

The background is a deep blue with abstract geometric shapes and lines. A large, faint, light blue checkmark is on the left, and a smaller one is on the right. A circular dashed line with a horizontal arrow pointing right and a vertical line with a dot at the end are also present.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED
31 DECEMBER 2019

COMPANY REGISTRATION NO: 201011837H



CORPORATE REGISTRY

BOARD OF DIRECTORS

Mr James Finbarr Fitzgerald
(Executive Chairman)

Mr Patrick John Tallon
(Chief Executive Officer)

Mr Kevin James Deery
(Chief Operating Officer)

Mr Chong Teck Sin
(Lead Independent Director)

Mr Wong Fook Choy Sunny
(Independent Director)

Mr Douglas Owen Chester
(Independent Director)

AUDIT COMMITTEE

Mr Chong Teck Sin
(Chairman)

Mr Douglas Owen Chester

Mr Wong Fook Choy Sunny

REMUNERATION COMMITTEE

Mr Wong Fook Choy Sunny
(Chairman)

Mr Douglas Owen Chester

Mr Chong Teck Sin

NOMINATING COMMITTEE

Mr Douglas Owen Chester
(Chairman)

Mr Wong Fook Choy Sunny

Mr Chong Teck Sin

RISKS & CONFLICTS COMMITTEE

Mr Chong Teck Sin
(Chairman)

Mr Douglas Owen Chester

Mr Wong Fook Choy Sunny

COMPANY SECRETARIES

Ms Chan Lai Yin

Ms Lee Pay Lee

REGISTERED OFFICE

80 Robinson Road, #02-00

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PRINCIPAL OFFICE AND CONTACT DETAILS

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SHARE REGISTRAR AND SHARE TRANSFER AGENT

Tricor Barbinder Share Registration Services
(a division of Tricor Singapore Pte Ltd)

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Singapore 068898

Computershare

Level 11

172 St Georges Terrace

Perth WA 6000

Australia

AUDITORS

Moore Stephens LLP

10 Anson Road, #29-15 International Plaza

Singapore 079903

Partner in Charge: Ms Lao Mei Leng

(Appointed since the financial year ended
30 June 2016)

PRINCIPAL BANKER

National Australia Bank

Level 14

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Perth WA 6000

Australia

CORPORATE WEBSITE

www.civmec.com.au

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF CIVMEC LIMITED
(Incorporated in Singapore)

MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated financial statements of Civmec Limited (the 'Company') and its subsidiaries (collectively referred to as the 'Group'), which comprise the consolidated statement of financial position of the Group as at 31 December 2019 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year period then ended, and a summary of significant accounting policies and certain explanatory information. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with Singapore Financial Reporting Standard (International) ('SFRS(I)') 1-34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.' A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance, its changes in equity and its cash flows for the six-month period then ended in accordance with SFRS(I) 1-34, *Interim Financial Reporting*.

Moore Stephens LLP

Public Accountants and
Chartered Accountants

Singapore

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	NOTE	Consolidated 6 months ended 31 December 2019	Consolidated 6 months ended 31 December 2018
		A\$'000	A\$'000
Revenue	2	166,175	335,030
Cost of sales		(147,563)	(320,213)
Gross profit		18,612	14,817
Other income	2	589	3,981
Administrative expenses		(7,928)	(8,649)
Other expenses		(237)	-
Finance costs		(1,563)	(2,533)
Profit before income tax	3	9,473	7,616
Income tax expense		(1,493)	(854)
Profit for the period		7,980	6,762
Profit attributable to:			
Owners of the Company		8,066	5,814
Non-controlling interest		(86)	948
Profit for the period		7,980	6,762
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on re-translation from functional currency to presentation currency		-	(185)
Reclassification of translation reserve to the profit or loss account on deconsolidation		-	92
Total comprehensive income for the period		7,980	6,669
Total comprehensive income attributable to:			
Owners of the Company		8,066	5,721
Non-controlling interest		(86)	948
		7,980	6,669
Earnings per share attributable to equity holders of the Company (cents per share):			
- Basic	4	1.61	1.16
- Diluted	4	1.61	1.16

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	NOTE	31 December 2019 A\$'000	30 June 2019 A\$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	21,619	40,662
Trade and other receivables	5	56,092	63,558
Contract assets	5(a)	117,982	117,443
Other current assets		3,335	1,063
Income tax recoverable		5,985	4,024
		205,013	226,750
Non-current assets			
Investment in joint venture	8	315	41
Loan receivables		492	-
Property, plant and equipment	7	252,635	201,004
Intangible assets		10	10
Deferred tax assets		-	1,930
		253,452	202,985
TOTAL ASSETS		458,465	429,735
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	11	60,908	57,543
Contract liabilities	5(a)	73,906	69,333
Lease liabilities	16	8,345	-
Finance lease liabilities	16	-	6,358
Borrowings	12	6,877	2,572
Provisions	13	4,040	5,557
		154,076	141,363
Non-current liabilities			
Lease liabilities	16	39,076	-
Finance lease liabilities	16	-	12,804
Borrowings	12	86,333	95,444
Provisions	13	3,142	4,634
Deferred tax liabilities		821	1,362
		129,372	114,244
TOTAL LIABILITIES		283,448	255,607
Capital and Reserves			
Share capital	14	29,807	29,807
Treasury shares	14	(10)	(10)
Other reserves	15	7,818	7,818
Retained earnings		137,566	136,591
Total equity attributable to the Owners of the Company		175,181	174,206
Non-controlling interest		(164)	(78)
TOTAL EQUITY		175,017	174,128
TOTAL LIABILITIES AND EQUITY		458,465	429,735

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	Other reserves						Total A\$'000	Non- controlling interest A\$'000	Total A\$'000
	Share capital A\$'000	Treasury shares A\$'000	Merger reserve A\$'000	Foreign currency translation reserve A\$'000	Share option reserve A\$'000	Retained earnings A\$'000			
Balance as at 1 July 2019 – reported under SFRS(I)	29,807	(10)	7,578	-	240	136,591	(78)	174,206	174,128
Effects of the adoption of SFRS(I) 16	-	-	-	-	-	(3,362)	-	(3,362)	(3,362)
Balance as at 1 July 2019, restated	29,807	(10)	7,578	-	240	133,229	(78)	170,844	170,766
Profit for the period	-	-	-	-	-	8,066	(86)	8,066	7,980
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	8,066	(86)	8,066	7,980
Dividends paid	-	-	-	-	-	(3,729)	-	(3,729)	(3,729)
Balance as at 31 December 2019	29,807	(10)	7,578	-	240	137,566	(164)	175,181	175,017
Balance as at 1 July 2018	29,807	(10)	7,578	93	240	134,147	(1,033)	171,855	170,822
Profit for the period	-	-	-	-	-	5,814	948	5,814	6,762
Other comprehensive income:	-	-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	(185)	-	-	-	(185)	(185)
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	92	-	-	-	92	92
Elimination of non- controlling interest on deconsolidation	-	-	-	(93)	-	5,814	948	5,721	6,669
Total comprehensive income for the year	-	-	-	-	-	(3,632)	-	(3,632)	(3,632)
Dividends paid	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	29,807	(10)	7,578	-	240	136,329	(85)	173,944	173,859

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	NOTE	Consolidated 6 months ended 31 December 2019	Consolidated 6 months ended 31 December 2018
		A\$'000	A\$'000
Cash Flows from Operating Activities			
Profit before income tax		9,473	7,616
Adjustment for:			
Depreciation of property, plant and equipment	7	5,155	5,224
Depreciation of right-of-use assets		233	-
Loss/(Gain) on disposal of property, plant and equipment		237	(70)
Share of (profit)/loss of a joint venture		(274)	2
Gain on deconsolidation of a subsidiary		-	(2,091)
Write off of amount owing by a trade receivable		500	-
Finance cost		2,887	2,533
Interest income		(129)	(393)
Foreign exchange differences		-	(178)
Operating cash flow before working capital changes		18,072	12,643
Changes in working capital:			
Decrease in trade and other receivables		8,287	50,668
Increase in contract assets		(539)	(8,001)
Increase in other current assets		(2,271)	(380)
Decrease in trade and other payables		(361)	(22,112)
Increase/(decrease) in contract liabilities		4,573	(12,016)
Decrease in provisions		(3,009)	(2,175)
Cash generated from operations		24,752	18,627
Interest received		102	375
Finance cost paid		(806)	(1,833)
Income tax refund		4,590	3,001
Income taxes paid		(3,006)	(3,440)
Net cash generated from operating activities		25,632	16,730
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		49	92
Purchase of property, plant and equipment		(32,145)	(32,875)
Proceeds from loan to a former subsidiary, now a related entity		90	55
Advances to a joint venture		(490)	-
Cash distribution from joint operation		66	-
Net cash used in investing activities		(32,430)	(32,728)

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019
(CONTINUED)

	NOTE	Consolidated 6 months ended 31 December 2019	Consolidated 6 months ended 31 December 2018
		A\$'000	A\$'000
Cash Flows from Financing Activities			
Proceeds from borrowings		66,305	288,246
Repayment of borrowings		(71,111)	(222,900)
Repayment of lease liabilities		(3,710)	-
Dividends paid		(3,729)	(3,632)
Net cash (used in)/generated from financing activities		(12,245)	61,714
Net (decrease)/increase in cash and cash equivalents		(19,043)	45,716
Cash and cash equivalents at the beginning of the financial period		40,662	23,369
Cash and cash equivalents at the end of the financial period	6	21,619	69,085

The reconciliation of movements of liabilities to cash flows arising from financing activities is presented below:

	Cash flows			Non-cash changes			Closing A\$'000
	Opening A\$'000	Proceeds A\$'000	Repayment A\$'000	Reclass to lease liabilities A\$'000	Addition A\$'000	Exchange A\$'000	
	1 JULY 2019						31 DECEMBER 2019
Borrowings	98,016	66,305	(71,111)	-	-	-	93,210
Finance lease liabilities	19,162	-	-	(19,162)	-	-	-
Lease liabilities	-	-	(3,710)	19,162	31,969	-	47,421
	1 JULY 2018						31 DECEMBER 2018
Borrowings	107,709	288,246	(222,900)	-	-	289	173,344

The accompanying notes form an integral part of the interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

These notes form an integral part of and should be read in conjunction with the accompanying interim condensed consolidated financial statements.

1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of Civmec Limited (the 'Company') and its subsidiaries (the 'Group') for the six-month period ended 31 December 2019 have been prepared on a condensed basis in accordance with Singapore Financial Reporting Standard (International) 1-34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 30 June 2019 together with any public announcements made during the six-month period ended 31 December 2019.

The financial statements are presented in Australia dollars (AUD or A\$), which is the functional currency of the Company. All financial information presented in Australia dollars have been rounded to the nearest thousand, unless otherwise stated.

(a) Adoption of Singapore Financial Reporting Standards (International)

Application of SFRS(I) effective for annual period beginning on or after 1 January 2019

The Group has adopted the new or amended SFRS(I) that are mandatory for application for the financial period. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I). The adoption of these new or amended SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current financial period except for the adoption of SFRS(I) 16 *Leases*:

SFRS(I) 16 *Leases*

SFRS(I) 16 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives*; and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. SFRS(I) 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities. Right-of-use assets are tested for impairment in accordance with SFRS(I) 1-36 *Impairment of Assets*. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

The Group has applied a modified retrospective approach that does not restate comparative information, but recognises the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 July 2019. Under the modified retrospective approach, the Group has elected to apply the following practical expedients under SFRS(I) 16:

- a) For all contracts entered into before 1 July 2019 and that were previously identified as leases under SFRS(I) 1-17 and SFRS(I) INT 4, the Group is exempted from having to reassess whether pre-existing contracts contain a lease. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 will continue to be applied to leases entered or modified before 1 July 2019.
- b) The Group has, on a lease-by-lease basis:
 - applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
 - relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

1 BASIS OF PREPARATION (continued)

- excluded initial direct costs in the measurement of the right-of-use ('ROU') asset at the date of initial application; and
 - used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- c) The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impact on lessee accounting

For leases previously classified as operating leases, the Group chose to measure its ROU assets (except for ROU assets which meet the definition of investment property) at a carrying amount as if SFRS(I) 16 had been applied since the commencement of the lease but discounted using incremental borrowing rate at 1 July 2019. The Group recognised its lease liabilities by discounting remaining lease payments as at 1 July 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristics. The difference between the carrying amount of the ROU assets and lease liabilities as at 1 July 2019 is adjusted directly to opening retained profits. Comparative information is not restated.

For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 July 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

Impact on lessor accounting

There are no significant changes to the accounting by the Group as a lessor.

Financial impact of adoption of SFRS(I) 16

On 1 July 2019, the Group:

- (i) recognised right-of-use assets of A\$24,833,000 in the property, plant and equipment.
- (ii) recognised lease liabilities of A\$49,377,000.
- (iii) recognised deferred tax assets of A\$1,008,000.
- (iv) recognised the difference of A\$3,362,000 in retained earnings.
- (v) derecognised finance lease liabilities of A\$19,162,000.

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 8.6%.

The differences between the operating lease commitments disclosed applying SFRS(I) 1-17 in the Group's financial statements as at 30 June 2019 and the lease liabilities recognised in the statement of financial position as at 1 July 2019 are presented below:

	A\$'000
Operating lease commitment disclosed as at 30 June 2019	66,023
Less:	
Discounted using the incremental borrowing rate at 1 July 2019	(39,412)
Short-term leases	(147)
Add:	
Extension options which are reasonably certain to be exercised	3,751
Finance lease liabilities as at 30 June 2019	19,162
Lease liabilities recognised as at 1 July 2019	49,377

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

1 BASIS OF PREPARATION (continued)

(b) SFRS(I)s and SFRS(I) INTs issued but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) Interpretations ('SFRS(I) INT') which are issued and are relevant to the Group but not yet effective (they are all effective from 1 January 2020):

- Amendments to SFRS(I) 3 *Business Combination*
- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*

The Group does not expect any significant impact arising from applying these amendments.

(c) Accounting Estimates and Judgements

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumption that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Construction contract revenue and financial assets

In preparing the interim condensed consolidated financial statements, judgments made in the application of the accounting standards that could have significant effect on the financial statements and estimates with a risk of adjustment in the next year are the same as those disclosed in the 30 June 2019 Civmec Limited's Annual Report, updated for the following:

- Construction and services projects:
 - Determination of stage of completion;
 - Estimation of total contract costs;
 - Estimation of total revenue, including recognising revenue on contract variations and claim only to the extent it is highly probable that a significant reversal in the amount recognised will not occur in the future;
 - Estimation of project completion date and;
 - Assumed levels of project productivity.
- Estimation of provision for expected credit losses on financial assets

Legal proceedings

The Group is exposed to the risk of claims and litigation which can arise for various reasons, including changes in scope of work, delay and disputes etc. Given the nature of the business, variation orders, additional works and prolongation costs are common. As some of these items could be subjective and hence contentious in nature, the Group may from time to time be involved in adjudication or legal processes.

In making its judgment as to whether it is probable that any such adjudication decisions or litigation will result in a liability and whether any such liability can be measured reliably, management relies on past experience and the opinion of legal advisors and technical experts.

In making that overall judgment, the management has included in its consideration the likely outcome of the claims. Although an adverse outcome of those claims could have a material adverse impact on the financial position of the Group, management have taken the view that such a material adverse outcome is very unlikely.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

2 REVENUE AND OTHER INCOME

	NOTE	Consolidated 6 months ended 31 December 2019	Consolidated 6 months ended 31 December 2018
		A\$'000	A\$'000
Revenue			
Construction contract revenue		165,148	332,399
Revenue from the rendering of services		695	2,113
Revenue from sales of goods		332	518
		166,175	335,030
Other Income			
Interest income			
Bank balances		58	176
Related party		34	36
Tax authorities		2	181
Others		35	-
Gain on deconsolidation of a subsidiary	21(b)	-	2,091
Gain on disposal of property, plant and equipment		-	70
Fuel tax rebate		227	128
Share of profit/(loss) of a joint venture		274	(2)
Insurance recovery*		-	1,218*
Sundry revenue		(41)	83
		589	3,981

* During the previous financial period, the Group recognised other income of A\$1,218,000 from an insurance claim relating to a fire incident in September 2017. This claim has now been finalised.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

3 PROFIT BEFORE TAX

The following items have been included in arriving at profit before income tax:

	Consolidated 6 months ended 31 December 2019	Consolidated 6 months ended 31 December 2018
	A\$'000	A\$'000
Included in cost of sales:		
Direct materials	41,463	47,938
Employee benefits	58,127	141,852
Subcontract works	24,114	87,952
Workshop and other overheads	18,588	37,407
Depreciation expenses	5,271	5,064
	147,563	320,213
Included in administrative expenses:		
Audit fees:		
- Auditors of the Company	46	29
- Other auditors	86	34
Non-audit fees:		
- Auditors of the Company	21	20
- Other auditors	73	36
Business development	311	413
Communications	571	892
Depreciation expenses	117	160
Directors' fees	126	206
Employee benefits costs	4,872	4,765
Occupancy expenses	201	225
Office costs	271	414
Other administrative expenses	274	352
Other professional fees	728	867
Tax fees	231	236
	7,928	8,649
Depreciation:		
Included in cost of sales	5,271	5,064
Included in administrative expenses	117	160
	5,388	5,224

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

4 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the Group's net profit attributable to ordinary equity holders for the financial period by the weighted average number of ordinary shares issued.

	Consolidated 6 months ended 31 December 2019	Consolidated 6 months ended 31 December 2018
	A\$'000	A\$'000
Profit attributable to the owners of the Company (A\$'000)	8,066	5,814
Weighted average number of ordinary shares issued		
- Basic	500,985,000	500,985,000
- Diluted	500,985,000	500,985,000
Earnings per ordinary share (A\$ cents)		
- Basic	1.61	1.16
- Diluted	1.61	1.16

Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the Company, by the weighted average number of ordinary shares outstanding during the financial period.

As at 31 December 2019, the diluted earnings per share is the same as the basic earnings per share as it does not include the effect of 4,000,000 (30 June 2019: 4,000,000) unissued ordinary shares granted under the Civmec Limited Employee Share Option Scheme ('CESOS'). The effect of the inclusion is anti-dilutive.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

5 TRADE AND OTHER RECEIVABLES

Trade receivables

- Third party
- Retention sum receivables

Other receivables

GST receivables

Loan to a former subsidiary, now a related entity*

Other receivables

31 December 2019	30 June 2019
A\$'000	A\$'000
45,505	52,432
12	648
45,517	53,080
1,452	-
1,742	1,803
7,381	8,675
10,575	10,478
56,092	63,558

* The Group provided working capital funding to a former subsidiary, now a related entity, Civtec Africa Ltd. The loan is unsecured, interest bearing at a market rate of Australian Bank Bill Swap Bid Rate ('BBSY') plus 2% and repayable on demand.

5(a) CONTRACT ASSETS AND LIABILITIES

Contract assets

Contract liabilities

(i) Significant changes in contract balances

31 December 2019	30 June 2019
A\$'000	A\$'000
117,982	117,443
(73,906)	(69,333)

Contract assets:

Contract assets reclassified to trade receivables

Changes in measurement of progress

31 December 2019	30 June 2019
A\$'000	A\$'000
(37,965)	(76,840)
38,504	54,082

Contract liabilities:

Revenue recognised in current period that was included in the contract liability balance at the beginning of the period

Increase due to cash received, excluding amounts recognised as revenue during the year

54,863	17,653
(59,436)	(55,997)

6 CASH AND CASH EQUIVALENTS

Cash at bank and in hand

31 December 2019	30 June 2019
A\$'000	A\$'000
21,619	40,662

A floating charge over cash and cash equivalents has been provided for certain debt.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

7 PROPERTY, PLANT AND EQUIPMENT

Land	Buildings	Plant and equipment	Small tools	Motor vehicles	Office equipment	IT equipment	Assets under Construction	Total
A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000

Cost

At 01 July	16,254	66,357	68,643	7,099	7,045	1,414	2,410	85,652	254,874
Adoption of SFRS(I) 16	27,145	-	-	-	-	-	-	-	27,145
Additions	-	341	79	9	-	-	-	32,057	32,486
Adjustment	(13)	-	-	-	-	-	-	-	(13)
Transfer	-	-	787	(83)	-	(931)	671	(444)	-
Disposals	-	-	(438)	(394)	(35)	-	-	-	(867)
At 31 December 2019	43,386	66,698	69,071	6,631	7,010	483	3,081	117,265	313,625

Accumulated depreciation

At 01 July	-	(13,253)	(27,860)	(5,124)	(4,525)	(998)	(2,110)	-	(53,870)
Adoption of SFRS(I) 16	(2,312)	-	-	-	-	-	-	-	(2,312)
Depreciation for the period	(194)	(1,596)	(2,883)	(283)	(334)	(4)	(94)	-	(5,388)
Transfer	-	-	(297)	50	-	608	(361)	-	-
Disposals	-	229	216	101	34	-	-	-	580
At 31 December 2019	(2,506)	(14,620)	(30,824)	(5,256)	(4,825)	(394)	(2,565)	-	(60,990)

Net carrying amount

At 31 December 2019	40,893	52,065	38,247	1,375	2,185	89	516	117,265	252,635
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Cost

At 01 July	16,254	55,576	54,636	16,729	7,137	1,405	2,373	34,084	188,194
Additions	-	-	4,139	144	-	10	66	63,868	68,227
Adjustment	-	-	450	-	-	-	-	-	450
Transfer	-	10,781	11,070	(9,526)	-	4	(29)	(12,300)	-
Disposals	-	-	(1,652)	(248)	(92)	(5)	-	-	(1,997)
At 30 June 2019	16,254	66,357	68,643	7,099	7,045	1,414	2,410	85,652	254,874

Accumulated depreciation

At 01 July	1	(10,663)	(19,955)	(7,204)	(3,880)	(853)	(1,928)	-	(44,483)
Depreciation for the year	-	(2,590)	(5,515)	(852)	(726)	(150)	(182)	-	(10,015)
Transfer	-	-	(2,716)	2,697	14	5	-	-	-
Adjustment	-	-	(187)	-	-	-	-	-	(187)
Disposals	-	-	513	235	67	-	-	-	815
At 30 June 2019	-	(13,253)	(27,860)	(5,124)	(4,525)	(998)	(2,110)	-	(53,870)

Net carrying amount

At 30 June 2019	16,254	53,104	40,783	1,975	2,520	416	300	85,652	201,004
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

7 PROPERTY, PLANT AND EQUIPMENT (continued)

Right-of-use assets

Right-of-use assets acquired under leasing arrangement are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16.

8 INVESTMENT IN JOINT VENTURE

Summarised statement of financial position

	31 December 2019	30 June 2019
	A\$'000	A\$'000
Share of profit	315	41
Cash distribution to shareholders	-	(19)
Written off	-	19
Investment	315	41

Details of the Group's joint venture that is accounted for using the equity method at the end of the reporting period is as follows:

Name of Entity	Principal Activities	Country of Incorporation	Equity held by the Group	
			31 December 2019 %	30 June 2019 %
Held by Civmec Construction & Engineering Pty Ltd				
Brown & Root Civmec Pty Ltd	Engineering and construction services	Australia	49	49

The summarised financial information below represents amounts shown in the joint venture's financial statements.

Brown & Root Civmec Pty Ltd

	31 December 2019	30 June 2019
	A\$'000	A\$'000
Summarised statement of financial position		
Other receivables	249	82
Total assets (i)	1,740	82
Other payables – current	97	-
Total non-current payables	1,000	-
Total liabilities (ii)	1,097	-
Net assets (i) – (ii)	643	82

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

8 INVESTMENT IN JOINT VENTURE (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	31 December 2019	30 June 2019
	A\$'000	A\$'000
Net assets	643	82
Proportion of the Group's ownership in joint venture	49.0%	49.0%
Carrying amount of the Group's interest in the joint venture	315	41

Summarised statement of comprehensive income:

	31 December 2019	31 December 2018
	A\$'000	A\$'000
Revenue	4,388	-
Operating expenses	(2,840)	-
Administrative expenses	(905)	-
Profit before tax	643	-
Other comprehensive income	-	-
Total comprehensive income	643	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

9 INVESTMENT IN ASSOCIATE

Details of the Group's associate that is accounted for using the equity method at the end of the reporting period are as follows:

Name of Entity	Principal Activities	Country of Incorporation	Equity held by the Group	
			31 December 2019 %	30 June 2019 %
Held by Civmec Construction & Uganda Pty Ltd				
Civtec Africa Ltd	Engineering and construction services	Uganda	32	32

The summarised financial information below represents amounts shown in the joint venture's financial statements.

Civtec Africa Ltd

Summarised statement of financial position

Current assets
Non-current assets
Current liabilities
Non-current liabilities

31 December 2019	30 June 2019
A\$'000	A\$'000
2,112	648
96	20
(706)	(349)
(2,437)	(1,955)

The carrying amount of investment in associate has been reduced to Nil on the basis that the associate reported a net liability position as at 31 December 2019.

Statement of comprehensive income:

Revenue
Profit from continuing operations
Profit/(loss) for the period
Total comprehensive income/(expense) for the period

31 December 2019	03 September 2018 to 31 December 2018
A\$'000	A\$'000
3,374	283
532	56
270	(103)
270	(291)

The Group has not recognised its share of profit of an associate amounting to A\$87,000 because the Group's cumulative share of losses exceeds its interest in that entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses amounted to A\$141,000 at the reporting date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

10 JOINT OPERATIONS

The Group has interests in the following joint operations which are proportionately consolidated:

Name of Entity	Principal Activities	Principal of place of business/ Country of Incorporation	Equity held by the Group	
			December 2019 %	June 2019 %
Black & Veatch Civmec JV ('BCJV')	Engineering and construction services	Australia	50	50
Amec Foster Wheeler Civmec JV ('ACJV')	Engineering and construction services	Australia	50	50
Swan River Bridge Alliance ('SRBA')	Engineering and construction services	Australia	-	33.33

SRBA project is to deliver the fabrication of the Swan River Pedestrian Bridge, linking the new Optus Stadium with East Perth and completed on 24 July 2019.

The Group is entitled to a proportionate share of the construction contract revenue earned and bears a proportionate share of the joint operations' expenses.

11 TRADE AND OTHER PAYABLES

	31 December 2019	30 June 2019
	A\$'000	A\$'000
Trade creditors	35,021	26,675
Sundry payables and accruals	21,476	24,786
Goods and services tax payable	-	2,808
Other taxes payable	4,411	3,274
	60,908	57,543

Trade and other payables are usually paid within 45 days.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

12 BORROWINGS

	31 December 2019	30 June 2019
	A\$'000	A\$'000
Current		
Bank bills – secured	6,557	2,252
Loans from related parties – unsecured (d)	320	320
	6,877	2,572
Non-current		
Bank bills - secured (b)	26,333	35,444
Senior secured notes (c)	60,000	60,000
	86,333	95,444
Total borrowings	93,210	98,016

(a) Finance lease liabilities

Due to the adoption of SFRS(I) 16, the finance lease liabilities are now reclassified as lease liabilities under Note 16.

(b) Bank bills

Banking covenants

The Group is required by the banks to maintain certain financial ratios such as loan value ratio and interest cover ratio.

As at 31 December 2019, the Group met all of these financial covenants.

As at 31 December 2019, the Group has a commercial bank facility amounting to A\$27,778,000 (30 June 2019: A\$44,444,000) which was 95% utilised. Interest rates are variable and ranged between 1.97% to 2.25% per annum during the current financial period.

(c) Senior secured notes

The Group secured A\$60.0 million offering 'Senior Secured Note' of 4-year secured notes on 23 November 2018 to restructure existing finance and provide funding for a portion of a world-class shipbuilding and maintenance facility at Henderson Western Australia. The Notes are unconditionally and irrevocably guaranteed by Civmec Limited and are redeemable after two years at Civmec Limited's option. Senior Secured Note is collectively under a security trust deed and hold first ranking over all assets held with the subsidiary, Civmec Holdings Pty Ltd, including interests in land at the Company's Stuart Drive Henderson site in Western Australia and the Tomago site in New South Wales, Australia.

The senior secured notes bear a fixed interest rate of 7% per annum.

(d) Loans from related parties

Loans from related parties are non-trade, unsecured, interest free and repayable on demand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

13 PROVISIONS

Current

Provisions for employee benefits

31 December 2019	30 June 2019
A\$'000	A\$'000
4,040	5,557

Non-current

Provisions for employee benefits

3,142	4,634
7,182	10,191

Movements in provisions are as follows:

Current

Opening balance at the beginning of the period

Provisions made during the period included in employee benefits

Provisions utilised during the period

Closing balance at the end of the period

31 December 2019	30 June 2019
A\$'000	A\$'000
5,557	9,197
2,412	18,281
(3,929)	(21,921)
4,040	5,557

Non-current

Opening balance at the beginning of the period

Provisions made during the period included in employee benefits

Provisions utilised during the period

Closing balance at the end of the period

4,634	3,935
562	1,019
(2,054)	(320)
3,142	4,634

Provisions pertain to employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data and the discount rate used ranges from 1.29% to 2.53%. (30 June 2019: from 1.46% to 2.73%.)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

14 SHARE CAPITAL

(a) Fully Paid Ordinary Shares

31 December 2019		30 June 2019	
No. of shares	A\$'000	No. of shares	A\$'000
At the beginning and end of the period		501,000,000	29,807
		501,000,000	29,807

The ordinary shares of the Company have no par value. All issued ordinary shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share without restrictions at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The Company approved the payment of First and Final dividend of 0.7 Singapore cents per ordinary share (30 June 2018: 0.7 Singapore cents) amounting to A\$3,729,000 for the financial year ended 30 June 2019. The dividend payment was made on 06 December 2019.

(b) Treasury Shares

31 December 2019		30 June 2019	
No. of shares	A\$'000	No. of shares	A\$'000
At the beginning and end of the period		15,000	10
		15,000	10

Treasury shares relate to ordinary shares of the Company that are held by the Company.

(c) Share Options

31 December 2019		30 June 2019	
No. of shares	A\$'000	No. of shares	A\$'000
At the beginning and end of the period		4,000,000	0.65
		4,000,000	0.65

These options vested but were not exercised during the reporting period. Share options granted under the Civmec Employee Share Option plan carry no rights to dividends and no voting rights. Exercise price is Singapore dollars \$0.65 per share.

(d) Performance Rights

7,359,993 rights remain unvested as at 31 December 2019 (30 June 2019: 8,109,993).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

15 OTHER RESERVES

	31 December 2019	30 June 2019
	A\$'000	A\$'000
Merger reserve (a)	7,578	7,578
Share option reserve (b)	240	240
	7,818	7,818

(a) Merger Reserve

Pursuant to the completion of the Restructuring Exercise, the share capital of Civmec Construction & Engineering Pty Ltd and Controlled Entities is adjusted to merger reserve based on the 'pooling of interest method'.

(b) Share Option Reserve

The share option reserve relates to share options granted to employees under the employee share option plan.

16 LEASE LIABILITIES

The Group as Lessee

The Group has entered into leases of land and buildings in respect of its offices, facilities and workshops. The Group has the following leases:

- The Henderson land lease at Lot 804 (16) Nautical Drive, Henderson, Western Australia is for a 35-year period from July 2009 with an option to renew for a further 35 years. Rent increases as per the CPI Index.
- The New South Wales leases at Suite 4.02, level 4, 657 Pacific Highway St Leonards and 48 Villers Street, Grafton, New South Wales are for a 3-year period and 1-year period respectively.
- A workshop lease at 1 Boys Road, Gladstone in Queensland for 2-year period and 1-year period respectively.

The Group also leases motor vehicles, workshop equipment and office fitout from non-related parties under finance leases. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term. The average lease term is between 4 and 5 years.

Arising from the adoption of SFRS(I) 16, the Group has recognised the above as right-of-use assets included as part of property, plant and equipment in Note 7.

Finance lease liabilities were reclassified to lease liabilities on 1 July 2019 arising from the adoption of SFRS(I) 16.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

16 LEASE LIABILITIES (continued)

The present values of lease liabilities are analysed as follows:

	Minimum lease payments	Future finance charges	Net present value of minimum lease payments
	A\$'000	A\$'000	A\$'000
As at 31 December 2019			
Less than one year	9,016	(671)	8,345
Between one and five years	39,837	(761)	39,076
	48,853	(1,432)	47,421

Lease liabilities are presented in the statement of financial position as follows:

	31 December 2019	30 June 2019
	A\$'000	A\$'000
Present value of lease liabilities		
Less than one year	8,345	-
Between one and five years	39,076	-
	47,421	-

The effective interest rate ranging from 3.24% to 8.6% per annum.

The present value of finance lease liabilities for 30 June 2019 was as follows:

	Minimum lease payments	Future finance charges	Net present value of minimum lease payments
	A\$'000	A\$'000	A\$'000
As at 30 June 2019			
Less than one year	7,121	(763)	6,358
Between one and five years	13,873	(1,069)	12,804
	20,994	(1,832)	19,162

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

16 LEASE LIABILITIES (continued)

The carrying amount of right-of-use assets classified within Property, Plant and Equipment (Note 7) is as follows:

	31 December 2019	1 July 2019
	A\$'000	A\$'000
Land	24,626	24,833
Buildings	302	-
Small tools	330	362
Plant and equipment	18,754	19,676
Motor vehicles	1,183	1,322
Office equipment	67	80

There was an addition of A\$492,000 to right-of-use assets during the financial period.

Amounts recognised in profit or loss

	31 December 2019
	A\$'000
Depreciation charged for the period:	
- Small tools	32
- Plant and equipment	878
- Motor vehicles	140
- Office equipment	13
- Operating leases	233
Interest on lease liabilities	1,938
Expenses relating to short-term leases	46

Other disclosures

	31 December 2019
	A\$'000
Total cash outflow for leases	3,710

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

17 CAPITAL EXPENDITURE COMMITMENTS

The Group has contracted capital expenditure commitments at the reporting date but not recognised in the financial statement as follows:

	31 December 2019	30 June 2019
	A\$'000	A\$'000
Plant and equipment purchases	151	131
Capital projects	7,143	10,298
Not later than 12 months	7,294	10,429

18 GUARANTEES

The Group is, in the normal course of business, required to provide guarantees in respect of its contractual performance related obligations. These guarantees and indemnities only give rise to a liability where it fails to perform its contractual obligations.

During the course of business, the Company also provides letters of credit for international trading when required.

As at 31 December 2019, the Group has provided the following:

	31 December 2019	30 June 2019
	A\$'000	A\$'000
Bank guarantee	1,723	1,806
Surety bond facility	178,769	180,948
	180,492	182,754

The surety bond facility is provided for the provision of performance bonds to customers of the Group. It has a limit of A\$250 million as at 31 December 2019 (30 June 2019: A\$250 million).

19 RELATED PARTY TRANSACTIONS

The Group's main related parties are as follows:

Entities Exercising Control over the Group

The largest shareholders are James Finbarr Fitzgerald and Olive Theresa Fitzgerald (acting as trustees for the JF & OT Fitzgerald Family Trust) (19.47%) and Goldfirm Pty Ltd (acting as trustee for the Kariong Investment Trust) (19.47%).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

19 RELATED PARTY TRANSACTIONS (continued)

Key Management Personnel

Any person having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

	31 December 2019	31 December 2018
	A\$'000	A\$'000
Directors' remuneration		
Salaries and other related costs	861	891
Directors' fees	126	111
Benefits including defined contribution plans	62	31
Other key management personnel		
Salaries and other related costs	943	1,034
Benefits including defined contribution plans	91	56
	2,083	2,123

Other Related Parties

Other related parties include immediate family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel, individually or collectively with their immediate family members.

Transactions with Related Parties

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

The following transactions occurred with related parties:

	31 December 2019	31 December 2018
	A\$'000	A\$'000
Purchase of Goods and Services		
Other related parties:		
Consultant fee paid to a related party (who is a director of the Company)	(8)	(7)

20 FINANCIAL INFORMATION BY SEGMENTS

Management has determined the operating segments based on the internal reports which are regularly reviewed by the Operations Management that are used to make strategic decisions.

The Operations Management comprises of the Executive Chairman, Chief Executive Officer, Chief Operations Officer, Chief Financial Officer and the department heads of each operating segment.

The business is managed primarily on the basis of different products and services as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

20 FINANCIAL INFORMATION BY SEGMENTS (continued)

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or services;
- the distribution method; and
- any external regulatory requirements.

Although the Operations Management receives separate reports for each project in the Oil and Gas, Metals and Minerals, and Infrastructure businesses, these have been aggregated into the respective reportable segments as they have similar long-term average gross margins.

The three main reportable segments for the Group are: (1) Oil and Gas (2) Metals and Minerals and (3) Infrastructure. The business activities include civil construction, fabrication, precast concrete, SMP (Structural, Mechanical and Piping Erection), insulation, maintenance and plant hire.

Basis of Accounting for Purpose of Reporting by Operating Segments

(a) Accounting Policies Adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the consolidated financial statements of the Group.

(b) Inter-Segment Transactions

An internally determined transfer price is set for all inter-segment sales. This price is reviewed quarterly and is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Inter-segment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs.

(c) Segment Assets and Liabilities

The Group does not identify nor segregate its assets and liabilities in operating segments as these are managed on a 'group basis'.

Geographical Segments (Secondary Reporting)

The Group currently operates in three geographical areas – Australia (main operations), Papua New Guinea and Uganda.

Major Customers

The Group has a number of customers to whom it provides both products and services. For the period ended 31 December 2019, the Group supplies to a single external customer in Metals and Minerals segment who accounts for 26.6% of external revenue (31 December 2018: Metals and Minerals 12.1%). The next most significant client accounts for 14.3% and 13.6% (31 December 2018: 8.8% and 5.7%) of external revenue.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

20 FINANCIAL INFORMATION BY SEGMENTS (continued)

	Consolidated 6 months ended 31 December 2019				Consolidated 6 months ended 31 December 2018			
	Oil and Gas	Metals & Minerals	Infra- structure	Total	Oil and Gas	Metals & Minerals	Infra- structure	Total
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Revenue - external sales	7,874	144,885	13,416	166,175	51,954	232,584	50,492	335,030
Cost of sales (excluding depreciation)	(6,257)	(124,177)	(11,858)	(142,292)	(48,887)	(222,844)	(43,418)	(315,149)
Depreciation expense	(224)	(4,801)	(246)	(5,271)	(786)	(3,580)	(698)	(5,064)
Segment results	1,393	15,907	1,312	18,612	2,281	6,160	6,376	14,817
Other income				589				3,981
Administrative expenses*				(7,811)				(8,489)
Depreciation expense*				(117)				(160)
Other expenses				(237)				-
Finance costs				(1,563)				(2,533)
Profit before income tax				9,473				7,616
Income tax expense				(1,493)				(854)
Net profit for the period				7,980				6,762
				As at 31 December 2019				As at 30 June 2019
Segment assets:								
Intangible assets	-	10	-	10	-	10	-	10
Unallocated assets:								
Assets				455,120				426,732
Other current assets				3,335				1,063
Deferred tax assets				-				1,930
Total assets				458,465				429,735
Segment liabilities:								
Unallocated liabilities:								
Liabilities				166,437				128,238
Borrowings				109,829				117,178
Provisions				7,182				10,191
Total liabilities				283,448				255,607
Other segment information								
Capital expenditures during the period				32,145				68,227

*Administrative expenses above exclude depreciation which is disclosed separately above.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

21 DECONSOLIDATION OF A SUBSIDIARY

(a) Description

On 3 September 2018, the Company announced it did not subscribe for additional shares in an equity raising of an indirect subsidiary, Civtec Africa Ltd ('Civtec'). Consequent to the share issue, the interest of the Group in Civtec was diluted from 50% to 31.9%. Civtec remains as an associated company of the subsidiary, Civmec Construction and Engineering Uganda Ltd.

In compliance to the applicable accounting standards, the Group has deconsolidated its 50% interest in Civtec and its interest now is accounted for using the equity method as an associate. Its current financial performance information is disclosed in Note 9.

(b) Details of Deconsolidation of the Subsidiary

	31 December 2018
	A\$'000
<u>Consideration received or receivable:</u>	
Cash or shares	-
Fair value of 50% interest held in subsidiary	-
Total consideration	-
Less: carrying amount of assets on deconsolidation	(2,327)
Gain on deconsolidation before income tax and reclassification of foreign currency translation reserve	2,327
Reclassification of foreign currency translation reserve to profit/(loss)	(91)
Income tax expense on gain on deconsolidation	-
Gain on deconsolidation	2,236
Civmec Limited's share of Civtec's comprehensive loss for the two-month period to 31 August 2018	(145)
Total gain on deconsolidation attributable to the Group	2,091



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