

# ORH LIMITED

## APPENDIX 4D

### APPENDIX 4D

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET FOR THE HALF YEAR ENDED 31 DECEMBER 2014:

	Half Year Ended 31 December 2014 \$	Half Year Ended 31 December 2013 \$	Movement \$	Movement %
<b>Income Statement</b>				
Revenue from ordinary activities	10,810,433	14,829,826	(4,019,393)	(27%)
Profit before interest, taxation, depreciation and amortisation (EBITDA)	101,300	27,265	74,086	272%
Finance costs	(9,521)	(120,095)	110,574	(92%)
Depreciation and amortisation	(50,481)	(42,567)	(7,914)	19%
Net Profit/ (Loss) before tax	41,298	(135,398)	176,746	N/A
Income tax benefit/(expense)	-	-	-	
Net Profit/ (Loss) after tax attributable to members	41,298	(135,398)	176,746	N/A
Net Profit/ (Loss) for the period attributable to members	41,298	(135,398)	176,746	N/A

This information should be read in conjunction with the 30 June 2014 Annual Report.

#### PRINCIPAL ACTIVITIES:

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Manufacturing of Service trucks, Water carts and Tipper trucks for the mining and construction industries.
- Manufacturing of custom made trucks and trailers.
- Selling used trucks and trailers.

#### DIVIDENDS:

No dividends were paid or declared for payment during the half year period under review.

#### EARNINGS PER SHARE:

	Half Year Ended 31 December 2014	Half Year Ended 31 December 2013
<b>Overall operation</b>		
Basic earnings/(loss) per share (cents per share)	0.003	(0.13)
Diluted earnings/(loss) per share (cents per share)	0.003	(0.13)

Note: Earnings per share (basic and diluted) are based on a weighted average number of shares on issue of 1,310,197,254 ordinary shares.

#### NET TANGIBLE ASSET BACKING:

	Half Year Ended 31 December 2014	Half Year Ended 31 December 2013
Net tangible asset backing (cents per share)	0.08	(0.25)

**REVIEW OF OPERATIONS**

A detailed review of operations is set out in the Director's Report to the Half year report attached.

**SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

During the half year to 31 December 2014, ORH Limited, while continuing the engineering business through its engineering subsidiary, entered into the sale of used trucks, through its wholly owned subsidiary, ORH Distribution Pty Ltd.

**ENTITIES ACQUIRED AND DISPOSED DURING THE PERIOD**

No entities were acquired nor disposed during the period.



**ORH LIMITED**  
ACN 077 398 826

**HALF YEAR FINANCIAL REPORT**  
31 DECEMBER 2014

# ORH LIMITED

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## **ORH LIMITED**

### **CORPORATE DIRECTORY**

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#### **Directors**

Domenic Martino	- Non-Executive Chairman
Jamie Detata	- Executive Director
Jackob Tsaban	- Executive Director

#### **Company Secretary**

Louisa Martino

#### **Home Stock Exchange**

Australian Securities Exchange  
Level 2, Exchange Plaza  
2 The Esplanade  
Perth WA 6000

#### **ASX Code**

ORH

#### **Website**

[www.orh.net.au](http://www.orh.net.au)

#### **Registered Office**

Level 5  
56 Pitt Street  
Sydney NSW 2000  
T: +61 2 8823 3179  
F: +61 2 8823 3188

#### **Share Registry**

Advanced Share Registry Services Pty Ltd  
110 Stirling Highway  
Nedlands Western Australia 6909  
Telephone: +618 9389 8033  
Facsimile: +618 9389 7871

#### **Auditors**

BDO East Coast Partnership  
Level 11, 1 Margaret Street  
Sydney NSW 2000

#### **Solicitors**

HopgoodGanim  
Level 4, 105 St Georges Terrace  
Perth WA 6000  
T: +61 8 9486 8111  
F :+61 8 9226 1696

## ORH LIMITED

### DIRECTORS' REPORT

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the Consolidated Entity') consisting of ORH Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled for the half-year ended 31 December 2014.

#### DIRECTORS

The names of the directors of the Company who held office during or since the end of the half year and up to the date of this report are as set out below. Directors were in office for this entire period unless otherwise stated.

Domenic Martino	Non-Executive Chairman
Jamie Detata	Executive Director
Jackob Tsaban	Executive Director

#### PRINCIPAL ACTIVITIES:

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Manufacturing of Service trucks, Water carts and Tipper trucks for the mining and construction industries.
- Manufacturing of custom made trucks and trailers.
- Selling used trucks and trailers.

#### REVIEW OF OPERATIONS

The consolidated results for the half-year ended 31 December 2014 and the previous corresponding period are detailed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and summarised as follows:

	2014 \$	2013 \$
Revenue	10,810,433	14,829,826
Profit/ (Loss) before income tax	41,298	(135,398)
Profit/ (Loss) after income tax	41,298	(135,398)

The principal activity of the Consolidated Entity during the reported period was the design and manufacturing of service trucks and water carts for the mining and construction industries.

As shown in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, during the half year there has been a significant decrease in revenue, due to the impact of the market slowdown during the 31 December 2014 half-year. At the same time, there has been significant improvement in profitability, resulted from the improvement made by the company, which included diversifying its product portfolio, replace outsourcing with in-house production and cost reductions measurements.

As shown in the Consolidated Statement of Financial position, there have been significant changes during the half-year in the balances of the following items:

- Trade and other receivables increased from \$1,837,106 in 30 June 2014 to \$2,459,564 on 31 December 2014
- Trade and other payables decreased from \$5,086,898 in 30 June 2014 to \$4,681,510 on 31 December 2014

These changes were as a result of the market slowdown during the 31 December 2014 half-year and the above mentioned improvements.

Borrowings decreased from \$1,267,041 at 30 June 2014 to \$713,787 on 31 December 2014, mainly due to repayments of loans.

#### SUBSEQUENT EVENTS

No matters or circumstances have arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## **ORH LIMITED DIRECTORS' REPORT**

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### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

During the half year to 31 December 2014, ORH Limited, while continuing the engineering business through its engineering subsidiary, entered into the sale of used trucks, through its wholly owned subsidiary, ORH Distribution Pty Ltd.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the directors



**Domenic Martino**  
**Chairman**

Perth, Western Australia, 26<sup>th</sup> February 2015

## DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF ORH LIMITED

As lead auditor for the review of ORH Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of ORH Limited and the entities it controlled during the period.



**Ian Hooper**  
Partner

**BDO East Coast Partnership**

Sydney, 26 February 2015



## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of ORH Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ORH Limited, which comprises the consolidated statement of financial position as at 31 December 2014, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of ORH Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, 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 Australian Auditing Standards 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.

### Independence

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



## **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ORH Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

**BDO East Coast Partnership**

BDO

A handwritten signature in black ink, appearing to read 'Ian Hooper', written over a horizontal line.

**Ian Hooper**  
**Partner**

Sydney, 26 February 2015

**ORH LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the Half Year Ended 31 December 2014

	Half-Year Ended 31 December 2014	Half-Year Ended 31 December 2013
	\$	\$
<b>Revenue and other income</b>		
Revenue from sale of goods	10,508,435	14,557,923
Revenue from hire of trucks	301,998	271,903
Other income	3,938	6,991
<b>Expenses</b>		
Cost of sales	(8,255,575)	(11,810,363)
Employee benefits expense	(1,427,923)	(1,644,668)
Depreciation expense	(50,481)	(42,567)
Rent and outgoings	(306,361)	(318,354)
Consulting fees	(282,500)	(406,814)
Finance costs	(9,521)	(120,095)
Other administrative expenses	(440,712)	(629,353)
<b>Profit/(Loss) before income tax expense</b>	41,298	(135,398)
Income tax expense	-	-
<b>Profit/(Loss) after income tax expense for the half-year</b>	41,298	(135,398)
<b>Other comprehensive income</b>		
Other comprehensive income for the half-year, net of tax	-	-
<b>Total comprehensive income for the half-year attributable to members of ORH Limited</b>	41,298	(135,398)
Basic earnings/(loss) per share (cents)	0.003	(0.13)
Diluted earnings/(loss) per share (cents)	0.003	(0.13)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

**ORH LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2014

		31 December 2014	30 June 2014
	Note	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		745,352	2,166,702
Trade and other receivables		608,636	1,641,944
Inventories		1,503,236	1,612,730
Other assets	2	1,850,927	195,162
<b>Total Current Assets</b>		<b>4,708,151</b>	<b>5,616,538</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		566,795	575,752
Deferred tax assets		1,200,945	1,200,945
<b>Total Non-Current Assets</b>		<b>1,767,740</b>	<b>1,776,697</b>
<b>Total Assets</b>		<b>6,475,891</b>	<b>7,393,235</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		4,681,510	5,086,898
Borrowings	3	713,787	1,267,041
<b>Total Current Liabilities</b>		<b>5,395,297</b>	<b>6,353,939</b>
<b>NON CURRENT LIABILITIES</b>			
Trade and other payables	3	22,774	22,774
<b>Total Non Current Liabilities</b>		<b>22,774</b>	<b>22,774</b>
<b>Total Liabilities</b>		<b>5,418,071</b>	<b>6,376,713</b>
<b>Net assets</b>		<b>1,057,820</b>	<b>1,016,522</b>
<b>EQUITY</b>			
Issued capital	6	44,102,750	44,102,750
Reserves		104,314	104,314
Accumulated losses		(43,149,243)	(43,190,542)
<b>Total Equity</b>		<b>1,057,820</b>	<b>1,016,522</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes

**ORH LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the Half Year Ended 31 December 2014

	Notes	Share Capital \$	Accumulated Losses \$	Reserves \$	Total \$
<b>Balance at 1 July 2013</b>		39,412,210	(41,193,231)	-	(1,781,021)
Loss after income tax expense for the half year		-	(135,398)	-	(135,398)
Other comprehensive income for half the year, net of tax		-	-	-	-
Total comprehensive income for the half year, net of tax		-	(135,398)	-	(135,398)
<i>Transaction with owners in their capacity as owners</i>					
Issue of ordinary shares		1,798,875	-	-	1,798,875
Issue of options		-	-	104,314	104,314
<b>Balance at 31 December 2013</b>		<u>41,211,085</u>	<u>(41,328,629)</u>	<u>104,314</u>	<u>(13,230)</u>
<b>Balance at 1 July 2014</b>		44,102,750	(43,190,542)	104,314	1,016,522
Profit after income tax expense for the half year		-	41,298	-	41,298
Other comprehensive income for half the year, net of tax		-	-	-	-
Total comprehensive income for the half year, net of tax		-	41,298	-	41,298
<b>Balance at 31 December 2014</b>		<u>44,102,750</u>	<u>(43,149,244)</u>	<u>104,314</u>	<u>1,057,820</u>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

**ORH LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Half Year Ended 31 December 2014

	Half Year Ended 31 December 2014	Half Year Ended 31 December 2013
Note	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers (incl. of GST)	11,074,970	16,805,675
Payments to suppliers and employees (incl. of GST)	(12,013,180)	(16,801,143)
Interest paid	(9,521)	(120,095)
<b>Net cash used in operating activities</b>	(947,730)	(115,563)
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(41,524)	(7,828)
<b>Net cash used in investing activities</b>	(41,524)	(7,828)
<b>Cash flows from financing activities</b>		
Net proceeds from/ (repayment of) borrowings	(432,096)	354,054
<b>Net cash (used in)/from financing activities</b>	(432,096)	354,054
<b>Net increase in cash and cash equivalents</b>	(1,421,350)	230,663
Cash and cash equivalents at the beginning of the financial half year	2,166,702	368,434
<b>Cash and cash equivalents at the end of the financial half year</b>	745,352	599,097

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanied notes.

# ORH LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

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### 1. Summary of significant accounting policies

The financial report of ORH Limited for the half-year ended 31 December 2014 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

#### (a) Basis of Preparation

The half-year financial report does not include all the notes of the type normally included in annual financial report. Accordingly, this financial report should be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

This consolidated half year financial report was approved by the Board of Directors on 26 February 2015.

#### *Going concern*

As disclosed in the consolidated financial statements, the Consolidated Entity's net cash outflows from operating activities for the half-year ended 31 December 2014 were \$947,730 (31 December 2013: \$115,563) and as at 31 December 2014, the Consolidated Entity had net current liabilities of \$687,145 (30 June 2014: \$737,401).

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as going concern, after consideration of the following factors:

- The balance of borrowings has been significantly reduced during the half-year ended 31 December 2014 and the repayment of the remaining balance as at 31 December 2014 of \$713,787 is subject to the Consolidated Entity's cash flow availability.
- The Consolidated Entity is projecting positive operating cash flows for the foreseeable future.
- The Consolidated Entity has successfully diversified its products portfolio so as to maintain and increase its revenues and profitability going forward.
- The Consolidated Entity has a positive pipeline of orders and the second half of the 2015 financial year has started with orders of more than 30 trucks.

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial report. Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the consolidated entity be unable to continue as a going concern and meet its debts as and when they fall due.

#### (b) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

#### *Key estimates and judgements*

##### *Provision for impairment of receivables*

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

##### *Impairment*

The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the economic entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

# ORH LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

### 1. Summary of significant accounting policies (continued)

#### *Key estimates and judgements (continued)*

##### *Inventory net realisable values and impairment assessments*

Inventory is valued at the lower of cost or net realisable value. Assessments are performed annually and are based on management's estimates of future market conditions. The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

##### *Income tax*

The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on the Consolidated Entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

##### *Recovery of deferred tax assets*

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

##### *Long service leave provision*

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### (c) New, revised or amending Accounting Standards

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### 2. Other assets

	As at 31 December 2014 \$	As at 30 June 2014 \$
Deposit on inventory purchases	1,500,000	-
Other prepayments	350,927	195,162
	<u>1,850,927</u>	<u>195,162</u>



# ORH LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

### 3. Borrowings

	As at 31 December 2014 \$	As at 30 June 2014 \$
Current		
Loan – J Detata	181,505	459,759
Loan - Graceview Pty Ltd	219,098	219,098
Loan – K Tsaban	30,000	30,000
Loan - Chaleyer Holdings Pty Ltd	193,184	243,184
Loan – Harun Abidin	-	225,000
Loan – Orient Finance Australia Pty Ltd	90,000	90,000
	<u>713,787</u>	<u>1,267,041</u>

#### Repayment terms and conditions

The loan to Chaleyer Holdings Pty Limited bears interest at 20% and is unsecured and repayable on demand. The remaining loans bear interest at market adjusted rates, are unsecured, and repayable subject to ORH's cash flow availability, as per Note 1. As per agreement between the parties, no interest was accrued for this period.

Related party loans comprise:

Of the above liabilities, loans to J Detata and K Tsaban are related party loans and are unsecured. As per agreement between the parties, no interest was accrued for this period. Loan to Orient Finance Australia Pty Ltd is related party loan and is unsecured, bearing no interest.

### 4. Contingent liabilities

The Group has no contingent liabilities to the date of these financial statements.

### 5. Dividends

No dividends have been declared or paid during the half year ended 31 December 2014 or in the prior period, and the directors do not recommend the payment of a dividend in respect of the half year ended 31 December 2014.

### 6. Issued Capital

	Number of Shares	\$
<b>31 December 2014</b>		
Issued Capital at 1 July 2014	1,310,197,254	44,102,750
Shares issued during the period	-	-
Issued capital at 31 December 2014	<u>1,310,197,254</u>	<u>44,102,750</u>
<b>30 June 2014</b>		
Issued Capital at 1 July 2013	829,778,700	39,412,210
Shares issued during the period	480,418,554	4,690,540
Issued capital at 30 June 2014	<u>1,310,197,254</u>	<u>44,102,750</u>

# ORH LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Half Year Ended 31 December 2014

### 7. Segment Reporting

#### Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

#### Business segment

For management purposes the Consolidated Entity is organised into two major strategic units which operate in different industries and are managed separately:

- Engineering services
- Trucks sales

The operating segment analysis presented in these financial statements reflects the operation analysis by business. It best describes the way the Group is managed and provides a meaningful insight into the business activities of the Group. The following tables present details of revenue and operating profit by operating segment as well as a reconciliation between the information disclosed for reportable segments and the aggregated information in the financial statements. The information disclosed in the tables below is derived directly from the internal financial reporting system used by corporate management to monitor and evaluate the performance of its operating segments separately.

#### Segment assets

Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. Segment assets if clearly identifiable to particular segment on the basis of their nature are allocated directly. Segment assets include trade receivables and intangible assets which are allocated based on segments' overall proportion of revenue generation within the Group.

#### Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and provision of staff benefits which are allocated based on segments' overall proportion of revenue generation within the Group.

	Engineering \$	Trucks sales \$	Total \$
<b>For the half year ended 31 December 2014</b>			
Revenues from external customers	10,216,361	594,072	10,810,433
Reportable segment Profit/(loss) before income tax	67,747	63,616	131,363
Reportable segment assets at 31 December 2014	5,274,051	147	5,274,198
Reportable segment liabilities at 31 December 2014	4,937,069	8,221	4,945,289
<b>For the half year ended 31 December 2013</b>			
Revenues from external customers	14,829,826	-	14,829,826
Reportable segment loss before income tax	280,369	-	280,369
<b>For the year ended 30 June 2014</b>			
Reportable segment assets at 30 June 2014	4,296,431	-	4,296,431
Reportable segment liabilities at 30 June 2014	5,335,699	-	5,335,699

**ORH LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2014

**7. Segment Reporting (continued)**

	For the period ended 31 December 2014 \$	For the period ended 31 December 2013 \$
<b>Reconciliation of reportable segment profit or loss</b>		
Total profit for reportable segments	131,363	280,369
Unallocated finance cost	(9,521)	(98,536)
Unallocated income/(expenses)	(80,544)	(317,231)
<b>Profit/(loss) from before tax</b>	<b>41,298</b>	<b>(135,398)</b>

	As at 31 December 2014 \$	As at 30 June 2014 \$
<b>Reconciliation of reportable segment assets</b>		
Reportable segment assets	5,274,198	4,296,431
Unallocated deferred tax assets	1,200,945	1,200,945
Unallocated assets	748	1,699,876
<b>Total assets</b>	<b>6,475,891</b>	<b>7,393,255</b>

<b>Reconciliation of reportable segment liabilities</b>		
Reportable segment liabilities	4,945,289	5,531,682
Unallocated borrowings	472,782	845,031
<b>Total liabilities</b>	<b>5,418,071</b>	<b>6,376,713</b>

*Geographical Segment*

The consolidated group's operations are solely based in Australia.

**8. Subsequent events**

No matters or circumstance have arisen since 31 December 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

# **ORH LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the Half Year Ended 31 December 2014

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### **9. Related Parties Transactions**

Included in the expenses for the half year is an amount of \$202,500 (half year ended 31 Dec 2013: \$160,000) for consulting fees for Blazeway Holdings Pty Limited, a company controlled by Jamie Detata.

Included in the revenue for the half year is an amount of \$270,000 (half year ended 31 Dec 2013: nil) resulting from sale of a water cart to Blazeway Holding Pty Ltd, a company controlled by Jamie Detata.

Included in the revenue and cost of sales for the half year is an amount of \$149,761 (half year ended 31 Dec 2013: \$218,212) resulting from leaseback of 2 water carts to Blazeway Holding Pty Ltd, a company controlled by Jamie Detata.

Included in the expenses for the half year is an amount of \$110,880 (half year ended 31 Dec 2013: nil) for cost of goods sold for Cooper Cove Pty Ltd, a trust controlled by Jamie Detata.

Included in the expenses for the half year is an amount of \$120,000 (half year ended 31 Dec 2013: \$120,000) for consulting fees for Jackori Consulting, a trust controlled by Jakob Tsaban.

Included in the expenses for the half year is an amount of \$25,000 (half year ended 31 Dec 2013: \$25,000) for Company Secretarial services fees for Transaction Services Pty Ltd, a company related to Domenic Martino.

#### *Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

### **10. Financial Instruments**

Due to their nature, the carrying amounts of current receivables, current trade and other payables and current and non-current borrowings, is assumed to approximate their fair value.

# **ORH LIMITED**

## **DIRECTORS' DECLARATION**

For the Half Year Ended 31 December 2014

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The directors of ORH Limited ("the consolidated entity") declare that:

1. the attached financial statements with the accompanied notes are in accordance with the *Corporation Act 2001*, and:
  - (a) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of the performance as for the half-year ended on that date.
2. there are reasonable grounds to believe that ORH Limited will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 305(5) (a) of the Corporations Act 2001.

On behalf of the Directors



**Domenic Martino**  
**Chairman**

Perth, 26<sup>th</sup> February 2015