Ferry Hay Group and Crichton & Associates and referred to above were made free from undue influence by the members of the Board and Key Management Personnel to whom the recommendations relate.

Non-Executive Directors

The remuneration policy for Non-Executive Directors aims to attract, retain, motivate and to remunerate fairly and responsibly having regard to the level of fees paid to Non-Executive Directors relative to other similarly sized Australian companies, the size and nature of the consolidated group's operations and the responsibilities and work requirements of Board members.

Non-Executive Director fees are paid in cash and determined by the Nomination Committee following consideration of market conditions and any information, advice or recommendations from remuneration consultants. In addition to these fees, Non-Executive Directors are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred in attending meetings of the Board, Board committees or shareholders, or while engaged on Company business. Other than statutory superannuation payments, there are no retirement benefits or other allowances paid on behalf of Non-Executive Directors.

Non-Executive Directors are not eligible for any bonus or incentive payments and the Non-Executive Directors do not participate in any share-based incentive plans.

The maximum aggregate amount that can be paid to Non-Executive Directors (the "fee pool") is currently $1,350,000 per annum, including superannuation, which includes an allowance for an increase in the number of directors if required. Actual Non-Executive Directors' fees paid for the reporting period were $840,308. Shareholders approved an increase of $500,000 (previously $850,000) to the fee pool at the General Meeting held on 23 March 2016.

Details of the fees paid to Non-Executive Directors for the 2017 and 2016 financial years are set out on pages 38 and 39 of this Directors' report.

Executives

In this section, the term "executives" means the Managing Director and other executives of the consolidated entity (that is, all members of Key Management Personnel other than the Non-Executive Directors).

The remuneration policy for the executives aims to provide fair and equitable remuneration in order to retain and attract executives with the necessary knowledge, skills and experience to facilitate the efficient and effective management of the consolidated entity's operations. The policy has been consistently applied over past years and sets remuneration levels that are:

- market competitive, based on independent benchmark research provided by the remuneration consultants; and
- structured for the executives to reward the achievement of defined annual goals directly linked to performance and the creation of longer term shareholder wealth.

The remuneration packages of the executives are reviewed at least annually by the Committee. These packages combine:

- fixed annual remuneration, including superannuation and allowances;
- short term performance incentives assessed over the Company's financial year; and
- long term performance incentives assessed over a period of four years.

Benchmarking of KMP Remuneration

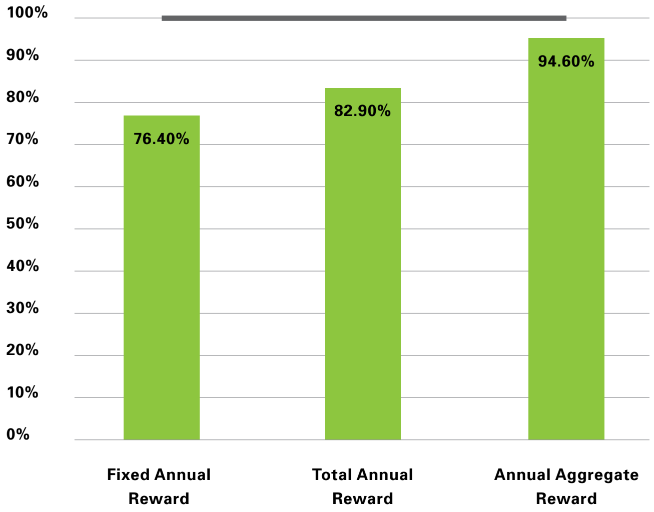
Benchmarking of the remuneration paid to KMP is focused on three elements.

- Fixed Annual Reward (FAR) – which is the combination of salary, superannuation and non-monetary benefits;
- Total Annual Reward (TAR) – The FAR and the Annual Short Term Incentive (STI); and
- Annual Aggregate Reward (AAR) – TAR and the allocation of Performance Rights at the market price on the date of grant.

The level of remuneration paid to KMP is compared to the market median which is the mid-point for each remuneration element; meaning that 50% of all comparators are paid below this point, and 50% are paid above this point.

The comparative data used for the Managing Director is obtained from listed Australian companies of comparable complexity and scope. This data is drawn from both the Korn Ferry Hay Group database and from data contained in annual reports. For the 2016 remuneration review, this data drew on the remuneration of 31 incumbent CEO's of comparable ASX 300 companies. The percentage of market median for each element of the Managing Director's remuneration is illustrated in the chart below:

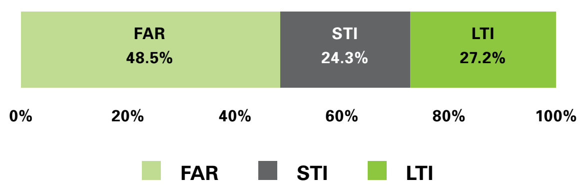
Managing Director's Remuneration Position against Market Median



Following the benchmarking of the FAR, TAR and AAR; it was observed that the Managing Director's remuneration was positioned below the market median for roles of a comparable complexity and impact on all elements of the package.

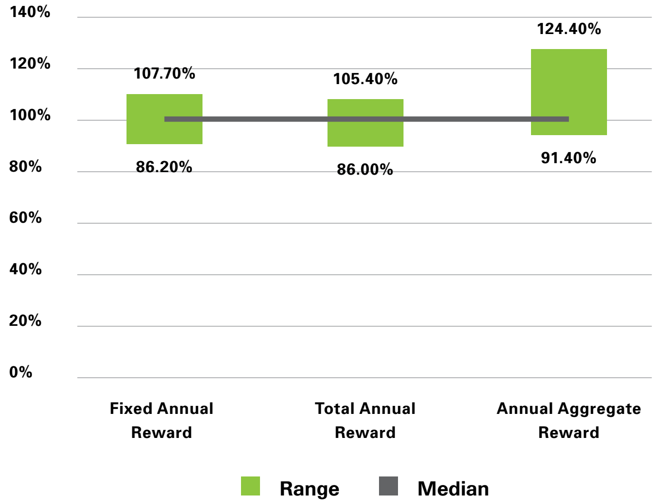
The make-up of the Managing Director's 2016 Aggregate Annual Reward is shown in the chart below:

Components of the Managing Director's Annual Aggregate Reward



For other executives, the comparative data from both listed Australian companies and subsidiaries of international groups where relevant is used. The percentage of market median for each element of the executives is contained in the chart below:

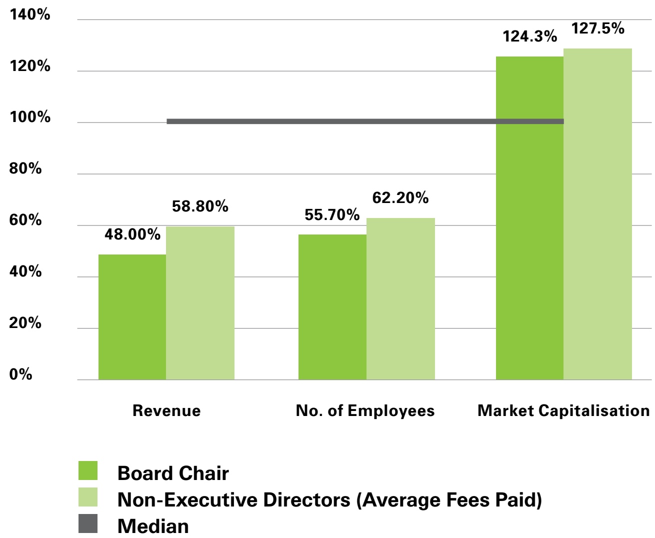
Other Executives' Remuneration Position against Market Median (Range Shown)



The range of values relative to the market for each remuneration type is reflective of the experience and long term performance exhibited by the other executives.

Korn Ferry Hay Group, provides a number of benchmarks for NED remuneration; the market position of the Board Chair and other NED's against each of these benchmarks. This is detailed in the table below:

Chair and NED's Remuneration Position against Common Benchmarks



When determining the appropriate remuneration for the Chair and NED's in addition to these market based guides, Programmed has considered the number of NED's engaged and the active participation of the NED's in board and the various sub committees activities. Given Programmed has a relatively small and very active board, the level of remuneration provided is considered appropriate for the commitment required.

Fixed Annual Remuneration

The market rate of fixed annual remuneration is determined through analysis of data provided by the remuneration consultants and consideration of the consolidated entity's particular circumstances. The consolidated entity utilises the Korn Ferry Hay Group methodology which assesses the complexity and impact of each role and seeks to benchmark the remuneration paid to the executives based on comparative data provided by the consultants.

Each executive is given the opportunity to receive their fixed remuneration in a variety of forms, including cash and other benefits. This enables the form of fixed remuneration to be optimal for each executive without creating undue cost for the consolidated entity.

The actual level of remuneration appropriate for each executive is determined based on the following principles:

a. market based remuneration – remuneration is based on the current position held by the relevant key executive; and

b. positioning within the market range – where a key executive sits within the relevant market range is determined by performance as well as market and internal relativities. Key executives that are top performers are remunerated between the midpoint and the upper quartile of the range while less experienced or lesser performing key managers are remunerated between the entry and mid-point of the range. Progression within the range is based on a number of factors including consistent performance, market pressures and the skills and experience the executive brings to the role.

Incentives Philosophy

Our philosophy in relation to short and long term incentives is set out in the paragraphs below.

Short term incentives must be affordable and is widely spread with typically more than 80% of total short term incentives (STI) payments to employees other than senior executives. When making decisions in relation to STI payments an holistic approach between financial and strategic outcomes is adopted, with a 2/3rds weighting towards the financial outcomes.

Programmed has considered the practice of deferring a part of the Key Management Personnel's STI and/or paying this component in shares and has determined it will not defer any portion of the STI. The board has adopted this position as the level of STI paid is relatively modest compared to organisations that adopt a deferred component model and hence any deferred amount is not likely to be material, the costs of administration of a deferral arrangement would outweigh the benefits, and our Long Term Incentive Plan ("LTIP") meets the needs of longer term alignment for shareholders that deferral of a component of STI and/or payment in deferred shares is intended to deliver. Further, Programmed KMP are encouraged to acquire and hold shares in Programmed as set out on pages 36 and 37 of this Remuneration Report.

Additionally, Programmed does have clawback provisions in its Short-term incentive plan (STIP), which allow the recovery of past bonuses where there is material misstatement or fraudulent behaviour. The board believes that these mechanisms are adequate to meet the needs of the business at this time. This policy is reviewed and considered on a regular basis and may be subject to change if the board considers it is in the best interests of shareholders to do so.

The STI's disclosed in the 2017 financial year have been approved by the Board and unless otherwise noted are consistent with the Company's established STIP. The Board and the Committee use key performance indicators ("KPIs") that measure the overall success of the consolidated entity. The majority of KPIs related to achievement of corporate targets in respect of financial performance, employee safety, employee engagement and development and business improvement projects, as illustrated by the table below.

Safety	Lost Time Injury Frequency Rate; Total Recordable Injury Frequency Rate; Zero Fatalities and/ or Permanent disabling Injuries in the Workplace; Safety Conversations completed by the executive and his/ her team
Financial Performance	Group or Divisional Earnings Before Interest Tax & Amortisation (EBITA); Growth in EBITA; Return on Capital Employed; Working Capital to Sales Ratio; Bad Debt Management
People and Culture	Employee Engagement; Gender Balance and Diversity
Role Specific Objectives	Measures established each year specific to the executive's role which improve performance in the areas of safety, people and culture, systems and growth

In order to qualify for an STI based upon financial performance, the outcome achieved must meet the gateway which is the minimum performance which qualifies the participant for an STI payment. At the gateway, the STI paid is zero, with a straight line escalation to the 'at target' STI value which is paid for achieving the target financial performance outcome.

The participant has the opportunity to earn an 'above target' component of the STI for performance which exceeds the target financial performance outcome. This additional payment is capped at 100% of the 'at target' STI payment and is calculated with a straight line escalation from the target financial performance to the maximum financial performance qualifying for an STI payment.

Failing to meet this gateway and earn an STI is not indicative of unexceptable performance by the executive. Targets which qualify for an STI payment, are set deliberately high to encourage superior performance.

The Committee considers the performance for each year prior to determining if any STI are to be paid. If performance targets are met, the Committee then:

a. determines the amount of the Managing Director's STI; and

b. considers and approves the Managing Director's recommendations as to the allocation of the STI to applicable executives.

Payment of any applicable STI is made in the financial year following the relevant assessed financial year. All of the executives of the consolidated entity have similar "Executive Service Agreements" (key contractual details are set out on pages 46 to 49 of this Directors' report), which specify the fixed annual remuneration as well as entitlements to short and long term incentives.

Programmed has adopted an alternate Relative Total Shareholder Return (RTSR) vesting scale which commences at the 40th percentile. At this point zero vest and there is a straight line escalation to the 75th percentile where 100% of the LTIs vest. Where many organisations see 50% of the LTI's vest at the 50th percentile, using Programmed's scale 50% vesting does not occur until the 57th percentile is achieved.

This approach is consistent with Programmed's overall philosophy of having an incentive gateway with an escalation scale which sees the reward increase commensurate with performance. We do not favour incentives that provide a significant return immediately upon achieving a threshold.

The 1/3rd of Performance Rights which vest based on the continued employment are an important retention tool for KMP and senior managers employed in key roles across the Programmed businesses. In addition, these Performance Rights assist executives to achieve the Programmed Share Holding Guideline which is set out on pages 36 and 37 of this Directors' Report.

Ensuring that our executives' reward structures support alignment with shareholders' interests is core to our approach to LTI's which form an important part of our overall remuneration philosophy.

Managing Director

Under his Executive Service Agreement, the Managing Director can receive a short term incentive paid in cash up to the value of 75% (2016: 75%) of his fixed annual remuneration payable in cash upon achievement or exceeding of established KPI's for each performance objective.

Each objective is given a percentage weighting of 100% of the maximum short term incentive payable and the achievement or otherwise of each objective is determined annually by the Committee.

It is important to note that the targets set for KPI's within each objective in the Managing Director's STI Plan will require considerable improvement or outperformance to be achieved. The non-achievement of a particular objective or KPI target does not mean that performance was unsatisfactory.

These objectives and KPI's are agreed between the Managing Director and the Committee as part of the annual planning process, against which the Managing Director's performance will be measured. The objectives and KPI's are approved by the Board.

The table below show the percentage plan and actual for performance objectives for the Managing Director for the 2017 and 2016 financial years:

MD STI PLAN Performance Objectives	% STI Plan 2016	% STI Plan Actual 2016	% STI Plan 2017	% STI Actual 2017
Safety	6.7	3.4	6.7	–
Earnings	66.7	–	66.7	–
Capital Management	3.3	3.3	5.0	5.0
Growth	6.7	6.7	8.2	–
People	3.3	2.5	6.7	6.7
Skilled Integration	13.3	13.3		
Strategic Projects & Governance			6.7	5.0

Other Executives

For the other executives, the short term incentives payable are with regard to objectives and KPIs established annually with the Managing Director.

Other executives can receive a 2017 short term incentive of up to 20% of their fixed annual remuneration, based upon achievement of a financial EBITA target set by the Managing Director each year (STI – Financial EBITA Component).

In addition, other executives can receive a STI – Non Financial EBITA Component of up to 10% of their fixed annual remuneration. This will be awarded in circumstances where the Managing Director assessment is that the STI – Financial EBITA Component due is not representative of an extraordinary performance achievement.

In making this assessment, the Managing Director may consider other objectives and KPI's such as cash flow or growth in work in hand or a range of non-financial indicators such as significantly improved safety performance or very successful completion of a major new initiative. This component is not driven by any particular formula.

In May 2017, the Committee considered the recommendations relating to other executives under the STIP and recommended that the short term incentives determined in the 2017 financial year be approved by the Board. The short term incentives were approved by the Board and will be paid in July 2017. The financial statements for the financial year include an aggregate accrual for total payments to be made under the STIP.

Long Term Incentives

The Long Term Incentive Plan (LTIP) is a share-based compensation scheme for executives and senior employees of the consolidated entity. The LTIP provides executives and senior employees with Performance Rights that upon vesting entitle the holder to receive shares in the Company ("Performance Rights") to encourage them to align their performance with shareholders. The Managing Director is also entitled, subject to shareholder approval, to receive grants on the same terms as under the LTIP except as noted below. Participants in the LTIP cannot dispose or otherwise deal with their Performance Rights. This has been an important tool to attract and retain executive talent and will continue to be important in the future.

Under the LTIP, eligible employees are offered an allocation of Performance Rights. The number of Performance Rights offered to each eligible employee is determined with reference to market practice, individual contribution and the influence of the role on business outcomes.

The LTIP no longer provides for the grant of Performance Options. The current intention is to not issue Performance Options, with no new Performance Options issued since 2009.

Summary of LTIP Rules applicable for post 1 July 2012 Grants ("2012 Award")

Executives and Other Senior Employees

Executives and other senior employees have been granted Performance Rights under the LTIP on the following specific terms (in addition to the general terms outlined above):

a. Each Performance Right entitles the holder to one fully paid ordinary share in the Company on vesting. No amounts are paid or payable by the recipient on receipt or vesting of a Performance Right. Performance Rights have a vesting date of four years from the date of issue.
b. The Performance Rights carry neither rights to dividends nor voting rights.
c. The qualifying period for pro rata participation (if an employee ends his or her employment under good leave provisions prior to the vesting date, such as for reason of redundancy, death, medical illness, incapacity or total and permanent disablement) is 24 months from grant. Performance Rights may also vest prior to the vesting date on a change of control in certain circumstances. In the case of the Managing Director a termination with notice is also considered to be a good leaver.
d. In the event of a bonus issue, rights issue or any capital reconstruction the number of Performance Rights will be adjusted, at the discretion of the Board, in compliance with the ASX Listing Rules to take into account the impact of the capital reconstruction or issue.

Performance criteria for the Performance Rights granted to the Managing Director are as follows:

<table>
<tr><th>Performance Criteria</th><th>Weighting</th><th>Details</th></tr>
<tr><td>1. Relative Total Shareholder Return ("RTSR")</td><td>50%</td><td>The performance hurdle for half of the Performance Rights will be based on the Company's performance by reference to the RTSR over the Performance Period when compared with the RTSR for each company in a group of peer companies. The peer group of companies comprises the companies listed in the S&P/ASX 300 (ranked by market capitalisation) after excluding resource companies, banks and listed property trusts. A peer company continues to be included in the comparator group for the entire Performance Period, except where the company is delisted due to takeover or merger. New entrants into the S&P/ASX 300 during the Performance Period are excluded. The Company's performance ranking within that group of peer companies at the end of the relevant Performance Period determines the number of RTSR Performance Rights that vest, as follows:
<table>
<tr><th>Performance Criteria</th><th>RTSR Performance Rights vest</th></tr>
<tr><td>Below 40th percentile</td><td>None vest</td></tr>
<tr><td>Between 40th and 75th percentile (inclusive)</td><td>RTSR Performance Rights that vest to be determined on a straight line escalation from the 40th percentile (0% vest) to the 75th percentile (100% vest)</td></tr>
<tr><td>Above 75th percentile</td><td>100% of RTSR Performance Rights vest</td></tr>
</table>
</td></tr>
<tr><td>2. Earnings Per Share ("EPS")</td><td>50%</td><td>The performance hurdle for half of the Performance Rights will be based on the Company's EPS performance, where a target range for the average annual growth in diluted EPS over the Performance Period of the EPS Performance Rights has been established to determine the number of EPS Performance Rights that vest, as follows:
<table>
<tr><th>Performance Criteria</th><th>EPS Performance Rights vest</th></tr>
<tr><td>Average growth of less than 5% pa</td><td>None vest</td></tr>
<tr><td>Average growth from 5% to 15% pa</td><td>EPS Performance Rights that vest to be determined on a straight line escalation from EPS growth of 5% pa (0% vest) to EPS growth of 15% pa (100% vest)</td></tr>
<tr><td>Average growth above 15% pa</td><td>100% of EPS Performance Rights vest</td></tr>
</table>
The starting EPS is the reported audited EPS for the financial year ended 31 March prior to grant.

In relation to the 2016 Performance Rights the starting EPS for measuring the average annual growth in Programmed's EPS is Programmed's basic EPS before amortisation and non-trading items, for the prior financial year ending 31 March 2016 as reported on page 73 of the 2016 Annual Report (21.8 cents).</td></tr>
</table>

The Managing Director does not receive any Performance Rights based on tenure. Performance Rights will only vest for the Managing Director based upon achieving the RTSR and EPS performance measures.

The Managing Director was granted 300,000 Performance Rights on 28 July 2016 with a market value of $615,000 at the date of grant after shareholder approval was given at the Annual General Meeting on 27 July 2016. These Performance Rights will vest subject to satisfaction of the Performance Criteria (based upon the Total Shareholder Return and Earnings Per Share performance of Programmed over the four year period as detailed above. However, assuming, for the purposes of illustration, that the market value of the Performance Rights was determined by reference to the Company's Share Price as at the date of grant of the 2016 Performance Rights (that is, as at 28 July 2016), the ultimate value of any vested 2016 Performance Rights would be in the range of between $NIL and $615,000, depending on the application of the Performance Criteria. Upon the Performance Criteria being met, the Company will issue to the Managing Director one fully paid ordinary share per Performance Right for nil consideration.

The vesting period for these Performance Rights is four years.

If the Company becomes the subject of:

a. a takeover bid and the bid is accepted in respect of at least 50% of the shares in the Company;

b. a scheme of arrangement and the scheme proceeds with shareholder and Court approval; or

c. an arrangement which passes control of more than 50% of the Company's share capital, ("change of control event").

   The number of Performance Rights that will vest will be the greater of:

   – 50% of the Performance Rights; and

   – such number of the Performance Rights as determined in accordance with the performance criteria detailed above.

   Alternatively, the Board may exercise its discretion and negotiate a transition to an alternate plan they assess as being no less favourable than the existing LTIP.

Performance criteria for the Performance Rights granted to other executives are as follows:

Performance Criteria	Weighting	Details
1. Continued Employment	1/3	The performance hurdle for one-third of the Performance Rights will be based on the executive or other senior employee continuing to be an employee of the consolidated entity at the vesting date, thus creating a retention component.
2. Relative Total Shareholder Return ("RTSR")	1/3	The performance hurdle for one-third of the Performance Rights will be based on the Company's performance by reference to the RTSR over the Performance Period when compared with the RTSR for each company in a group of peer companies. The peer group of companies comprises the companies listed in the S&P/ASX 300 (ranked by market capitalisation) after excluding resource companies, banks and listed property trusts. A peer company continues to be included in the comparator group for the entire Performance Period, except where the company is delisted due to takeover or merger. New entrants into the S&P/ASX 300 during the Performance Period are excluded. The Company's performance ranking within that group of peer companies at the end of the relevant Performance Period determines the number of RTSR Performance Rights that vest, as follows:

Performance Criteria	RTSR Performance Rights vest
Below 40th percentile	None vest
Between 40th and 75th percentile (inclusive)	RTSR Performance Rights that vest to be determined on a straight line escalation from the 40th percentile (0% vest) to the 75th percentile (100% vest)
Above 75th percentile	100% of RTSR Performance Rights vest

Performance Criteria	Weighting	Details
3. Earnings Per Share ("EPS")	1/3	The performance hurdle for one-third of the Performance Rights will be based on the Company's EPS performance, where a target range for the average annual growth in diluted EPS over the Performance Period of the EPS Performance Rights has been established to determine the number of EPS Performance Rights that vest, as follows:

Performance Criteria	EPS Performance Rights vest
Average growth of less than 5% pa	None vest
Average growth from 5% to 15% pa	EPS Performance Rights that vest to be determined on a straight line escalation from EPS growth of 5% pa (0% vest) to EPS growth of 15% pa (100% vest)
Average growth above 15% pa	100% of EPS Performance Rights vest

The starting EPS is the reported audited EPS for the financial year ended 31 March prior to grant.

In relation to the 2016 Performance Rights the starting EPS for measuring the average annual growth in Programmed's EPS is Programmed's basic EPS before amortisation and non-trading items, for the prior financial year ending 31 March 2016 as reported on page 73 of the 2016 Annual Report (21.8 cents).

The Board considers that performance conditions based on the Company's performance against a clearly defined peer group in terms of RTSR and the Company's EPS is an appropriate way to gauge changes to shareholder wealth. The method set out in the table above for determining whether this performance condition is satisfied is considered appropriate, because it provides direct alignment between the proportion of Performance Rights that vest and the Company's performance when ranked against both its peer group and its prior financial performance.

If the Company becomes the subject of:

a. a takeover bid and the bid is accepted in respect of at least 50% of the shares in the Company;
b. a scheme of arrangement and the scheme proceeds with shareholder and Court approval; or
c. an arrangement which passes control of more than 50% of the Company's share capital, ("change of control event")

In the case of other executives and senior managers, the Directors will apply their reasonable endeavours to negotiate a transition to an alternate plan that they assess as being no less favourable than the existing LTIP. In the event that transition to a no less favourable alternate plan is not achieved, then 100% of the Performance Rights will vest.

Programmed Share Holdings Guideline

Programmed sees significant benefit in aligning the interests of employees and shareholders through employees acquiring and holding shares in the Company. Programmed has implemented a Shareholdings Guideline which outlines how Programmed seeks to achieve this.

The guideline applies to all employees and directors of Programmed, noting specific requirements for KMP (Key Management Personnel per the Corporations Law) and Directors. Programmed seeks to increase overall employee share ownership in the company through:

a. The Programmed Employee Share Acquisition Plan, which is open to all Australian full and part time employees (excluding KMP and Directors); and
b. The Programmed Long Term Incentive Plan (the Plan) which allows the 'Top 50' Senior Managers to participate in Performance Rights Allocations approved by the Board under the terms of the Plan.

The long term goal is that one third of all permanent employees own some Programmed shares.

Additionally, Programmed's goal is that all Directors and KMP, acquire and maintain directly or indirectly, a number of shares in Programmed which is equivalent of at least 50% of their Fixed Annual Remuneration (FAR), within five (5) years of their appointment.

Programmed will seek to put in place mechanisms to support the attainment of these goals. Programmed recognises that each individual's circumstances are different and there are no adverse outcomes for employees, KMP's or Directors who elect not to own shares.

Total employee share ownership as a percentage of permanent employees and shareholdings by the KMP and Directors will be reported to the Board Remuneration and People Committee. The acquisition and disposal of shares is conducted strictly in accordance with the Programmed Share Trading Policy.

Programmed Employee Share Acquisition ("PESAP")

The PESAP was launched in 2010 and allows employees to buy ordinary shares in the Company, with payment being made from their pre-tax pay. Employees can elect to buy shares to an annual value of $500, $750 or $1,000. The objective is to provide an opportunity for all employees to have ownership and participate in the Company's growth.

Skilled Employee Share Plan

The Employee Share Plan was launched by SKILLED in 1998 and provided employees with an opportunity to purchase ordinary shares in the Company. Employees could elect to purchase 500, 750, or 1000 shares on an interest free loan, payable over four years. The shares were held in trust by the Company until the loan was paid by the employee, payment made by dividends and monthly pre-tax installments. The Company ceased offering the share plan at the conclusion of the 2013 financial year and continues to manage the Plan.

Relationships Between the Remuneration Policy and Company Performance

The Board is of the view that there is a strong alignment between the remuneration policy and the Company's performance.

KPIs for short term incentives are linked to the Company's objectives. The short term incentives paid were targeted and related to specific business unit and/or individual performance.

Vesting of the majority of long term incentives occurs only when either RTSR outperforms the comparator group and/or the Company's earnings per share growth exceeds specified thresholds (further information on these performance hurdles and thresholds is set out on pages 34 to 36 of this Directors' Report). In the 2013 to 2017 financial years the long term incentives that vested were those resulting from employees who continued to be employed by the Company at the vesting date, therefore meeting the 1/3 retention performance hurdle and also the achievement of the Relative Total Shareholder Return performance hurdle. If the performance hurdles established continue to be met or exceeded, then it is expected that a greater number of long term incentives will vest in the future.

The table below sets out summary information about the consolidated entity's earnings, debt and dividends, for the five years to 31 March 2017. For more information relating to the Company's performance in 2017, refer to pages 22 to 26 of this Annual Report.

	Financial Years Ended 31 March				
	2013	2014	2015	2016	2017
Revenue ($'000)	1,517,419	1,434,923	1,434,224	2,209,447	**2,691,375**
Profit after tax (before amortisation and non-trading items) ($'000)	34,611	32,461	31,223	38,807	**41,351**
Profit after tax (statutory) ($'000)	32,137	30,452	25,695	(98,024)	**12,285**
Earnings per share (before amortisation and non-trading items)	29.3	27.5	26.3	21.8	**16.2**
Earnings per share (cents)	27.2	25.8	21.7	(55.0)	**4.8**
Net debt ($'000)	67,107	42,231	7,080	239,188	**200,005**
Net debt/equity	17%	10%	2%	39%	**33%**
Dividends					
– Total dividends per share (cents)	15.0	17.0	18.0	11.5	**7.0**
– Dividend payout ratio[1]	51%	62%	68%	53%	**43%**
– Dividend franking	100%	100%	100%	100%	**100%**
Share Price at 31 March	$2.56	$2.90	$2.42	$1.48	**$1.88**
No. of Shares issued at 31 March (millions)	118.2	118.3	118.7	249.3	**257.3**
Market Capitalisation at 31 March ($ millions)	303	343	287	369	**484**

1. The dividend payout ratio is calculated on profit after tax before amortisation and non-trading items.

Remuneration of Key Management Personnel

Financial year ended 31 Mar 2017	Short-term employee benefits			Post-employment benefits			Share-based payment – Equity settled			
	Salary & Fees[3] $	Short-term incentives Cash[1] $	Non-monetary[4] $	Super-annuation $	Other Long-term Employee Benefits[4] $	Termination Benefits $	Options & Rights[2] $	Performance related %	Non-performance related %	Totals $
Directors										
B. Brook	210,461	–	–	19,539	–	–	–	–	–	230,000
C. Sutherland	1,079,819	137,500	80,464	19,545	48,790	–	194,168	21.3	78.7	1,560,286
E. Stein	118,722	–	–	11,278	–	–	–	–	–	130,000
R. McKinnon	109,589	–	–	10,411	–	–	–	–	–	120,000
A. Grant	111,111	–	–	10,556	–	–	–	–	–	121,667
J. Walker	109,589	–	–	10,411	–	–	–	–	–	120,000
L. Paul	108,348	–	–	10,293	–	–	–	–	–	118,641
Executives										
S. Leach	580,976	35,000	23,187	28,628	34,565	–	143,043	21.1	78.9	845,399
N. Fairbank	498,447	–	(60,547)	19,533	61,373	–	92,461	15.1	84.9	611,267
G. Thompson	430,302	35,000	21,910	19,545	33,347	–	82,846	18.9	81.1	622,950
D. Burton	484,125	–	(9,934)	24,151	–	375,000	23,261	2.6	97.4	896,603
J. Boulding	360,130	–	(38,334)	19,162	8,923	–	23,261	6.2	93.8	373,142
TOTALS	4,201,619	207,500	16,746	203,052	186,998	375,000	559,040	–	–	5,749,955

Notes:

1. The cash bonuses relate to performance for the 2017 financial year. The cash bonuses will be paid in July 2017.
2. The share based payments are yet to be earned and are subject to performance criteria vesting over a period of four years and were provided under the Long Term Incentive Plan. The amounts have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.
3. Includes short-term compensated absences.
4. Non-monetary short term employee benefits represent annual leave entitlements. Non-monetary long term employee benefits represent long service leave employee entitlements.

Remuneration of Key Management Personnel (continued)

Financial year ended 31 Mar 2016	Short-term employee benefits			Post-employment benefits			Share-based payment – Equity settled			
	Salary & Fees[3] $	Short-term incentives Cash[1] $	Non-monetary[4] $	Super-annuation $	Other Long-term Employee Benefits[4] $	Termination Benefits $	Options & Rights[2] $	Performance related %	Non-performance related %	Totals $
Directors										
B. Brook	203,681	–	–	18,819	–	–	–	–	–	222,500
C. Sutherland	944,009	205,000	80,888	19,909	20,131	–	216,140	28.3	71.7	1,486,077
J. Whittle	79,147	–	–	7,519	–	–	–	–	–	86,666
E. Stein	118,722	–	–	11,278	–	–	–	–	–	130,000
R. McKinnon	109,589	–	–	10,411	–	–	–	–	–	120,000
A. Grant	118,722	–	–	11,278	–	–	–	–	–	130,000
J. Walker	39,902	–	–	3,791	–	–	–	–	–	43,693
L. Paul	15,713	–	–	1,493	–	–	–	–	–	17,206
Executives										
S. Leach	671,713	51,600	(122,272)	19,909	9,729	–	158,984	26.7	73.3	789,663
N. Fairbank	380,292	37,500	(3,316)	19,167	(35,215)	–	80,030	24.6	75.4	478,458
D. Timmel[5]	146,598	–	(20,619)	4,022	(32,300)	219,816	–	12.6	87.4	317,517
M.Waymark	385,437	–	(17,126)	18,573	(26,423)	224,192	65,716	10.1	89.9	650,369
G. Thompson	432,292	80,000	469	19,909	(15,160)	–	58,419	24.0	76.0	575,929
D. Burton	246,536	–	9,934	8,020	–	–	–	–	100.0	264,490
J. Boulding[5]	196,101	15,000	18,580	8,849	2,920	–	–	20.7	79.3	241,450
TOTALS	**4,088,454**	**389,100**	**(53,462)**	**182,947**	**(76,318)**	**444,008**	**579,289**	**–**	**–**	**5,554,018**

Notes:

1. The cash bonuses relate to performance for the 2016 financial year. The cash bonuses will be paid in July 2016.
2. The share based payments are yet to be earned and are subject to performance criteria vesting over a period of four years and were provided under the Long Term Incentive Plan. The amounts have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.
3. Includes short-term compensated absences.
4. Non-monetary short term employee benefits represent annual leave entitlements. Non-monetary long term employee benefits represent long service leave employee entitlements.
5. These salaries, fees and other benefits relate to the payments post the acquisition of Skilled Group Limited on 16 October 2015 under their pre-existing arrangements inclusive of retention payments to D. Timmel and J. Boulding of $40,000 and $35,000 respectively.

Total Cash Payments to Key Management Personnel

The table below shows cash payments received by Key Management Personnel in relation to the 2017 financial year.

Financial year ended 31 March 2017	Fixed Remuneration[1]	Cash bonuses[2]	Termination benefits[3]	Options & Rights[4]	Total
Director:					
B. Brook	230,000	–	–	–	230,000
C Sutherland	1,099,364	205,000	–	–	1,304,364
E. Stein	130,000	–	–	–	130,000
R. McKinnon	120,000	–	–	–	120,000
A. Grant	121,667	–	–	–	121,667
J. Walker	120,000	–	–	–	120,000
L. Paul	118,641	–	–	–	118,641
Executive:					
S. Leach	609,604	51,600	–	106,498	767,702
N. Fairbank	517,980	37,500	–	28,398	583,878
G. Thompson	449,847	80,000	–	–	529,847
D. Burton	508,276	–	375,000	–	883,276
J. Boulding	379,292	15,000	–	–	394,292
TOTALS	4,404,671	389,100	375,000	134,896	5,303,667

1. The sum of Salary, Fees and Superannuation.
2. Cash bonuses paid in the current financial year in relation to performance of the previous financial year.
3. Termination benefits paid during the financial year.
4. Value of options and rights at date of vesting, for rights and options that vested during the financial year.

Bonuses and share-based payments granted as compensation for the current financial year:

(a) Short Term Incentives

The cash bonuses granted during the 2018 financial year to Key Management Personnel (other than Non-Executive Directors) under the STIP are shown in the table below and relate to performance in the 2017 financial year. The cash bonuses will be paid in July 2017. The performance criteria applicable to the short term incentives referred to in this section are set out on pages 31 to 33 of this Directors' report.

Name	Minimum and Maximum Potential as a % of Fixed Remuneration	Target STI as a percentage of Fixed Remuneration	STI Awarded as a % of Maximum Potential in 2017	Actual STI Award in 2017
Director:				
C. Sutherland	0% to 75%	50%	16.7%	$137,500
Executive:				
S. Leach	0% to 30%	15%	19.7%	$35,000
N. Fairbank	0% to 30%	15%	–	–
G. Thompson	0% to 30%	15%	25.9%	$35,000
D. Burton	0% to 30%	15%	–	–
J. Boulding	0% to 30%	15%	–	–

No variable component is outstanding in relation to the cash bonuses.

(b) Long Term Incentives

Performance Rights

Performance Rights held during the 2017 and 2016 financial years by Key Management Personnel are shown in the tables below.

2017	Balance 1.4.16	Number Granted as compensation	Number Exercised	Net other change	Balance 31.3.17
B. Brook	–	–	–	–	–
C. Sutherland	780,000	300,000	–	(300,000)	780,000
E. Stein	–	–	–	–	–
R. McKinnon	–	–	–	–	–
A. Grant	–	–	–	–	–
J. Walker	–	–	–	–	–
L. Paul	–	–	–	–	–
S. Leach	520,000	150,000	(59,999)	(120,001)	490,000
N. Fairbank	273,000	120,000	(15,999)	(32,001)	345,000
G. Thompson	200,000	120,000	–	–	320,000
D. Burton	–	160,000	–	(160,000)	–
J. Boulding	–	160,000	–	–	160,000

2016	Balance 1.4.15	Number Granted as compensation	Number Exercised	Net other change	Balance 31.3.16
B. Brook	–	–	–	–	–
C. Sutherland	760,000	170,000	(90,090)	(59,910)	780,000
J. Whittle	–	–	–	–	–
E. Stein	–	–	–	–	–
R. McKinnon	–	–	–	–	–
A. Grant	–	–	–	–	–
J. Walker	–	–	–	–	–
L. Paul	–	–	–	–	–
S. Leach	500,000	100,000	(50,707)	(29,293)	520,000
N. Fairbank	201,000	80,000	(5,071)	(2,929)	273,000
D. Timmel	–	–	–	–	–
M. Waymark	179,000	80,000	(11,071)	(247,929)	–
G. Thompson	120,000	80,000	–	–	200,000
D. Burton	–	–	–	–	–
J. Boulding	–	–	–	–	–

Performance Rights granted during the 2017 financial year to Key Management Personnel (other than Non-Executive Directors) under the LTIP are shown in the tables below. The performance criteria applicable to the grants referred to in this section are set out on pages 34 to 36 of this Directors' report.

Name	Date of grant	Number of Performance Rights	Nature of grant	Included in remuneration $	Vested or was paid during the reporting period $	Forfeited because performance criteria not met $	The financial years (after this reporting period) in which the Performance Rights will vest (assuming all performance conditions are met)	Total minimum value of Performance Rights that will vest in future financial years	Total maximum value of Performance Rights that will vest in future financial years
Director:									
C. Sutherland	28/07/2016	300,000	Performance Rights	41,819	Nil	Nil	2021	Nil	181,831
Executive:									
S. Leach	1/07/2016	150,000	Performance Rights	21,807	Nil	Nil	2021	Nil	94,818
N. Fairbank	1/07/2016	120,000	Performance Rights	17,446	Nil	Nil	2021	Nil	75,854
G. Thompson	1/07/2016	120,000	Performance Rights	17,446	Nil	Nil	2021	Nil	75,854
D. Burton	1/07/2016	160,000	Performance Rights	23,261	Nil	Nil	2021	Nil	101,139
J. Boulding	1/07/2016	160,000	Performance Rights	23,261	Nil	Nil	2021	Nil	101,139

The table below shows Performance Rights granted, lapsed and vested during the financial year. The Performance Rights that lapsed during the year lapsed as a result of the performance hurdles, discussed on pages 34 to 36, not being met.

	Granted during the year			Lapsed during the year			Vested during the year		
Executive	Number	Tranche	Value (calculated at grant) $	Number	Financial year rights granted	Tranche	Number	Value at date of vesting[1] $	Tranche
Director:									
C. Sutherland	300,000	2016 Award	223,650	150,000	2012	PR-19	–	–	–
				150,000	2013	2012 Award	–	–	–
Executive:									
S. Leach	150,000	2016 Award	116,625	53,334	2012	PR-19	26,666	47,332	PR-19
				66,667	2013	2012 Award	33,333	59,166	2012 Award
N. Fairbank	120,000	2016 Award	93,300	5,334	2012	PR-19	2,666	4,732	PR-19
				26,667	2013	2012 Award	13,333	23,666	2012 Award
G. Thompson	120,000	2016 Award	93,300	–	–	–	–	–	–
D. Burton	160,000	2016 Award	124,400	–	–	–	–	–	–
J. Boulding	160,000	2016 Award	124,400	–	–	–	–	–	–

1. At the date of vesting, the closing market share price has been used to determine the value of the Performance Rights.

The table below shows the Performance Rights granted under the LTIP that vested during the financial year.

Executive	Number of rights that have vested	Tranche	Total number of rights granted for that tranche	Value per right at vesting date[1] $	% of grant that vested
Director:					
C. Sutherland	–	–	–	–	–
Executive:					
S. Leach	26,666	PR-19	80,000	1.78	33.3
	33,333	2012 Award	100,000	1.78	33.3
N. Fairbank	2,666	PR-19	8,000	1.78	33.3
	13,333	2012 Award	40,000	1.78	33.3
G. Thompson	–	–	–	–	–
D. Burton	–	–	–	–	–
J. Boulding	–	–	–	–	–

1. At the date of vesting, the closing market share price has been used to determine the value of the Performance Rights.

The fair value of Performance Rights that may vest in future years is set out below. The amount reported is calculated in accordance with AASB 2 Share-based payment.

Executive	Grant date	Number	Tranche	Fair value per right at grant date $	Fair value of total rights at grant date $	Amount paid or payable by the participant $	First exercise date	Expiry date (last exercise date)
Director:								
C. Sutherland	09/08/2013	160,000	2013 Award	0.99	158,400	Nil	01/07/2017	N/A
	31/07/2014	150,000	2014 Award	1.23	184,500	Nil	01/07/2018	N/A
	31/07/2015	170,000	2015 Award	1.07	181,900	Nil	01/07/2019	N/A
	28/07/2016	300,000	2016 Award	0.75	223,650	Nil	01/07/2020	N/A
Executive:								
S. Leach	01/07/2013	120,000	2013 Award	1.10	132,000	Nil	01/07/2017	N/A
	01/07/2014	120,000	2014 Award	1.32	158,400	Nil	01/07/2018	N/A
	01/07/2015	100,000	2015 Award	1.40	140,000	Nil	01/07/2019	N/A
	01/07/2016	150,000	2016 Award	0.78	116,625	Nil	01/07/2020	N/A
N. Fairbank	01/07/2013	85,000	2013 Award	1.10	93,500	Nil	01/07/2017	N/A
	01/07/2014	60,000	2014 Award	1.32	79,200	Nil	01/07/2018	N/A
	01/07/2015	80,000	2015 Award	1.40	112,000	Nil	01/07/2019	N/A
	01/07/2016	120,000	2016 Award	0.78	93,300	Nil	01/07/2020	N/A
G. Thompson	01/07/2013	40,000	2013 Award	1.10	44,000	Nil	01/07/2017	N/A
	01/07/2014	80,000	2014 Award	1.32	105,600	Nil	01/07/2018	N/A
	01/07/2015	80,000	2015 Award	1.40	112,000	Nil	01/07/2019	N/A
	01/07/2016	120,000	2016 Award	0.78	93,300	Nil	01/07/2020	N/A
J. Boulding	01/07/2016	160,000	2016 Award	0.78	124,400	Nil	01/07/2020	N/A
D. Burton[1]	01/07/2016	160,000	2016 Award	0.78	124,400	Nil	01/07/2020	N/A

1. Mr Burton's Performance Rights lapsed on 3 May 2017.

Performance Options

There are no Performance Options held during the 2017 and 2016 financial years by Key Management Personnel.

Key Management Personnel Equity Holdings

Fully paid ordinary shares held during the 2017 and 2016 financial years by Key Management Personnel are shown in the tables below.

2017	Balance 1.4.16	Number Granted as compensation	Number received on exercise of rights/options	Net other change	Balance 31.3.17	Balance held nominally
B. Brook	110,000	–	–	613	110,613	90,000
C. Sutherland	816,012	–	–	–	816,012	725,922
E. Stein	43,383	–	–	–	43,383	43,383
R. McKinnon	75,000	–	–	–	75,000	75,000
A. Grant	10,000	–	–	–	10,000	–
J. Walker	18,850	–	–	10,000	28,850	28,850
L. Paul	20,000	–	–	–	20,000	20,000
S. Leach	85,673	–	59,999	(35,000)	110,672	13,321
N. Fairbank	34,790	–	15,999	(5,150)	45,639	1,447
G. Thompson	–	–	–	–	–	–
D. Burton	10,000	–	–	(10,000)	–	–
J. Boulding	33,000	–	–	–	33,000	–

2016	Balance 1.4.15	Number Granted as compensation	Number received on exercise of rights/options	Net other change	Balance 31.3.16	Balance held nominally
B. Brook	80,000	–	–	30,000	110,000	90,000
C. Sutherland	685,922	–	90,090	40,000	816,012	725,922
J. Whittle	2,084,656	–	–	(2,084,656)	–	–
E. Stein	29,141	–	–	14,242	43,383	43,383
R. McKinnon	50,000	–	–	25,000	75,000	75,000
A. Grant	10,000	–	–	–	10,000	–
J. Walker	–	–	–	18,850	18,850	18,850
L. Paul	–	–	–	20,000	20,000	20,000
S. Leach	27,649	–	50,707	7,317	85,673	13,321
N. Fairbank	29,719	–	5,071	–	34,790	1,447
M. Waymark	20,049	–	11,071	(31,120)	–	–
G. Thompson	–	–	–	–	–	–
D. Timmel	–	–	–	–	–	–
D. Burton	–	–	–	10,000	10,000	10,000
J. Boulding	–	–	–	33,000	33,000	–

Other Transactions with Key Management Personnel

During the financial year, some of the key management personnel and their related entities entered into transactions, which were domestic or trivial in nature, with the Company on the same terms and conditions available to other employees and customers.

Key terms of employment contracts

Managing Director

Set out below are the key terms of the Executive Service Agreement ("the Agreement") of the Managing Director, Christopher Sutherland. The Company and Mr Sutherland entered into the Agreement on 6 March 2013 to reflect changes to the Corporations Act 2001. Mr Sutherland was previously employed under a different executive service agreement.

Term

From 6 March 2013 until one of the following occurs

a. the Company gives the Managing Director 12 months' written notice;

b. the Managing Director gives the Company 12 months' written notice;

c. the Company terminates the Agreement due to actions of the Managing Director such as serious misconduct, dishonesty and bankruptcy; or

d. a genuine redundancy occurs as a result of structural change or operational requirements.

Payments on Termination

If the Agreement is terminated under (a) or (b) above, the Company has the discretion to, at any time, during the notice period either bring the Agreement to an immediate end and, subject to the Corporations Act 2001, pay the remuneration that would have been received during the remaining notice period, or require the Managing Director to undertake alternative duties or to remain at home for the remaining notice period.

If the Agreement is terminated under (c) above, the Company is only obliged to pay the Managing Director any accrued remuneration, including superannuation and leave entitlements.

If the Agreement is terminated under (d) above due to a genuine redundancy the severance payment due to the Managing Director, will, subject to the Corporations Act 2001, be determined in accordance with the following table:

Period of continuous service	Redundancy payment (months' pay)	Notice payment (months' pay)	Total severance payment (months' pay)
Less than 5 years	3	9	12
More than 5 years but not more than 6 years	4	8	12
More than 6 years but not more than 7 years	5	7	12
More than 7 years but not more than 8 years	6	6	12
More than 8 years but not more than 9 years	7	5	12
More than 9 years but not more than 10 years	8	4	12
10 years and over	9	3	12

Remuneration	***Fixed annual remuneration:*** $1,100,000 comprising base salary, superannuation contribution and benefits as allocated by the Managing Director in accordance with the Company's policies. ***Review of remuneration:*** The remuneration will be reviewed at least annually, with any increase at the absolute discretion of the Company. ***Annual leave and other leave:*** ◆ Four weeks annual leave per annum (in addition to public holidays). ◆ After the completion of one year's continuous service with the Group, the Managing Director will also be entitled to one extra day of annual leave for every year of continuous service that he completes with the Group, up to a maximum of 10 additional days[1]. ◆ Thirteen weeks for fifteen years' service, with pro rata long service leave after 10 years' service or 7 years on termination. ◆ Personal and compassionate leave as defined in the Company's policies. 1. The Managing Director has completed 10 years' continuous service with the Group and is currently entitled to an extra 10 days of annual leave under this provision. ***Short term incentive:*** Up to 50% of his fixed annual remuneration is payable upon achievement, rising to 75%, for exceeding, the established performance objectives (further information applicable to the Managing Director's short term incentives is set out on page 32 of this Directors' report). ***Long term incentive:*** The Managing Director may participate in the Long Term Incentive Plan described on page 33 of this Directors' report. The performance criteria applicable to the long term incentives are also set out on page 34 of this Directors' report.
Restraint	The Agreement provides that the Managing Director must not be employed by, or be engaged in, (whether directly or indirectly) any competitive business in Australia to provide services that are the same as or similar to those the Managing Director provided to the Company at any time during his employment or within the 12 months1 immediately following the end of his term of employment. The Agreement also provides the Managing Director must not induce employees to leave the consolidated group or persuade any of the consolidated group's clients to cease or reduce business with the consolidated group during that period. 1. The Managing Director's prior agreement provided for a six month post-employment restraint period.

Other Executives

Set out below are the key terms of the Executive Service Agreement ("the Agreement") of the other executives:

Term	From the commencement date until one of the following occurs: a. the consolidated entity gives the executive 6 months' written notice; b. the executive gives the consolidated entity 6 months' written notice; c. the consolidated entity terminates the Agreement due to actions of the executive such as serious misconduct, dishonesty and bankruptcy; or d. the executive is terminated as a result of redundancy arising from genuine structural change or changes to operational requirements.

Payments on Termination	If the Agreement is terminated under (a) or (b) above, the employing entity has the discretion to, at any time, during the notice period either bring the Agreement to an immediate end and pay the remuneration that would have been received during the remaining notice period, or require the executive to undertake alternative duties or to remain at home for the remaining notice period. If the Agreement is terminated under (c) above, the consolidated entity is only obliged to pay the executive any accrued remuneration, including superannuation and leave entitlements. If the Agreement is terminated under (d) above, the executive is entitled to receive severance payments of between 6 and 12 months (*a "month's pay" is the equivalent of the executive's fixed annual remuneration divided by 12*) determined by reference to the executive's length of service and Agreement, consisting of any notice given or payment made in lieu and redundancy payments. If the executive has a Notice Period of 6 months the severance payment will be calculated in accordance with the table below:

Period of continuous service	Redundancy payment (months' pay)	Notice payment (months' pay)	Total severance payment (months' pay)
Less than 1 year	0	6	6
More than 1 year but not more than 5 years	3	6	9
More than 5 years but not more than 6 years	4	6	10
More than 6 years but not more than 7 years	5	6	11
More than 7 years but not more than 8 years	6	6	12
More than 8 years but not more than 9 years	7	5	12
More than 9 years but not more than 10 years	8	4	12
10 years and over	9	3	12

Remuneration

Fixed annual remuneration:

Comprises base salary, superannuation contribution and benefits as allocated by the executive in accordance with the Company's policies.

Review of remuneration:

The remuneration will be reviewed at least annually, with any increase at the absolute discretion of the employing entity.

Annual leave and other leave:

- Four to six weeks' annual leave per annum (in addition to public holidays).
- Long service leave in accordance with applicable legislation.
- Personal and compassionate leave as defined in the Company's policies.

Short term incentive:

Up to 30% of fixed annual remuneration payable in cash, as described on page 33 of this Directors' report.

Long term incentive:

Refer to pages 33 to 36 of this Directors' report for details of long term incentives and performance criteria.

Restraint	*Activities:* The Agreement provides that the executive must not be employed or be engaged in (whether directly or indirectly) with any competitive business within the geographic area described below to provide services that are the same as or similar to those the executive provided to the Company at any time during his/her employment or within the period specified below immediately following the end of his/her term of employment. The Agreement also provides the executive must not induce employees to leave the consolidated group or persuade any of the consolidated group's clients to cease or reduce business with the consolidated group during that period. *Duration:* For a period of 6 months from the termination date which aligns with the Executive's notice period. *Geography:* The restraint applies to all regions for which the Executive has responsibility.

11. Diversity

The diversity of our people is one of our great strengths. We aim to create a safe and inclusive environment and recognise the value of attracting, engaging and retaining employees with different backgrounds, experience and perspectives.

Understanding and drawing on diversity is at the heart of meeting the needs of our customers, building strong relationships across the communities we serve and engaging the many talents of our team.

Programmed's approach to diversity focusses on cultural diversity, including our 10-Year Aboriginal Engagement and Employment Plan, generational diversity, people with disability, sexual orientation and achieving gender balance.

To build on these key focus areas, we take a multi-layered approach:

- Customer: We help our customers tap into the benefits of a safe and inclusive workplace
- Employment: We aim to have a diverse workforce which represents the community in which we operate
- Procurement: We support local suppliers and delivering value for money
- Community: We engage with our local communities through partnerships, volunteering and pro-bono support

Programmed's commitment is underpinned by its Diversity Policy, which is available on the Company's website.

As a company, we aspire to create and maintain a workforce which is representative of our customers and communities and in which individual differences are valued and respected – it's good for our employees and good for the business.

The policy provides for the Board, in consultation with senior management, to establish measurable diversity targets and to measure and report on its progress towards achieving them. The gender balance and diversity targets outlined in the table below have been established.

Gender Balance Target

	Gender Balance Target	2016 Outcome
Non-Executive Directors[1]	Between 40% to 60%	50% (2016: 50%)
Senior Leaders (MD to MD-4)[2]	Increase by +2% until we reach and maintain between 40% to 60%	33% (2016: 31%)
Employees Overall (excl. Trades & Labour)[3]	Between 40% to 60%	51% (2016: 50%)
Employees Overall (incl. Trades & Labour)[3]	More than 30% women	27% (2016: 28%)[4]

1. The Managing Director is the only director on the Board who is a not a Non-Executive Director. The proportion of women on the Board including the Managing Director is 43%.
2. Programmed has defined senior leaders to include the WGE Agency's approach to managers and key professional roles.
3. Trades and labour employees comprises of full-time, part-time and casual employees engaged in operations and maintenance services.
4. The variance is due to the cyclical turnover in the trades and labour employee pool.

Gender Balance

Programmed has lodged its report as required under the Workplace Gender Equality ("WGE") Act 2012. A copy is available on the Company's website and will also be available on the WGE Agency website.

The Company has continued its strategy to increase the representation of women in leadership and attract women in trades and operations. This includes visiting schools and communities to share career insights and placing a strong focus on growing a gender-balanced pipeline through development programs and focused talent review conversations. This has been further strengthened by Programmed's advocacy on women in science, technology, engineering, and mathematics (STEM) careers through the CEOs for Gender Equity, industry-focused interest groups and participation in the Committee for Economic Development of Australia (CEDA)'s Women in Leadership events. We continued support of women in trades' and operations' networks through the National Association of Women in Operations. This focus has resulted in the promotion of internal female talent and attraction of new women to the Company, with women leading and working in operations and functions across the business.

In the last year, Programmed has increased women in leadership roles to 33% and maintained a gender balanced Board.

We continued to advocate externally for diversity and inclusion as lead sponsor of the Diversity Council of Australia's Engaging Men in Gender Equality project, the Committee for Economic Development of Australia's Women in Leadership series and presented on diversity and inclusion at the annual Australian Industry Group Conference.

To further demonstrate our commitment to gender equity in pay and jobs, we advocated for changing societal behaviours and perceptions through the launch of our "It's up to you" video (https://youtu.be/KLIG52i1mko). This was launched internally and on social media in the lead up to the 2017 International Women's Day.

The Company also actively participates in the Business Council of Australia's Business Indigenous Network and Disability Employment Network, the Diversity Council of Australia, the Australian Network on Disability and the Generation One campaign to end disparity.

Other Diversity and Inclusion Initiatives

Our 20,000 people come from a variety of cultural backgrounds, speak multiple languages and span several generations.

During the year, Programmed continued to implement a range of awareness and inclusion initiatives to support our people and customers, regardless of age, gender, sexual orientation or identity, ethnicity or religion. This included over 750 hours of diversity and inclusion training on unconscious bias, inclusive leadership, an online diversity module and disability confident and LGBTI awareness.

The Company strengthened our community and employment partnerships through memberships with National Association of Women in Operations and Pride in Diversity.

We continued to work with key customers to establish a disability employment network and we piloted participation in Australian Network on Disability's PACE program with some employees volunteering as mentors. We also have committed to employing 5 interns in the Business Council of Australia's youth employment program with The Smith Family.

The Company introduced support for employees impacted by domestic violence with the introduction of 10 days paid domestic violence leave and internal Emergency Care Support Contacts for employees requiring immediate assistance (temporary accommodation, mobile phone/laptop or cash).

As a member of Supply Nation, Programmed is extending our focus on supplier diversity to provide Aboriginal businesses with greater access and opportunity to work with our business. We recently appointed Muru Office Supplies as the sole supplier for office supply products for our Australian operations.

Aboriginal and Torres Strait Islander Engagement and Employment Strategy

Commencing in 2010, Programmed established a 10-Year Aboriginal Engagement and Employment Strategy, governed by the three principles of reconciliation: relationships, respect and opportunities.

The Strategy aims to attract and retain talented Aboriginal and Torres Strait Islander people, as well as also support the communities in which we work and assist our customers to achieve their diversity strategies, and leverage our expertise to build their capability. Since rolling out the Strategy, Programmed has achieved real and sustainable employment for Aboriginal and Torres Strait Islanders, placing over 1,700 people internally or with our customers in this financial year, which has seen internal career progression and senior hires. In March this year, Programmed extended our 10-Year Aboriginal Engagement and Employment Plan with a pledge to provide a further 5,000 employment opportunities to Aboriginal and Torres Strait Islanders.

Programmed's commitment goes beyond the workplace and aims to fully engage with the communities in which we work. This includes business partners, suppliers and customers as well as encouraging others to take up the challenge to close the gap through sustainable employment.

Central to Programmed's approach to diversity and inclusion is our network of partners. This includes community and employment partnerships with Clontarf Foundation and Yalari.

Clontarf Foundation exists to improve the education, discipline, life skills, self-esteem and employment prospects of young

Aboriginal men. Through this relationship, Programmed has secured new talent to join the team, had the opportunity to engage with community and provide work experience opportunities.

Through the partnership with Yalari, a not-for-profit organization offering Indigenous children the opportunity to attend some of Australia's leading boarding schools, Programmed sponsors the education of a student through Yalari's scholarship program. In partnership, Programmed and Yalari aim to educate and empower Indigenous children to bring about generational change.

The Company's strategy has now become a major driver of an inclusive workforce and the recognition of the richness of Aboriginal and Torres Strait Islander cultures and the unique contribution that each employee brings to the workplace.

Continued Focus

These outcomes represent steps in a sustained and long-term journey. With the top level support from the Managing Director and Board, plus the business' and partners' commitment, Programmed will continue to promote a gender-balanced, inclusive and safe workplace where all employees have the opportunity to realise their potential and contribute to the Company's success, and employee differences are respected and valued.

12. Directors' Interests

The following table sets out each Director's relevant interest in shares of the Company, and Performance Rights or Performance Options over such shares as at the date of this report:

Director	Ordinary shares	Performance Options over ordinary shares	Performance Rights over ordinary shares
B Brook	110,613	–	–
C Sutherland	816,012	–	780,000
E Stein	43,383	–	–
R McKinnon	75,000	–	–
A Grant (retired 24 May 2017)	10,000	–	–
J Walker	28,850	–	–
L Paul	20,000	–	–
Totals	**1,103,858**	**–**	**780,000**

No Director holds a relevant interest in shares of any related body corporate of the Company, nor any debentures of, or interests in, registered schemes made available by the Company or a related body corporate, nor any rights or options over such instruments.

13. Share Performance Options and Performance Rights

The details of unissued ordinary shares of the Company under Performance Options and Performance Rights as at the date of this report are set out in the Remuneration Report and note 5.3 to the financial statements.

The details of shares of the Company issued during the year or since the end of the year as a result of the exercise of Performance Options and Performance Rights over such unissued shares are set out in the Remuneration Report and note 5.3 to the financial statements.

14. Indemnification and Insurance of Officers and Executives

Indemnification

Under the Company's constitution and subject to and so far as permitted by applicable law, the Company indemnifies each officer of the Company and its wholly owned subsidiaries against any liability (including legal costs) incurred by the officer as such an officer, including any liability incurred as a result of appointment or nomination by the Company or any of its subsidiaries as a trustee or as an officer of another corporation unless the liability arises out of conduct involving the officer's lack of good faith.

The above indemnity is a continuing indemnity and applies in respect of all acts done by a person while an officer of the Company or any of its wholly-owned subsidiaries even though the person is not an officer at the time the claim is made.

The Company has entered into Deeds of Indemnity, Access and Insurance ("Deed") with each current Director, Company Secretary and certain Senior Managers of the Company. Under each Deed, to the extent permitted by law and to the extent that the officer is not indemnified under any other indemnity (including an indemnity contained in any insurance policy), the Company indemnifies the relevant officer against liabilities (including liabilities for legal costs) incurred by the officer:

- in the discharge of his or her duties as an officer of the Company or its subsidiaries; and
- connected with the officer being an officer of the Company or its subsidiaries, or of an outside entity at the request of the Company.

The Company has previously entered into similar deeds with (now) former Directors.

No amount has been paid under any of these indemnities during the financial year.

Insurance premiums

During the financial year, the Company paid premiums in respect of contracts insuring all current and former Directors, Company Secretaries and other officers and executives of the Company and its related entities against certain liabilities incurred in that capacity during that financial year. Disclosure of the nature of the liability covered by and the amount of the premiums payable for such insurance is subject to a confidentiality clause under the contracts of insurance.

The current Directors and Company Secretaries are named on pages 19 to 21 of this Directors' report. The consolidated entity's Key Management Personnel named on page 28 of this Directors' report and other senior managers are also considered to be officers of the Company for these purposes, and may benefit from the above indemnities and insurance.

15. Non-Audit Services

During the year Deloitte, the Company's auditor, performed services in addition to its statutory duties. Deloitte was paid a total of $97,419 for these non-audit services.

The Audit & Risk Committee has, following the passing of a resolution of the committee, provided the Board with written advice in relation to the provision of non-audit services by Deloitte. The Directors have considered this advice and the non-audit services provided by Deloitte, and are satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

- Deloitte's services have not involved audit partners or staff acting in a managerial or decision making capacity within the consolidated entity or being involved in the processing or origination of transactions;
- Deloitte's non-audit services have only been provided where the Company is satisfied that the related function or process will not have a material bearing on the audit procedures;
- Deloitte's partners and staff involved in the provision of non-audit services have not participated in associated approval or authorisation processes;
- Deloitte's services were subject to the procedures and policies adopted by the Company, including the policy on non-audit services provided by independent external auditors which requires prior approval from the Audit & Risk Committee Chairman for the provision of the non-audit services above a specified amount;
- a description of all non-audit services undertaken by Deloitte and the related fees have been reported to the Board to ensure complete transparency in relation to the services provided; and
- the declaration required by section 307C of the Corporations Act 2001 confirming independence has been received from Deloitte.

16. Auditor's Independence Declaration

The auditor's independence declaration is set out on page 110 of the financial statements and forms part of this Directors' report.

17. Auditor and Disclosure of Officers who are Former Auditors

Deloitte is the consolidated group's external auditor for the financial year. No officer of the consolidated entity who held office during the financial year, and no current officer, is or was formerly a partner or director of Deloitte.

18. Rounding Off of Amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that, amounts in the Directors' report and the financial report are rounded off to the nearest thousand dollars.

This report is signed pursuant to a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001.

C. Sutherland

Christopher Sutherland
Managing Director

Dated 24 May 2017 at Perth

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 March 2017

	Note	2017 $'000	2016[1] $'000
Continuing operations			
Revenue	2.2	2,691,375	2,209,448
Other income	2.3	374	2,279
Share of net loss of associate accounted for using the equity method	3.4	(2,426)	(483)
Changes in work in progress at cost and other inventories		7,716	7,508
Raw materials and consumables used		(116,088)	(123,002)
Employee benefits expense	2.4	(1,928,235)	(1,443,086)
Sub-contractor expenses		(466,804)	(404,313)
Equipment and motor vehicle costs		(23,543)	(46,840)
Information technology and telecommunication costs		(16,482)	(13,282)
Impairment of goodwill	2.4	–	(102,397)
Depreciation and amortisation expense	2.4	(30,156)	(24,367)
Finance costs	2.4	(17,408)	(11,206)
Other expenses		(77,977)	(142,098)
Profit/(loss) before income tax		20,346	(91,839)
Income tax expense	2.5	(8,061)	(4,490)
Profit/(loss) for the year from continuing operations		12,285	(96,329)
Discontinued operations			
Loss from discontinued operations	4.2	–	(1,695)
Profit/(loss) for the year attributable to members of Programmed Maintenance Services Limited		12,285	(98,024)
Other comprehensive income/(loss), net of income tax			
Items that may be classified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		(818)	(7,450)
Other comprehensive loss for the year (net of tax)		(818)	(7,450)
Total comprehensive income/(loss) for the year attributable to owners of the parent entity		11,467	(105,474)

	Note	Cents	Cents
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share	2.7	4.8	(55.0)
Diluted earnings per share	2.7	4.7	(55.0)
From continuing operations:			
Basic earnings per share	2.7	4.8	(54.0)
Diluted earnings per share	2.7	4.7	(54.0)

Notes to the financial statements are included on pages 58 to 108.

1. The results for the year ended 31 March 2016 include the results of Skilled Group Limited for the period 16 October 2015 to 31 March 2016.

Consolidated Statement of Financial Position

as at 31 March 2017

	Note	2017 $'000	2016 $'000
CURRENT ASSETS			
Cash	3.1	58,735	78,859
Trade and other receivables	3.2	406,168	443,548
Inventories	3.3	94,252	86,280
Current tax assets	3.10	14,190	6,567
Other		6,157	6,708
Total current assets		579,502	621,962
NON-CURRENT ASSETS			
Investments in associates	3.4	431	5,150
Trade and other receivables	3.2	41,861	60,772
Inventories	3.3	8,770	7,838
Property, plant and equipment	3.5	37,998	43,157
Deferred tax assets	3.10	42,677	48,978
Goodwill	3.6	508,258	510,029
Other intangible assets	3.7	74,082	82,942
Total non-current assets		714,077	758,866
TOTAL ASSETS		1,293,579	1,380,828
CURRENT LIABILITIES			
Trade and other payables	3.8	271,995	263,787
Borrowings	3.11	76,228	1,260
Current tax payable	3.10	1,079	3,485
Provisions	3.9	73,327	104,442
Total current liabilities		422,629	372,974
NON-CURRENT LIABILITIES			
Borrowings	3.11	182,512	316,787
Deferred tax liabilities	3.10	62,222	63,760
Provisions	3.9	18,386	21,718
Total non-current liabilities		263,120	402,265
TOTAL LIABILITIES		685,749	775,239
NET ASSETS		607,830	605,589
EQUITY			
Issued capital	5.2	570,280	557,813
Reserves	5.3	3,139	4,177
Retained earnings		34,411	43,599
TOTAL EQUITY		607,830	605,589

Notes to the financial statements are included on pages 58 to 108.

Consolidated Statement of Changes in Equity

for the financial year ended 31 March 2017

	Issued capital $'000	Foreign currency transla-tion reserve $'000	Capital profits reserve $'000	Equity settled employee benefits reserve $'000	Retained earnings $'000	Total $'000
Balance at 1 April 2015	236,086	1,712	5,535	3,629	171,474	418,436
Loss for the year	–	–	–	–	(98,024)	(98,024)
Exchange differences arising on translation of foreign operations (note 5.3)	–	(7,450)	–	–	–	(7,450)
Total comprehensive income for the year	**–**	**(7,450)**	**–**	**–**	**(98,024)**	**(105,474)**
Recognition of share-based payments (note 2.4)	–	–	–	751	–	751
Issue of shares net of share issue costs (note 5.2)	321,727	–	–	–	–	321,727
Payment of dividends (note 2.6)	–	–	–	–	(29,851)	(29,851)
Balance at 31 March 2016	**557,813**	**(5,738)**	**5,535**	**4,380**	**43,599**	**605,589**
Balance at 1 April 2016	**557,813**	**(5,738)**	**5,535**	**4,380**	**43,599**	**605,589**
Profit for the year	–	–	–	–	12,285	12,285
Exchange differences arising on translation of foreign operations (note 5.3)	–	(818)	–	–	–	(818)
Total comprehensive income for the year	**–**	**(818)**	**–**	**–**	**12,285**	**11,467**
Recognition of share-based payments (note 2.4)	–	–	–	(220)	–	(220)
Issues of shares (note 5.2)	12,467	–	–	–	–	12,467
Payment of dividends (note 2.6)	–	–	–	–	(21,473)	(21,473)
Balance at 31 March 2017	**570,280**	**(6,556)**	**5,535**	**4,160**	**34,411**	**607,830**

Notes to the financial statements are included on pages 58 to 108.

Consolidated Statement of Cash Flows

for the financial year ended 31 March 2017

	Note	2017 $'000	2016[2] $'000
Cash flows from operating activities			
Receipts from customers[1]		3,021,986	2,582,047
Payments to suppliers and employees		(2,936,177)	(2,491,142)
Interest and other cost of finance paid		(14,959)	(15,808)
Income tax paid		(9,344)	(16,410)
Net cash provided by operating activities	3.1	61,506	58,687
Cash flows from investing activities			
Interest received		658	592
Net cash inflow from business acquisitions	4.1	–	26,654
Payments for property, plant and equipment		(11,847)	(8,272)
Proceeds from sale of property, plant and equipment		3,666	12,631
Proceeds from sale of subsidiary	4.3	2,600	3,900
Payments for development software		(2,747)	(4,896)
Payments for mobilisation of contracts		(1,923)	(1,209)
Receipts from other receivables	4.2	7,853	–
Payments for deferred consideration and investments	3.4 and 4.1	(9,657)	(1,322)
Net cash (used in)/provided by investing activities		(11,397)	28,078
Cash flows from financing activities			
Proceeds from borrowings		185,000	167,059
Repayments of borrowings		(246,322)	(187,140)
Dividends paid	2.6	(9,006)	(29,851)
Net cash used in financing activities		(70,328)	(49,932)
Net (decrease)/increase in cash		(20,219)	36,833
Cash at the beginning of the year		78,859	42,768
Effects of exchange rate changes on the balance of cash held in foreign currencies		95	(742)
Cash at the end of the year	3.1	58,735	78,859

Notes to the financial statements are included on pages 58 to 108.

1. Receipts from customers include interest revenue on long term maintenance contracts of $4.260 million (2016: $5.150 million).
2. The cash flows for the year ended 31 March 2016 include the cash flows of Skilled Group Limited for the period 16 October 2015 to 31 March 2016.

1. General Notes

1.1 General Information

Programmed Maintenance Services Limited (the Company) is a listed public company, incorporated in New South Wales and operating in Australia and New Zealand. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Principal Registered Office:	47 Burswood Road, Burswood, WA, 6100 Telephone: (08) 9216 2100
Principal Place of Business:	47 Burswood Road, Burswood, WA, 6100 Telephone: (08) 9216 2100

The principal activities of the Company and its subsidiaries (collectively referred to as the Group) are described in note 2.1 and note 6.4 respectively.

1.2 Basis of Presentation

This section sets out the basis of preparation and the Group accounting policies that relate to the consolidated financial statements as a whole. Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements to which it relates.

The financial report is a general purpose financial report which:

- has been prepared in accordance with Australian Accounting Standards (AASBs), including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board, and the Corporations Act 2001. The Financial Report of the Group also complies with International Financial Reporting Standards (IFRSs) and Interpretations as issued by the International Accounting Standards Board (IASB);
- has been prepared on the basis of historical cost except for the revaluation of financial instruments. Historical cost is based on the fair values of the consideration given in exchange for goods and services.
- is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Instrument, amounts in the financial report are rounded off to the nearest thousand Australian dollars, unless otherwise indicated.
- presents reclassified comparative information where appropriate to enhance comparability with the current period presentation.
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 April 2016. Refer to note 1.4 for further details;
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to note 1.4 for further details; and
- has applied the Group accounting policies consistently to all periods presented.

The financial statements were authorised for issue by the directors on 24 May 2017.

1.3 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled entities. Details of the controlled entities (subsidiaries) of the Company are contained in note 6.4. Control is achieved where the Company has power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. In the separate financial statements of the Company, intra-group transactions ('common control transactions') are generally accounted for by reference to the existing (consolidated) book value of the items. Where the transaction value of common control transactions differ from their consolidated book value, the difference is recognised as a contribution by or distribution to equity participants by the transacting entities.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising on the retranslation are taken directly to a separate component of equity in the foreign currency translation reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed.

1.4 Changes to Accounting Policies

Adoption of New and Revised Accounting Standards and Interpretations

The Group has adopted all new and amended Australian Accounting Standards and Interpretations mandatory as at 1 April 2016 including:

AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*
AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101*
AASB 2015-3 *Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality*
AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions if Interests in Joint Operations*
AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*

Although the adoption of these standards has resulted in some changes to the accounting policies of the Group, they have not resulted in any adjustment to the amounts recognised in the financial statements, nor resulted in any additional disclosures upon adoption.

Standards and Interpretations Issued but not yet Effective

The following new or amended accounting standards issued by the AASB are relevant to current operations and may impact the Group in the period of initial application. They are available for early adoption but have not been applied in preparing this Financial Report.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2016-1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017	31 March 2018
AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*	1 January 2017	31 March 2018
AASB 2017-2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014-2016 Cycle*	1 January 2017	31 March 2018
AASB 9 *Financial Instruments*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (December 2010), AASB 2014-1 *Amendments to Australian Accounting Standards Part E – Financial Instruments*, AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*	1 January 2018	31 March 2019
AASB 15 *Revenue from Contracts with Customers*[1], AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15,* AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*	1 January 2018	31 March 2019
AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*	1 January 2018	31 March 2019
AASB 16 *Leases*	1 January 2019	31 March 2020

1. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company will not be early adopting AASB 15. The Company has performed an initial assessment on the impact of AASB 15, and does not expect the adoption to have a material effect on the consolidated financial statements but that further analysis is required in relation to the long term maintenance contracts within the Maintenance operating segment. The Company has in place a transition team that will perform a detailed review of the Company's standard maintenance contracts with customers in accordance with the issued IFRS.

The Group has not fully considered the impact of the other new standards.

Notes to the Financial Statements

31 March 2017 continued

1. General Notes (continued)

1.5. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Significant Accounting Judgements, Estimates and Assumptions

The following are the key assumptions concerning the future, areas of judgement and key sources of estimation uncertainty that have the most significant effect on amounts recognised in the financial statements:

- Goodwill impairment – refer note 3.6.

2. Financial Performance

2.1 Segment Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a division manager and the level of segment information presented to the board of directors.

The directors of the Company have chosen to organise the Group around differences in services. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Group's business in the previous reporting period for the year ended 31 March 2016 was organised into the Staffing, Maintenance and Marine segments. Due to the decline in oil and gas prices and the end of a number of major offshore construction projects, the Marine business makes up a relatively small proportion of the Group's business. Effective 1 April 2016, the Company's operating segments were reorganised with the Marine business reporting under the Maintenance operating segment.

Comparative segment information for the previous reporting period for the year ended 31 March 2016 has been restated to reflect this.

Operating and reportable segments for the Group are:

- Staffing – Recruitment and labour hire services to a range of industries.
- Maintenance – Building, maintenance and operational services to asset owners across all industry sectors.

Segment accounting policies are the same as the Group's policies.

The following is an analysis of the revenue and results for the year, analysed by reportable operating segment.

	Staffing		Maintenance		Total consolidated Continuing operations		Discontinued operations Marine: Broadsword		Consolidated	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Revenue	**1,370,036**	896,739	**1,312,533**	1,304,235	**2,682,569**	2,200,974	–	8,125	**2,682,569**	2,209,099
Finance revenue on long term maintenance contracts	–	–	**4,260**	5,150	**4,260**	5,150	–	–	**4,260**	5,150
Segment revenue[1]	**1,370,036**	896,739	**1,316,793**	1,309,385	**2,686,829**	2,206,124	–	8,125	**2,686,829**	2,214,249
Other revenue, including interest and rental revenue (unallocated)					**4,546**	3,324	–	–	**4,546**	3,324
					2,691,375	2,209,448	–	8,125	**2,691,375**	2,217,573
Segment result										
Segment Profit/(Loss)	**35,750**	21,689	**58,653**	59,358	**94,403**	81,047	–	(2,322)	**94,403**	78,725
Impairment of goodwill	–	–	–	(102,397)	–	(102,397)	–	–	–	(102,397)
	35,750	21,689	**58,653**	(43,039)	**94,403**	(21,350)	–	(2,322)	**94,403**	(23,672)
Restructuring, integration and other costs					**(26,152)**	(33,911)	–	–	**(26,152)**	(33,911)
Amortisation of brands, long-term contracts, customer relationships and casual staff database					**(11,185)**	(9,267)	–	–	**(11,185)**	(9,267)
Share of net loss of associate					**(2,426)**	(483)	–	–	**(2,426)**	(483)
Unallocated costs					**(16,886)**	(15,622)	–	–	**(16,886)**	(15,622)
Earnings/(Loss) before interest and tax					**37,754**	(80,633)	–	(2,322)	**37,754**	(82,955)
Finance costs					**(17,408)**	(11,206)	–	–	**(17,408)**	(11,206)
Profit/(loss) before tax					**20,346**	(91,839)	–	(2,322)	**20,346**	(94,161)
Income tax (expense)/benefit					**(8,061)**	(4,490)	–	627	**(8,061)**	(3,863)
Profit/(loss) for the year					**12,285**	(96,329)	–	(1,695)	**12,285**	(98,024)

1. Segment revenue represents revenue from rendering of services to external customers.

The results for the year ended 31 March 2016 include the results of Skilled Group Limited for the period 16 October 2015 to 31 March 2016.

2. Financial Performance (continued)

Revenue reported above represents revenue generated from external customers. Segment results represent the profit earned by each segment without allocation of amortisation of contract intangibles and brands, corporate costs, net finance costs and income tax expense/benefit. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance.

Segment Assets and Liabilities

	Assets		Liabilities	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Staffing	**567,216**	575,994	**110,894**	95,459
Maintenance	**726,363**	804,834	**319,139**	365,749
Total of all segments	**1,293,579**	1,380,828	**430,033**	461,208
Unallocated	–	–	**255,716**	314,031
Consolidated	**1,293,579**	1,380,828	**685,749**	775,239

Other Segment Information

	Staffing $'000	Maintenance $'000	Other $'000	Total $'000
2017				
Additions to non-current assets	**8,955**	**6,069**	**2,400**	**17,424**
Depreciation and amortisation of segment assets	**2,942**	**10,406**	**16,808**	**30,156**
2016				
Additions to non-current assets	745	8,411	6,882	16,038
Depreciation and amortisation of segment assets	1,779	10,814	13,151	25,744

Geographical Information

The Group operates in two key geographic locations – Australia and New Zealand.

The Group's revenue from external customers and information about its segment assets by geographical location is detailed below:

	Revenue from external customers		Non-current assets	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Australia	**2,581,288**	2,042,806	**693,032**	736,405
New Zealand	**66,613**	130,348	**21,045**	22,461
Other	**38,928**	32,970	–	–
Consolidated	**2,686,829**	2,206,124	**714,077**	758,866

2.2 Revenue

	2017 $'000	2016 $'000
Continuing operations		
Revenue from rendering of services:		
Invoiced	2,693,449	2,217,145
Not yet invoiced		
– Change in amounts recoverable	(10,585)	(9,943)
– Change in work in progress at recoverable value	(295)	(6,228)
	2,682,569	2,200,974
Interest revenue – Other entities	658	592
Finance revenue on long term maintenance contracts	4,260	5,150
Rental revenue		
– Operating lease rental revenue	158	201
Other revenue	3,730	2,531
	2,691,375	2,209,448
Discontinued operations (note 4.2)	–	8,125
	2,691,375	2,217,573

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Rendering of Services

The revenue recognised from rendering of services combines:

- Invoicing from the provision of the Group's services inclusive of:
  - revenue earned on work completed in servicing long term maintenance contracts;
  - revenue from temporary employee placements on an accrual basis in accordance with time worked indicated on employee timesheets; and
  - permanent placement fees on placement of candidates.
- Revenue not yet invoiced but earned on work completed in servicing long term maintenance contracts which, while owing to the Group under the terms of those contracts, will not become receivable until future years.
- Revenue not yet invoiced but earned on work completed under contracts other than long term maintenance contracts.

Long term maintenance contracts

The long term maintenance contracts specifically detail both services to be performed and the invoicing components for each year of the contracts. The Group's contract administration system enables the stage of completion of each contract to be reliably measured against predetermined budgets and regularly updated assessments of the work required for completion of the contract. The contracts include indexation clauses to allow for cost escalations. Labour and material costs are indexed on publicly available indices, and overhead costs are indexed at long term interest rates. The prevailing market rates have been based on market data for variable term loans which have been risk adjusted taking into consideration the duration of the contracts and the industry type.

The revenue earned on work completed comprises the costs incurred plus the individual contract margin earned to date, based on the percentage of completion and the expected contract margin. The revenue earned on these contracts includes a portion that will only become receivable after the reporting date which is shown in the statement of financial position as contracts in progress at recoverable value (note 3.2) and work in progress at recoverable value (note 3.3). This is recorded at fair value on initial recognition (based on the fair value of revenue not yet invoiced but earned on work completed in servicing long term maintenance contracts), and are subsequently measured at amortised cost which includes an adjustment for implicit rate of interest.

2. Financial Performance (continued)

Cost plus contracts

Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the financial year plus the margin percentage earned. Percentage of fees earned is measured by the proportion that costs incurred to date bear to the estimated total costs of the contract. Where a loss is expected to occur, it is recognised immediately for both work in progress completed to date and for future work on the contract.

Significant accounting judgements

Revenue recognition of some contracts is based on stage of completion. Management has used judgement in recognising a portion of any unapproved variations and in determining the final cost to complete these projects which forms the basis of the revenue recognition policy described above. The outcomes within the next annual reporting period that are different from the assumptions applied could require an adjustment to the carrying value of the work in progress balance and the revenue recognised through the statement of profit or loss.

As revenue earned by the Group on work completed will not become receivable until future years, the fair value is determined by discounting the future amounts receivable by the implicit rate of interest. The implicit rate of interest is determined by reference to prevailing market rates at inception of the contract. The prevailing market rates have been based on market data for variable term loans which have been risk adjusted taking into consideration the duration of the contracts and the industry type.

Dividend and Interest Revenue

Dividend revenue from investments is recognised when the Group's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental Income

Revenue from operating leases is recognised on a straight line basis over the term of the relevant lease.

2.3 Other Income

Profit for the year has been arrived at after crediting / (charging) the following specific gains and losses:

	Continuing		Discontinued		Total	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Gain on disposal of property, plant and equipment	613	1,680	–	–	613	1,680
Net foreign exchange (losses)/gains	(239)	599	–	–	(239)	599
	374	2,279	–	–	374	2,279

2.4 Expenses

Expense analysis by nature:

	Continuing 2017 $'000	Continuing 2016 $'000	Discontinued 2017 $'000	Discontinued 2016 $'000	Total 2017 $'000	Total 2016 $'000
Finance costs (note 3.11):						
Interest on bank overdrafts and loans	9,212	6,118	–	–	9,212	6,118
Interest on obligations under finance leases	173	228	–	–	173	228
Total interest expense	9,385	6,346	–	–	9,385	6,346
Other finance costs	8,023	4,860	–	–	8,023	4,860
Total finance costs	17,408	11,206	–	–	17,408	11,206
Impairment of trade receivables	1,520	5,062	–	–	1,520	5,062
Depreciation of non-current assets (note 3.5):						
Property, plant and equipment	12,956	10,581	–	25	12,956	10,606
Marine vessels	–	–	–	1,352	–	1,352
	12,956	10,581	–	1,377	12,956	11,958
Amortisation of non-current assets (note 3.7):						
Finance lease assets	945	1,439	–	–	945	1,439
Brands	1,950	975	–	–	1,950	975
Long term contracts, customer relationships and casual staff database	9,235	8,292	–	–	9,235	8,292
Value of development software	5,070	3,080	–	–	5,070	3,080
	17,200	13,786	–	–	17,200	13,786
Total depreciation and amortisation of non-current assets	30,156	24,367	–	1,377	30,156	25,744
Impairment of goodwill (note 3.6)	–	102,397	–	–	–	102,397
Operating lease rental expenses:						
Minimum lease payments	23,333	49,503	–	495	23,333	49,998
Employee benefit expense:						
Defined contribution plans (superannuation contributions)	109,656	93,846	–	499	109,656	94,345
Equity settled share-based payments (note 5.3)	(220)	751	–	–	(220)	751
Other employee benefits	1,818,799	1,348,489	–	4,914	1,818,799	1,353,403
Total employee benefit expense	1,928,235	1,443,086	–	5,413	1,928,235	1,448,499

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

2. Financial Performance (continued)

Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Workers Compensation Claims recoveries

Claims recoveries are recorded on claims paid under self-insurance in relation to workers compensation. The recoveries are recognised in profit or loss and are based on actuarial assessment of the expected recovery, which includes claims paid and claims reported but not yet paid to the extent that the nature of the costs incurred are recoverable, in a manner similar to the measurement of the outstanding claim liability and discounted to a present value at reporting date.

2.5 Taxation

	2017 $'000	2016 $'000
Tax expense/(benefit) comprises:		
Current tax expense in respect of the current year	2,796	14,302
Adjustments recognised in the current year in relation to the current tax of prior years	599	(352)
	3,395	13,950
Deferred tax expense/(benefit) relating to the origination and reversal of temporary differences	4,666	(10,087)
Total tax expense	8,061	3,863

	2017 $'000	2016 $'000
The income tax expense/(benefit) for the year can be reconciled to the accounting profit as follows:		
Profit/(loss) before income tax from continuing operations	20,346	(91,839)
Loss before income tax from discontinued operations	–	(2,322)
Profit/(loss) before income tax from operations	20,346	(94,161)
Income tax expense/(benefit) calculated at 30%[1]	6,104	(28,248)
Effect of amounts that are not deductible/(assessable) in determining taxable profit:		
Impairment of goodwill	–	30,719
Amortisation of intangibles	504	274
Effect of different tax rates of subsidiaries operating in other jurisdictions	(639)	(251)
Benefit of tax losses not recognised	411	465
Share of net loss of associate	758	145
Other sundry items	324	1,111
	7,462	4,215
Adjustments recognised in the current year in relation to the current tax of prior years	599	(352)
Income tax expense	8,061	3,863
Continuing operations	8,061	4,490
Discontinued operations (note 4.2)	–	(627)
	8,061	3,863

1. 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.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Significant accounting estimates and assumptions

Tax regulations and legislation are subject to change and differing interpretations requiring management judgment. Deferred tax liabilities are recognized when it is considered probable that temporary differences will be payable to tax authorities in future periods. Income tax filings are subject to audits and re-assessments and changes in facts, circumstances and interpretations of the standards may result in a material increase or decrease in the Group's provision for income taxes.

Tax Consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax-consolidated group under Australian taxation law with effect from 1 April 2004 and are therefore taxed as a single entity from that date. Programmed Maintenance Services Limited is the head entity in the tax-consolidated group. The members of the tax consolidated group are identified at note 6.4.

Tax expense (income), deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax- consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement. Where the tax contribution amount recognised by each member of the tax-consolidated group for a particular period is different to the aggregate of the current tax liability or asset and any deferred tax asset arising from unused tax losses and tax credits in respect of that period, the difference is recognised as a contribution from (or distribution to) equity participants.

Nature of Tax Funding Arrangements and Tax Sharing Agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Programmed Maintenance Services Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

2. Financial Performance (continued)

2.6 Dividends

Recognised amounts

	2017 Cents per share	2017 Total $'000	2016 Cents per share	2016 Total $'000
Fully paid ordinary shares				
Final dividend – franked to 100% at 30% tax rate (2016: 100%)	**5.0**	**12,467**	11.5	13,647
Interim dividend – franked to 100% at 30% tax rate (2016: 100%)	**3.5**	**9,006**	6.5	16,204
	8.5	**21,473**	18.0	29,851
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend – franked to 100% at 30% tax rate (2016: 100%)	**3.5**	**9,006**	5.0	12,466

The Dividend Reinvestment Plan was reinstated for the final dividend paid in the year ended 31 March 2017 hence it was settled by the issue of shares (note 5.2).

On 24 May 2017 the directors determined a fully franked final dividend of 3.5 cents per share to holders of fully paid ordinary shares in respect of the financial year ended 31 March 2017, to be paid to shareholders on 31 July 2017. This has not been included as a liability in these financial statements. The dividend will be paid to all shareholders on the Register of Members on 7 July 2017. The total estimated dividend to be paid is 9.006 million.

	2017 $'000	2016 $'000
Adjusted franking account balance	**70,352**	96,850
Impact on franking account balance of dividends not recognised	**(3,860)**	(6,200)

2.7 Earnings per share

Basic earnings per share

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

	2017 $'000	2016 $'000
Earnings used in the calculation of basic EPS: Net profit/(loss)	**12,285**	(98,024)
Adjustments to exclude loss for the year from discontinued operations	**–**	1,695
Earnings used in the calculation of basic EPS from continuing operations	**12,285**	(96,329)

	2017 No. '000	2016 No. '000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	**254,746**	178,341

Earnings per share

	2017 Cents per share	2016 Cents per share
From continuing and discontinued operations		
Basic earnings per share	**4.8**	(55.0)
Basic earnings per share (before amortisation and non-trading items)	**16.2**	21.8

Diluted earnings per share

	2017 $'000	2016 $'000
Earnings used in the calculation of diluted EPS: Net profit/(loss) from continuing operations	12,285	(98,024)
Adjustments to exclude loss for the year from discontinued operations	–	1,695
Earnings used in the calculation of diluted EPS from continuing operations	12,285	(96,329)

	2017 No. '000	2016 No. '000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	254,746	178,341
Shares deemed to be issued for no consideration in respect of:		
Performance rights[1]	4,117	4,206
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	258,863	182,547

	2017 Cents per share	2016 Cents per share
Diluted earnings per share	4.7	(54.0)

1. The impact of performance rights in 2016 has not been factored into the calculation of the diluted earnings per share as the Group is in a loss position.

3. Assets and Liabilities

3.1 Cash

	2017 $'000	2016 $'000
Cash on hand and in banks	**58,735**	78,859

Cash comprises cash on hand and in banks and investments in short term highly liquid money market instruments. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Reconciliation of profit/(loss) for the year to net cash flows from operating activities

	2017 $'000	2016 $'000
Profit/(loss) for the year	**12,285**	(98,024)
Gain on sale of non-current assets (note 2.3)	**(613)**	(1,680)
Depreciation and amortisation of non-current assets (note 2.4)	**30,156**	25,774
Impairment of goodwill (note 3.6)	**–**	102,397
Interest income received and receivable (note 2.2)	**(658)**	(592)
Equity settled share-based payments (note 2.4)	**(220)**	751
Change in net current tax balances	**(10,029)**	(1,204)
Change in deferred tax balances	**4,763**	(11,235)
Share of losses of associate	**2,426**	483
Changes in net assets and liabilities, net of effects of acquisition and disposal of businesses:		
(Increase)/decrease in assets:		
Current receivables	**37,380**	138,319
Current inventories	**(7,972)**	(15,032)
Other current assets	**551**	3,614
Non-current receivables	**18,911**	(1,988)
Non-current inventories	**(932)**	4,369
Increase/(decrease) in liabilities:		
Current payables	**8,208**	(99,327)
Current provisions	**(31,115)**	11,743
Other current liabilities	**1,697**	8,042
Non–current provisions	**(3,332)**	(7,723)
Net cash from operating activities	**61,506**	58,687

Non-cash transactions

During the current year, the Group entered into the following non-cash investing and financing activities which are not reflected in the consolidated statement of cash flows:

	2017 $'000	2016 $'000
Aggregate amount of property, plant and equipment acquired during the financial year through hire purchase agreements and finance leases	330	1,170
Aggregate amount of property, plant and equipment acquired in settlement of trade debt	–	1,700
Assets acquired in settlement of the consideration for the disposal of the Group's investment in OneShift Pty Ltd on 30 March 2017 (note 3.4)	2,500	–
	2,830	2,870

3.2 Trade and Other Receivables

	2017 $'000	2016 $'000
Trade receivables	296,603	347,893
Allowance for doubtful debts	(3,300)	(4,084)
	293,303	343,809
Contracts in progress at recoverable value	44,080	37,464
Other trade receivables	68,785	62,275
	406,168	443,548
Non-current Trade and Other Receivables		
Contracts in progress at recoverable value	40,642	53,057
Other receivables	1,219	7,715
	41,861	60,772

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Trade and other receivables are presented as current assets, except for those where collection is not expected for more than 12 months after the reporting date which are classified as non-current assets.

The carrying value of current and non-current trade and other receivables, less impairment provisions, is considered to approximate fair value.

Programmed has established a non-recourse receivables purchase agreement with a bank in the Syndicated facility. Under this arrangement, Programmed transfers the risks and rewards of the trade receivables for the nominated client invoices. As at 31 March 2017, this resulted in a sale and derecognition of receivables of $10.315 million.

3. Assets and Liabilities (continued)

	2017 $'000	2016 $'000
Ageing of past due but not impaired		
60 – 90 days	18,264	19,500
90 – 120 days	6,735	4,816
120+ days	11,313	10,921
Total	36,312	35,237
Movement in allowance for doubtful debts		
Balance at the beginning of the year	4,084	2,416
Impairment losses recognised on receivables	1,520	5,062
Amounts written off as uncollectible	(1,708)	(3,091)
Amounts recovered during the year	(596)	(259)
Net foreign exchange differences	–	(37)
Impairment losses reversed	–	(7)
Balance at the end of the year	3,300	4,084

	2017 $'000	2016 $'000
Ageing of impaired trade receivables		
60 – 90 days	127	40
90 – 120 days	367	192
120+ days	2,806	3,852
Total	3,300	4,084

The average credit period for invoiced services is 30 – 60 days. No interest is charged on trade receivables. An allowance has been made for estimated irrecoverable trade receivable amounts arising from past rendering of services, determined by reference to past default experience.

Included in the Group's trade receivable balance are debtors with a carrying amount of $36.312 million (2016: $35.237 million) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 64 days (2016: 63 days).

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

3.3 Inventories

Current Inventories

	2017 $'000	2016 $'000
At cost:		
Raw materials and stores	1,881	2,384
Work in progress	70,752	61,206
Finished goods	222	416
At recoverable amount:		
Work in progress	21,397	22,274
	94,252	86,280

Non-current Inventories

At recoverable amount:		
Work in progress	8,770	7,838

Inventories are valued at the lower of cost and net realisable value, except for those components of work in progress which are valued at recoverable value.

3.4 Investment in Associates

Details of the Group's associates are as follows:

Name of associate	Principal Activity	Country of incorporation and operation	Ownership interest 2017 %	Ownership interest 2016 %
OneShift Pty Ltd[i]	Online recruitment	Australia	–	27.5
UMW Deepnautic Pte Ltd[ii]	Marine subsea work	Singapore	–	49.0
GSS Programmed Marine JV Pty Ltd	Marine	Australia	50.0	50.0

i. The Group disposed of its investment in OneShift Pty Ltd on 30 March 2017.The financial year end date of OneShift Pty Ltd was 30 June. This was the reporting date established when that company was incorporated. In the prior year, the financial statements of OneShift for the period ended 31 March 2016 were used for the purpose of applying the equity method.

ii. This entity was placed into voluntary liquidation on 29 April 2013 and was liquidated on 28 July 2016.

Summary Financial Information of Investments in Associates

	2017 $'000	2016 $'000
Total assets	907	2,239
Total liabilities	–	(318)
Net assets	907	1,921
Group's share of net assets of associate	453	728
Goodwill	(22)	4,422
Carrying value of net assets of associates	431	5,150
Total revenue	490	2,224
Total loss for the year	(1,293)	(1,670)
Group's share of losses of associate	(348)	(483)

3. Assets and Liabilities (continued)

Disposal of the Group's investment in OneShift Pty Ltd

	2017 $'000
Carrying value of net assets of associates at 31 March 2016	5,150
Additional investment in OneShift Pty Ltd	207
Group's share of losses of associates	(2,426)
	2,931
Assets acquired in settlement of the consideration for the disposal of the investment in OneShift Pty Ltd	(2,500)
Carrying value of net assets of associates at 31 March 2017	**431**

Investments in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of the acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the acquisition, after reassessment, is recognised immediately in profit or loss. Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

All the above associates are accounted for using the equity method in the consolidated financial statements.

3.5 Property, Plant and Equipment

	Freehold land and buildings at cost $'000	Leasehold improvements at cost $'000	Plant and equipment $'000	Equipment under finance lease at cost $'000	Marine Vessels $'000	Total $'000
Gross carrying amount						
Balance at 1 April 2015	143	10,796	50,261	22,856	–	84,056
Additions	1,816	1,298	6,853	1,170	5	11,142
Disposals	(56)	(1,352)	(18,519)	(653)	(23,818)	(44,398)
Disposal of subsidiary	–	(135)	(3,163)	–	–	(3,298)
Acquisitions through business combinations	–	8,709	16,802	255	23,844	49,610
Net foreign currency exchange differences and reclassifications	–	(72)	2,763	(3,438)	–	(747)

	Freehold land and buildings at cost $'000	Leasehold improvements at cost $'000	Plant and equipment $'000	Equipment under finance lease at cost $'000	Marine Vessels $'000	Total $'000
Balance at 31 March 2016	1,903	19,244	54,997	20,190	31	96,365
Additions	–	3,846	8,001	330	–	12,177
Disposals	–	(1,490)	(9,442)	(547)	(31)	(11,510)
Net foreign currency exchange differences and reclassifications	(9)	(857)	(541)	(436)	–	(1,843)
Balance at 31 March 2017	**1,894**	**20,743**	**53,015**	**19,537**	**–**	**95,189**
Accumulated depreciation and amortisation						
Balance at 1 April 2015	(63)	(7,767)	(36,982)	(14,882)	–	(59,694)
Disposals	26	1,399	14,175	454	1,324	17,378
Disposal of subsidiary	–	109	1,856	–	–	1,965
Depreciation expense	(56)	(2,039)	(8,511)	(1,439)	(1,352)	(13,397)
Net foreign currency exchange differences and reclassifications	–	47	(1,467)	1,960	–	540
Balance at 31 March 2016	(93)	(8,251)	(30,929)	(13,907)	(28)	(53,208)
Disposals	–	340	7,661	428	28	8,457
Depreciation expense	(61)	(3,074)	(9,821)	(945)	–	(13,901)
Net foreign currency exchange differences and reclassifications	3	(96)	1,532	22	–	1,461
Balance at 31 March 2017	**(151)**	**(11,081)**	**(31,557)**	**(14,402)**	**–**	**(57,191)**
Net book value						
As at 31 March 2016	1,810	10,993	24,068	6,283	3	43,157
As at 31 March 2017	**1,743**	**9,662**	**21,458**	**5,135**	**–**	**37,998**

Property, plant, equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition or construction of the item.

In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Depreciation

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

3. Assets and Liabilities (continued)

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The following useful lives are used in the calculation of depreciation:

Class of Fixed Asset	Depreciation Rate
Freehold buildings	20 – 30 years
Leasehold improvements	3 – 5 years
Plant and equipment	3 – 15 years
Equipment under finance lease	5 years

Significant accounting estimates and assumptions

Useful lives of intangible assets and property, plant and equipment with finite lives are reviewed annually. Any reassessment of useful lives in a particular year will affect the amortisation or depreciation expense (either increasing or decreasing) through to the end of the reassessed useful life for both the current and future years.

3.6 Goodwill

	2017 $'000	2016 $'000
Gross carrying amount		
Balance at beginning of financial year	**510,029**	246,431
Additional amounts recognised from business combinations occurring during the year (note 4.1)	–	373,061
Derecognised on disposal of subsidiary (note 4.3)	–	(4,870)
Impairment of goodwill	–	(102,397)
Net foreign exchange differences and other	**(1,771)**	(2,196)
	508,258	510,029

Goodwill acquired in a business combination is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition.

Goodwill is subsequently measured at its cost less any accumulated impairment losses.

Significant accounting estimates and assumptions

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Allocation of Goodwill and intangible assets with indefinite useful lives to Cash Generating Units

Goodwill and intangible assets with indefinite useful lives is allocated to the Company's cash generating units identified according to operating segment. Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are not amortised but tested for impairment annually and whenever there is an indication that the asset may be impaired.

Impairments recognised for goodwill are not reversed.

The carrying amount of goodwill and intangible assets with indefinite useful lives at year end is as follows:

Allocation of Goodwill

	2017 $'000	2016 $'000
Staffing	**298,658**	297,777
Maintenance	**209,600**	212,252
	508,258	510,029

Allocation of Intangible assets with indefinite useful lives[1]

	2017 $'000	2016 $'000
Staffing	**17,602**	17,602
Maintenance	**10,145**	10,145
	27,747	27,747

1. Refer note 3.7 for the Group's accounting policies and details on Intangible assets

Impairment Test for Goodwill and Other intangible Assets

Cash-generating units or groups of cash-generating units to which goodwill has been allocated are tested for impairment annually or more frequently if events or changes in circumstances indicate that goodwill might be impaired.

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible 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).

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or groups of cash-generating units), the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or groups of cash-generating units) and then to the other assets of the cash generating units pro-rata on the basis of the carrying amount of each asset in the cash-generating unit (or groups of cash-generating units). An impairment loss recognised for goodwill is recognised immediately in profit or loss and is not reversed in a subsequent period. On disposal of an operation within a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal of the operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Significant accounting estimates and assumptions

The determination of impairment involves the use of judgements and estimates that include, but are not limited to, the cause, timing and measurement of the impairment.

Management is required to make significant judgements concerning the identification of impairment indicators, such as changes in competitive positions, expectations of growth, increased cost of capital, and other factors that may indicate impairment such as a business restructuring. In addition, management is also required to make significant estimates regarding future cash flows and the determination of fair values when assessing the recoverable amount of assets (or group of assets). Inputs into these valuations require assumptions

3. Assets and Liabilities (continued)

and estimates to be made about forecast earnings before interest and tax and related future cash flows, growth rates, applicable discount rates, useful live and residual values.

The judgements, estimates and assumptions used in assessing impairment are management's best estimates based on current and forecast market conditions. Changes in economic and operating conditions impacting these assumptions could result in changes in the recognition of impairment charges in future periods.

Impairment Assumptions

Staffing

The recoverable amount of this CGU is determined based on a value in use calculation which uses pre-tax cash flow projections based on the financial budget for the 2018 financial year approved by the directors, then extrapolated for a total of four years at a growth rate of 2.50% (2016: 2.00%), and a pre-tax discount rate of 11.94% per annum (2016: 12.20% per annum).

Cash flow projections during the five year period are based on the same expected gross margins throughout this period, which are materially consistent with gross margins achieved in the 2017 financial year.

The cash flows beyond that five year period have been extrapolated using a steady 2.50% per annum growth rate (2016: 2.50%). This growth rate does not exceed the long-term average growth rate for this business's market in Australia.

Based on this assessment, the Directors are of the opinion that the carrying value of goodwill and intangibles does not exceed its recoverable amount.

Changes in the key assumptions in the table below would have the following approximate impact on the recoverable amount of the CGU:

	Change in variable	Effect on recoverable amount $'000
Forecast gross margin	+ 0.25%	41,223
	- 0.25%	(41,223)
2018 budgeted sales (budgeted gross margin maintained)	+ 5.0%	79,943
	- 5.0%	(79,943)
Pre-tax discount rate	+ 1.5%	(63,453)
	- 1.5%	87,353

Changes in the assumptions used in the CGU value-in-use model, when considered in isolation, will result in the following impairment impact on the profit or loss.

	Change in variable	Effect on profit or loss $'000
Forecast gross margin	- 0.25%	–
2018 budgeted sales (budgeted gross margin maintained)	- 5.0%	(5,557)
Pre-tax discount rate	+ 1.5%	(10,933)

It must be noted that each of the sensitivities above assumes that a specific assumption moves in isolation, while the other assumptions are held constant. In reality, a change in one of the aforementioned assumptions could be accompanied by a change in another assumption, which may increase or decrease the net impact.

Maintenance

The recoverable amount of this CGU is determined based on a value in use calculation which uses pre-tax cash flow projections based on the financial budget for the 2018 financial year approved by the directors, then extrapolated for a total of four years at a growth rate of 2.50% (2016: between 2.0% and 2.15%), and a pre-tax discount rate of 12.11% per annum (2016: 12.24% per annum).

Cash flow projections during the five year period are based on the same expected gross margins throughout this period, which are materially consistent with gross margins achieved in the 2017 financial year.

The cash flows beyond that five year period have been extrapolated using a steady 2.50% per annum growth rate (2016: 2.50%). This growth rate does not exceed the long-term average growth rate for this business's market in Australia.

Based on this assessment, the Directors are of the opinion that the carrying value of goodwill and intangibles does not exceed its recoverable amount.

Changes in the key assumptions in the table below would have the following approximate impact on the recoverable amount of the CGU:

	Change in variable	Effect on recoverable amount $'000
Forecast gross margin	+ 0.25%	42,267
	- 0.25%	(42,267)
2018 budgeted sales (budgeted gross margin maintained)	+ 5.0%	108,959
	- 5.0%	(108,959)
Pre-tax discount rate	+ 1.5%	(88,182)
	- 1.5%	120,720

Changes in the assumptions used in the CGU value-in-use model, when considered in isolation, will result in the following impairment impact on the profit or loss.

	Change in variable	Effect on profit or loss $'000
Forecast gross margin	- 0.25%	–
2018 budgeted sales (budgeted gross margin maintained)	- 5.0%	–
Post tax discount rate	+ 1.5%	–

It must be noted that each of the sensitivities above assumes that a specific assumption moves in isolation, while the other assumptions are held constant. In reality, a change in one of the aforementioned assumptions could be accompanied by a change in another assumption, which may increase or decrease the net impact.

3. Assets and Liabilities (continued)

3.7 Other Intangible Assets

	Value of long term contracts, customer relationships and casual staff database $'000	Development software $'000	Brand Names $'000	Total $'000
Gross carrying amount				
Balance at 1 April 2015	17,117	9,223	8,897	35,237
Additions	1,209	4,896	–	6,105
Additional amounts recognised from business combinations occuring during the year	41,367	9,264	22,900	73,531
Disposal of subsidiary	–	(1,832)	–	(1,832)
Net foreign currency exchange differences and other	986	(435)	(87)	464
Balance at 31 March 2016	60,679	21,116	31,710	113,505
Additions	1,923	5,247	–	7,170
Net foreign currency exchange differences and other	25	(1,236)	(20)	(1,231)
Balance at 31 March 2017	**62,627**	**25,127**	**31,690**	**119,444**
Accumulated amortisation				
Balance at 1 April 2015	(12,029)	(6,529)	(150)	(18,708)
Amortisation expense	(8,292)	(3,080)	(975)	(12,347)
Disposal of subsidary	–	1,390	–	1,390
Net foreign currency exchange differences and other	(990)	5	87	(898)
Balance at 31 March 2016	(21,311)	(8,214)	(1,038)	(30,563)
Amortisation expense	(9,235)	(5,070)	(1,950)	(16,255)
Net foreign currency exchange differences and other	(225)	1,661	20	1,456
Balance at 31 March 2017	**(30,771)**	**(11,623)**	**(2,968)**	**(45,362)**
Net book value				
As at 31 March 2016	39,368	12,902	30,672	82,942
As at 31 March 2017	**31,856**	**13,504**	**28,722**	**74,082**

Long term contracts, customer relationships, and casual staff database

The Group recognises the value of these intangible assets at fair value on initial recognition.

Development software

The Group recognises the value of these intangible assets as the total of the consideration paid to external parties to develop proprietary software that is used in the operational processes of the Group.

Directly attributable costs that are capitalised as part of the software include employee costs where those employee costs can be directly attributed or are incremental to the development and not overhead in nature.

Brand names

Brands recognised by the Group that have an indefinite useful life are not amortised. Each period, the useful life of this asset is reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment of the asset.

Amortisation

Amortisation expense is included in depreciation and amortisation expense in the statement of profit or loss. The following useful lives are used in the calculation of depreciation:

Class of Intangible Asset	Depreciation Rate
Long term contracts, customer relationships, and casual staff database	2 – 9 years
Development software	3 – 5 years
Brand names	Brands recognised by the Group that have a definite useful life are amortised on a straight line basis over their estimated useful lives. The estimated useful lives are reviewed at the end of each annual reporting period, with any changes being recognised as a change in the accounting estimate. Such brands are recorded at cost less accumulated amortisation, and are amortised over a period of up to two years.

3.8 Trade and Other Payables

	2017 $'000	2016 $'000
Trade payables	**102,672**	106,426
Accruals and sundry creditors	**167,634**	153,758
Deferred revenue	**1,689**	3,603
	271,995	263,787

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which were unpaid at the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition or to agreed terms.

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

3.9 Provisions

	2017 $'000	2016 $'000
Current		
Employee benefits	**64,485**	73,702
Other	**8,842**	30,740
	73,327	104,442
Non-current		
Employee benefits	**13,650**	14,873
Other	**4,736**	6,845
	18,386	21,718

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

3. Assets and Liabilities (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Short term employee benefits are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

Significant accounting judgements

Management judgement is applied in determining the following key assumptions used in the calculation of long service and severance provisions at balance date:

- future increases in wages and salaries;
- future on-cost rates; and
- prior experience of employee retention rates and periods of service.

Other Provisions

	Workers compensation self-insurance and other $'000	Provision for restoration $'000	Deferred consideration $'000	Onerous leases $'000	Total Other $'000
Balance at 1 April 2015	–	–	–	1,085	1,085
Additional provision recognised	–	377	–	2,701	3,078
Additional amounts recognised from business combinations occurring during the year[1]	18,710	6,832	8,900	–	34,442
Payments made	–	(364)	–	(656)	(1,020)
Balance at 31 March 2016	18,710	6,845	8,900	3,130	37,585
Additional provision recognised	–	–	550	5,603	6,153
Payments made	(13,445)	(4,299)	(9,450)	(2,966)	(30,160)
Balance at 31 March 2017	5,265	2,546	–	5,767	13,578

1. Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At subsequent reporting dates, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with AASB 137 '*Provisions, Contingent Liabilities and Contingent Assets*' and the amount initially recognised less cumulative amortisation recognised in accordance with AASB 118 'Revenue'.

Workers Compensation – Self Insurance

Outstanding Claims

A liability for outstanding claims for self-insurance in relation to workers compensation is provided for in respect of claims incurred but not yet paid, claims incurred but not yet reported and the anticipated direct and indirect costs associated with those claims.

The liability for outstanding claims has been measured on the basis of an independently prepared actuarial assessment of the cost of claims, including the anticipated effects of inflation, discounted to a present value at reporting date.

The nature of the provision estimated and the data upon which the provision is based are such that it is likely the outcome will be different from the current estimate.

Significant accounting estimates and assumptions

Amounts owing in respect of workers compensation incidents or claims that have not yet been finalised or settled, and will not be covered by deposits or premiums previously paid in respect of workers compensation insurance cover are provided for by the Group at reporting date. In making the provision, the Group determined the best estimate of the future sacrifice of economic benefits to the Group that will arise as a result of claims made, and provided for this amount as a liability. The Group's best estimate is determined after considering the estimates of potential liability provided by the Group's insurers, advice provided by insurance brokers and advisors, and taking into account management's and the directors' business and experience resulting from previous workers compensation claims of a similar nature.

A provision has been made for the anticipated costs to settle workplace injury claims in regions where the Group self-insures. The provision for workers compensation is based on a third party actuarial valuation, except for components of seafarers insurance, which is based on historical results in settling claims and open cases at reporting date.

Provision for Restoration

Present obligations arising from restoration are recognised and measured as a provision. A restoration provision is considered to exist where the Group has entered into a contract where future costs are expected to meet the obligations under the contract. Such contracts include property leaseholds and vessel charters.

Onerous Leases

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Significant accounting estimates and assumptions

The provision for onerous lease contracts represents the present value of future lease payments that the Group is presently obligated to make under non-cancellable onerous operating lease contracts. The estimate may vary as a result of changes in the utilisation of leased premises and sub-lease arrangements where applicable. The unexpired terms of the leases range from 1 to 3 years.

3.10 Current and Deferred Tax Balances

	2017 $'000	2016 $'000
Current tax assets		
Entities in the tax-consolidated group	14,190	–
Other	–	6,567
	14,190	6,567
Current tax liabilities		
Entities in the tax-consolidated group	–	2,699
Other	1,079	786
	1,079	3,485
Deferred Tax assets and liabilities		
Deferred tax credited directly to equity	–	(59)

3. Assets and Liabilities (continued)

Income tax recognised in the statement of financial position

2017	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Acquisitions/ disposal $'000	Exchange difference $'000	Closing balance $'000
Temporary differences						
Inventories	(17,063)	(2,134)	–	–	(16)	(19,213)
Contracts in progress at						
Recoverable value	(25,331)	1,580	–	–	(84)	(23,835)
Property, plant and equipment	3,875	(782)	–	–	1	3,094
Provisions	35,936	(3,627)	–	–	1	32,310
Doubtful debts	2,076	(753)	–	–	1	1,324
Other	(14,275)	1,050	–	–	–	(13,225)
	(14,782)	**(4,666)**	**–**	**–**	**(97)**	**(19,545)**
Presented in the statement of financial position as follows:						
Deferred tax liabilities						62,222
Deferred tax assets						42,677
						(19,545)

2016	Opening balance $'000	Charged to income $'000	Charged to equity $'000	Acquisitions/ disposal $'000	Exchange difference $'000	Closing balance $'000
Temporary differences						
Inventories	(18,892)	1,736	–	–	93	(17,063)
Contracts in progress at						
Recoverable value	(27,065)	1,111	–	–	623	(25,331)
Property, plant and equipment	353	(497)	–	4,023	(4)	3,875
Provisions	13,092	(2,812)	–	25,662	(6)	35,936
Doubtful debts	715	1,219	–	153	(11)	2,076
Other	2,527	9,330	59	(26,585)	394	(14,275)
	(29,270)	**10,087**	**59**	**3,253**	**1,089**	**(14,782)**
Presented in the statement of financial position as follows:						
Deferred tax liabilities						(63,760)
Deferred tax assets						48,978
						(14,782)

Deferred Tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised as an expense or income in the statement of profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

3.11 Borrowings

	2017 $'000	2016 $'000
Secured – at amortised cost		
Current		
Bank loans[i]	**75,000**	–
Finance lease liabilities[ii]	**1,228**	1,260
Current borrowings	**76,228**	1,260
Non-current		
Bank loans[iii]	**180,716**	314,031
Finance lease liabilities[ii]	**1,796**	2,756
Non-current borrowings	**182,512**	316,787

i. The working capital facility is provided by the Westpac Banking Corporation. The current weighted average interest rate is 2.94% (2016: Nil). The facility is secured by a fixed and floating charge over the assets of all main operating companies in Australia and New Zealand. Included in the balance is an amount of $75.000 million (2016: Nil) which is due to be repaid within the next twelve months. The Group has sufficient available head room under its banking facilities to meet this obligation (refer below).

ii. Secured by the assets leased. The borrowings are at a fixed rate with varying maturity periods not exceeding 5 years. The current weighted average effective interest rate is 5.33% (2016: 5.86%).

iii. The current weighted average interest rate on the Syndicated facility is 2.98% (2016: 2.99%). The facility is secured by a fixed and floating charge over the assets of all main operating companies in Australia and New Zealand. The amount is disclosed net of borrowing costs of $4.283 million (2016: $5.969 million). The facility expires on 21 September 2019.

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable fees, premiums paid and transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur.

3. Assets and Liabilities (continued)

Available Borrowing Facilities

The committed and uncommitted standby arrangements and unused facilities of the Group are set out below:

	2017 $'000	2016 $'000
1. Credit standby arrangements		
(a) Secured loan acceptance facilities with various maturity dates		
– amount used	**260,000**	320,000
– amount unused	**135,000**	105,000
	395,000	425,000
(b) Secured bank overdraft facilities with various maturity dates, payable at call.		
– amount used	**–**	–
– amount unused	**26,786**	27,077
	26,786	27,077
2. Bank guarantees		
– amount used	**85,297**	78,667
– amount unused	**92,962**	99,365
	178,259	178,032

Assets pledged as security

In accordance with the security arrangements of liabilities, as disclosed in note 3.11 to the financial statements, certain assets of the Group have been pledged as security. The holders of the security do not have the right to sell or pledge the assets other than in the event of default.

Banking covenants

During the year, the Group complied with the financial covenants of its borrowing facilities. The financial covenants are as set out below, as defined in the Syndicated Facility Agreement:

- Gearing ratio;
- Interest cover ratio; and
- Maintaining a minimum amount of shareholders' funds.

4. Changes in Entity Structure

4.1 Business combinations

Acquisition of Skilled Group Limited

On 16 October 2015 (in the financial year ended 31 March 2016), the Company completed the acquisition of Skilled Group Limited ("Skilled"), through a scheme of arrangement. The acquisition brought together two highly complementary businesses to create a leading diversified staffing, maintenance and facility management business.

Name of businesses acquired	Principal activity	Date of acquisition	Proportion of shares acquired (%)	Cost of acquisition $'000
Skilled Group Limited	Provider of workforce solutions	16 October 2015	**100**	321,880

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 '*Business Combinations*' are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 '*Non-current Assets Held for Sale and Discontinued Operations*', which are recognised and measured at fair value less costs to sell.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

Significant accounting estimates and assumptions

Significant management estimates are required to account for the transaction including assessment of the fair value of the assets and liabilities acquired based and valuation of intangible assets acquired as part of the business combination based on future projected cash flows, determination of acquisition date, tax accounting and assessing the impact on the determination of segments and CGUs on the combined Group.

Consideration transferred:

Consideration for the acquisition of 100% of the Skilled shares was 0.55 new shares of the Company and $0.25 cash per Skilled share (less the amount of the Skilled 2015 financial year final dividend per share and any Skilled special dividend paid per share). Skilled shareholders received a final dividend in relation to the 2015 financial year of $0.095 per Skilled share and a special dividend of $0.155 per Skilled share, reducing the cash consideration of $0.25 per Skilled share to nil.

	$'000
130,315,849 Programmed shares issued at $2.47 per Programmed share	321,880
Cash consideration	–
Total consideration	321,880
Net cash flow on acquisition:	
Consideration paid in cash	–
Cash acquired	26,654
Net cash inflow	26,654

Acquisition costs amounting to $6.608 million have been excluded from the consideration transferred and have been recognised as an expense in profit or loss in the current year within the "other expenses" line item.

4. Changes in Entity Structure (continued)

Net identifiable liabilities:

The net identifiable liabilities acquired in the business combination, and the goodwill arising, are as follows:

	Fair value on acquisition $'000
Current assets	
Cash	26,654
Trade and other receivables	345,789
Inventories	839
Other	5,889
Total current assets	**379,171**
Non-current assets	
Trade and other receivables	1,224
Investments accounted for using the equity method	470
Property, plant and equipment	49,608
Deferred tax assets	43,244
Other intangible assets	73,531
Total non-current assets	**168,077**
Total assets	**547,248**
Current liabilities	
Trade and other payables	190,068
Borrowings	66
Current tax payable	2,268
Provisions	60,629
Total current liabilities	**253,031**
Non-current liabilities	
Borrowings	291,852
Deferred tax liabilities	30,429
Provisions	23,154
Total non-current liabilities	**345,435**
Total liabilities	**598,466**
Net identifiable liabilities	**(51,218)**
Goodwill	373,098
Total consideration	**321,880**

Goodwill arose in the business combination because the cost of the combination included a control premium paid to acquire the business. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of business. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured.

The accounting for the acquisition of Skilled at 31 March 2016 was provisional and has been completed in the year ended 31 March 2017. There were no significant differences between the provisional and final accounting.

The acquired business contributed revenues of $806.150 million and net profit of $4.812 million to the Group for the period from 16 October 2015 to 31 March 2016.

It is impracticable to determine what the revenue and profit for the Group would have been had the acquisition occurred on 1 April 2015.

Acquisition of Broadsword Marine Contractors Pty Ltd

Deferred consideration amounting to $9.450 million has been paid during the financial year ended 31 March 2017 on the acquisition of Broadsword Marine Contractors Pty Ltd.

4.2 Discontinued Operations

On 7 January 2016 (in the financial year ended 31 March 2016), the Group announced the sale of all the vessels, plant and other equipment held by its Broadsword marine business. The ownership of vessels in a single region was not considered a core part of the Group's strategy, and due to the weakening of the trading performance of the Broadsword business, the sale removed the risk of further volatility in earnings.

One of Broadsword's vessels was sold for cash consideration of $6.791 million in January 2016.

The sale of the rest of the vessels, plant and other equipment, contractual rights and intellectual property in relation to Broadsword was completed in February 2016. Consideration consisted of deferred amounts totaling $18.300 million receivable between 30 June 2016 and 30 September 2017. At 31 March 2016, the Group had recorded total consideration at $22.860 million, with a receivable of $16.069 million. The receivable at 31 March 2017 amounted to $10.223 million.

The business was acquired by the Group in the financial year ended 31 March 2016 as part of the Skilled Group acquisition (refer note 4.1).

4. Changes in Entity Structure (continued)

	2017 $'000	2016 $'000
Loss for the year from discontinued operations:		
Loss of the business for the year	–	(1,695)
Gain/(loss) on disposal of the business	–	–
	–	–
Results of the business for the year:		
Revenue from rendering services (note 2.2)	–	8,125
Operating expenses	–	(9,070)
Depreciation and amortisation expense (note 2.4)	–	(1,377)
Operating loss before tax	–	(2,322)
Income tax benefit (note 2.5)	–	627
Loss after tax	–	(1,695)
Cash flows from discontinued operations:		
Net cash flows from operating activities	–	(318)
Net cash flows	–	(318)
Carrying amounts of assets and liabilities as at the date of disposal:		
Marine vessels	–	22,494
Other property, plant and equipment	–	366
Total assets	–	22,860
Details of the sale of business:		
Consideration received/receivable:		
Cash	7,853	6,791
Deferred consideration	–	16,069
Total consideration	–	22,860
Carrying amount of assets sold	–	(22,860)
Gain/(loss) on disposal	–	–
Income tax expense	–	–
Gain/(loss) on disposal after tax	–	–
Net cash inflow on disposal:		
Cash received	7,853	6,791

4.3 Disposal of Subsidiary

On 31 March 2016 (in the financial year ended 31 March 2016), the Group disposed of Damstra Mining Services Pty Ltd. The consideration consisted of an upfront cash receipt of $3.900 million and deferred amounts of $1.450 million receivable 12 months after completion and $1.450 million receivable 24 months after completion. At 31 March 2016, the Group had recorded total consideration at $6.434 million, with a receivable of $2.534 million. During the financial year ended 31 March 2017, $2.600 million was received in full settlement of the deferred consideration.

Details of the sale of the subsidiary:

	2017 $'000	2016 $'000
Consideration received/receivable:		
Cash	–	3,900
Deferred consideration	–	2,534
Total consideration	–	6,434
Carrying amount of net assets (including goodwill) sold:		
Property, plant and equipment	–	1,333
Goodwill	–	4,870
Intangible assets	–	442
Employee benefits	–	(211)
Net assets sold	–	6,434
Gain/(Loss) on disposal	–	–
Income tax expense	–	–
Gain/(Loss) on disposal after tax	–	–
Net cash inflow on disposal:		
Cash received	**2,600**	3,900

The sale has not been presented as a discontinued operation since Damstra Mining Services Pty Ltd was not a major line of business of the Group and was not acquired exclusively with a plan to resell.

5. Capital Structure

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders. The Group's overall strategy remains unchanged from 2016. The capital structure of the Group consists of debt as disclosed in note 3.11, cash as disclosed in note 3.1 and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed below.

The Group's management reviews the capital structure on a regular basis. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of management, the Group will balance its overall capital structure through payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

5. Capital Structure (continued)

Gearing ratio

The gearing ratio at year end was as follows:

	2017	2016
Debt ($'000)[i]	**258,740**	318,047
Cash ($'000) (note 3.1)	**(58,735)**	(78,859)
Net debt ($'000)	**200,005**	239,188
Equity ($'000)[ii]	**607,830**	605,589
Net debt to equity ratio	**32.9%**	39.5%

(i) Debt is defined as long and short-term borrowings, as detailed in note 3.11.

(ii) Equity includes all capital and reserves.

5.1 Financial Instruments

Categories of financial instruments

	2017		2016	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Financial assets				
Cash	**58,735**	**58,735**	78,859	78,859
Trade and other receivables	**448,029**	**448,029**	504,320	504,320
Financial liabilities				
Trade and other payables	**271,995**	**271,995**	263,787	263,787
Borrowings	**258,740**	**258,740**	318,047	318,047
Provisions	**91,713**	**91,713**	126,160	126,160

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group's corporate treasury function provides services to the business by coordinating access to financial markets and monitoring and managing financial risks. These risks are summarised in the table below.

The Group seeks to minimise the effect of these risks, by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Group's policies, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Risk	Exposure arising from	Management
Market risk – foreign currency risk	Future commercial transactions Recognised financial assets and liabilities not denominated in AUD	Forward foreign exchange contracts drawn in foreign currency to create natural hedge of foreign currency assets and liabilities
Market risk – fair value interest rate risk	Short and long-term borrowings at variable rates	Maintaining adequate reserves, banking facilities and reserve borrowing facilities
Credit risk	Cash, trade receivables, derivative financial instruments	Credit limits, retention of title over goods sold

Risk	Exposure arising from	Management
Liquidity risk	Borrowings and other liabilities	Availability of committed credit lines and borrowing facilities
Cash flow interest rate risk	Short and long-term borrowings at variable rates	Maintaining adequate reserves, banking facilities and reserve borrowing facilities

Market Risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies primarily with respect to the New Zealand dollar and Euro, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters using forward foreign exchange contracts.

Exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
New Zealand dollars	**17,731**	15,006	**48,484**	50,120
Euro	**662**	14,997	**2,488**	18,252
British pounds	**1,475**	1,576	**5,140**	3,618
US dollars	**1,481**	1,826	**5,859**	6,923

Amounts recognised in profit or loss and other comprehensive income

The Group enters into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The foreign currency forward exchange contract balances will vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through profit or loss. The Group has not entered into any forward exchange contracts at 31 March 2017 (2016: nil).

Interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

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

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and 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 period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

During the financial year, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit would decrease by $1.044 million and increase by $1.044 million (2016: decrease by $0.716 million and increase by $0.716 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

5. Capital Structure (continued)

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated favourably by independent rating agencies and if not available the Group uses publicly available financial information and its own trading record to rate its major customers. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity Risk

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 Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The committed and uncommitted standby arrangements and unused facilities of the Group are set in note 3.11.

Maturity of financial liabilities

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

	Weighted average effective interest rate %	Less than 1 month $'000	1 to 3 months $'000	3 months to 1 year $'000	1 to 5 years $'000	5+ years $'000	Total contrac-tual cash flows $'000	Carrying amount (asset)/ liabiliity $'000
2017								
Non-interest bearing	–	208,537	45,998	15,771	–	–	270,306	270,306
Finance lease liability	5.33	147	267	942	1,874	–	3,230	3,024
Variable interest rate instruments:								
– Bank loans	2.96	–	1,498	78,347	186,036	–	265,881	255,716
Total non-derivatives		208,684	47,763	95,060	187,910	–	539,417	529,046
Total derivatives		–	–	–	–	–	–	–
2016								
Non-interest bearing	–	202,449	50,469	7,266	–	–	260,184	260,184
Finance lease liability	5.86	125	359	1,071	2,778	–	4,333	4,016
Variable interest rate instruments:								
– Bank loans	2.99	–	1,966	5,925	329,535	–	337,426	314,031
Total non-derivatives		202,574	52,794	14,262	332,313	–	601,943	578,231
Total derivatives		–	–	–	–	–	–	–

At the year-end it was not probable that the counterparty to the financial guarantee contracts (note 3.11) will claim under the contract. Consequently, the amount included above is nil.

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps.

On 10 April 2017, Programmed entered into a series of fixed interest rate swaps to provide a minimum of 50% hedging of projected gross debt over the next four years commencing with a hedge value of $130 million and reducing to $70 million over the four year period.

Recognition and measurement

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date.

The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Non – Derivative Financial Instruments

Recognition and measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis, where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

Fair value

Fair value is the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. The fair values of financial assets and financial liabilities are determined as follows:

- the fair values 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; and
- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

At reporting date, there are no financial instruments measured, subsequent to initial recognition, at fair value.

Significant accounting estimates and assumptions

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available.

The Group engages third party qualified valuers to perform the valuation and works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit and loss.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the

5. Capital Structure (continued)

use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

Financial Liabilities

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Financial Liabilities and Equity Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

5.2 Issued capital

	2017		2016	
	No.'000	$'000	No.'000	$'000
Ordinary shares				
Balance at the beginning of the year	**249,311**	**557,813**	118,667	236,086
Issue of shares under the Long Term Incentive Plan[2]	**357**	**–**	328	–
Issue of shares as consideration for acquisition of businesses	**–**	**–**	130,316	321,880
Issue of shares under the Dividend Reinvestment Plan (note 2.6)	**7,647**	**12,467**	–	–
Share issue costs	**–**	**–**	–	(153)
Balance at the end of the year[1]	**257,315**	**570,280**	249,311	557,813

1. Allskills Pty Ltd, a wholly owned subsidiary, held 12,788 (2016: 23,101) shares in the Company at 31 March 2017. These shares were held for the benefit of the SKILLED Group Limited Employee Share Acquisition Plan.
2. In accordance with the provisions of the employee Long Term Incentive Plan, as at 31 March 2017, executives and senior employees have been granted performance rights. Performance rights granted under the employee Long Term Incentive Plan carry no rights to dividends and no voting rights. Further details of the employee Long Term Incentive Plan are contained in note 5.3 to the financial statements.

Ordinary Shares are Classified as Equity

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

5.3 Reserves

	2017 $'000	2016 $'000
Foreign currency translation reserve	**(6,556)**	(5,738)
Capital profits reserve	**5,535**	5,535
Equity settled employee benefits reserve	**4,160**	4,380
	3,139	4,177

Nature and Purpose of Reserves

- The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and record gains and losses on the hedges if the net investments of foreign operations.
- Capital profits reserve relates to profits realised on the sale of non-current assets.
- Equity settled employee benefits reserve arises on the grant of performance rights and options to executives and senior employees under the Long Term Incentive Plan. Amounts are transferred out of the reserve and into issued capital when the performance rights and options are exercised.

Share-based Payments

Performance Rights

	2017 No.	Weighted Avg. Exercise Price	2016 No.	Weighted Avg. Exercise Price
Balance at the beginning of the financial year	**4,542,000**	–	4,434,000	–
Granted during the financial year	**2,020,000**	–	1,498,000	–
Exercised during the financial year[1]	**(356,675)**	–	(327,719)	–
Lapsed during the financial year	**(1,579,325)**	–	(1,062,281)	–
Balance at the end of the financial year	**4,626,000**	–	4,542,000	–
Exercisable at the end of the financial year	–		–	

1. The number of performance rights exercised was calculated in accordance with the LTIP as a result of:
   - employees who continued to be an employee of the Company at the vesting date, therefore meeting the retention performance hurdle for 1/3 of the performance rights. Employees who met this retention component were entitled to performance rights; or
   - performance rights that met the Total Shareholder Return performance hurdle; or
   - as a result of an employee who ceased to be employed by the Company because of a qualifying reason (in this case, redundancy) and was entitled to performance rights.

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of a Monte Carlo model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

5. Capital Structure (continued)

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

Significant accounting estimates and assumptions

Share-based payments recorded for the performance rights and performance options are subject to estimation as they are calculated using the Monte Carlo model which is based on significant assumptions such as volatility, dividend yield, expected term and forfeiture rate.

Performance rights granted during the reporting period

The Long Term Incentive Plan ("LTIP") was first introduced during the year ended 31 March 2008 as a share-based compensation scheme for executives and senior employees of the Group. In accordance with the provisions of the revised LTIP, the executives and senior employees have been granted performance rights.

The revised LTIP contains the following components:

a. Each performance right converts upon exercise into one fully paid ordinary share in the Company, with no amounts being paid or payable by the recipient on receipt of the performance right;

b. Performance rights have a vesting date of four years from the date of issue;

c. The performance rights carry neither rights to dividends nor voting rights; and

d. Performance criteria for the performance rights is as follows:

   – The performance hurdle for one-third of the performance rights will be based on the executive and other senior employees continuing to be an employee of the Group at the vesting date, thus creating a retention component;

   – The performance hurdle for one-third of the performance rights, will be based on the Company's performance by reference to the Total Shareholder Return ("TSR") over the performance period when compared with the TSR for each company in a group of peer companies listed in the S&P/ASX300; and

   – The performance hurdle for one-third of the performance rights will based on the Company's performance, where a target range for the average annual growth in diluted Earnings Per Share ("EPS") over the performance period of the EPS performance rights has been established to determine the number of EPS performance rights that may be vested.

The Managing Director's grant under the LTIP is subject to the same performance criteria described above, except that half of the performance rights are subject to TSR, and half of the performance rights are subject to EPS.

Performance rights granted in prior reporting periods

Executives and other senior employees have been granted performance rights in prior financial years under the LTIP that was in operation prior to its revision in 2013.

The LTIP contains the following components:

a. Each performance right converts upon exercise into one fully paid ordinary share in the Company, with no amounts being paid or payable by the recipient on receipt of the performance right;

b. Performance rights have vesting dates that are three to five years from the date of issue, and may be exercised at any time within twelve months from date of vesting;

c. Performance rights carry neither rights to dividends nor voting rights;

d. For performance rights issued prior to 1 July 2010:

   – the number of performance rights that will become exercisable on the vesting date is based on the TSR of the Company during the years prior to the vesting date as compared to the TSR for a peer group of companies listed in the S&P/ ASX 300.

e. For performance rights issued between 1 July 2010 and 30 June 2012:

   – one-third of the performance rights issued will become exercisable on the relevant executive or senior manager continuing to be an employee of the Group at the vesting date; and

   – for the remaining two-thirds of the performance rights issued, the number that will become exercisable on the vesting date is based on the TSR of the Company during the years prior to the vesting date as compared to the TSR for a peer group of companies listed in the S&P/ASX300.

100% of the performance rights granted to the Managing Director in prior reporting periods are subject to the TSR performance criteria described above.

The following performance rights under the LTIP's were in existence at the end of the current year:

Rights Series	Grant date	Number	Expiry date	Exercise price $	Fair value at Grant date $
Performance rights					
2013 Award (A)	01/07/2013	600,000	N/A	–	1.10
2013 Award (B)	09/08/2013	160,000	N/A	–	0.99
2014 Award (A)	01/07/2014	700,000	N/A	–	1.32
2014 Award (B)	31/07/2014	150,000	N/A	–	1.23
2015 Award (A)	01/07/2015	886,000	N/A	–	1.40
2015 Award (B)	31/07/2015	170,000	N/A	–	1.07
2016 Award (A)	01/07/2016	1,660,000	N/A	–	0.78
2016 Award (B)	28/07/2016	300,000	N/A	–	0.75
Total of performance rights		4,626,000			

The fair values at grant date of the performance rights have been priced using a Monte Carlo simulation, which is a valuation method using the results of many individual simulations to determine a fair value.

	Tranches of performance rights	
Key inputs into the model	2016 Award (A)	2016 Award (B)
Share price at grant date	$1.78	$2.05
Exercise price	$0.00	$0.00
Years from grant date until vesting	4.00	3.93
Expected TSR volatility of Company[1]	40.00%	40.00%
Dividend yield	7.10%	6.10%
Risk-free interest rate	1.58%	1.53%

1. Expected TSR volatility of the Company is based the historical share price volatility over the past three years.

6. Other Notes

6.1 Contingent Liabilities

The Company has been provided with performance and security guarantees by its bankers in accordance with certain contractual requirements (refer note 3.11).

The directors are not aware of any other significant contingent liabilities.

6.2 Commitments for Expenditure

Lease Commitments

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

6. Other Notes (continued)

Finance leases

	2017 $'000	2016 $'000
Finance lease liabilities:		
Not later than 1 year	**1,355**	1,555
Later than 1 year and not later than 5 years	**1,875**	2,778
Minimum future lease payments*	**3,230**	4,333
Less future finance charges	**(206)**	(317)
Present value of minimum lease payments	**3,024**	4,016
Included in the financial statements as (note 3.11):		
Current borrowings	**1,228**	1,260
Non-current borrowings	**1,796**	2,756

* Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.

Group as lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Refer to note 3.5.

Finance leased assets are amortised on a straight-line basis over the estimated useful life of the asset.

Leasing arrangements:

The hire purchase and finance lease arrangements are generally made for a three year period and are secured by a charge over the related assets. The Group has the option to purchase the related assets at the conclusion of the finance leases.

Operating leases

	2017 $'000	2016 $'000
Non-cancellable operating lease commitments:		
Not longer than 1 year	**20,346**	24,302
Longer than 1 year and not longer than 5 years	**38,913**	40,012
Longer than 5 years	**–**	3,603
	59,259	67,917
Liabilities recognised in respect of non-cancellable operating leases:		
Onerous lease contracts:		
Current	**3,578**	3,130
Non-current	**2,189**	–
	5,767	3,130

Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leasing arrangements:

The operating leases relate to motor vehicles, office and warehouse facilities with the majority of lease terms not exceeding five years. Most of the leases have options to extend for further periods of similar duration, with market review clauses in the event that the Group exercises the options to renew. The Group does not have the option to purchase the related assets at the expiry of the lease period.

The Group leases some of its computer equipment from external suppliers over a lease period of three to five years with payments being quarterly in advance. At the end of the lease period the Group has a number of options available with respect to the equipment, none of which include penalty charges.

6.3 Functional Currency

Items included in the financial statements of each of the entities included within the Group are measured using the currency of the economic environment in which the entity primarily generates and expends cash (the 'functional currency'). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Programmed Maintenance Services Limited and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer note 5.3); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

6.4 Subsidiaries

			Ownership interest	
Name of subsidiary	Note	Country of incorporation	2017 %	2016 %
Programmed Maintenance Services (N.Z.) Limited		New Zealand	100	100
PMS Share Schemes Administration Pty Ltd	(i)	Australia	100	100
PMS Building Services Pty. Ltd.	(i)	Australia	100	100
Programmed Property Services Pty Ltd	(i), (ii)	Australia	100	100
Programmed Property Services Limited	(iv)	United Kingdom	–	100
Programmed Facility Management Pty. Ltd.	(i), (ii)	Australia	100	100
Programmed Building Services Pty Ltd	(i)	Australia	100	100
Programmed Integrated Workforce Limited	(i), (ii)	Australia	100	100
Labour Management Australia Pty Ltd	(i)	Australia	100	100
Integrated Maintenance Services Pty Ltd	(i), (ii)	Australia	100	100

6. Other Notes (continued)

Name of subsidiary	Note	Country of incorporation	Ownership interest 2017 %	2016 %
Sea Wolves Pty. Ltd.	(i), (ii)	Australia	100	100
Programmed Marine Pty Ltd	(i), (ii)	Australia	100	100
Programmed Total Harbour Services Pty Ltd	(i)	Australia	100	100
Programmed Total Marine Services (Asia) Pte. Ltd.		Singapore	100	100
NTBD Pty Ltd	(i)	Australia	100	100
Programmed Total Marine Services Limited		New Zealand	100	100
Programmed Marine NZ Ltd		New Zealand	100	100
Programmed Total Marine Offshore Services Limited		New Zealand	100	100
Artel Corporation Limited		New Zealand	100	100
Hi-Point Personnel Pty Ltd.	(i)	Australia	100	100
Programmed Integrated Workforce (NZ) Limited		New Zealand	100	100
SWG Holdings (2005) Pty Ltd	(i), (ii)	Australia	100	100
Programmed Maintenance Pty Ltd	(i), (ii)	Australia	100	100
SWG International Holdings Pte. Ltd.		Singapore	100	100
SWG Offshore International Pte. Ltd.		Singapore	100	100
Programmed Electrical Technologies Ltd	(i), (ii)	Australia	100	100
Allied Technologies Australia Pty Limited	(i), (ii)	Australia	100	100
KLM Group (SA) Pty Ltd	(i), (ii)	Australia	100	100
ACN 152 632 294 Pty Ltd	(i)	Australia	100	100
Programmed Facility Management NZ Limited		New Zealand	100	100
Programmed Facility Management (PRA) Pty Ltd	(i), (ii)	Australia	100	100
Swan Water Services Pty Ltd	(i), (ii)	Australia	100	100
Western Water Services Pty Ltd	(i), (ii)	Australia	100	100
Programmed Turnpoint Pty Ltd	(i), (ii)	Australia	100	100
ES Administration Services Pty Ltd	(i), (iii)	Australia	–	100
Monaco 88 Pty Ltd	(i), (iii)	Australia	–	100
Turn Point Pty Ltd	(i), (ii)	Australia	100	100
Turnpoint Racecourse Maintenance Pty Ltd	(i), (ii)	Australia	100	100
TP Racing Services Pty Ltd	(i), (ii)	Australia	100	100
Turnpoint Maintenance Pty Ltd	(i), (iii)	Australia	–	100
Programmed Facility Management BW Pty Ltd	(i), (ii)	Australia	100	100
Programmed Safety Pty Ltd	(i)	Australia	100	100
Allskills Pty. Ltd.	(i), (v)	Australia	100	100
Programmed Industrial Maintenance Mining Services Pty Ltd (formerly ATIVO Coal Services Pty Ltd)	(i)	Australia	100	100
Programmed Industrial Maintenance Pty Ltd (formerly ATIVO Pty Ltd)	(i), (ii)	Australia	100	100
ATIVO Services Pty Ltd	(i)	Australia	100	100

Name of subsidiary	Note	Country of incorporation	Ownership interest 2017 %	2016 %
Programmed Marine Contractors Pty Ltd	(i), (ii)	Australia	100	100
Catalyst Recruitment Systems Pty Ltd	(i), (ii)	Australia	100	100
Catalyst Staff Pty Ltd	(i)	Australia	100	100
Extra Group Pty Ltd	(i), (ii)	Australia	100	100
Programmed Industrial Maintenance Services Pty Ltd (formerly Extraman (HR) Pty Ltd)	(i)	Australia	100	100
HR Link No. 2 Pty Ltd	(i)	Australia	100	100
HR Link No.1 Pty Ltd	(i)	Australia	100	100
HVA (QLD) Pty Limited	(i)	Australia	100	100
HVA Support Services Pty Limited	(i)	Australia	100	100
HVA Technical Services Pty Limited	(i)	Australia	100	100
Jet Tasmania Pty Ltd	(i)	Australia	100	100
Locumitis Pty Ltd	(i)	Australia	100	100
Loganhill Pty Ltd	(i)	Australia	100	100
Mantech Systems Pty. Ltd.	(i), (ii)	Australia	100	100
Medistaff Pty Ltd	(i)	Australia	100	100
Programmed Professionals Pty Ltd	(i), (ii)	Australia	100	100
Nursing (Australia) Holdings Pty Ltd	(i)	Australia	100	100
Nursing Australia Pty Ltd	(i)	Australia	100	100
Offshore Marine Services Alliance Pty Ltd	(i), (ii)	Australia	100	100
Origin Education Services Pty Ltd	(i)	Australia	100	100
Origin Health Support Services Pty Ltd	(i)	Australia	100	100
Peopleco. Pty Ltd	(i), (ii)	Australia	100	100
Prosafe Personnel Pty Ltd	(i)	Australia	100	100
Skilled Group International Pty Limited	(i), (ii)	Australia	100	100
Programmed Skilled Workforce Limited	(i), (ii)	Australia	100	100
Skilled Healthcare Holdings Pty Ltd	(i), (ii)	Australia	100	100
Programmed Health Professionals Pty Ltd	(i), (ii)	Australia	100	100
Skilled International Sourcing Pty Ltd	(i)	Australia	100	100
Skilled Maritime Services Pty Ltd	(i)	Australia	100	100
Skilled Offshore (Australia) Pty Ltd	(i), (ii)	Australia	100	100
Skilled Offshore Pty Ltd	(i), (ii)	Australia	100	100
Skilled Operations (WA) Pty Ltd	(i)	Australia	100	100
Skilled Rail Services Pty Ltd	(i), (ii)	Australia	100	100
Skilled Resources Pty Ltd	(i)	Australia	100	100
Skilled Workforce Solutions (NSW) Pty Ltd	(i), (ii)	Australia	100	100
Swan Contract Personnel Pty Ltd	(i), (ii), (vi)	Australia	100	100
T&C Services Pty Ltd	(i), (ii)	Australia	100	100
Tesa Mining (Aust) Pty Ltd	(i), (ii)	Australia	100	100

6. Other Notes (continued)

Name of subsidiary	Note	Country of incorporation	Ownership interest 2017 %	2016 %
Tesa Mining (NSW) Pty Limited	(i), (ii)	Australia	100	100
Tesa Mining (U/G) Pty Limited	(i)	Australia	100	100
The Green & Green Group Pty Limited	(i)	Australia	100	100
The Tesa Group Pty Ltd	(i), (ii)	Australia	100	100
Thomas & Coffey (QLD) Pty Limited	(i), (ii)	Australia	100	100
Waycon Services (NSW) Pty Ltd	(i)	Australia	100	100
Waycon Services Pty Limited	(i), (ii)	Australia	100	100
Point 2 Point Travel Limited		Malta	100	100
Skilled International Holdings Ltd		Malta	100	100
Skilled International Services Ltd		Malta	100	100
Skilled Group NZ Holdings Limited		New Zealand	100	100
Skilled Marine (NZ) Limited		New Zealand	100	100
Skilled Offshore (NZ) Limited		New Zealand	100	100
Skilled Group UK Limited		United Kingdom	100	100
Skilled International (UK) Limited		United Kingdom	100	100
Skilled International FZ-LLC		Dubai	100	100
Skilled International Limited		Malaysia	100	100
Skilled International Pte. Ltd.		Singapore	100	100
Skilled International (Holdings), LLC		United States of America	100	100
Skilled International, LLC		United States of America	100	100

(i) These subsidiaries are members of the tax consolidated group, with Programmed Maintenance Services Limited being the head entity within the tax consolidated group.

(ii) These wholly-owned subsidiaries have entered into a deed of cross guarantee with Programmed Maintenance Services Limited pursuant to ASIC Corporations (Wholly owned Companies) Instrument 2016/785 and are relieved from the requirement to prepare and lodge an audited financial report.

(iii) These dormant entities were placed into voluntary liquidation on 29 January 2015 and deregistered on 9 March 2016.

(iv) This entity was dissolved on 19 April 2016.

(v) Allskills Pty Ltd is the trustee of the SKILLED Group Limited Share Plan Trust.

(vi) Swan Contract Personnel Pty Ltd is the trustee of the Swan Drafting Unit Trust.

Deed of Cross Guarantee

The consolidated statement of profit or loss and statement of financial position of the entities party to the deed of cross guarantee are:

	2017 $'000	2016 $'000
Statement of profit or loss		
Continuing and discontinued operations		
Revenue	2,512,229	2,046,381
Other income	–	–
Changes in work in progress at cost and other inventories	22,053	6,493
Raw materials and consumables used	(113,864)	(120,870)
Employee benefits expenses	(1,823,101)	(1,345,935)
Sub-contractor expenses	(433,808)	(339,596)
Impairment of goodwill	–	(102,397)
Depreciation and amortisation expense	(29,292)	(24,367)
Finance costs	(17,698)	(10,056)
Equipment and motor vehicle costs	(21,497)	(44,248)
Information technology and telecommunications costs	(15,916)	(12,813)
Other expenses	(93,804)	(144,231)
Share of net loss of associate accounted for using the equity method	(2,426)	(483)
Loss before income tax	(17,124)	(92,122)
Income tax benefit/(expense)	8,292	(2,608)
Loss for the year	(8,832)	(94,730)
Other comprehensive loss		
Total comprehensive loss for the year attributable to owners of the parent entity	(8,832)	(94,730)
Statement of financial position		
Current assets		
Cash and cash equivalents	45,402	62,563
Trade and other receivables	384,609	404,390
Inventories	87,480	79,362
Current tax assets	14,190	6,325
Other	6,181	6,152
Total current assets	537,862	558,792

6. Other Notes (continued)

	2017 $'000	2016 $'000
Non-current assets		
Trade and other receivables	29,370	47,684
Inventories	7,680	6,049
Investments accounted for using the equity method	–	4,736
Other financial assets	48,111	49,444
Property, plant and equipment	36,169	40,637
Deferred tax assets	39,479	44,988
Goodwill	457,321	458,819
Other intangible assets	73,419	82,208
Total non-current assets	691,549	734,565
Total assets	1,229,411	1,293,357
Current liabilities		
Trade and other payables	254,972	217,562
Borrowings	76,228	1,260
Other financial liabilities	–	23,409
Current tax payables	10	2,858
Provisions	70,163	98,973
Total current liabilities	401,373	344,062
Non-current liabilities		
Borrowings	182,512	316,787
Deferred tax liabilities	54,745	55,873
Provisions	15,063	19,121
Total non-current liabilities	252,320	391,781
Total liabilities	653,693	735,843
Net assets	575,718	557,514
Equity		
Issued capital	570,280	557,813
Reserves	8,936	9,906
Retained earnings*	(3,498)	(10,205)
Total equity	575,718	557,514

*Retained earnings

	2017 $'000	2016 $'000
Retained earnings as at beginning of the financial year	26,807	151,388
Net loss	(8,832)	(94,730)
Dividends provided for or paid	(21,473)	(29,851)
Retained earnings as at end of the financial year	(3,498)	26,807

6.5 Key Management Personnel Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2017 $	2016 $
Short-term employee benefits	**4,425,865**	4,424,092
Post-employment benefits	**203,052**	182,947
Other long-term benefits	**186,998**	(76,318)
Termination benefits	**375,000**	444,008
Share-based payments – long term incentives	**559,040**	579,289
Total	**5,749,955**	5,554,018

6.6 Related Party Transactions

The ultimate parent entity is Programmed Maintenance Services Limited. Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Transactions with Other Related Parties

Other related parties include directors of related parties, their director-related entities and other related parties.

There were no transactions with other related parties that needed to be disclosed in the financial statements in the current financial year or in the previous financial year.

Parent Entity Information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

	2017 $'000	2016 $'000
Financial position		
Assets		
Current assets	**237,418**	332,316
Non-current assets	**610,990**	612,850
Total assets	**848,408**	945,166
Liabilities		
Current liabilities	**83,575**	20,285
Non-current liabilities	**183,274**	314,363
Total liabilities	**266,849**	334,648
Net assets	**581,559**	610,518
Equity		
Issued capital	**570,580**	557,813
Retained earnings	**1,582**	42,790
Reserves:		
– Capital profits reserve	**5,535**	5,535
– Equity settled employee benefits reserve	**4,160**	4,380
Total equity	**581,857**	610,518

6. Other Notes (continued)

	2017 $'000	2016 $'000
Financial performance		
(Loss)/profit for the year	**(19,749)**	43,559

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries		
Guarantee provided under the deed of cross guarantee(i)	**383,979**	374,358

(i) Programmed Maintenance Services Limited has entered into a deed of cross guarantee with its wholly-owned subsidiaries.

6.7 Remuneration of Auditors

During the year, the following fees were paid or were payable for services provided by the auditor of the parent entity and its related practices:

	2016 $	2015 $
Audit services		
Deloitte Touche Tohmatsu	**715,808**	993,162
Deloitte Touche Tohmatsu related practices	**167,223**	166,838
Total remuneration for audit services	**883,031**	1,160,000
Other services		
Deloitte Touche Tohmatsu		
– Other assurance services	**31,152**	85,000
Deloitte Touche Tohmatsu related practices		
– Taxation advisory services	**66,267**	36,843
Total remuneration for non-audit services	**97,419**	121,843
Total reumuneration for all services rendered	**980,450**	1,281,843

The auditor of Programmed Maintenance Services Limited is Deloitte Touche Tohmatsu.

6.8 Subsequent Events

The offshore oil and gas business is a global one, with customers increasingly seeking borderless manning and support services. In view of this, the Company has, on the 23 May 2017, signed a Heads of Agreement to form a 50/50 joint venture with Atlas Professionals, a global provider of staffing services to the offshore oil and gas industry, headquartered in the Netherlands.

As part of the agreement, Programmed will sell Atlas 100% of its international marine activities and 50% of its Australian and New Zealand marine services business for $29 million of which $7.5 million will be paid up-front and $21.5 million will be subject to a vendor finance arrangement, with the finance carrying 5% interest.

Atlas will bring to the Australian and New Zealand joint venture, opportunities with its global customers, which will enable the marine business to enjoy the benefits of operating as part of a global enterprise.

This transaction remains subject to due diligence and completion of sale and shareholder agreements, and is expected to be completed on or before 30 June 2017.

The result will be a stronger and more capable marine services business servicing the Australian and New Zealand market.

There has not been any other matter or circumstance that has arisen since the end of the year that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Directors' Declaration

The directors declare that:

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

b. In the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 1.2 to the financial statements;

c. In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and

d. The directors have been given the declaration required by s.295A of the Corporations Act 2001.

At the date of the declaration, the Company is within the class of companies affected by ASIC Corporations (Wholly owned Companies) Instrument 2016/785. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Instrument applies, as detailed in note 6.4 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject to by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001. On behalf of the Directors.

C. Sutherland

Christopher Sutherland
Managing Director

24 May 2017

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Tower 2
Brookfield Place
123 St Georges Terrace
Perth WA 6000

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www.deloitte.com.au

24 May 2017

The Board of Directors
Programmed Maintenance Services Limited
47 Burswood Road
BURSWOOD WA 6100

Dear Board Members

Programmed Maintenance Services Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Programmed Maintenance Services Limited.

As lead audit partner for the audit of the financial statements of Programmed Maintenance Services Limited for the financial year ended 31 March 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

AT Richards
Partner
Chartered Accountants

Independent Auditor's Report

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the Members of Programmed Maintenance Services Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Programmed Maintenance Services Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 March 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 31 March 2017 and of its financial performance for the year ended; and

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

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

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

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Recoverability of Goodwill (Note 1.5 Critical accounting judgements and key sources of estimation uncertainty and note 3.6 'Goodwill')	
As disclosed in note 3.6, at 31 March 2017, the carrying value of the Group's two CGUs (Maintenance and Staffing) included goodwill amounting to $508 million. During the year ended 31 March 2017, the Staffing CGU experienced the impact of lower labour demand across various sectors in which it operates. The assessment of recoverability of the goodwill in the Staffing CGU required a significant level of judgement given the external economic environment experienced and the inherent uncertainties in the key assumptions used in the assessment of future cash flows in particular revenues, earnings before interest and tax and the discount rate.	Our procedures included: ◆ evaluating management's process for developing cash flow forecasts; ◆ assessing the historical accuracy of forecasting; ◆ assessing on a sample basis the mathematical accuracy of the underlying 'value in use' calculations; ◆ assessing the consistency of the cash flow forecasts with Board approved budgets and business plans, and that the key assumptions were subject to oversight from the Directors; ◆ in conjunction with our valuation specialists, we challenged the appropriateness of the inputs into management's cash flow forecasts as follows: – benchmarking the post-tax discount rate used of 8.89% (11.94% pre-tax) against the rates used by comparable organisations to the Staffing CGU. – comparing the growth rate for the year ended 31 March 2018 to economic and industry forecasts and future pipeline of opportunities; and – assessing the impact on earnings before interest and tax and the cash flow forecast of cost savings implemented in the last quarter of the year ended 31 March 2017 ◆ testing on a sample basis the sensitivity calculations performed by the Company; and ◆ assessing the adequacy of the disclosures.

Other Information

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

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

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In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Deloitte.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 49 of the directors' report for the year ended 31 March 2017.

In our opinion, the Remuneration Report of Programmed Maintenance Services Limited, for the year ended 31 March 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

AT Richards
Partner
Chartered Accountants
Perth, 24 May 2017

ASX Additional Information

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

The following details of shareholders of Programmed Maintenance Services Limited have been taken from the Share Register on 3 May 2017.

Number of Holders of Equity Securities

Ordinary Share Capital

257,315,272 fully paid ordinary shares are held by 12,584 individual shareholders.

Voting rights

The voting rights attaching to ordinary shares are set out below:

- On a show of hands every member present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unquoted Securities

There are 4,466,000 Performance Rights outstanding held by 52 holders. There are no performance options outstanding.

There are no performance shares outstanding.

Distribution of Holders of Quoted Equity Securities

Size of holdings			No of Holders of fully paid ordinary shares
1	–	1,000	4,311
1,001	–	5,000	4,948
5,001	–	10,000	1,685
10,001	–	100,000	1,572
100,001	–	and over	68
			12,584

The number of shareholders holdings less than a marketable parcel of ordinary shares is 1,707.

ASX Additional Information continued

Twenty largest shareholders as at 3 May 2017

Name	Number of ordinary shares held	Percentage of capital held
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	88,961,737	34.67%
J P MORGAN NOMINEES AUSTRALIA LIMITED	38,964,980	15.18%
CITICORP NOMINEES PTY LIMITED	22,554,198	8.79%
BNP PARIBAS NOMINEES PTY LTD (AGENCY LENDING DRP A/C)	8,977,157	3.50%
HENDONSAX PTY LTD	4,955,500	1.93%
NATIONAL NOMINEES LIMITED	4,881,287	1.90%
BNP PARIBAS NOMS PTY LTD (DRP)	2,991,366	1.17%
CITICORP NOMS PTY LIMITED (COLONIAL FIRST STATE INV A/C)	2,885,158	1.12%
ARGO INVESTMENTS LIMITED	1,572,197	0.61%
ZERO NOMINEES PTY LTD	1,306,398	0.51%
AMP LIFE LIMITED	1,295,693	0.50%
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED (BKCUST A/C)	1,052,919	0.41%
IQ RENTAL & FINANCE PTY LTD (WATTS FAMILY A/C)	700,000	0.27%
CS FOURTH NOMINEES PTY LIMITED (HSBC CUST NOM AU LTD 11 A/C)	610,379	0.24%
IOOF INVESTMENT MANAGEMENT LIMITED (IPS SUPER A/C)	577,874	0.23%
LARKFIELD MANAGED FUNDS NO 2 PTY LTD (LARKFIELD MAN FND NO 2 A/C)	530,341	0.21%
DE BRUIN SECURITIES PTY LTD	507,648	0.20%
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD (VFA A/C)	500,000	0.19%
NATIONAL NOMINEES LIMITED (DB A/C)	475,323	0.19%
TAVERNERS NO 11 PTY LTD (BRENCORP NO 11 UNIT A/C)	442,734	0.17%
	184,742,889	**71.99%**

Substantial Shareholders

As at 3 May 2017, the register of substantial shareholders disclosed the following information:

Holders giving notice	Number of ordinary shares in which interest is held	Percentage %
FMR LLC (FMR)	19,304,554	7.40
Westpac Banking Corporation (WBC)	18,708,790	7.27
BT Investment Management (BTT)	16,676,556	6.48

Summary of Financial Statistics

Annual Summary of Financial Statistics 10 Year History[1]

	2008 $'000	2009 $'000	2010 $'000	2011 $'000	2012 $'000	2013 $'000	2014 $'000	2015 $'000	2016 $'000	2017 $'000
Earnings Summary										
Revenue from Continuing Operations	837,288	1,218,336	1,161,520	1,220,183	1,393,639	1,517,419	1,434,923	1,434,224	2,209,448	2,691,375
Results Before Amortisation and Non-Trading Items										
Earnings before Interest, Taxes, Depreciation Amortisation (EBITDA)	70,486	82,505	72,467	60,893	67,628	67,005	64,018	61,371	80,525	**96,487**
Earnings before Interest, Taxes and Amortisation of Identifiable Intangibles (EBITA)	55,353	69,869	59,294	48,711	56,888	55,272	53,403	50,907	65,474	77,516
Interest	(15,835)	(20,224)	(18,308)	(14,413)	(12,510)	(9,933)	(7,415)	(5,447)	(11,206)	**(17,408)**
Profit before Income Tax Expense	39,518	49,645	40,986	34,298	44,378	45,339	45,988	45,460	54,268	60,108
Income Tax Expense	(9,092)	(14,241)	(13,200)	(7,430)	(12,952)	(10,728)	(13,527)	(14,237)	(15,461)	**(18,757)**
Profit after Tax (before amortisation and non-trading items)	30,426	35,704	27,786	26,868	31,426	34,611	32,461	31,223	38,807	41,351
Discontinued operations	1,160	1,167	–	(11,848)	–	–	–	–	(1,695)	**–**
Amortisation of identifiable intangibles	(3,164)	(3,659)	(1,622)	(486)	(206)	(657)	(614)	(786)	(6,762)	**(8,334)**
Other Specific Items	–	(4,840)	–	(4,106)	–	(1,817)	(1,395)	(4,742)	(128,374)	**(20,732)**
Profit/(loss) for the year	28,422	28,072	26,164	10,428	31,220	32,137	30,452	25,695	(98,024)	12,285
Earnings per Share (before amortisation and non-trading items)	35.2	36.9	26.2	22.7	26.6	29.3	27.5	26.3	21.8	16.2
Basic Earnings per Share – cents	32.9	29.2	24.6	8.8	26.4	27.2	25.8	21.7	(55.0)	**4.8**
Dividends										
– Interim – cents per share	9.5	9.5	3.0	3.0	5.0	5.0	6.0	6.5	6.5	**3.5**
– Final – cents per share	10.5	5.0	6.0	6.0	8.0	10.0	11.0	11.5	5.0	**3.5**
– Dividends per share – cents	20.0	14.5	9.0	9.0	13.0	15.0	17.0	18.0	11.5	**7.0**
– Dividend payout ratio	57%	39%	34%	40%	49%	51%	62%	68%	53%	**43%**
– Dividend franking	100%	100%	100%	100%	100%	100%	100%	100%	100%	**100%**
EBITA (before non-trading items) / Revenue	6.6%	5.7%	5.1%	4.0%	4.1%	3.6%	3.7%	3.5%	3.0%	2.9%
Interest Cover – times	3.5	3.5	3.2	3.4	4.5	5.6	7.2	9.3	5.8	**4.5**
Average Tax rate	23.0%	28.7%	32.2%	21.7%	29.2%	23.7%	29.4%	31.3%	28.4%	**31.2%**
Growth in Profit after Tax (before amortisation non-trading items)	32.8%	16.4%	(21.5%)	3.3%	17.0%	10.1%	(6.2%)	(3.8%)	24.3%	**6.6%**

- The consolidated entity's financial year ends 31 March.
- The results for the year ended 31 March 2008 include ten months contribution from Integrated Group following the merger on 7 June 2007.
- The dividend payout ratio is calculated on profit after tax before amortisation and non-trading items.
- The results for the year ended 31 March 2016 include six months contribution from SKILLED Group Limited following the merger on 16 October 2016.
- The results for the year ended 31 March 2016 include one-off costs associated with the Skilled acquisition, integration, restructuring and other costs ($33.9 million) and impairment of Marine goodwill due to the decline in activity resulting from the steep decline in oil and gas prices ($102.4 million).
- The results for the year ended 31 March 2017 include one-off costs associated with the Skilled acquisition, integration, restructuring and other costs ($28.2 million)

Summary of Financial Statistics continued

	2008 $'000	2009 $'000	2010 $'000	2011 $'000	2012 $'000	2013 $'000	2014 $'000	2015 $'000	2016 $'000	2017 $'000
Assets & Liabilities										
Cash	4,044	38,229	48,167	20,109	34,668	38,334	29,477	42,768	78,859	**58,735**
Debtors	179,914	157,480	165,323	180,226	214,701	222,950	201,418	196,409	413,799	**363,307**
Contract Recoverables & Work in Progress	198,129	211,952	175,117	162,782	153,923	141,633	138,269	133,939	120,633	**114,889**
Property Plant & Equipment	31,020	34,826	28,679	24,414	24,251	27,609	26,412	24,362	43,157	**37,998**
Goodwill	199,367	233,700	240,945	238,397	242,010	245,543	246,071	246,431	510,029	**508,258**
Other Assets	80,500	60,431	79,403	91,635	87,312	77,143	92,359	88,628	214,351	**210,392**
Total Assets	**692,974**	**736,618**	**737,634**	**717,563**	**756,865**	**753,212**	**734,006**	**732,537**	**1,380,828**	**1,293,579**
Payables	122,063	130,251	136,744	134,309	146,819	159,870	162,400	173,596	263,787	**271,995**
Borrowings	235,336	215,473	154,746	138,445	122,472	105,441	71,708	49,848	318,047	**258,740**
Provisions & other liabilities	80,745	106,497	94,290	93,353	114,084	96,250	89,519	90,657	193,405	**155,014**
Total Liabilities	**438,144**	**452,221**	**385,780**	**366,107**	**383,375**	**361,561**	**323,627**	**314,101**	**775,239**	**685,749**
Total Equity	**254,830**	**284,397**	**351,854**	**351,456**	**373,490**	**391,651**	**410,379**	**418,436**	**605,589**	**607,830**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financial Statistics										
Number of shares on issue at Year End (millions)	90.0	99.0	118.2	118.2	118.2	118.2	118.3	118.7	249.3	**257.3**
Net Tangible Assets per Share	**$0.44**	**$0.51**	**$0.84**	**$0.85**	**$1.00**	**$1.11**	**$1.27**	**$1.31**	$0.05	**$0.10**
Net Debt ($'000)	231,292	177,244	106,579	118,336	87,804	67,107	42,231	7,080	239,188	**200,005**
Net Debt to Equity	91%	62%	30%	34%	24%	17%	10%	2%	39%	**33%**
Gross Operating Cash flows ($'000)	57,089	82,453	59,962	29,071	72,640	90,595	80,587	80,964	90,905	**85,809**
Share Price at 31 March	**$5.20**	**$2.49**	**$3.08**	**$1.70**	**$2.52**	**$2.56**	**$2.90**	**$2.42**	$1.48	**$1.88**
Market Capitalisation at 31 March ($ millions)	468.0	246.5	364.0	200.9	297.8	302.5	342.9	287.2	369.0	**483.7**

1. Up to and including the year ended 31 March 2009, items in the Summary of Financial Statistics are shown as reported in the Company's previous Annual Report. Amounts for the year ended 31 March 2010 have been restated as a result of the change in accounting policy for painting programmes announced on 10 November 2010. Interest for the years up to and including 31 March 2009 represents net interest expense. From 31 March 2010 onwards interest represents total finance costs in accordance with changes in disclosure requirements.

Corporate Directory

Programmed Maintenance Services Limited

ABN 61 054 742 264

Board of Directors

B.R. Brook (Chairman – Non-executive)
C.G. Sutherland (Managing Director)
E.R. Stein (Non-executive Director)
R.J. McKinnon (Non-executive Director)
A.E. Grant (Non-executive Director), retired 24 May 2017
J. A. Walker (Non-executive Director)
L. M. Paul (Non-executive Director)

Secretary

S.M. Leach
K.A. Nadebaum

Auditors

Deloitte Touche Tohmatsu
Tower 2, Brookfield Place
123 St Georges Terrace
Perth WA 6000

Bankers

Westpac Banking Corporation
Level 9, 360 Collins Street
Melbourne VIC 3000

National Australia Bank
Level 28, 500 Bourke Street
Melbourne VIC 3000

Commonwealth Bank of Australia
Level 14A, 300 Murray Street
Perth WA 6000

The Hong Kong and Shanghai Banking Corporation Limited
Level 1, 188-190 St Georges Terrace
Perth WA 6000

Sumitomo Mitsui Banking Corporation
Level 35, The Chifley Tower,
2 Chifley Square
Sydney NSW 2000

The Bank of Tokyo-Mitsubishi UFJ, Ltd
Level 21, 221 St Georges Terrace
Perth WA 6000

Registered Office and Principal Administrative Office

47 Burswood Road
Burswood WA 6100

Telephone: +61 (08) 9216 2100
Facsimile: +61 (08) 9216 2186

Location of Share Register

Computershare Investor Services Pty. Limited
Level 11, 172 St Georges Terrace
Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

Internet Web Site

www.programmed.com.au

Email

companysecretary@programmed.com.au

Other information

Programmed Maintenance Services Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

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