

ASX ANNOUNCEMENT

ASG

Tuesday 18th August 2015

Dear Sir

Final Report & Accounts for the year ended 30 June 2015

We attached the following:

1. ASX Appendix 4E
2. ASX Company Announcement
3. Annual Report 2015

Sincerely Yours



PETER TORRE

Company Secretary

ASG Group Ltd

Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	ASG Group Ltd
ABN	57 070 045 117
Financial Year Ended	30 June 2015
Previous Corresponding Reporting Period	30 June 2014

Results for Announcement to the Market

		\$'000	Percentage increase/ (decrease) over previous corresponding period
Revenue from ordinary activities		162,708	2.25%
Profit / (loss) from ordinary activities after tax attributable to members		9.538	6.29%
Net profit / (loss) for the period attributable to members		9.538	6.29%
Dividends (distributions)	Amount per security	Franked amount per security	
Final Dividend	Nil	N/A	
Interim Dividend (paid)	Nil	N/A	
Record date for determining entitlements to the dividends (if any)		N/A	
Total issued and paid up ordinary shares		206,760,839	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			
For explanation see Announcement text and Commentary on results			

Dividends

Date the dividend is payable	N/A
Record date to determine entitlement to the dividend	N/A
Amount per security	N/A
Total dividend	N/A
Amount per security of foreign sourced dividend or distribution	N/A
Details of any dividend reinvestment plans in operation	N/A
The last date for receipt of an election notice for participation in any dividend reinvestment plans	N/A

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	Nil	Nil

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

See Commentary on results

Commentary on the Results for the Period

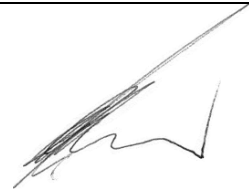
Refer attached Company Announcement and Chairman letter/Operational review and outlook included in the annual report.

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input checked="checked" type="checkbox"/>	The accounts have been subject to review	<input type="checkbox"/>
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:			

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Company Announcement
2	Annual Report 2015

Signed By Director

Print Name

Mr Geoff Lewis

Date18th August 2015

ASX ANNOUNCEMENT



ASG Group Announces FY15 Result

Highlights

- Revenue \$164m up 3%
- NPAT up 6%, EPS up 6.2%
- Solid EBITDA of \$20.2m
- H2 Operating cash strong at \$14m
- Over \$200 million contracts signed in 12 months
- FY16 Revenue guidance of \$180m - \$190m

IT Services provider ASG Group (ASX: ASZ) today announced its financial results for the year ending 30 June 2015. The result reflected increased organic growth, solid operating cash flow and a continued reduction in net debt.

“This year has seen us consolidate the initiatives put in place in previous years, resulting in a record year of contract wins,” said Geoff Lewis, ASG CEO.

During FY15, ASG won a number of strategically significant deals in both the Federal and State Government sectors. “ASG is now seen as a leading Australian ICT provider for secure New World Government services. We have the experience in tailoring and implementing effective solutions and leading Government Department’s on their New World journey,” said Mr Lewis.

ASG’s increasing number of contract wins during the year have resulted in high locked-in revenue. “The growth in that we have seen this year stands ASG in a very favourable position moving forward to FY16, FY17 and beyond.”

Due to this unprecedented growth, ASG incurred an additional \$2.1 million in bid and contract establishment related costs, compared to FY14. “We are not expecting this level to recur in

ASX ANNOUNCEMENT



FY16 when the revenue from these deals will begin to flow through to the bottom line,” explained Mr Lewis.

In a volatile market with tight margins, ASG also continued on their efficiency drive. “ASG is continuing to grow in a tough market where others are struggling to hold on. We are on track to achieve 14% EBITDA in FY16.”

The outlook for FY16 is strong, with another \$50m of opportunities expected to be signed in the first quarter of FY16, ASG’s pipeline is in excess of \$340 million.

FOR FURTHER INFORMATION PLEASE CONTACT:

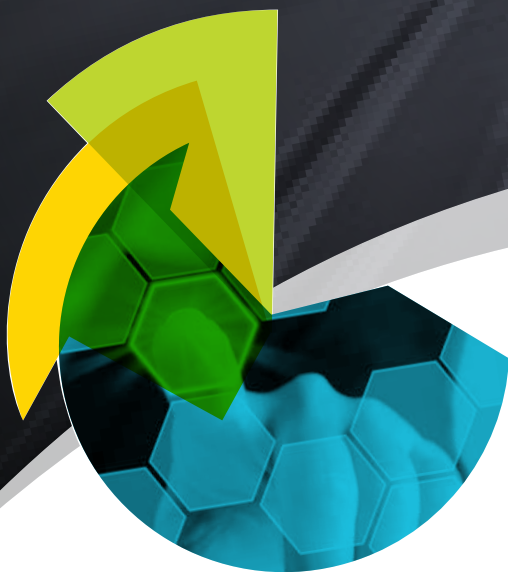
Mr Geoff Lewis
Chief Executive Officer
ASG Group
08 9420 5420

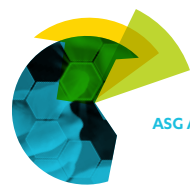
ABOUT ASG

ASG Group Limited (ASX: ASZ) is an award winning and Australian IT business solutions provider, offering IT management and consulting services, business intelligence and thought leadership. Established in 1996, the company’s goal is to provide innovative, high-quality and cost-effective services to its clients. In 2002, ASG listed on the Australian Securities Exchange. For more information visit www.asggroup.com.au

ASG

ANNUAL REPORT 2015





COMPANY DIRECTORY

Directors

Ian Campbell	Independent Non-Executive Chairman
Geoffrey Lewis	Managing Director
Stephen Johnston	Independent Non-Executive Director
Grant Pestell	Independent Non-Executive Director

Peter Torre	Company Secretary
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Key Management

Geoffrey Lewis	Chief Executive Officer
Dean Langenbach	Chief Operating Officer/ Chief Financial Officer
Gerald Strautins	Executive – Strategy

Registered Office

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PERTH WA 6000
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Web Site

www.asggroup.com.au

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Solicitors

Murcia Pestell Hillard
Suite 183, Level 6,
580 Hay Street
PERTH WA 6000

Share Registry

Link Market Service Limited
Central Park, Level 4, 152 St Georges Tce
Perth WA 6000
Telephone: 1300 554 474
Email: info@linkmarketservices.com.au

Stock Exchange Listings

Australian Stock Exchange

ASX: ASZ



CONTENTS

1.0	Chairman's Letter	2
2.0	Chief Executive Officer Report	4
3.0	The Information Technology Services Industry Observations	10
4.0	Corporate Governance Statement	12
5.0	Directors Report	22
6.0	Auditor's Independence Declaration	37
7.0	Financial Statements	
	Consolidated Statement of Profit or Loss and other Comprehensive Income	38
	Consolidated Statement of Financial Position	39
	Consolidated Statement of Changes in Equity	40
	Consolidated Statement of Cash Flows	41
8.0	Notes to the Consolidated Financial Statements	42
9.0	Director's Declaration	82
10.0	Independent Auditor's Report To The Members	83
11.0	Shareholder And Other Information	85

CHAIRMAN'S LETTER

DEAR SHAREHOLDER'S

On behalf of the Board of Directors, I am very pleased to report that FY15 has seen ASG continue to sustain our strong organic growth, securing several large deals with recurring and multi-year revenue streams. As other IT businesses struggle to gain a foothold in this changing IT landscape, ASG have continued to effect substantial growth.

Over the past few years, ASG have invested significant effort in developing our New World solutions and we now possess solid implementation experience to complement our offerings. In FY15, unprecedented contract success has resulted in record locked in revenue flowing into FY16 and beyond. ASG's superior reputation in New World services, coupled with our competitive pricing model has seen us become an alluring proposition to organisations, with a bid conversion rate of over 60%.

The Company reported an after tax net profit of \$9.5m from \$164m of revenue. Revenue grew 3%, with

Services revenue increasing 4%, a positive result in difficult market conditions. EBITDA was lower at \$20.2m, with a number of one-off movements in comparison to the prior period.

FY15 saw us incur an additional \$2.1 million in bid related costs and the execution of new contracts due to the signing of a record number of new deals. The sale of our Bentley Data Centre in FY15, resulted in a reduction in operating EBITDA of \$1.6m. The Data Centre market has seen a decline in the cost of data centre services of up to 30%, proving that we made the right decision at the right time.

The Balance Sheet continued to strengthen with the sale of the Data Centre and a solid operating cash performance. Net debt was slightly above our target of \$10m, however we remain on track for to achieve our FY16 target of surplus cash reserves exceeding debt.

ASG have demonstrated our resilience in what is a volatile economic environment. Early on, we invested the time to understand customers' needs and have developed our

capabilities to fulfil their requirements. In FY15 we made sizeable steps to mature our organisation into one that can cater for this continued growth in an economical and effective way.

An important part of this drive for efficiency included progressing our offshoring strategy, targeting 10% of our organisation offshored by the end of FY16. This will provide us with the agility and flexibility to grow our business in a market where margins continue to be under pressure.

With the strong "Cloud first" approach in the government sector, ASG has been sought out as the provider of choice for several Government transformation projects. During the year, we signed a number of strategically significant deals including the Australian Maritime Safety Authority, Department of Defence and Department of Communications. These deals have now positioned ASG as a leading Australian ICT Services Provider for secure New World services in the Federal Government space.

We also cemented our position as a leading State Government New World

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ECONOMIC ENVIRONMENT. ”



solutions integrator utilising Amazon Web Services (AWS) to underpin “as a Service (aaS)” solutions. Driven by New South Wales Government’s Data Reform Strategy, ASG has been engaged by Biosecurity NSW, Department of Transport and the Department of Trade, Investment, Regional Infrastructure and Services (DTIRIS) to deliver cost effective, scalable solutions that are tailored to measurable outcomes.

Since the balance date, we have built significant traction in the Australian Utilities sector, announcing deals with Western Power and Synergy Energy in Western Australian, with another major deal on the East Coast close to signing.

As expected, the outlook for FY16 is very promising. Contract wins of over \$200m in both new and existing clients have resulted in a record level of locked in revenue for FY16 of \$160m. An average contract length of four years underpins our revenue for FY17 and beyond.

Our investment in a New World model early in the evolution to Cloud has resulted in ASG continuing to

win business, even as increased competition from low-cost offshore providers starts to take hold.

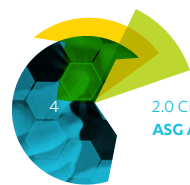
We are proud that ASG’s growth gives staff the opportunity to expand the breadth and depth of their experience and accelerate their career development. ASG continues to be a genuine organisation, responsive to the needs of our staff and clients. Our people are truly the key to our success and on behalf of the Board, I would like to thank them for their effort, commitment and dedication.

I am really pleased with our success over the past Financial Year and I am looking forward to further growth and opportunities in FY16.

Ian Campbell
Chairman of ASG Group Ltd

“ASG CONTINUES TO BE A GENUINE ORGANISATION, RESPONSIVE TO THE NEEDS OF OUR STAFF AND CLIENTS.”

“OUR INVESTMENT IN A NEW WORLD MODEL EARLY IN THE EVOLUTION TO CLOUD HAS RESULTED IN ASG CONTINUING TO WIN BUSINESS, EVEN AS INCREASED COMPETITION FROM LOW-COST OFFSHORE PROVIDERS STARTS TO TAKE HOLD.”



2.0

CHIEF EXECUTIVE OFFICER REPORT

At a time when the broader ICT market is undergoing significant change with clients demanding more than simple technology/resource arbitrage provision from suppliers,

ASG Group's performance reflected a step change in the penetration the company is achieving in the market with New World services. During the year ASG signed over \$200m in new and existing long term contracts, and is in negotiation for a further \$50m, expected to be signed in Q1 FY16. This success has resulted in an unprecedented level of locked in revenue for the FY16 period.

With the contracts averaging four years plus four year renewals, the deals signed during both FY14 and FY15 provide an annuity revenue platform that will underpin the performance of ASG beyond FY16.

ASG's financial result was driven by the growth in New World organic revenue, with the project and resource augmentation section of ASG's business declining substantially. The EBITDA was \$20.2m, a pleasing result considering the sale of the Data Centre reduced operating EBITDA by \$1.6m, and the contract bid costs were \$2.1m higher than FY14.

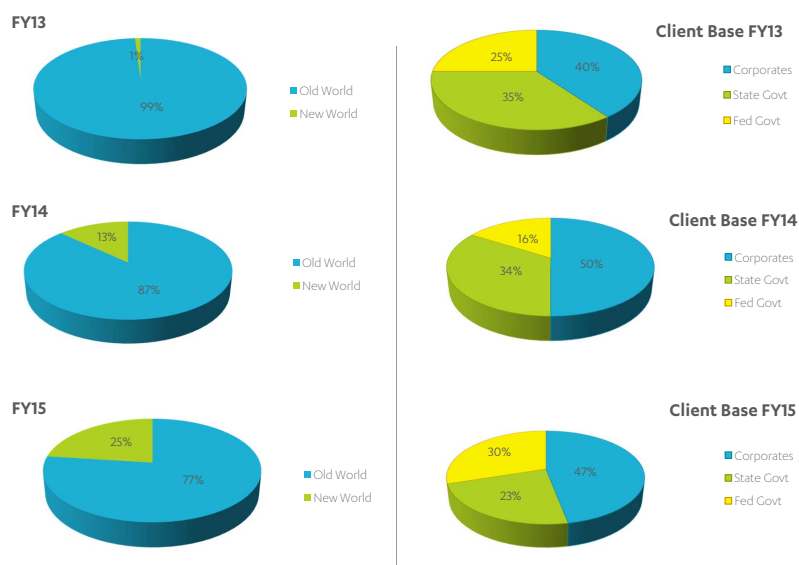
\$M	FY15	FY14	MOVEMENT
REVENUE	164.3	160.1	2.6%
EBITDA	20.2	22.0	(8.1%)
NPBT	11.6	12.6	(7.6%)
NPAT	9.5	9.0	6.3%
EBITDA MARGINS	12.3%	13.7%	(1.4%)
EPS	4.61C	4.34C	6.2%

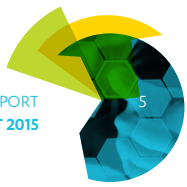
ORGANIC REVENUE GROWTH

In a declining traditional IT services market, ASG achieved organic growth of 3%. Product revenue remained flat and services grew 4%. Whilst the business was targeting higher growth, there were a number of factors that impacted the year.

The project and resource augmentation part of the business was softer than expected. Whilst we anticipated the decline in this market, the weakness was more profound than expected. Historically, this revenue stream represented 20%-25% of ASG's total revenue. In FY15 it represented only 16% of overall revenue, due not only to general market softness but also the shift in ASG's revenue profile to a greater percentage of Managed and New World services.

There were delays in two new major contracts. The business experienced some challenges with the transition activities, which has resulted in Managed Services commencing in FY16, not FY15 as originally planned.





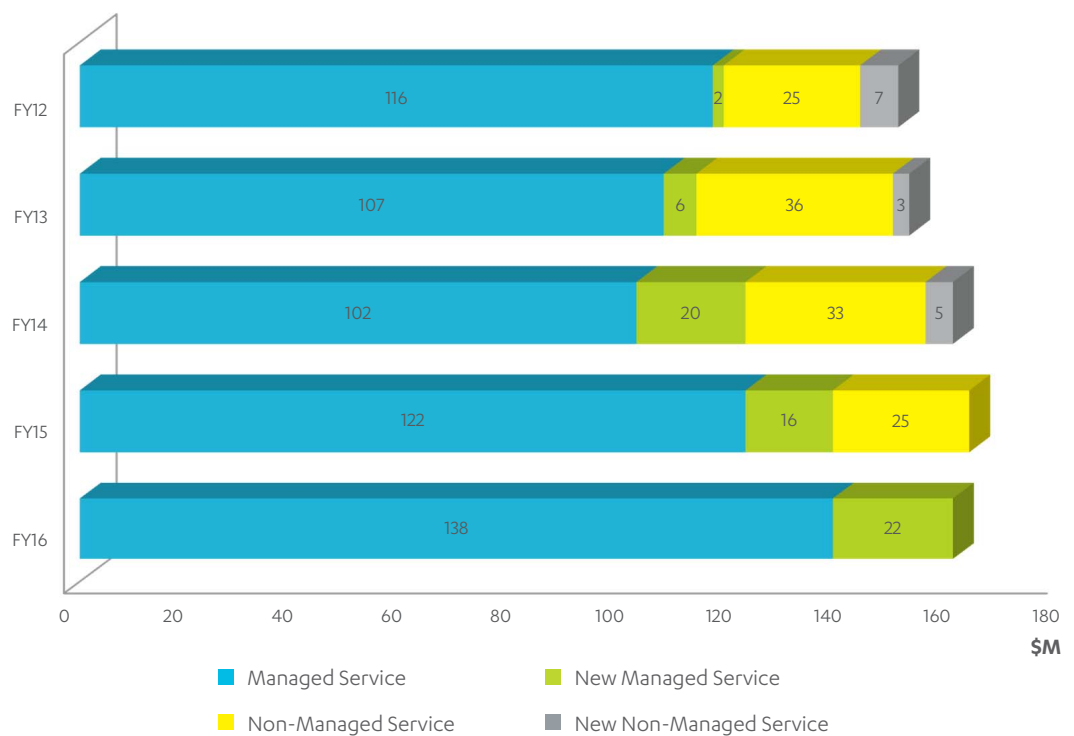
RECORD LOCKED IN REVENUE

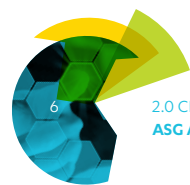
ASG's locked in revenue reached a new record level with the signing of over \$200m of new and existing contracts over the past 12 months. In addition, ASG had a strong period through FY13 and FY14 of new business and existing renewals. The deals signed were on average four years in length plus four year renewals.

This extended period of contract success has shifted the secure annuity stream substantially. Historically, locked in revenue for the future period ranged between 65%-75% of the prior year revenue. At the commencement of FY15 this was 92% and now at the commencement of FY16 it is close to 100%.

While the overall market has experienced a decline in projects and

resource augmentation, ASG's growth in its annuity streams has improved the predictability of revenue, and consequently EBITDA and operating cash flow. With another \$50m of contracts expected to be signed in Q1 FY16, ASG's locked in revenue will strengthen further reflecting the strength and unique nature of ASG's transformed business model.





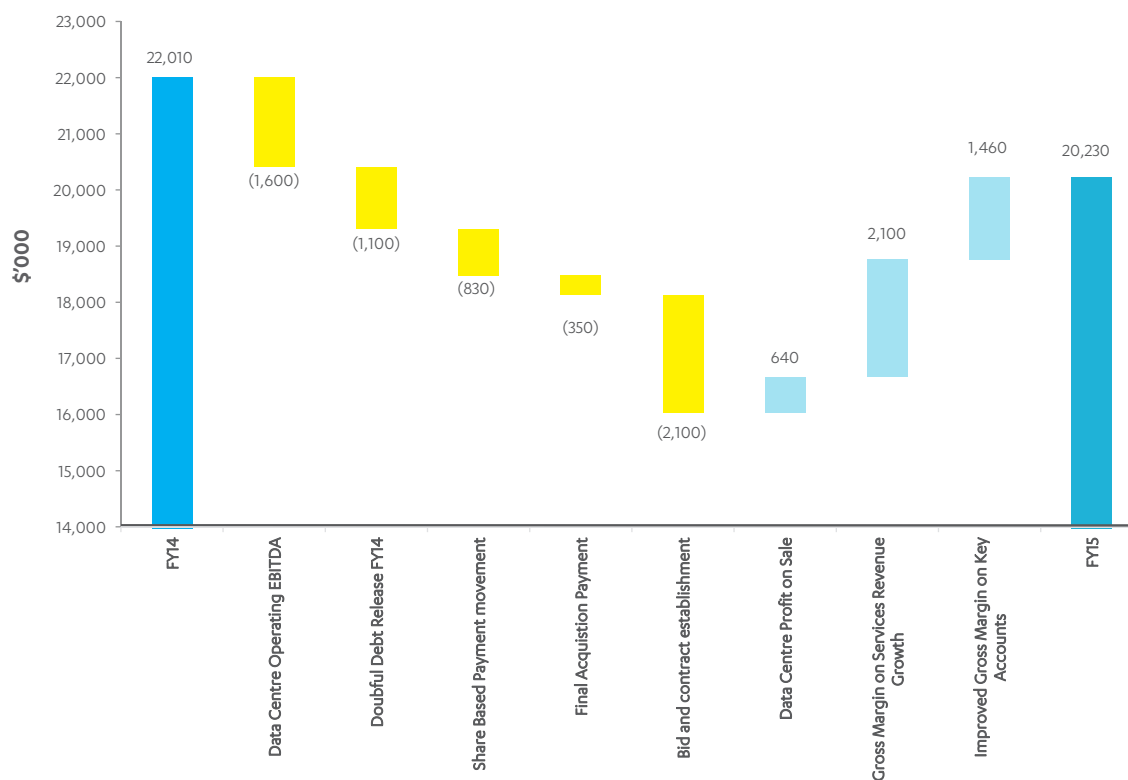
OPERATIONAL PERFORMANCE

EBITDA of \$20.2m at 12.3% of \$164m revenue was a particularly pleasing result for ASG, considering the substantial cost incurred in the P&L

with securing and commencing delivery of contracts to the value of over \$200m.

There were a number of one-off items during both FY14 and FY15 that make a direct comparison of the periods

difficult. The sale of the Data Centre earlier in the year resulted in a profit on sale of \$0.6m, however a decline in operating EBITDA of \$1.6m.





The bid costs and new contract commencement costs made a material impact to the result. Our accounting policy is to expense 100% of all costs relating to the bidding or commencement of contracts. In FY15 ASG incurred an additional \$2.1m of

bid cost when compared with FY14. These contracts made a minimal impact to ASG's revenue in FY15, but will be the backbone of the organic growth expected in FY16. Without these costs and corresponding revenue, the EBITDA would have been

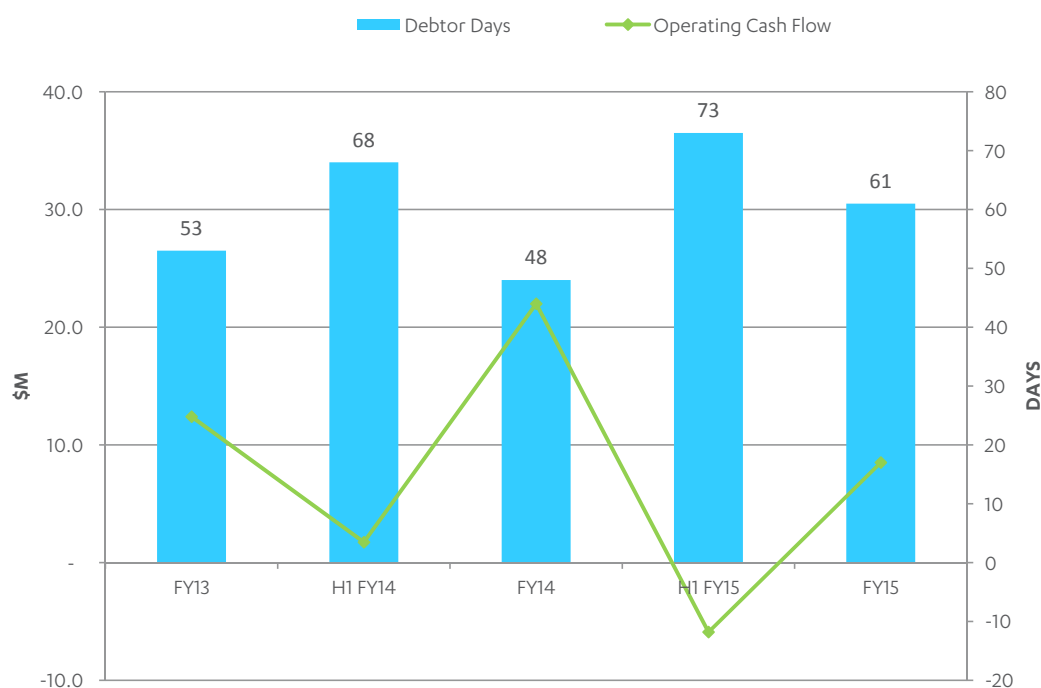
at 14% of revenue. 14% remains an achievable target for the business in FY16, with the greatest variable being the investment made in bidding new opportunities.

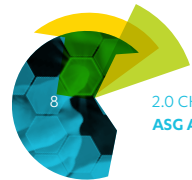
\$M	FY15
Reported EBITDA	20.2
Less: Profit on Data Centre	(0.6)
Add: Final acquisition payment	0.4
Additional bid and contract establishment costs	2.1
Underlying EBITDA	22.1
Underlying EBITDA % Operating Revenue	13.6%

REDUCED DEBT, STRONGER BALANCE SHEET

The operating cash result was slightly lower than anticipated. The FY14 result contained \$4m of early collections

that impacted FY15 Q1. Debtor days in FY15 Q4 were below historical averages, driven by a large milestone delay on an SAP project. This milestone has since been collected in August.



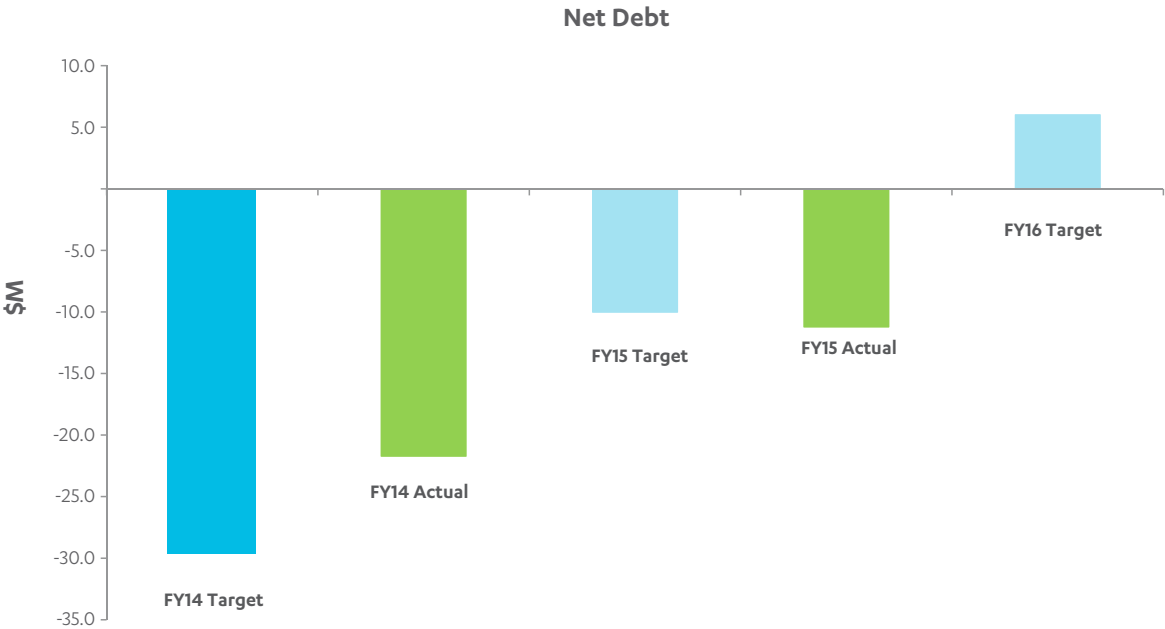


ASG's debt reduction plan remains on track for surplus cash to exceed debt by close of FY16. Net debt at the close of FY15 was \$11.4m, against a target of less than \$10m. The additional contract bid costs of \$2.1m and delay on a \$2m milestone payment on an

SAP project impacted this result.

With the sale of the Data Centre, continued strong operating performance and a restructuring of bank debt, ASG's balance sheet continues to strengthen. Further, the

Group has committed undrawn debt facilities of 14M to support future growth. This is particularly important as the New World opportunities across all regions continue to grow in both scale and quantity.





OUTLOOK

ASG's position as a leader in the provision of New World services, particularly its ability and expertise in transforming clients from traditional technology based service to a utility cost based business outcome focus, is unique.

ASG delivered underlying EBITDA margins of 13.6% in FY15, and is targeting future sustainable EBITDA margins of 14%. The improvement in margin will be achieved through a combination of:

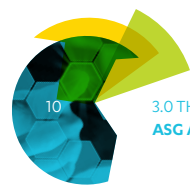
Offshoring strategy – targeting 10% of the workforce by the end of FY16

Overheads – remaining relatively fixed as the services revenue increases, improving margin

New World leverage – additional contracts will drive economies of scale in the New world delivery model

It is anticipated that long term New World contracts will continue to underpin ASG's organic growth through FY16 and beyond. FY16 will be a step change year of Revenue growth as the \$200m of new contracted Revenue enters full delivery execution. The pipeline of opportunities remains strong at \$345m and ASG expects further contract wins during FY16.

While the challenge of many ICT organisations - both domestic and multi-national - is to transform their business models to effectively compete in this increasingly discerning market, ASG is well positioned to continue its strong performance based on organic growth.



3.0

THE INFORMATION TECHNOLOGY SERVICES INDUSTRY OBSERVATIONS

Despite the increase of digital business driving business redesign and competitive strategies, industries, markets and organisations, clients are becoming more discerning in where their ICT spend is directed. This, in turn, is having a direct impact on the type of provider that they engage with. This has seen the trend of organisations engaging with smaller, agile providers increasing during the last 12 months as evidenced by both the change in the commercial and outcomes based focus of ICT projects and the nature of outsourcing contracts. The increasingly competitive, and transformational nature of these engagements is challenging the traditional resource arbitrage based ICT organisations to be able to effectively engage.

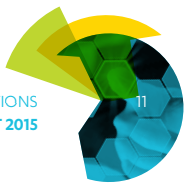
In fact it may well be that 2014/15 is viewed as a inflection point for the industry as the full impact of the emergence of cloud computing adoption, ICT transformation to 'as a service' models, and business analytics begin to be the norm rather than the exception. The impact on ICT organisations reliant on traditional technological service provision and commoditised services such as application development and maintenance is marked. Major ICT organisations - such as IBM, HP, CSC and the Indian outsourcers - that have previously relied on technology lock-in, resource and cost arbitrage models for growth are finding that their revenue streams are under pressure. This situation is further exacerbated as they start to incur the costs associated with transforming their operations and services in order

to remain relevant and competitive to their clients.

Australian ICT service providers are not exempt from these same pressures. Major business and technology advancements - such as the Internet of Things (IoT), the increased adoption of mobility and Big Data strategies driven by smart machines - have emerged. These advancements have the ability to disrupt existing business models and create the opportunity for entirely new ones, underpinned by the knowledge and capability inherent in managed service provision as opposed to transactional project and technology implementation. The challenge for many organisations is that they are still adjusting to the wave of change created by New World computing, and attempting

“ DESPITE THE INCREASE OF DIGITAL BUSINESS DRIVING BUSINESS REDESIGN AND COMPETITIVE STRATEGIES, INDUSTRIES, MARKETS AND ORGANISATIONS, CLIENTS ARE BECOMING MORE DISCERNING IN WHERE THEIR ICT SPEND IS DIRECTED. ”

“ SUCCESS WITHIN THE MAINSTREAM ICT INDUSTRY WILL COME FROM THE ABILITY TO MEET CLIENT NEEDS AS THEY, THEMSELVES, UNDERGO BUSINESS AND OPERATIONAL TRANSFORMATIONS DRIVEN BY THE ECONOMIC REALITY AND PACE OF CHANGE IN THE MACRO-ECONOMIC ENVIRONMENT. ”



a catch-up strategy to get to the start-line for the next wave of change through disparate bolt on acquisitions as opposed to organic growth and change.

Success within the mainstream ICT industry will come from the ability to meet client needs as they, themselves, undergo business and operational transformations driven by the economic reality and pace of change in the macro-economic environment.

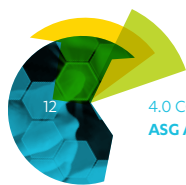
The ability to support and embrace a hybrid environment of traditional ICT services and New World 'as a Service' operations will be a key driver

for success in the coming years.

Organisations, such as ASG, that have the understanding of this duality in service provision, and the capability and track-record in enabling such service and business transformations will be increasingly engaged to resolve, and exploit, the resultant complexity.

The demands for ICT organisations to become 'problem solvers' as opposed to 'problem finders' will only increase, as will the pressure on business models that are transactional based on technology and resource arbitrage provision.

“ORGANISATIONS, SUCH AS ASG, THAT HAVE THE UNDERSTANDING OF THIS DUALITY IN SERVICE PROVISION, AND THE CAPABILITY AND TRACK-RECORD IN ENABLING SUCH SERVICE AND BUSINESS TRANSFORMATIONS WILL BE INCREASINGLY ENGAGED TO RESOLVE, AND EXPLOIT, THE RESULTANT COMPLEXITY. ”



4.0

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of ASG Group is committed to maintaining and promoting the principles of good corporate governance. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. Each year the Board reviews and confirms all charters, codes and policies. A summary is presented in this Corporate Governance Statement. The relevant documents may be reviewed on the Company website.

This Statement reflects our Corporate Governance policies and initiatives as at 17 August 2015 and was approved by the Board of Directors on that date.

The Company complies with the third edition of the ASX Corporate Governance Council Recommendations, with such adjustments as the Board believes are appropriate for the particular circumstances of the Company.

Consistent with these policies, a summary of the corporate governance policies and practices adopted by ASG Group is set out below along with any areas of non-compliance noted.

THE ROLES OF THE BOARD AND MANAGEMENT

The role of the Board is to oversee and guide the management of ASG Group to protect and enhance the rights and interests of its shareholders, and to take into account the interests of other stakeholders including clients, employees, suppliers and the community as a whole. The Board sets the strategic direction of the Company, determines management objectives and targets, and monitors business performance in pursuit of the objectives. The Chief Executive Officer/Managing Director is responsible to the Board for day to day management of the Company.

The Board Charter describes the relationship between the Board and management, and defines their functions and responsibilities.

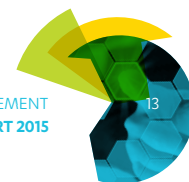
BOARD COMPOSITION

Membership of the Board is guided by the following principles:

- The number of directors will be maintained at a level which will enable effective spreading of workload and efficient decision making.
- The Chairman of the Board shall be an independent non-executive director and may not have served as an executive officer of the Company.
- A majority of the Board should be independent non-executive directors and;
- The Board should comprise directors with a broad range of expertise, skills and experience from a diverse range of backgrounds and the same individual may not hold the roles of Chairman and Chief Executive Officer.

The following table sets out the mix of skills and diversity that the Board currently has:

	NO# OF DIRECTORS
EXPERTISE	
CEO/CFO/Senior Exec	2
Legal	1
Financially Knowledgeable	2
Information Technology	2
Government/Public Sector	1
Other For Profit Directorships	3
Financial Expert	1
Mergers and Acquisitions	4
COMPETENCIES	
Strategic Leadership	4
Vision and Mission	4
Networking	4
Governance	4



DIRECTOR INDEPENDENCE

Directors are expected to bring independent views and judgement to the Board's deliberations. The Board comprises a majority of non-executive independent directors, a non-executive independent Chairman and different persons filling the roles of Chairman and Chief Executive Officer.

The Board assesses the independence of each director according to the independence criteria in ASX Corporate Governance Principle 2 and to relevant laws, regulations and listing rules. Directors facilitate this review by providing up-to-date information regarding their personal circumstances related to the company, their external relationships and any potential conflicts of interest. The independence of new directors is assessed upon appointment.

The Chairman, Mr Ian Campbell, meets the independence criteria, given that he complies with all criteria set down for assessment of independence.

Mr Grant Pestell and Mr Stephen Johnston are independent directors in accordance with the independence criteria, given that each of these directors complies with all criteria set down for assessment of independence.

Mr Grant Pestell is a Partner of the legal firm Murcia Pestell Hillard (MPH). The Company engages the services of MPH from time to time however the quantum of the fees associated with the services are not considered material to both the Company and MPH. As such, the provision of services by MPH are not considered to interfere, or might reasonably be seen to interfere with Mr Pestell's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

Mr Geoffrey Lewis, the Managing

Director is considered not to be independent.

MEETINGS OF THE BOARD

The full Board conducts at least ten meetings per annum, plus special purpose meetings on strategy, budget review and approval, review and adoption of reports, or other matters that require more time than a scheduled Board meeting normally permits.

Managers are invited to formal Board meetings and special purpose meetings, as required.

APPOINTMENT AND RE-ELECTION OF BOARD MEMBERS

The process for retirement by rotation and re-election of a director is set down in the Company's constitution. If a retiring director nominates for re-election, the Board, through the Remuneration and Nomination Committee will assess the performance of that director in their absence, and determine whether the Board will recommend a shareholder vote in favour of the re-election, or otherwise.

Details of each director standing for re-election, including their biographical details, relevant qualifications, experience and the skills, and other material directorships they bring to the Board are provided to shareholders to assess prior to voting on their re-election.

NOMINATION AND APPOINTMENT OF NEW DIRECTORS

For new appointments, the Board, through the Remuneration and Nomination Committee identifies candidates with the appropriate expertise and experience, having regard to the weighted list of required directors' competencies as maintained by the Company. The Board will appoint the most suitable candidate, but the shareholders at the next annual general meeting of the Company must ratify the

appointment. Shareholders are provided with all material information in the Notice of Annual General Meeting relevant to a decision on whether or not to elect or re-elect a director.

The Board will ensure appropriate checks are undertaken prior to making any new Board appointments. These will include checks as to the person's character, experience, education, criminal record and bankruptcy history.

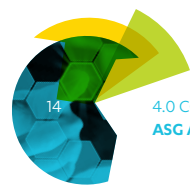
The key terms, conditions and requirements are set out in a standard letter of appointment as drafted by the Company's lawyers. New directors will be provided with an induction program specifically tailored to the needs of individual appointees. The program includes meetings with major shareholders, one-on-one meetings with the members of the management team and visits to key sites.

Directors are also encouraged to participate in the company's continual improvement program and are expected to highlight areas of activity that could potentially be improved.

BOARD ACCESS TO THE COMPANY SECRETARY, INFORMATION AND INDEPENDENT ADVICE

All directors have unrestricted access to the Company Secretary, all employees of the group, and, subject to the law, access to all Company records and information held by group employees and external advisers. The Board receives regular detailed financial and operational reports from senior management to enable it to carry out its duties.

Each director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the director in the proper exercise of powers and discharge of duties as a director or as a member of a Board Committee. The Company will reimburse the director for the reasonable expense of



obtaining that advice.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proposer functioning of the Board. The role of the Company Secretary includes:

- Advising the Board and its Committees on governance matters;
- Monitoring that Board and Committee policy and procedures are followed;
- Coordinating, in unison with the Company, the timely completion and despatch of Board and Committee papers;
- Ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
- Helping to organise and facilitate the induction and professional development of directors.

BOARD AND MANAGEMENT EFFECTIVENESS

The Board Charter contemplates that the Board will annually assess the performance of the Board as a whole, and the individual Directors, as well as the effectiveness of the Board Charter. Responsibility for the overall direction and management of the ASG Group, its corporate governance and the internal workings of the ASG Group rests with the Board notwithstanding the delegation of certain functions to the Chief Executive Officer and management generally (such delegation effected at all times in accordance with the ASG Group Constitution and its corporate governance policies).

An evaluation procedure in relation to the Board, individual Directors, Board Committees and Company executives is undertaken each year. The evaluation of the Board as a whole is facilitated through individual discussion with the Chairman with the results outcomes, discussed amongst

the Board. The Board appointed a new Chairman subsequent to the Annual General Meeting in November 2014. The newly appointed Chairman, Mr Ian Campbell, did not undertake a review of the Board and individual directors up to 30 June 2015 given he had only held this position for approximately 7 months. A review of the Board and individual directors will be undertaken in the financial year ended 30 June 2016.

To ensure management, as well as Board effectiveness, the Board has direct responsibility for evaluating the performance of the Chief Executive Officer, while the completion of other senior executives' performance appraisals are undertaken by the Chief Executive Officer and reported to the Remuneration and Nomination Committee. The review processes involves the discussion and evaluation of the executives against the KPIs both financial and non-financial set at the beginning of each year, competency assessments involving self-assessment and manager assessment of performance and training and career development plans. New KPI's are established as a result of the assessment.

COMMITTEES OF THE BOARD

Two standing Board Committees have been established to assist the Board to discharge its responsibilities. Their respective Charters, as approved by the Board, govern the Remuneration Committee and the Audit and Risk Committee. They review matters on behalf of the Board and make recommendations for consideration by the entire Board.

REMUNERATION AND NOMINATION COMMITTEE

The Remuneration Committee was enhanced and its Charter expanded in

July 2014 to include matters in respect to the nomination of new directors. The Committee was renamed the Remuneration and Nomination Committee.

The Board maintains remuneration policies aimed at attracting and retaining a motivated workforce and management team. The intention is to align the reward system to the performance of the Company, and ultimately to the long-term value received by our shareholders.

The Committee's purpose is:

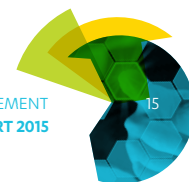
- To consider and assess the performance of directors seeking re-election as a director of the Company
- To consider and assess the existing skill set of the Board and make recommendations in respect to the appointment of any new directors subsequent to completing all the appropriate checks.
- To review, approve and monitor remuneration policies and practices.
- To approve the remuneration package for the Chief Executive and all Executive Directors.
- To make recommendations to the Board of Directors in relation to the remuneration of all directors. And;
- To consult with the Chief Executive in setting remuneration packages of any direct reports of the Chief Executive who are not directors of the Company.

The current members of the Remuneration Committee are:

Ian Campbell (Chairman)
Grant Pestell
Stephen Johnston

AUDIT, AND RISK COMMITTEE

In February 2014, the scope of the



previous Audit Committee was expanded to include Risk. As such the Committee is now the Audit and Risk Committee.

The Audit and Risk Committee monitors internal control policies and procedures designed to safeguard Company assets and to maintain the integrity of financial reporting.

The primary role of the Committee is to assist the Board to discharge its responsibilities in relation to the Company's corporate governance objectives by fulfilment of its responsibilities relating to accounting and legal compliance by:

- Maintaining effective internal and supervisory control procedures.
- Identifying and managing business risks through the review and supervisory control of the Company's formal risk identification and management processes. Risk reviews are regularly undertaken throughout the year.
- Submitting and reviewing reports for Management, the Board and other external bodies.
- Ensuring the independence and effectiveness of the external auditor and in particular related to the production of quarterly, half-yearly and annual reports to shareholders and to the ASX. In addition, the Committee reviews the nomination and performance of the auditor.
- Overseeing compliance with relevant laws and regulations and in particular the Corporations Act and the Listing Rules.
- Ensuring the consistency and appropriateness of accounting policies and procedures and any amendments thereto. and;
- Adhering to ethical standards, and in particular conflict of interest matters and related party transactions.

The current members of the Audit and Risk Committee are:

Stephen Johnston (Chairman)
Ian Campbell
Grant Pestell

The Audit and Risk Committee has direct access to management and meets periodically with the external auditors to assess and review internal controls and matters relating to corporate governance, the truthful and accurate reporting of the Company's financial position.

Other Board members and other persons considered appropriate, for instance the external auditor or senior executives, are invited to attend Audit and Risk Committee meetings as required.

All members of the Audit and Risk Committee are deemed to be independent.

INTEGRITY OF FINANCIAL REPORTING

The Company does not presently have an internal audit function. This is mitigated by the Board implementing the matters set out below under Risk Identification and management, through the Audit and Risk Committee and having a primary responsibility to ensure that:

- The Company presents and publishes accounts, which present a true and fair view of its results and financial position.
- The accounting methods adopted are appropriate to the Company and consistently applied in accordance with relevant accounting standards and the applicable laws and;
- The appointment and performance of the external auditor is appropriately monitored to ensure

independence and the serving of the interests of shareholders.

This requirement is addressed by:

The requirement that the Chief Executive Officer and the Chief Financial Officer each provide a written statement that the Company's financial reports for each half year and full year present "a true and fair view, in all material respects, of the Company's financial condition and operational results and that they are in accordance with the relevant accounting standards and formed on the basis of a sound system of risk management and internal control which is operating effectively."

The activities of the Audit and Risk Committee acting in accordance with its Charter.

In addition, management regularly reports to the Board on the effectiveness of the company's management of its material business risks.

AUDIT GOVERNANCE AND INDEPENDENCE

As part of ASG's commitment to safeguarding integrity in financial reporting, procedures have been put in place to ensure the independence and effectiveness of the external auditor. This applies particularly to the production of, half-yearly and annual reports to shareholders and to the ASX.

In addition, the Audit and Risk Committee reviews the nomination and performance of the auditor. The external auditor regularly meets with members of the Audit and Risk Committee. The Audit and Risk Committee intends, for each financial reporting period, to have the external auditor meet at least twice per annum with the Audit Committee without

management being present.

The external auditor will also be provided with the opportunity, at their request, to meet with the Board of directors without management being present.

The external auditors were appointed on 1st June 2003. The lead external audit engagement partner was appointed as the audit partner when the Company was listed on ASX on 1st July 2003 and was rotated off the engagement prior to the commencement of FY 2008; the lead external audit engagement partner was then rotated back on prior to the commencement of FY 2010. The Rotation of the audit partner has again occurred for the year ended 30 June 2015. The external auditors attend, and are available to answer questions at, the company's annual general meetings.

RISK IDENTIFICATION AND MANAGEMENT

ASG has developed policies and procedures to identify, manage and monitor business risks and

has ensured that its management and reporting systems contain risk management controls. These include:

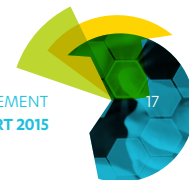
- A formal planning process of preparing and annually reviewing strategic plans for all parts of the group.
- Annual budgeting and monthly reporting systems for all businesses, to enable progress to be evaluated against performance targets, and trends to be identified.
- Guidelines and limits for capital expenditure and investment approval.
- Due diligence procedures for acquisitions and divestments.
- Policies and procedures to manage financial risk, including treasury operations such as exposure to movements in interest rates.
- A comprehensive insurance programme including external risk management surveys.
- A regulatory compliance programme supported by approved guidelines and standards covering such key areas as disclosure, legal and insurance.

- Directors' financial due diligence questionnaires. And;
- Risk Assessment and management systems for all the activities in the group.
- Management is responsible to the Board through the Audit and Risk Committee for ASG's system of internal control and risk management.

ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

The Audit and Risk committee receive regular updates from the business on the various economic, environmental and social responsibilities that face the organisation. As part of regular meetings, the committee identifies the key risks in each of these areas, reviews and updates its treatment towards them. Both the risks and the treatments can be updated at any time when the committee believes there is information to suggest this action is required. The Board believes that the Group has adequate systems in place for the management of its economic, environmental and social responsibilities. Below outlines the key risk to the Group in each category of risk, as identified by the Audit & Risk Committee:

RISK	CONSEQUENCE	TREATMENT PLAN	TREATMENT STATUS
Economic: Adverse change in economic cycle and inability to compete in our market place	Major	Ensure adequate cash flow to support the business. Forward planning and ongoing scanning of external economic climate	Treatment in progress (adequate management control)
Environment: Continue to operate in a manner that does not compromise the health of the ecosystem in which the Group operates	Major	Continue to comply with environment standards as required by Federal and State or Territory environmental legislation. Maintain current certification of ASG's operating system to the international standard for Environmental Management Systems, ISO 14001.	Treatment in progress (adequate management control)
Social: Ability to attract and keep critical talent at ASG	Major	Establish ASG as an employer of choice. Develop corporate programs/strategies to address process, capability and culture gaps which are then to be adopted and reinforced by business units and managers throughout the organisation	Treatment in progress (adequate management control)



REMUNERATION POLICIES

NON-EXECUTIVE DIRECTORS

Non-executive directors' fees are paid within an aggregate limit, which is approved by the shareholders from time to time. Each non-executive director is paid fees of \$65,000 per annum plus superannuation, and the Chairman receives \$100,000 per annum plus superannuation. An additional \$5,000 is payable if the non-executive director is a chair of any Board committee.

Non-Executive Directors serve in accordance with a standard letter of appointment, drafted by the Company's lawyers, which sets out remuneration arrangements. Retirement payments are determined as set out within the Company's Remuneration Report contained with the Financial Statements each year. Non-executive directors are entitled to participate in ASG long-term incentive scheme on shareholder approval.

EXECUTIVE DIRECTORS AND SENIOR EXECUTIVES

The Remuneration Committee is responsible for determining the remuneration policies for the group, including those affecting the executive directors and the senior executives. The committee may seek appropriate external advice to assist its decision-making.

Remuneration policies and practices are directed at attracting and retaining a motivated workforce and management team. Key principles in setting remuneration include shareholder value, market competitiveness and internal equity.

Senior executives, including Executive Directors, are engaged under the terms of individual employment contracts. Such contracts are based upon standard terms drafted by

the Company's lawyers. Executive Directors do not receive any directors' fees in addition to their employment salary and remuneration arrangements.

The monetary package is divided between a base salary and an incentive portion. Base salary is set to reflect the market salary for a position and individual of comparable responsibility and experience. Base salary is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. It is the policy of the Company to maintain a competitive salary structure to ensure continued availability of experienced and effective management and staff.

The incentive portion is payable based upon attainment of objectives related to the executive's job responsibilities. The objectives vary, but all are targeted to relate directly to the Company's business and financial performance and thus to shareholder value.

All employees including Executive Directors and Senior Executives are eligible to participate in the ASG Group Limited Employee Option Plan (the "Plan"). Actual participation is dependent upon the discretion of the Board Remuneration and Nomination Committee exercising the powers of the Plan Committee under the terms of the approved Plan. The Committee exercises its discretion to apply vesting and hurdle conditions which are intended to ensure that rewards are available only to employees who contribute to the Company over the medium to long term and that the benefits flowing from the Plan are aligned to value achieved by shareholders.

SHARE TRADING

The Constitution of the Company

permits directors and officers to acquire shares in the Company.

In accordance with the provisions of the Corporations Act and the Listing Rules of the Australian Securities Exchange Limited, directors must advise the Company and the ASX of any transactions they conducted in securities in the Company.

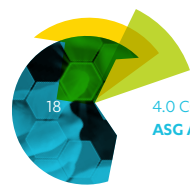
The ASG Share Trading Policy prohibits the buying or selling of Company securities at any time by any director, officer, executive, contractor, consultant or employee ("Insiders") who possesses price-sensitive information about the company that is not available to investors and the stock market generally.

This prohibition applies regardless of how the person learns of the information. This policy is intended to enhance investor confidence and help to minimise the suspicion of trading by company directors, executive managers or employees who may be in possession of price sensitive information which has not been publicly released.

Individuals who have price-sensitive information not generally available to investors and the stock market:

- Must not trade in any securities of the Company.
- Must not engage any other person or entity to trade in the Company's securities.
- Must not allow the price-sensitive information to be disclosed to another person who may use the information for improper trading purposes. And;
- Must not communicate inside information to any other individual who works within the ASG Group except on a "need to know" basis.

If an individual liaises with stock brokers, industry analysts or business journalists and the like regarding the business activities of ASG, they



must not disclose to them any inside information about ASG, or confirm any analysis, the confirmation of which would constitute price-sensitive and non-public information.

ASG Key Management Personnel may not deal in ASG securities unless they have first sought and obtained written approval from the Chairman. Unless otherwise approved by the Chairman in exceptional circumstances, ASG Key Management Personnel are prohibited from dealing in ASG securities during the following periods (Blackout periods):

- 2 weeks prior to the release to the ASX and ending 48 hours after such release of:
- ASG half year results.
- ASG year end results. And;
- The ASG Annual General Meeting and ending 24 hours after the Annual General Meeting.
- Any other blackout period that the Board declares from time to time when it is considering matters which are subject to the exceptions to the continuous disclosure requirements set out in Listing Rule 3.1A.
- The ASG Share Trading Policy provides that where Key Management Personnel intending to enter into a margin loan or other financing arrangement ('margin loan') where there is a risk that ASG securities may be traded pursuant to the terms of a margin loan must obtain prior written approval from the Chairman. The Chairman must be informed of the following information of the margin loan:
 - a. number of ASG securities involved,
 - b. key terms and trigger points,
 - c. the rights of the lender to sell securities, and
 - d. any other material information.

CONTINUOUS DISCLOSURE

The Corporations Act and the Listing Rules require that material price sensitive information be released to the market immediately it becomes known, unless it falls within an exception to the rule.

The Board's policy is to comply with the letter and spirit of the relevant laws and regulations and to ensure that shareholders and the markets generally, are informed of all material developments that impact on the Company; and that all disclosures made by the Company are clear, complete, objective and not misleading.

A detailed Disclosure Procedure exists to maintain the market integrity of the Company's shares listed on the Australian Securities Exchange Limited (ASX). The Company has established written policies and procedures designed to manage the Company's compliance with its continuous disclosure obligations and to assign management accountability for compliance.

The Chief Executive Officer has ultimate authority and responsibility for approving market disclosure, which in practice is exercised in consultation with the Company Secretary. All releases, including relevant external briefing and presentation materials, will be made available on the ASG website. The independent auditor reviews adherence to these procedures, and findings are reported directly to the Board Audit and Risk Committee.

COMMUNICATIONS WITH SHAREHOLDERS

ASG recognises its duty to inform shareholders of matters that may affect their investment in the

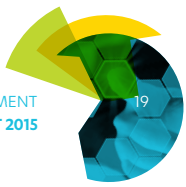
company. ASG will be open and transparent to all stakeholders, providing information in a timely, easily understandable and balanced way as follows:

- Compliance to the ASX Listing Rules on disclosure.
- Prompt appearance on the ASG Website of annual reports, market announcements, major press releases and the terms of reference of the Board Committees.
- Board Room Radio interviews and webcasts, investor roadshows and individual meetings with shareholders.
- At the AGM, shareholders are encouraged to ask questions of Board members or of the external auditor.
- Notices & explanatory memoranda of AGMs and Letters of interest from the Chief Executive Officer are available to all stakeholders in various forms including electronically if they so desire.. And;
- Special notices are forwarded to shareholders whenever there are major developments to report.

In addition, shareholders are encouraged to make their views known or to seek clarification on information available in the public arena by contacting the Company Secretary.

CONDUCT AND ETHICS

ASG has established and documented the standards of ethical behaviour expected of its directors, management, employees and contractors. The Code of Ethics is a practical set of principles giving direction and reflecting an open and ethical approach to business conduct. The Code supports the company's long-term goals, as adherence will



demonstrate integrity and will create loyalty and trust in employees, clients, the community and other stakeholders.

The Code aims to ensure that ASG, through its officers, employees and agents, acts with high standards of honesty, integrity, fairness and equity. ASG Staff will not knowingly participate in any illegal or unethical activity. They will not enter into any arrangement or participate in any activity that would conflict with the interests of ASG or prejudice the performance of their duties to the Company. The Board and management of the Company will actively promote compliance with all relevant laws and regulations, together with the Code.

DIVERSITY POLICY

ASG has a Diversity Policy which sets our commitment, key principles and diversity initiatives for the company. Our policy encourages the development of diversity across all teams and levels of our operations.

ASG employs a broad mix of individuals reflecting our philosophy of hiring the best candidate for all positions, at all levels irrespective of gender, age, disability, cultural background, religious beliefs or sexual orientation.

The objective of the policy is for ASG to embrace the diversity of skills, ideas and experiences of each individual and develop a diverse workforce that:

- continually improve business performance.
- encourages innovation and excellence across our business.
- attracts, engages and retains other diverse talent.
- increases shareholder value. And;
- delivers the quality outcomes our customers expect.

ASG is committed to embedding a corporate culture that embraces diversity through;

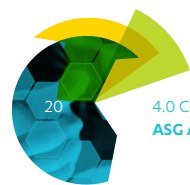
- Recruitment on the basis of competence and performance and selection of candidates from a diverse pool of qualified candidates.
- Maintaining selection

criteria that do not indirectly disadvantage people from certain groups.

- Providing equal employment opportunities through performance and flexible working practices.
- Maintaining a safe working environment and supportive culture by taking action against inappropriate workplace and business behaviour that is deemed as unlawful (discrimination, harassment, bullying, vilification and victimisation).
- Promoting diversity across all levels of the business.
- Undertaking diversity initiatives and measuring their success and;
- Regularly surveying our employees to gain their feedback.

The Board sets measurable objectives for achieving gender diversity. The Board then assesses these objectives and the progress made towards their achievement each year. At present, there are no female directors of the Company





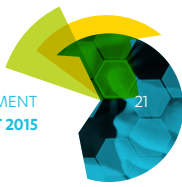
In 2011 the Board set the following measurable objectives and our results as at 30 June 2015 are below.

FOCUS AREA	OBJECTIVE	TARGET	PROGRESS AT 30 JUNE 2015
Gender participation	Increase the percentage of females in ASG workforce	Achieve 25% participation rate	22%
	To increase female participation in leadership positions.	Achieve 25% participation rate	17%
	To increase retention of female employees at ASG	Achieve 88% retention rate (excluding redundancies)	87.5%
Remuneration Equity	Improve and monitor remuneration equity across all organisational groups.	Achieve remuneration equity across all major organisational groups	Equity achieved across Team Leaders / Supervisors, Delivery Management, Middle Management, Technicians & Consultants Equity still to be achieved with in Senior leadership and Business Development.
Workplace free of discrimination and harassment	To provide employees with a workplace that is free of discrimination and harassment.	Zero formal complaints	EEO training attendance is mandatory for new staff No formal complaints in 2015

Diverse Teams was listed as an area of focus in the FY12 Annual Report. ASG maintains an objective around Diverse Teams through increasing attraction and retention from culturally diverse backgrounds. This is a statement of intent as currently cultural diversity is not a measurable objective.

In accordance with the requirements of the Workplace Gender Equality Act 2012 (Act), ASG Group lodged its annual public report with the Workplace Gender Equality Agency (Agency) on Wednesday 13th May 2015

A copy of this report is available on our website



SOCIAL RESPONSIBILITY

ASG recognises the need to create and maintain high environmental, social and ethical standards. Sustainable long-term shareholder growth can be delivered only with strong corporate responsibility in every aspect of business operations.

ASG's Social Responsibility Charter outlines what stakeholders can expect of ASG; fair dealing and responsible treatment for clients, staff and the community at large, with the objective of promoting positive outcomes for all parties while maximising economic value.



5.0

DIRECTOR'S REPORT

The Directors present their financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2015 and the auditors' report thereon.

1. DIRECTORS

The following persons were Directors of the Company at any time up to the date of this report:

MR GEOFFREY LEWIS



Managing Director/Chief Executive Officer

Geoff Lewis established ASG with the vision of providing quality technical services to users of mid range enterprise computer systems. Geoff has over 20 years' experience in the delivery of Information Technology services. This experience was gained during an international career working with top tier consultants and in very large banking, insurance, commercial and government environments. He is acknowledged as a leader of the outsourcing industry in Australia and was recognised with the Entrepreneur of the Year Award in Western Australia in 2003. Geoff has been Managing Director of the ASG Group since inception in 1996.

Other current listed directorships

Nil

Former listed directorships in the last three years

Nil

Special responsibilities

Managing Director/ Chief Executive Officer

Interest in shares and options

15,841,797 shares
3,000,000 options

Age 55 - Director since 27th June 2003

MR IAN CAMPBELL



Chairman – Non Executive

Ian Campbell was a Senator for Western Australia in the Australian Federal Parliament; he brings to ASG a wealth of experience at the highest levels of the Australian Government and in reforming the Australian corporate legal framework.

Ian is a former Member of Federal Cabinet where he held the portfolios of Environment and Heritage and Human Services, Minister for Local Government, Territories and Roads, and as Parliamentary Secretary to the Treasurer. Ian developed the Corporate Law Economic Reform Program (CLERP).

The CLERP reforms have been widely lauded by the business community for their improvements to Australia's governance regime. Ian has also acted as Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts where he pioneered government and online service delivery. Prior to entering parliament, Ian worked as a commercial and industrial property consultant, as well as acting as a director of a number of private groups.

Other current listed directorships

Nil

Former listed directorships in the last three years

Non-Executive Director - Solco Limited, to August 2015
Chairman – Enerji Limited, to December 2013
Chairman – Proto Resources and Investments Limited, to 21 June 2013

Special responsibilities

Chairman of the Board – from 20th October 2014
Chairman of the Remuneration Committee

Interest in shares and options

2,000,000 options

Age 56 - Director since 12th June 2008

MR STEPHEN JOHNSTON CA.



Director – Non Executive

Stephen has significant international experience in investment, corporate finance, merger and acquisitions and commercial management gained over 25 years in Australian industrial and investment organisations.

Stephen was formerly the Managing Director, founder and a major shareholder of Schutz DSL Group. This business was involved in the manufacture and recycling of industrial packaging with operations across Australia and South East Asia.

Stephen was previously a director of ASG from June 2003 to March 2010 at which point he resigned to commit to his increased personal business activities. However, having recently sold his interest in Schutz DSL he is again available to direct his attention to ASG.

Other current listed directorships

Nil

Former listed directorships in the last three years

Nil

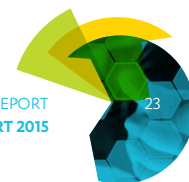
Special responsibilities

Chairman of the Audit and Risk Committee
Member of the Remuneration Committee

Interest in shares and options

3,772,605 shares

Age 55 - Director since 15th August 2013



MR GRANT PESTELL LL.B.



Director – Non Executive

Grant Pestell is the managing director of legal firm Murcia Pestell Hillard since 2000. He has extensive experience advising both listed and private companies particularly in the ICT, Energy and Resources and Mining Services Industries.

Mr Pestell is regularly involved in and advises on complex commercial disputes, strategic contract negotiations, mergers and acquisitions, risk management and large scale financing. He is a winner of Leading Lawyers Global 250 list for 2014 by Lawyer Monthly Magazine.

Other current listed directorships

Nil

Former listed directorships in the last three years

Non executive director - AusGroup Limited (SGX Listed)

Special responsibilities

Member of the Audit and Risk Committee

Interest in shares and options

Nil

Age 43 - Director since 5th May 2014.

MR RONALD BAXTER CPA.



Ronald Baxter was a director from the beginning of the financial year until his resignation on 20th of October 2014.

Ron Baxter has more than 25 years experience as a company director in Australia, North America and Europe. His background in management includes significant experience in the finance, manufacturing, mining and computer services sectors in the disciplines of accounting, audit, banking, information technology and research and development, working for Australian and US multinational corporations. His experience in information technology extends over 40 years and he has held executive and board positions in IT services companies in Australia as well as with a number of local and overseas research organisations. Ron has significant experience in merger and acquisition activities and advises the Company on these matters.

Other current listed directorships

Nil

Former listed directorships in the last three years

Nil

Special responsibilities

Chairman of the Board – Until retirement on 20th October 2014

Member of the Audit and Risk Committee – Until retirement on 20th October 2014

Member of the Remuneration Committee – Until retirement on 20th October 2014

Age 68 - Director until 20th October 2014

2. COMPANY SECRETARY

Peter Torre was the Company Secretary of ASG Group Ltd during the whole of the year.

MR PETER TORRE

Peter Torre is the principal of Torre Corporate and is Company Secretary and/or director of a number of listed companies. He was a partner of an internationally affiliated firm of Chartered Accountants working within its Corporate Services Division for over 9 years. Peter Torre is a Chartered Accountant and a Chartered Secretary. He is a member of the Australia Institute of Company Directors. He holds a Bachelor of Business and has completed a Graduate Diploma in Company Secretarial Practice.

3. MEETING OF THE DIRECTORS

The number of director's meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the Company during the financial year are:

	FULL MEETINGS OF DIRECTORS		COMMITTEE MEETINGS			
			AUDIT & RISK		REMUNERATION & NOMINATION	
DIRECTORS	Total Held ¹	Attended ²	Total Held ¹	Attended ²	Total Held ¹	Attended ²
R Baxter	4	4	1	1	1	1
G Lewis	12	12	N/A	N/A	N/A	N/A
I Campbell	12	11	N/A	N/A	2	2
S Johnston	12	12	2	2	2	2
G Pestell	12	12	2	2	N/A	N/A

1. Total number of meetings held during the time the director held office or was a member of the committee

2. Number of meetings attended

N/A Not a member of the relevant committee

4. PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the year were the provision of information technology services.

8. SIGNIFICANT CHANGE IN AFFAIRS

There have been no other significant changes in the state of affairs of the consolidated entity during the financial year.

11. ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to the Federal and State or Territory environmental legislation.

5. RESULTS

The activities of the consolidated entity for the year resulted in a net profit after income tax of \$9,538,480 (2014: Net profit after income tax of \$8,974,161).

6. DIVIDENDS

No dividends were paid or declared by the Company to members since the end of the previous year.

7. REVIEW OF OPERATIONS

A review of the operations of the consolidated entity during the financial year is set out in pages 4 to 9 of this report.

9. LIKELY DEVELOPMENTS

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

10. EVENTS SUBSEQUENT TO 30 JUNE 2015

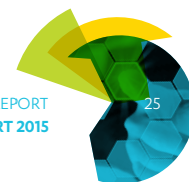
No matter or circumstance has arisen since 30 June 2015 that has significantly affected the groups operations, results or state of affairs, or may do so in future years.

12. REMUNERATION REPORT

The directors are please to present your company's 2015 remuneration report which sets out remuneration information for ASG Group Limited's non-executive directors, executive directors and other Key Management Personnel.

The report contains the following sections:

- Key Management Personnel Disclosed in this report.
- Remuneration policy and link to performance.
- Elements of Remuneration
- Link between Remuneration and performance.
- Remuneration expenses for KMP.
- Contractual arrangements for executive KMP.



- g. Non-executive director arrangements.
- h. Additional statutory information.

A. KEY MANAGEMENT PERSONNEL DISCLOSED IN THIS REPORT

Non-executive and executive directors (see pages 22 to 23) for details about each director.

The following persons were directors of ASG Group Ltd during the financial year.

Geoffrey Lewis
Ian Campbell
Stephen Johnston
Grant Pestell
Ron Baxter (until 20th October 2014)

OTHER KEY MANAGEMENT PERSONNEL

The following persons also had authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly during the financial year.

Dean Langenbach
Chief Operating Officer
Chief Financial Officer

Gerald Strautins
Executive, Strategy

There are no other employees considered to be Key Management Personnel. There have been no changes in key management personnel since the end of the reporting period.

B. REMUNERATION POLICY AND LINK TO PERFORMANCE

The Group's policy for determining the nature and amount of emoluments of Board Members and Senior Executives of the Company is as follows:

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns Executive

reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward. The Board ensures that Executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/ alignment of executive compensation
- Capital management

The Board has established a Remuneration and Nomination Committee which makes recommendations to the Board on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for Executive Directors and other Senior Executives. The committee is made up entirely of non-executive directors. The Corporate Governance Statement provides further information on the role of this Committee.

The remuneration structure for Executive Officers, including Executive Directors, is based on a number of factors, including the particular experience of the individual concerned relative to the external market, and overall performance of the Group. The remuneration framework provides a mix of fixed and variable pay, and a blend of short- and long- term incentives.

The Executive pay and reward framework has four components:

- Base pay and benefits;
- Superannuation;
- Short term performance incentives.
- Long term incentives through participation in the ASG Group Employee Option Plan.

In September 2013, the Company

engaged the services of an external remuneration consultant and as a result of the consultant's recommendations, the Remuneration and Nomination Committee implemented formalised a Short Term incentive payment for key management personnel to ensure remuneration is paid to executives to reward them for the company's annual performance. The total value of the Short Term Incentive payable to an executive is directly related to the performance of the company in the year to which the bonus relates. To maximise company performance, there is no upper limit imposed on the value of this incentive.

Long Term Incentive is provided to executives to reward them for their commitment to the company and for achievement of performance conditions in the year on which the vesting of the Long Term Incentive will be judged against. Achieving the set performance conditions will require continued commitment by the executives to maximising shareholder returns. The value of the Long Term Incentive is known in advance but is only allocable to the executives upon satisfaction of the pre-determined conditions.

C. ELEMENTS OF REMUNERATION

BASE PAY AND BENEFITS

Remuneration is structured as a total employment costs package which may be delivered as a combination of cash and prescribed non-financial benefits. Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for Executives is reviewed annually to ensure that it is competitive with the market. An Executive's pay is also reviewed on promotion. There is no guaranteed base pay increases included in any Executives' contracts. Some Executive benefits include motor vehicles, as well as other minor

benefits.

The base pay of the three executive Key Management Personnel for the 2015 financial year is consistent with the 2014 financial year.

SUPERANNUATION

The company pays superannuation as per required by the relevant legislation in relation to remuneration paid to Director's.

SHORT-TERM INCENTIVES

The purpose of short term incentives is to align an Executive's goals and performance targets for the year (KPIs) with the Company's annual strategy and targets to ensure that value is created for shareholders.

Cash incentives are paid to executives based on company performance. Bonus payments paid to executives are calculated on the basis of the company's cash earnings and bonus payment rate. Cash earnings in each year is equal to the sum of the group's profit after tax and depreciation expense.

The Managing director/Chief Executive Officer is entitled to a bonus payment rate of 2% of cash earnings, while the other executives are entitled to a bonus payment rate of 1%. The bonus payments are calculated as the specific executives bonus payment rate multiplied by the calculated cash earnings.

A portion of the Managing director/Chief Executive Officer's anticipated bonus payment is paid in instalments during the year. The bonus is paid at such a rate that the amount of bonus paid in that year will be less than the

total amount of bonus to which the Managing director/Chief Executive Officer will become entitled to as a result of the entity's actual financial performance for the year.

Bonus payments to the other executives are paid within 6 months following the end of the financial year, with the amount of the bonus paid being calculated on the Company's audited cash earnings generated in the previous financial year.

The amount of bonus paid to Key Management Personnel in the 2015 year is disclosed within section H "Additional Statutory Information".

LONG TERM INCENTIVES

Long term incentives are provided to Executives and Senior Employees via the ASG Group Employee Option Plan. Options granted are aimed to motivate Executives and Senior Employees to pursue and deliver long-term shareholder returns within an appropriate control framework and to demonstrate a clear relationship between performance and remuneration. Under the plan, participants are granted options which only vest if certain Company performance standards are met and the participants are still employed at the end of the vesting period. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan. Shareholder approval is required for any grant of Options to be made to Non-Executive Directors and the Managing Director/Chief Executive Officer.

The Remuneration Committee is responsible for setting vesting conditions for each tranche that may be granted during the year.

Options are issued under the plan for no consideration, and carry no dividend or voting rights. The vesting conditions for the options issued to executives in the 2015 year relate to:

- Length of service;
- Return on capital employed. And;
- Diluted earnings per share.

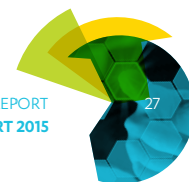
Options vest when all vesting conditions are met and each option is exercisable for a period up to three years. Further detail on each vesting condition specific to the options issued to executives in the 2015 financial year is listed below.

The exercise price of the options issued to executives is based on the weighted average price at which the company's shares are traded on the Australian Stock Exchange during the twenty days immediately before the grant date plus an additional premium of 20 percent.

The fair value of the options are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, share price at grant date, expected volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

The Options issued to Key Management Personnel in the 2015 financial year will vest if the recipients remain employed with the company until 1 August 2017 and if the both of the following criteria are satisfied:

CRITERIA	CALCULATION	PERCENTAGE OF AWARD	THRESHOLD
Return on capital employed	Earnings Before Interest and Taxes/(Shareholders Equity + Total Borrowings less Cash on Hand)	50%	>17.8% at 30 June 2017
Diluted earnings per share	Profit After Tax/Shares Outstanding	50%	>\$0.07/share at 30 June 2017



Satisfaction of the criteria conditions will be based on the audited group financial statements for the 2017 Financial Year. Both criteria must be satisfied for the options to vest.

The portion of the options which have been expensed in 2015 financial year is shown in the KMP remuneration table on page 28. The option value that has been expensed in 2015 based on management's expectation that the options will vest on 1 August 2017, upon satisfaction of the above criteria.

SHARE TRADING POLICY

The trading of shares issued to participants under any of the company's employee option/

equity plans is subject to, and conditional upon, compliance with the company's share trading policy outlined in the Corporate Governance Statement. Executives are prohibited from entering into any hedging arrangements over unvested options under the company's option plan. The company would consider a breach of this policy as a gross misconduct which may lead to disciplinary action and potentially dismissal.

D. LINK BETWEEN REMUNERATION AND PERFORMANCE

The Company's stronger financial performance in the 2014 and 2015

financial years is consistent with the remuneration for the Company's Key Management Personnel. The nature of the Company's incentive scheme's mean's that the financial performance of the entity has a direct relationship with the value of Short Term Incentive payments to key management personnel.

The increase in total KMP incentives as a percentage over EBITDA from 2014 to 2015 reflects the vesting of options issued in the 2014 and 2015 financial years and the payment of Short Term Incentive payments in 2015 relating to the 2014 and 2015 financial year performance of the Company.

STATUTORY PERFORMANCE INDICATORS

The table below illustrates the link between the ASG Group's incentive schemes and the growth in shareholder wealth of the Company.

YEAR	EPS	INCREASE/ (DECREASE) IN SHARE PRICE	DIVIDEND	EBITDA*	TOTAL KMP INCENTIVES AS A PERCENTAGE OF EBITDA FOR THE YEAR**
	(CENTS)	(%)	(CENTS)	(000'S)	(%)
2015	4.61	102.22	-	20,232	4.39%
2014	4.34	32.35	-	22,011	(0.38%)
2013	(13.70)	(59.04)	3.0	(19,892)	(0.79%)
2012	6.90	(16.16)	7.5	20,625	0.89%
2011	9.70	(29.29)	7.0	28,290	1.71%

RECONCILIATION OF PROFIT BEFORE TAX TO EBITDA

YEAR	PROFIT BEFORE TAX	DEPRECIATION AND AMORTISATION	NET INTEREST INCURRED/ (RECEIVED)	EBITDA*
	(000'S)	(000'S)	(000'S)	(000'S)
2015	11,636	6,945	1,651	20,232
2014	12,586	6,494	2,931	22,011
2013	(29,936)	7,315	2,729	(19,892)
2012	14,377	4,001	2,247	20,625
2011	21,283	5,790	1,216	28,290

*Earnings before Interest, Taxes, Depreciation and Amortisation.

**The 2014 (0.25%) total KMP incentives as a percentage of EBITDA reflects the impact of the options granted to executives in 2012 not vesting during the year, and as such the value of these options previously expensed in the 2012 and 2013 financial years was credited back to the statement of profit or loss and comprehensive income in the 2014 financial year. The (0.79%) in the 2013 financial year relates to the EBITDA being a loss.

E. REMUNERATION EXPENSES FOR KMP

Details of the remuneration of the Directors and Key Management Personnel of the Group (as defined in AASB 124 Related Party Disclosures) are set out in the following tables.

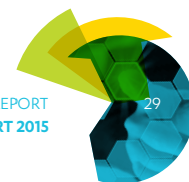
2015	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS		LONG TERM BENEFITS	SHARE BASED PAYMENTS	Total
	Cash salary and fees*	Bonus	Non-monetary benefits	Superan- nuation	Retirement Benefits**	Annual and Long service leave	Options and Rights	
NAME	\$	\$	\$	\$	\$	\$	\$	\$
NON-EXECUTIVE DIRECTORS								
R Baxter (From 1 July 2014 until 20 October 2014)	33,076	-	-	3,304	250,000	-	-	286,380
I Campbell	148,557	-	-	8,413	-	-	100,372	257,342
S Johnston	51,474	-	-	25,000	-	-	-	76,474
G Pestell	64,705	-	-	-	-	-	-	64,705
EXECUTIVE DIRECTORS – MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER								
G Lewis	650,230	250,000	176,955	35,000	-	31,007	150,559	1,293,751
OTHER KEY MANAGEMENT PERSONNEL								
D Langenbach Chief Operating Officer	390,000	155,000	44,408	51,775	-	41,098	38,540	720,821
G Strautins Executive, Strategy	305,769	155,000	47,423	45,417	-	63,604	38,540	655,753
Total (note 27)	1,643,811	560,000	268,786	168,909	250,000	135,709	328,011	3,355,226

*Cash salary and fees for non-executive directors includes committee, consulting and advisory fees accrued/paid during the year. Mr I Campbell was paid consulting fees by the Company during the year for services performed in addition to his role as Chairman of the Company.

**Retirement benefit for R Baxter represents the amount paid during the year.

ISSUE OF SHARE OPTIONS TO CHAIRMAN IAN CAMPBELL

Following approval by share-holders at the company's Annual General Meeting, the Chairman was granted 2,000,000 options on 16 October 2014. No other non-executive directors received performance-based pay in 2015.


2014

	SHORT-TERM EMPLOYEE BENEFITS			POST EMPLOYMENT BENEFITS		LONG TERM BENEFITS	SHARE BASED PAYMENTS	
	Cash salary and fees*	Bonus	Non-monetary benefits	Superannuation	Retirement Benefits**	Annual and Long service leave	Options and Rights***	Total
NAME	\$	\$	\$	\$	\$	\$	\$	\$

NON-EXECUTIVE DIRECTORS

R Baxter	100,000	-	-	9,250	-	-	-	109,250
I Campbell	115,000	-	-	6,475	-	-	-	121,475
T O'Hoy (From 1 July 2013 until 30 April 2014)	55,750	-	-	11,169	65,000	-	-	131,919
S Johnston (From 15 August 2013 until 30 June 2014)	94,891	-	-	21,346	-	-	-	116,237
G Pestell (From 5 May 2014 until 30 June 2014)	10,250	-	-	948	-	-	-	11,198

EXECUTIVE DIRECTORS – MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER

G Lewis	651,500	250,000	175,236	25,000	-	87,092	(151,537)	1,037,291
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OTHER KEY MANAGEMENT PERSONNEL

D Langenbach								
Chief Operating Officer	390,000	-	36,417	36,075	-	40,774	(74,672)	428,594
G Strautins								
Executive, Strategy	332,308	-	45,217	30,738	-	36,413	(74,672)	370,004
M Bevan								
Executive, People & Culture (From 1 July 2013 until 30 November 2013)	115,109	-	-	10,648	-	7,682	(32,712)	100,727
M Large								
Chief Financial Officer (From 1 July 2013 until 5 March 2014)	150,645	-	-	13,935	-	-	-	164,580
Total (note 27)	2,015,453	250,000	256,870	165,584	65,000	171,961	(333,593)	2,591,275

*Cash salary and fees for non-executive directors includes committee, consulting and advisory fees accrued/paid during the year. Mr I Campbell was paid consulting fees by the Company during the year for services assisting the Company with bid and other activity. Fee's paid to Mr S Johnston were in relation to consulting services prior to being appointed to the board of directors.

**Retirement benefit for Trevor O'hoy represents the amount paid during the year.

***Remuneration in the form of options includes negative amounts for options forfeited during the year.

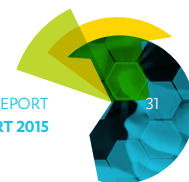
F. CONTRACTUAL ARRANGEMENTS FOR EXECUTIVE KMP

Remuneration and other terms of employment for other Key Management Personnel are also formalised in service agreements. Each of these agreements provides for the provision of performance-related cash bonuses, other benefits including provision of a motor vehicle, and participation where eligible in the ASG Group Ltd employee Option Plan.

Whilst the employment of Executives can be terminated without notice for illegal actions, gross negligence and other misconduct, the service agreements are subject to the following termination notice provisions:

NAME	TERM OF AGREEMENT AND TERMINATION PROVISIONS	BASE SALARY INCLUDING SUPERANNUATION *	TERMINATION BENEFIT
G. Lewis, Chief Executive Officer	This agreement has no set term. Termination of the agreement is 6 months' notice by the Executive or by the Company.	Base: \$686,500 per annum plus the provision of motor vehicles for year ending 30th June 2015. Bonus: Refer to page 26 of the directors' report for the calculation basis of cash incentives payable.	After the Company or Executive has given notice, termination of employment may be brought forward at any time by the Company paying the executive an amount equivalent to that worked out using the formula in section 200G(3) of the Corporations Act. If for some reason the formula does not apply for the circumstances surrounding the termination and the Company are such that the formula may not be applied then the severance benefit payable to the Executive will be an amount for the executives continuous service with the Company determined as four weeks salary for each year of part thereof of service by will not exceed any limit set by the Corporations Act or the Listing Rules in the relevant circumstances.
D. Langenbach, Chief Operating Officer, Chief Financial Officer	This agreement has no set term. Termination of the agreement is 6 months' notice by the Executive or by the Company.	Base: \$427,050 per annum plus a motor vehicle allowance for the year ending 30th June 2015. Bonus: Refer to page 26 of the directors' report for the calculation basis of cash incentives payable.	After the Company or Executive has given notice, termination of employment may be brought forward at any time by the Company paying the executive an amount equivalent to the remuneration which the executive would have earned during the balance of the notice period.
G. Strautins, Executive - Strategy	This agreement has no set term. Termination of the agreement is 6 months' notice by the Executive or by the Company.	Base: \$383,250 per annum plus the provision of a motor vehicle for year ending 30th June 2015. Bonus: Refer to page 26 of the directors' report for the calculation basis of cash incentives payable.	After the Company or Executive has given notice, termination of employment may be brought forward at any time by the Company paying the executive an amount equivalent to the remuneration which the executive would have earned during the balance of the notice period.

*Base annual salaries including superannuation are quoted as current at the year ended 30 June 2015. They are reviewed annually by the Remuneration Committee.



C. NON-EXECUTIVE DIRECTOR ARRANGEMENTS

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board taking into account comparable roles to ensure Non-Executive fees and payments are appropriate and in line with the market.

The Chairman's fees are determined

independently to the fees of Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Subject to shareholder approval, share options may be issued to non-executive directors.

The maximum annual aggregate directors' fee pool limit is \$600,000 and was approved by shareholders

at the Annual General Meeting on 23 November 2011.

The current base fees are reviewed annually and were last amended on 23 July 2012. Base fees are exclusive of committee fees. For additional duties, Committee Chairs receive an additional \$5,000 over and above their non-executive director fee.

The following fees (excluding superannuation) have applied:

	2014	2015
BASE FEES		
Chairman –		
R Baxter (until 20 October 2014)		
I Campbell (from 20 October 2014)	100,000	100,000
Other non-executive directors	65,000	65,000
ADDITIONAL FEES		
Committee Chair	5,000	5,000

All Director fee's paid are exclusive of the superannuation contributions required under the Australian superannuation guarantee legislation.

RETIREMENT ALLOWANCES FOR NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are entitled to a payment on retirement from office. The maximum quantum

of which is three times the average annual directors' fees calculated over the three years preceding retirement. The Company has no retirement deeds with currently serving non-executive directors appointed since 2009.

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company

in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of director.

H. ADDITIONAL STATUTORY INFORMATION

Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed. The proportions below are based on the amounts disclosed above at Remuneration expenses for KMP on pages 28 to 29. The at risk LTI proportion for I Campbell relates to the options granted to him in October 2014.

NAME	FIXED REMUNERATION		AT RISK – STI		AT RISK – LTI*	
	2015	2014	2015	2014	2015	2014
Non Executive Directors						
I Campbell	61%	100%	-	-	39%	-
R Baxter	100%	100%	-	-	-	-
S Johnston	100%	100%	-	-	-	-
G Pestell	100%	100%	-	-	-	-
Executive Directors						
G Lewis	69%	91%	19%	24%	12%	(15%)
Other Key Management Personnel						
D Langenbach	73%	117%	22%	-	5%	(17%)
G Strautins	70%	120%	24%	-	6%	(20%)

*The percentages disclosed reflect the value of remuneration consisting of options, based on the value of share based payments expensed during the respective years. In the 2014 financial year, Options which were issued and proportionately expensed in previous financial years were no longer considered to vest, and as a result the previously recognised expense was credited in the 2014 financial year, the LTI proportion in that year, reflects the credit to the statement of profit or loss and other comprehensive income which was recognised.

PERFORMANCE BASED REMUNERATION GRANTED AND FORFEITED DURING THE YEAR

The table below shows those KMP who were entitled to STI or LTI remuneration during the financial year, the table shows the proportions of the STI awarded and forfeited during the year. The number of options granted during the year is disclosed below at reconciliation of options and shares held by KMP on page 33.

The bonuses paid to the above Key Management Personnel is reflective of the methodology disclosed at Elements of Remuneration; Short-Term Incentives above.

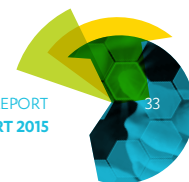
The bonus paid to Mr Lewis is based on the company's 2015 performance while the bonuses paid to Mr Langenbach and Mr Strautins are based on the performance of the entity for the 2014 financial year. Based on the STI calculation methodology, the Company's CEO Geoff Lewis was

entitled a bonus of \$329,675 however Mr Lewis elected to receive only \$250,000 in bonus payment and so receive a bonus consistent with the bonus received in the 2014 financial year. Mr Lewis has therefore forfeited his bonus entitlement in excess of the \$250,000.

The payments of bonuses are included above in the remuneration tables at Remuneration expenses for KMP on pages 28 to 29.

	TOTAL STI BONUS (CASH)			LTI OPTIONS		
	Total Opportunity \$	Awarded %	Forfeited %	Value Granted* \$	Value Exercised \$	Value Forfeited \$
2015						
I Campbell	-	-	-	398,365	-	-
G Lewis	329,675	76%	24%	597,547	-	-
D Langenbach	155,000	100%	-	-	-	-
G Strautins	155,000	100%	-	-	-	-

*The value at grant date calculated in accordance with AASB 2 Share-based Payment of options granted during the year as part of remuneration.



TERMS AND CONDITIONS OF SHARE-BASED PAYMENT ARRANGEMENTS

OPTIONS

The terms and conditions of each grant of options affecting remuneration in the current or a future reporting period are as follows:

GRANT DATE	VESTING AND EXERCISE DATE	EXPIRY DATE	EXERCISE PRICE (\$)	VALUE PER OPTION AT GRANT DATE (\$)	PERFORMANCE ACHIEVED	% VESTED
29-Apr-14	1-Aug-17	29-Apr-20	0.44	0.08	to be determined	n/a
16-Oct-14	1-Aug-17	29-Apr-20	0.87	0.20	to be determined	n/a

The number of options over ordinary shares in the company provided as remuneration to key management personnel is shown in the table directly below. Options granted under the plan carry no dividend or voting rights. See page 26 above for the conditions that must be satisfied for the options to vest.

When exercisable, each option is convertible into one ordinary share of the Company. The exercise price of options is based on the weighted average exercise price at which the company's shares are traded on the Australian Securities Exchange during the twenty days immediately before grant date plus an additional 20%.

The value per option at grant date for options granted on the 16th of October 2014 above is significantly higher than the options granted on the 29th of April 2014 due to the large increase in the Company's share price during the intervening period where by the share price increased by 111%.

Reconciliation of options and shares held by KMP

Options over ordinary shares in the company

GRANT DATE	BALANCE AT THE START OF THE YEAR	GRANTED AS COMPENSATION	BALANCE AT THE END OF THE YEAR
	UNVESTED		VESTED AND EXERCISABLE UN-VESTED

DIRECTORS

I Campbell	16 October 2014	-	2,000,000	-	2,000,000
G Lewis	16 October 2014	-	3,000,000	-	3,000,000

OTHER KEY MANAGEMENT PERSONNEL

D Langenbach	29 April 2014	1,500,000	-	-	1,500,000
G Strautins	29 April 2014	1,500,000	-	-	1,500,000

Shares in the company

Shares

	BALANCE AT THE START OF THE YEAR	NET ACQUISITIONS/ DISPOSALS	OTHER CHANGES DURING THE YEAR	BALANCE AT THE END OF THE YEAR	BALANCE HELD NOMINALLY
2015					
R Baxter	2,533,579	-	(2,533,579)*	-	-
G Lewis	16,341,797	(500,000)	-	15,841,797	-
S Johnston	3,772,605	-	-	3,772,605	-
G Strautins	550,000	-	-	550,000	-
D Langenbach	2,800,000	-	-	2,800,000	-

*Ron Baxter ceased to be a director on 20th October 2014.

LOANS GIVEN TO KEY MANAGEMENT PERSONNEL

There were no outstanding balances between ASG Group Limited and directors or Key Management Personnel as at 30 June 2015.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

A director of the Company, Mr Grant Pestell, is Managing Director of Murcia Pestell Hillard. Murcia Pestell Hillard are the company's solicitors and have provided Legal services to the company for several years. The services have been provided on normal commercial terms and conditions.

Amounts recognised as expense:

	2015	2014
	\$	\$
Legal Fees	156,180	55,113

Amounts recognised as assets and liabilities

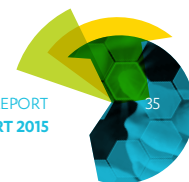
	2015	2014
	\$	\$
Current Liabilities	47,853	56,735

VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

ASG Group Limited received approximately 96% of "Yes" votes on its remuneration report for the 2014 financial year. The company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

The Company received various other general questions on its remuneration practices at the AGM in October 2014, all of which were responded to by the Company at the AGM.

END OF AUDITED REMUNERATION REPORT



SHARES UNDER OPTIONS

At the date of this report, unissued ordinary shares of the company under option are:

EXPIRY DATE	EXERCISE PRICE	NUMBER OF OPTIONS
31-Dec-15	\$0.52	10,000
31-Dec-16	\$0.87	30,000
30-Jun-16	\$0.79	10,000
30-Jun-17	\$0.79	20,000
30-Jul-17	\$0.79	10,000
30-Dec-17	\$1.19	100,000
30-Jun-17	\$1.74	60,000
7-Oct-17	\$1.72	20,000
30-Dec-18	\$1.63	50,000
30-Jun-19	\$1.01	90,000
30-Jun-19	\$1.01	10,000
30-Jun-19	\$0.91	60,000
31-Dec-19	\$1.43	90,000
30-Dec-19	\$0.73	60,000
1-Aug-19	\$0.47	1,000,000
29-Apr-20	\$0.44	500,000
29-Apr-20	\$0.44	3,000,000
29-Apr-20	\$0.87	5,000,000
TOTAL		10,120,000

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

INSURANCE OF OFFICERS

During the financial year, the Company paid a premium of \$86,600 to insure the Directors and secretaries of the company and its Australian-based controlled entities, and the general managers of each divisions of the group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

INDEMNIFICATION

The Company has agreed to indemnify the current Directors of the Company and the former Directors against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

The agreement stipulates that the Company will meet the full amount of any such liabilities including cost and expenses.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the

Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

AUDITORS

The Company has not entered into any agreement to indemnify its auditors against any claims made by third parties arising from their report on the financial statements.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for audit and non-audit services and other assurance services provided during the year are set out below.

The Board of Directors have satisfied themselves that where such services are provided, the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

All non-audit services are reviewed and approved by the Board, Chief Executive Officer or the Audit

Committee to ensure they do not impact the impartiality and objectivity of the auditor.

None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

	2015	2014
	A\$	A\$
BDO (WA) Pty Ltd		
Non-Audit services	-	5,611
Total		
Remuneration	-	5,611

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 37.

ROUNDING OF AMOUNTS

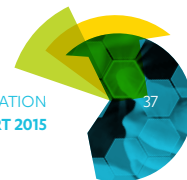
The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars, or in certain cases the nearest dollar, in accordance with that Class Order.

This report is made in accordance with a resolution of Directors.



Geoff Lewis
Managing Director/Chief Executive Officer

Perth
Dated: 18 August 2015



6.0

AUDITORS' INDEPENDENCE DECLARATION



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Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY IAN SKELTON TO THE DIRECTORS OF ASG GROUP LIMITED

As lead auditor of ASG Group Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

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

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

Ian Skelton
Director

BDO Audit (WA) Pty Ltd
Perth, 18 August 2015

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

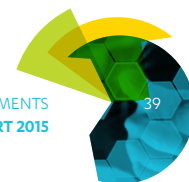
7.0

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 A\$'000	2014 A\$'000
Revenue from continuing operations	6	162,708	159,129
Other Revenue		86	19
Total Revenue		162,794	159,148
Other Income	7	1,479	897
Expenses			
Change in inventories of finished goods and work in progress		621	(764)
Raw materials and consumables used	8(a)	(17,744)	(17,397)
Employee benefits expense		(109,135)	(102,561)
Depreciation and amortisation expenses	8(b)	(6,945)	(6,490)
Finance costs	8(c)	(1,737)	(2,950)
Operating lease payments		(1,137)	(1,218)
Impairment and write-downs	8(d)	-	(4)
Other expenses	8(e)	(16,210)	(16,075)
Acquisition expenses	8(f)	(350)	-
Total Expenses		(152,637)	(147,459)
Profit before income tax		11,636	12,586
Income tax expense	9	(2,097)	(3,612)
Profit for the year attributable to members of ASG Group Ltd		9,539	8,974
Other Comprehensive Income		-	-
Total Comprehensive Income for the year, net of tax attributable to members of ASG Group Limited		9,539	8,974
Basic earnings per share (cents)	32	4.61	4.34
Diluted earnings per share (cents)	32	4.58	4.34

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	30 JUNE 2015	30 JUNE 2014
		A\$'000	A\$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	13,846	16,123
Trade and other receivables	11	33,204	28,045
Work in Progress		817	196
Other Assets	12	1,126	1,967
Asset classified as held for sale	13	-	9,740
Total current assets		48,993	56,071
Non-current assets			
Property, plant and equipment	14	20,417	21,572
Deferred Tax Assets	16	13,278	9,664
Intangible Assets	15	94,440	92,484
Total non-current assets		128,135	123,720
Total assets		177,128	179,791
LIABILITIES			
Current liabilities			
Trade and other payables	17	31,628	33,154
Borrowings	19	5,902	8,825
Provisions	18	6,446	6,204
Current Tax Liabilities	9	2,219	1,718
Unearned Revenue		245	964
Total current liabilities		46,440	50,865
Non-current liabilities			
Borrowings	19	19,296	29,038
Provisions	18	402	719
Deferred tax liabilities	21	7,670	5,712
Total non-current liabilities		27,386	35,469
Total liabilities		73,808	86,334
Net assets		103,320	93,457
EQUITY			
Contributed equity	22	120,034	120,087
Reserves	23	1,726	1,349
Accumulated losses		(18,440)	(27,979)
Total equity		103,320	93,457

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	CONTRIBUTED EQUITY	RETAINED EARNINGS	SHARE BASED PAYMENTS RESERVE	OTHER RESERVES	TOTAL EQUITY
		A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Balance at 1 July 2013		120,160	(36,953)	1,487	167	84,861
Profit/(Loss) for the period		-	8,974	-	-	8,974
Total comprehensive loss for the year		-	8,974	-	-	8,974
Transactions with owners in their capacity as owners:						
Contribution of equity, net of transaction costs	22	(73)	-	-	-	(73)
Share based payments	33	-	-	(305)	-	(305)
Balance at 30 June 2014		120,087	(27,979)	1,182	167	93,457
Balance at 1 July 2014		120,087	(27,979)	1,182	167	93,457
Profit/(Loss) for the period		-	9,539	-	-	9,539
Total comprehensive income for the year		-	9,539	-	-	9,539
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	22	(74)	-	-	-	(74)
Issues of ordinary shares from options	22	21	-	-	-	21
Share based payments	33	-	-	377	-	377
Balance at 30 June 2015		120,034	(18,440)	1,559	167	103,320

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



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 A\$'000	2014 A\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operation		173,728	175,605
Cash payments in the course of operations		(161,845)	(150,688)
Interest received		86	19
Finance expenses		(1,737)	(2,950)
Income Tax Paid		(1,736)	-
Net cash inflow from operating activities	31	8,496	21,986
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(1,236)	(644)
Payments for software		(4,897)	(3,496)
Proceeds from sale of assets	13	10,710	29
Payments for purchase of business (net of cash received)	28	(350)	(1,000)
Net cash inflow/(outflow) from/(used in) investing activities		4,227	(5,111)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		3,000	8,000
Repayment of borrowings		(15,808)	(5,250)
Finance lease payments		(2,213)	(1,502)
Proceeds from Issue of Shares		21	-
Net cash inflow/(outflow) from/(used in) financing activities		(15,000)	1,248
Net increase/(decrease) in cash held		(2,277)	18,123
Cash and cash equivalents at beginning of reporting period		16,123	(2,000)
Cash and cash equivalents at end of reporting period	10(a)	13,846	16,123

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

8.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include the consolidated entity consisting of ASG Group Ltd and its subsidiaries.

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated below.

A. BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards

Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

COMPLIANCE WITH IFRS

The financial statements of the ASG Group Ltd also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical cost convention as modified by the revaluation of selected non-current assets, and financial assets and liabilities for which the fair value basis of accounting has been applied.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for

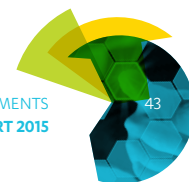
Non-Financial Assets is effective for annual reporting periods beginning on or after 1 January 2014. The Group had early adopted this standard by applying it for the annual period ending 30 June 2014.

There are no other accounting standards effective for the first time in the annual reporting period commencing 1 July 2014 which would lead to a change in the accounting policies of the Group and so have an impact in the current year or could impact future periods.

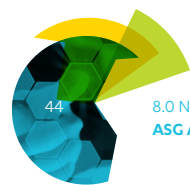
NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below.



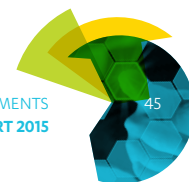


AASB REFERENCE	TITLE AND AFFECTED STANDARD(S):	NATURE OF CHANGE	APPLICATION DATE:	IMPACT ON INITIAL APPLICATION
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	<p>Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets:</p> <ul style="list-style-type: none"> • Amortised cost. • Fair value through profit or loss. And; • Fair value through other comprehensive income. <p>The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9:</p> <ul style="list-style-type: none"> • Classification and measurement of financial liabilities. And; • Derecognition requirements for financial assets and liabilities. <p>However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.</p>	Periods beginning on or after 1 January 2018	<p>Adoption of AASB 9 is only mandatory for the year ending 30 June 2018.</p> <p>All of the financial assets which the group currently controls are categorised as loans and receivables and are therefore measured at amortised cost. The group will be able to continue to measure its financial assets on this basis when AASB 9 becomes effective.</p> <p>The group does not have any financial liabilities measured at fair value through profit or loss and therefore there will be no impact on their measurement when AASB 9 becomes effective.</p>



1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB REFERENCE	TITLE AND AFFECTED STANDARD(S):	NATURE OF CHANGE	APPLICATION DATE:	IMPACT ON INITIAL APPLICATION
AASB 2013-9 (issued December 2013)	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	<p>Makes three amendments to AASB 9:</p> <ul style="list-style-type: none"> Adding the new hedge accounting requirements into AASB 9. Deferring the effective date of AASB 9 from 1 January 2015 to 1 January 2017. And; Making available for early adoption the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities under the fair value option without early applying the other AASB 9 requirements. <p>Under the new hedge accounting requirements:</p> <ul style="list-style-type: none"> The 80-125% highly effective threshold has been removed. Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable. An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure. When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI. When entities designate only the spot element of a forward contract, the forward points can be deferred in OCI and subsequent changes in forward points are recognised in OCI. Initial foreign currency basis spread can also be deferred in OCI with subsequent changes be recognised in OCI. And; Net foreign exchange cash flow positions can qualify for hedge accounting 		<p>There will be a change in the way the group calculates it's allowance for credit losses, however the group has not estimated the financial impact of this change in calculation method.</p> <p>The group does not apply hedge accounting and therefore there will be no impact on the accounting policies of the group when this standard becomes effective.</p>



1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB REFERENCE	TITLE AND AFFECTED STANDARD(S):	NATURE OF CHANGE	APPLICATION DATE:	IMPACT ON INITIAL APPLICATION
IFRS 15 (issued June 2014)	Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue	Annual reporting periods beginning on or after 1 January 2018	<p>The group expects that this standard will have some impact on the timing and amount of revenue recognised, however the group is not in a position to quantify the impact on the entity upon initial application of this standard.</p> <p>Management is in the process of reviewing its systems, processes and customer contracts to ensure revenue will be accurately reported when the standard becomes effective.</p>

B. PRINCIPLES OF CONSOLIDATION

SUBSIDIARIES

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of ASG Group Ltd ('Company' or 'Parent Entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. The Parent Entity and its subsidiaries together are referred to in these financial statements as the 'Group' or the 'Consolidated Entity'.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

A list of controlled entities is contained in note 29 to the financial statements. All controlled entities have a June financial year end.

C. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive team. The Group has determined that it has one operating segment.

D. REVENUE RECOGNITION

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

SALE OF GOODS

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return

of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

SINGLE TRANSACTIONS ENCOMPASING BOTH GOODS AND SERVICES

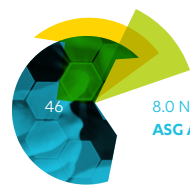
In circumstances when a transaction has both goods and services inclusive in one transaction, the recognition criteria of AASB118 is applied in order to reflect the substance of the transaction.

RENDERING OF SERVICES

Revenue from rendering services is recognised in proportion to the stage of completion of the contract when the stage of contract completion can be reliably measured.

The stage of completion of a transaction may be determined by using the most reliable method relating to the nature of the contract, these include:

- Surveys of work complete
- Services performed to date as a percentage of total services performed
- The proportion that costs incurred to date bear to the estimated total costs of the transaction.



1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Where revenue is received for services not yet provided, the Company classifies this as unearned income. ASG also accrues revenue where work has been completed in the given period, pending final invoice acceptance of the client.

INTEREST REVENUE

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

SALE OF NON-CURRENT ASSETS

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

DIVIDENDS

Dividends are recognised as revenue when the right to receive payment is established.

RESEARCH AND DEVELOPMENT

Other income includes Research and Development ("R&D") concessions received or receivable in respect of eligible R&D as registered with AusIndustry. The R&D concession is brought to account when the eligible R&D has been quantified. The income is only recoverable when there are sufficient taxable profits in which to utilise it. The R&D concession amount is recognised in other income as it relates to spending that has been expensed to the statement of profit or loss and other comprehensive income.

E. GOODS AND SERVICES TAX (GST)

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 Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

F. INCOME TAX

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred

income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

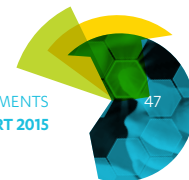
Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

TAX CONSOLIDATION LEGISLATION

ASG Group Ltd and its wholly-owned Australian controlled entities have



1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

implemented the tax consolidation legislation as of 1st July 2003. The entities have also entered into a tax sharing/tax funding agreement. The head entity, ASG Group Limited, and the controlled entities in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be alone tax payer in its own right.

In addition to its own current and deferred tax amounts, ASG Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated Group. Details about the tax funding agreement are disclosed in note 34.

Assets or liabilities arising under tax funding agreements with tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Any differences between the amounts assumed and amounts receivable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

C. INVENTORIES

Work in progress is stated at the lower of cost and net realisable value. Cost comprises direct labour and an appropriate portion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

H. LEASES

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value

of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 26). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

I. INTANGIBLE ASSETS

GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill acquired in a business combination is not amortised. Instead goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to one cash-generating unit for the purpose of impairment testing.

SOFTWARE

Costs incurred in developing and acquiring software and licenses that will contribute to future period financial benefits through revenue

generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis depending on the useful life of the asset.

RESEARCH AND DEVELOPMENT

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the statement of comprehensive income as an expense when it is incurred. Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if the product or service is technically and commercially feasible and adequate resources are available to complete development. Reversals of expenditure excluding assets which are impaired are classified as net additions.

The Group's main development activities are its:

- Service Management Centre (SMC)
- Business Management Systems (BMS)

These intangible assets are essential for ASG to deliver high quality services on an ongoing basis and as such are deemed to have indefinite useful lives. As the development costs are to have indefinite useful life they are subject to impairment testing annually.

CUSTOMER LIST AND CUSTOMER CONTRACT ACQUIRED

Customer lists and customer contracts acquired as part of a

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

business combination are recognised separately from goodwill. These assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the anticipated relationship with customers and the timing of projected cash flows of the contracts over their estimated useful lives.

The depreciation/amortisation rates used for each class of asset are as follows:

Software	2 to 7 years
Customer lists	10 years
Customer contracts acquired	5 years
Development and	Not
Goodwill	depreciated

J. IMPAIRMENT OF ASSETS

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Group's of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

K. CASH AND CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flow, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

L. TRADE RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

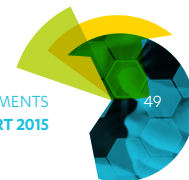
Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance 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. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit and loss.

M. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the reporting period in which they are incurred.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed, except to the extent that they are included in the carrying amount of another asset as an allocation of production overheads. Depreciation is calculated using the straight-line method to allocation the cost of property, plant and equipment items, net of their residual values. Useful lives of the plant and equipment is 2 to 10 years.



1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their net fair values at the date of acquisition. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly to the statement of profit or loss and other comprehensive income as a bargain purchase.

Where settlement of any part of

cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

O. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless a payment is not due within 12 months from the reporting date.

P. BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid for the establishment of borrowings only are immediately expensed.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the

considered paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Q. PROVISIONS

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

R. EMPLOYEE BENEFITS

SHORT-TERM OBLIGATIONS

Liabilities for wages and salaries, including non-monetary benefits, expected to be settled within 12 months after the end of the period in which the employees render the

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

related service are recognised in respect of the employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for accrued wages and other employment related obligations are recognised in trade and other payables.

OTHER LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

The liabilities for long service leave and annual leave are regarded as long-term employee benefit obligations. Long service leave and annual leave obligations which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, historical trend of employees taking leave and experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

RETIREMENT BENEFIT OBLIGATIONS

All employees of the Group are entitled to the benefits from the Group's superannuation plan on retirement, disability or death or can direct the Group to make contribution

to a defined contribution plan of their choice. The Group's superannuation plan has a defined benefit section and a defined contribution section. The defined benefit section provides defined lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions.

Contributions to the defined contribution section of the Group's superannuation plan and other independent defined contribution superannuation funds are recognised as an expense as they become payable.

Non-executive directors are entitled to payment on retirement as outlined on page 31 of the Director's report.

SHARE-BASED PAYMENTS

Share-based compensation benefits are provided to employees via the ASG Group Ltd Employee Option Plan and an employee share scheme. Information relating to these schemes is set out in note 33.

Share-based payments - ASG Group Ltd Employee Option Plan

The fair value of options granted under the ASG Group Limited AIFRS Employee Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the

expected dividend yield and the risk free interest rate for the term of the option.

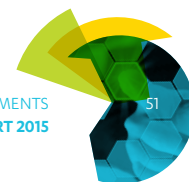
The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the statement of comprehensive income with a corresponding adjustment to equity.

BONUSES

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is past practice that has created a constructive obligation.

TERMINATION BENEFITS

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.



1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. CONTRIBUTED EQUITY

Ordinary shares are classified as equity.

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.

T. DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at reporting date.

U. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than dividends, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements.

DILUTED EARNINGS PER SHARE

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

V. ROUNDING OF AMOUNTS

The Group is of a kind referred to in Class Order 98/100, issued by the

Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

W. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets (including those that are part of a disposal Group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal Group classified as held for sale continue to be recognised.

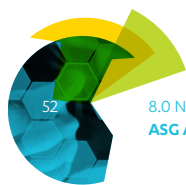
Non-current assets classified as held for sale and the assets of a disposal Group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal Group classified as held for sale are presented separately from other liabilities in the statement of financial position.

X. GOVERNMENT GRANTS

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Refer to note 7 for further information on government grants received.

Y. BORROWING COSTS

Financing establishment fee's recognised over the life of the borrowing, other borrowing costs are expensed as incurred.



2. FINANCIAL RISK MANAGEMENT

The Group's activities have exposure to the following risks from their use of financial instruments:

- Market Risk;
- Credit Risk; and
- Liquidity Risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by corporate under policies approved by the Board of Directors.

A. MARKET RISK

INTEREST RATE RISK

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to interest rate risk. The Group's borrowings are in Australian Dollars. The Group does not hold any fixed rate borrowings and receivables that are carried at fair value and hence is not exposed to fair value interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group analyses its interest rate exposure on monthly basis. Management receives daily updates from the Group's financier's markets department analysing economic data and current trends. Management uses this data to assist in optimising the Group's interest rate strategy, which is reported to the board on a monthly basis.

At the reporting date, the Group had the following variable borrowings outstanding:

FACILITY	30 JUNE 2015		30 JUNE 2014	
	WEIGHTED AVERAGE INTEREST RATE	BALANCE (\$000)	WEIGHTED AVERAGE INTEREST RATE	BALANCE (\$000)
Bank Loans (Variable)	4.04%	20,000	5.07%	32,808

The Group also has a multi option facility, however at reporting date, the facility is only utilised for bank guarantee's and as a result there is no interest rate risk applicable to this facility.

SENSITIVITY

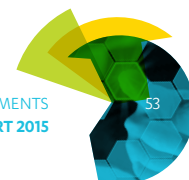
At 30 June 2015, if interest rates had changed by +/- 40 basis points from the year-end rates with all other variables held constant, post-tax profit for the year and equity would have been \$63,000 higher/lower, as a result of higher/lower interest payable on bank overdraft and loan facility.

At 30 June 2014, if interest rates had changed by +/- 40 basis points from the year-end rates with all other variables held constant, post-tax profit for the year and equity would have been \$97,000 higher/lower, as a result of higher/lower interest payable on bank overdraft and loan facility.

The sensitivity analysis is prepared by analysing the interest the Group has been charged during the year and considering the change in the total interest rate charged per facility/per interest period.

OTHER MARKET RISK'S

The Group is not exposed to foreign exchange or price risk.



B. CREDIT RISK

I. SUMMARY OF EXPOSURE

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of industry and country, in which customers operate, has less of an influence on credit risk. Approximately 32% of the Group's Trade Receivables balance is attributable to State and Federal Government agencies, two customers each represented more than 10% of the balance, totalling 22.55% of the trade receivable balance.

In 2014, approximately 48% of the Group's Trade Receivables balance was attributable to State and Federal Government agencies, two customers each represented more than 10% of the total balance, totalling 25.05% of the trade receivable balance.

Geographically there is no concentration of credit risk.

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	CARRYING AMOUNT	
		2015	2014
		A\$'000	A\$'000
Cash and cash equivalents	10	13,846	16,123
Trade and other receivables	11	33,204	28,045

II. CREDIT QUALITY

The credit quality of financial assets that are not impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterpart default rates:

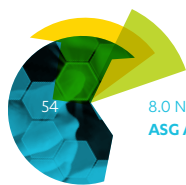
	2015	2014
	A\$'000	A\$'000
Cash and cash equivalents		
AA	13,846	16,123
Trade and Other Receivables		
Counterparties with external credit rating		
A	14,074	15,432
BBB	8,552	3,760
Counterparties without external credit rating	10,578	8,853
Total Trade and Other Receivables	33,204	28,045

In relation to the current reporting period, the balance owing by Counterparties without an external credit rating represents various customers, of the total amount in this category, \$4,322,963 (40.87%) is from one customer and no provision has been recognised or previously been required in relation to this customer (2014: amounts owing from this same customer represented \$4,386,706 (49.55%) of the balance owed by customers without an external credit rating).

The trade and other receivables above includes \$31,041,078 (2014: \$18,669,830) of receivables which are neither past due nor impaired, counterparties with an external rating of A represent 45.4% (2014: 55%), counterparties with an external rating of B represent 24.3% (2014: 11.5%) and counterparties without an external rating represent the remaining 30.3% (2014: 33.5%).

III. IMPAIRED TRADE RECEIVABLES

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. For these receivables the estimated impairment losses are recognised in a separate



2 FINANCIAL RISK MANAGEMENT (continued)

provision for impairment. The following factors are considered before recognising an impairment loss:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within doubtful debt expenses.

At 30 June 2015, only one customer represents more than 20% of the amount which has been provided for as doubtful (2014: three customers represented 85% of the balance). The total owing to the Group by this customer is \$65,636 (2014: three customers owed a total of \$600,827). The remainder of the provision relates to twelve other customers (2014: Seven customers).

	2015	2014
	A\$'000	A\$'000
1 to 3 months	-	-
3 to 6 months	87	108
Over 6 months	87	47
Total	174	155

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	2015	2014
	A\$'000	A\$'000
At 1 July	(155)	(1,385)
Provision for impairment recognised during the year	(269)	(130)
Receivables written off during the year as uncollectible	126	136
Unused amount reversed	124	1,224
At 30 June	(174)	(155)

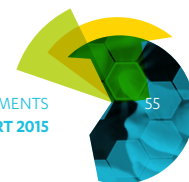
IV. PAST DUE BUT NOT IMPAIRED

The following table breaks down receivables that are past due (30 day terms) but not impaired:

	2015	2014
	A\$'000	A\$'000
Receivables less than 30 days past due	506	8,223
Receivables 30 days or more but less than 60 days past due	691	672
Receivables 60 days or more but less than 90 days past due	1,102	282
Receivables 90 days or more past due	107	289
Total receivables past due but not impaired	2,406	9,466

C. LIQUIDITY RISK

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.



2 FINANCIAL RISK MANAGEMENT (continued)

The Group manages liquidity risk by maintaining adequate reserves by preparing an annual budget, continuously monitoring to the budget, subsequent forecasts and actual cash flows as well as matching the maturity profiles of financial assets and liabilities.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

I. FINANCING ARRANGEMENTS

The Group had access to the following borrowing facilities at the reporting date:

FACILITY	A\$ '000	A\$ '000
	VALUE OF FACILITY	VALUE UNDRAWN
Corporate Flexi Loan	20,000	-
Multi Option Facility	17,000	13,672
Comprising:		
- Corporate Receivables Finance Facility	11,200	11,200
- Bank Guarantee	3,800	472
- Overdraft	2,000	2,000

Term Debt facility had a termination date of 30th June 2018 with the entire amount of the commitment drawn at reporting date. The facility was repayable quarterly by equal instalment of \$1,750,000.

The Working Capital facility represented an overdraft facility and was undrawn. The working capital facility which may have been drawn at any time was not repayable but the facility was subject to annual review and was therefore is classified as current.

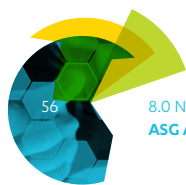
The indemnity guarantee facility had a limit of \$7,000,000, reduced by any extent to which the standby working capital facility was drawn. Bank guarantees on issue amounted to \$3,119,433. The standby working capital facility was undrawn at 30 June 2014.

The overdraft facility is undrawn at at 30 June 2015. The Group also has the option to use a master asset finance facility, which would reduce the value of the above multi option subfacilities to the same extent.

Borrowing facilities at 30 June 2014:	A\$ '000	A\$ '000
FACILITY	VALUE OF FACILITY	VALUE UNDRAWN
Working Capital Facility	2,000	2,000
Term Debt Facility	32,808	-
Indemnity/Guarantee Facility	7,000	3,881
Standby Working Capital Facility	3,000	3,000

II. MATURITIES OF FINANCIAL LIABILITIES

The tables below analyse the Group's financial liabilities into relevant maturity Groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.



2 FINANCIAL RISK MANAGEMENT (continued)

GROUP – AT 30 JUNE 2015	CARRYING AMOUNT	CONTRACTUAL CASH FLOW	LESS THAN 6 MONTHS	6-12 MONTHS	1- 2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
NON-INTEREST BEARING							
Trade Creditors	15,648	15,648	15,648	-	-	-	-
VARIABLE RATE							
Bank Borrowings	20,000	22,014	2,386	2,342	4,565	12,721	-
FIXED RATE							
Finance Lease	5,198	5,761	1,458	710	1,507	2,086	-
Total	40,846	43,423	19,492	3,052	6,072	14,807	-

GROUP – AT 30 JUNE 2014	CARRYING AMOUNT	CONTRACTUAL CASH FLOW	LESS THAN 6 MONTHS	6-12 MONTHS	1- 2 YEARS	2-5 YEARS	MORE THAN 5 YEARS
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
NON-INTEREST BEARING							
Trade Creditors	16,163	16,163	16,163	-	-	-	-
VARIABLE RATE							
Bank Borrowings	32,808	36,640	4,298	4,208	8,146	19,988	-
FIXED RATE							
Finance Lease	5,055	5,685	1,385	715	1,399	2,186	-
Total	54,026	58,488	21,846	4,923	9,545	22,174	-

3. CAPITAL MANAGEMENT

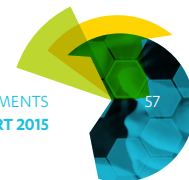
A. RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders through the optimisation of debt and equity balance. In order to maintain an optimal capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of gearing ratio. This ratio, is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 30 June 2015 and 30 June 2014 were as follows:

	2015	2014
	A\$'000	A\$'000
Total Borrowings (excluding finance leases)	20,000	32,808
Less: cash and cash equivalents	(13,846)	(16,123)
Net debts	6,154	16,685
Total equity	103,320	93,457
Total capital	109,474	110,142
Gearing Ratio	5.6%	15.1%



3 CAPITAL MANAGEMENT (continued)

I. LOAN COVENANTS

Under the terms of Group's borrowing facilities, the Group is required to comply with covenants related to Leverage, Debt Service Cover, Minimum equity and Aged Trade Debtors.

Leverage

Compliance with the Leverage covenant was tested on a quarterly basis, with the Group required to have a maximum leverage ratio for each quarter. The Group complied with this covenant.

Debt service cover

Compliance with the Debt service cover covenant was tested on a quarterly basis, with the Group required to have a minimum debt service cover ratio for each quarter. The Group complied with this covenant.

Minimum Equity

The Group is required to maintain equity at a minimum of \$90,000,000 at all times. The Group complied with this covenant.

Aged Trade Debtors

Compliance with the Aged Trade Debtors covenant was tested on a quarterly basis, 85% of aged trade debtors are required to be no more than 60 days past due. The Group complied with this covenant.

In addition to complying with the above Loan covenants imposed by the National Australia Bank, The Group complied with the loan covenants imposed by Bankwest during the period from 1 July until when the Group's bankers changed to National Australia Bank on 30 January 2015.

B. DIVIDENDS

No dividends were paid or declared in relation to the financial year ended 30 June 2015 or 2014.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

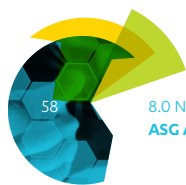
Disclosure in relation to significant estimates and judgements affecting the carrying amounts of statement of financial position items is included throughout notes 1 through 33; Specifically:

- I. *Research and Development, note 7*
- II. *Intangible Assets, note 15*
- III. *Deferred Tax Assets, note 16*
- IV. *Share Based Payments, note 33*

5. SEGMENT INFORMATION

Management has determined the Group has one operating segment based on the reports reviewed by the executive Group and used to make strategic decisions.

Strategic decisions at the executive level are made on human resources and resourcing, strategic business development opportunities, customer and project management, treasury and finance and capital expenditure. These strategic decisions are made by the executive Group and the interests of the Group are taken into consideration. It is the view of management that ASG only operates within one operating segment, that being information technology solutions. ASG operates in



5. SEGMENT INFORMATION (continued)

Australia with no revenue being attributable outside of Australia in providing information technology services.

ASG offers solutions to its customers' needs and works with key partners such as Oracle, SAP, and Microsoft to offer a range of software solutions.

ASG had no reliance on one customer during the year end 30th June 2015. Entities controlled by the Western Australian Government contributed 19% (2014: 25%) of the total revenue and clients controlled by the Federal Government of Australia contributed 22% (2014: 16%) of the total revenue for the year ended 30th June 2015 of the Group.

6. REVENUE

	2015	2014
	A\$'000	A\$'000
FROM CONTINUING OPERATIONS		
Sale of goods	18,619	20,324
Rendering of service	144,089	138,805
Total Revenue from Continuing Operations	162,708	159,129

7. OTHER INCOME

	2015	2014
	A\$'000	A\$'000
Research and development grant	838	925
Net Gain/(Loss) on disposal of property, plant and equipment	641	(28)
Total Other Income	1,479	897

GOVERNMENT GRANTS

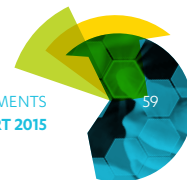
The Group has recognised the benefit from a Research and Development claim of \$837,153 (2014: \$924,705). The Group's underlying research and development activity is the "Development of ASG's fully automated Service Management as a Service (SMaaS) solution for a multi-tenanted, multi-vendor environment". This government grant has been recognised as an increase in deferred tax asset, information on deferred tax assets is disclosed in note 16.

The Research and Development grant in the current financial year, is based on research and development activity expenditure in the 2015 and 2014 financial years, while the grant recognised in the comparative period is based on expenditure in the 2013 financial year.

During the period, the Group changed its accounting for government grant income to only reflect in the statement of profit or loss and other comprehensive income when the Research and Development related expense is recognised.

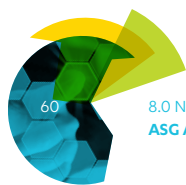
GAIN ON SALE OF DATA CENTRE

Net Gain/(Loss) on disposal of property, plant and equipment in the current year includes a gain of \$636,317 resulting from the disposal of the Group's data centre which was sold in August 2014. Refer to note 13 for further detail on the disposal.



8. EXPENSES

	2015	2014
	A\$'000	A\$'000
PROFIT BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:		
A. RAW MATERIALS		
Cost of hardware	6,733	5,908
Cost of software sold	11,011	11,489
Total Raw Materials	17,744	17,397
B. DEPRECIATION AND AMORTISATION		
Depreciation	4,647	4,485
Amortisation	2,298	2,005
Total Depreciation and Amortisation	6,945	6,490
C. FINANCE COSTS		
Finance charges paid/payable for financial liabilities at amortised cost	1,371	2,577
Finance charges on capitalised leases	366	373
Total Finance Costs	1,737	2,950
D. IMPAIRMENT AND WRITE-DOWNS		
Impairment of intangibles	-	4
Total Impairment and Write-downs	-	4
E. OPERATING EXPENSES		
Insurance	727	691
Marketing and administration	14,600	15,484
Bank and compliance expense	738	994
Doubtful debt expense	145	(1,094)
Total Operating Expenses	16,210	16,075
F. ACQUISITION EXPENSE		
Final payment for acquisition of subsidiary (note 28: Business Combinations)	350	-
Total Acquisition Expense	350	-

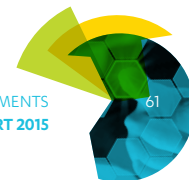


9. INCOME TAX AND DEFERRED TAX

	2015	2014
	A\$'000	A\$'000
INCOME TAX EXPENSE		
RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME		
Current Tax		
Current Year	2,221	-
Under/(Over) Provision for Prior Year	18	(17)
Deferred tax		
Origination and Reversal of Temporary Differences	1,041	3,604
Benefit on tax losses recognised		
Under/(Over) Provision for Prior Year	(1,183)	25
Total Income Tax Expense/(Benefit) per Statement of Comprehensive Income	2,097	3,612
NUMERICAL RECONCILIATION BETWEEN TAX EXPENSES AND PRE-TAX NET LOSS		
Net profit/(loss) before tax	12,247	12,586
Income tax expense/(benefit) on the above at 30% (2014: 30%)	3,674	3,776
Increase in Income Tax due to:		
Non-deductible expenses	458	179
Decrease in income tax expense due to:		
Under/(Over) Provision for Prior Year	(1,165)	7
Movement in unrecognised temporary differences		
Non-assessable income	(470)	(277)
Utilisation of previously unrecognised prior year capital losses	(326)	-
Deductibility equity raising costs	(74)	(73)
Income tax expense attributable to entity	2,097	3,612
DEFERRED TAX ASSET ARISING FROM TAX LOSSES BROUGHT FORWARD TAKEN INTO ACCOUNT THIS FINANCIAL YEAR.		
Current Tax Assets/ (Liabilities)		
Income Tax (Payable)/ Refundable	-	2,226
Franking Deficit Tax (Payable)/ Refundable	(2,219)	(3,962)
International withholding tax (Payable)/Refundable	-	18
Total	(2,219)	(1,718)

10. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2015	2014
	A\$'000	A\$'000
Cash at bank and in hand	13,846	623
Cash in interest bearing account	-	15,500
Cash and cash equivalents	13,846	16,123



10 CURRENT ASSETS - CASH AND CASH EQUIVALENTS (continued)

A. RECONCILIATION TO CASH AT THE END OF THE YEAR

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2015	2014
	A\$'000	A\$'000
Balances as above	13,846	16,123
Balances per statement of cash flows	13,846	16,123

B. INTEREST RATE RISK EXPOSURE

The Group's exposure to interest rate risk is discussed in note 2.

11. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2015	2014
	A\$'000	A\$'000
Trade receivables	22,686	22,272
Provision for impairment (see note 2b)	(174)	(155)
Total net Trade receivables	22,512	22,117
Amount receivable from:		
Other receivables (a)	10,062	5,928
Deferred Consideration Receivable	630	-
Trade and other receivables	33,204	28,045

The classes within trade and other receivables contain provisions for impaired assets. Based on the credit history of these classes, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

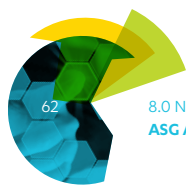
A. OTHER RECEIVABLES

These amounts generally relate to accrued revenue for rendering of services and sales of goods not yet invoiced to the client.

B. FAIR VALUE AND RISK EXPOSURE

The carrying amounts of trade and other receivables are assumed to be the same as their fair values due to their short-term nature.

Refer to note 2 for more information on the risk management policy of the Group and the credit quality of the Group's trade receivables.



12. OTHER ASSETS

	2015	2014
	A\$'000	A\$'000
Prepayments	1,126	1,590
Other	-	377
Other Assets	1,126	1,967

13. ASSETS CLASSIFIED AS HELD FOR SALE

	2015	2014
	A\$'000	A\$'000
Bentley Data Centre	-	9,740
Total assets classified as held for sale	-	9,740

The Group sold its Bentley data centre in August 2014. Total proceeds for the sale are \$11,340,362, the Group received \$10,710,375 at the time of sale, the remaining balance was determined based on the extent to which a revenue target has been achieved and is receivable in August 2015.

The gain on sale disclosed at note 7 reflects the reduction in the amount of consideration to be received.

The carrying value of the asset was de-recognised from the Group's balance sheet from the time of sale.

With the proceeds received from the disposal, the Group made a payment of \$10,000,000 to reduce the Group's long term debt balance outstanding.

14. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	LEASEHOLD IMPROVEMENTS	PLANT AND EQUIPMENT	LEASED PLANT AND EQUIPMENT	MOTOR VEHICLES	TOTAL
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
AS AT 1 JULY 2013					
Cost	3,151	19,550	7,171	1,399	31,271
Accumulated depreciation	(1,096)	(5,892)	(4,017)	(779)	(11,784)
Closing net book amount	2,055	13,658	3,154	620	19,487
YEAR ENDED 30 JUNE 2014					
Opening book amount	2,055	13,658	3,154	620	19,487
Additions	23	621	3,946	501	5,091
Adjustment on Assets classified as held for sale	1,723	-	-	-	1,723
Disposals	-	-	-	(244)	(244)
Depreciation charge	(815)	(2,063)	(1,413)	(194)	(4,485)
Closing net book amount	2,986	12,216	5,687	683	21,572



14 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

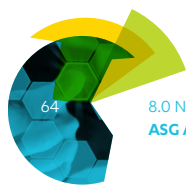
	LEASEHOLD IMPROVEMENTS	PLANT AND EQUIPMENT	LEASED PLANT AND EQUIPMENT	MOTOR VEHICLES	TOTAL
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
AS AT 30 JUNE 2014					
Cost	4,651	19,414	11,117	1,190	36,372
Accumulated depreciation	(1,665)	(7,198)	(5,430)	(507)	(14,800)
Net book amount	2,986	12,216	5,687	683	21,572
YEAR ENDED 30 JUNE 2015					
Opening book amount	2,986	12,216	5,687	683	21,572
Additions	140	990	2,073	336	3,539
Disposals	-	-	-	(47)	(47)
Depreciation charge	(308)	(2,235)	(1,950)	(154)	(4,647)
Closing net book amount	2,818	10,971	5,810	818	20,417
AS AT 30 JUNE 2015					
Cost	4,791	20,404	13,190	1,383	39,768
Accumulated depreciation	(1,973)	(9,433)	(7,380)	(565)	(19,351)
Net book amount	2,818	10,971	5,810	818	20,417

FAIR VALUES

The Group measures Property, Plant and Equipment at cost less accumulated depreciation and therefore is not required to calculate and disclose fair value.

15. NON-CURRENT ASSETS – INTANGIBLES

	DEVELOPMENT COSTS	GOODWILL	SOFTWARE	CUSTOMER LIST	CUSTOMER CONTRACTS	TOTAL
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
YEAR ENDED 30 JUNE 2014						
Opening net book amount	10,934	71,191	7,468	741	663	90,997
Net Additions	-	-	3,496	-	-	3,496
Impairment	(4)	-	-	-	-	(4)
Amortisation	-	-	(1,562)	(112)	(331)	(2,005)
Closing Net book amount	10,930	71,191	9,402	629	332	92,484
AT 30 JUNE 2014						
Cost	10,944	102,156	17,252	2,671	1,297	134,320
Accumulated amortisation and impairment	(14)	(30,965)	(7,850)	(2,042)	(965)	(41,836)
Net book amount	10,930	71,191	9,402	629	332	92,484



15 NON-CURRENT ASSETS - INTANGIBLES (continued)

	DEVELOPMENT COSTS	GOODWILL	SOFTWARE	CUSTOMER LIST	CUSTOMER CONTRACTS	TOTAL
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
YEAR ENDED 30 JUNE 2015						
Opening net book amount	10,930	71,191	9,402	629	332	92,484
Net Additions	-	-	4,254	-	-	4,254
Amortisation	-	-	(1,854)	(112)	(332)	(2,298)
Closing Net book amount	10,930	71,191	11,802	517	-	94,440
AT 30 JUNE 2015						
Cost	10,944	102,156	21,506	2,671	1,297	138,574
Accumulated amortisation and impairment	(14)	(30,965)	(9,704)	(2,154)	(1,297)	(44,134)
Net book amount	10,930	71,191	11,802	517	-	94,440

SIGNIFICANT ESTIMATE: IMPAIRMENT REVIEW

The Group tests annually whether the above Intangible assets are impaired, in accordance with the accounting policy stated in note 1(J).

ASSUMPTIONS AND METHODOLOGY:

The recoverable amount of goodwill and other intangible assets, including those with indefinite useful lives are determined based on value in use of the one ASG Cash Generating Unit (CGU) through the application of a discounted cash flow methodology. As required by AASB 136, each individual intangible asset is also reviewed for impairment.

All goodwill acquired has been integrated into the ASG national platform as one cash generation unit (CGU), and it is at this level that the recoverable amount is tested. Value in use calculations are performed to assess the recoverable amount of the CGU. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The discounted cash flow method estimates the value of the CGU as being equal to the present value of the future cash flows which are expected to be derived from the CGU.

In determining value in use, it is necessary to make a series of assumptions to estimate future cash flows. Uncertainties in estimates may result in future adjustments to the conveying value of the assets. The key assumptions used in the impairment model are listed below:

- Discounted cash-flow model for 5 years and a terminal value (2014: 5 years model and a terminal value)
- Cash flows have been determined using an updated forecast for the year ended 30 June 2016
- Sales Growth rates of 3.5% have been used for the term of the model (2014: 3.5%)
- Budgeted Gross Margin of 26.4% has been used for the term of the model (2014: 26.6%)
- Weighted Average Cost of Capital of 9.5% (2014: 10.9%)
- Cash flows have been discounted at 12.4% pre-tax (2014: 14.6%)

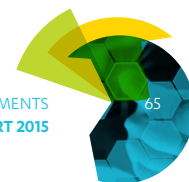
IMPAIRMENT CHARGE:

Following impairment testing for the current reporting period, no impairment of intangible assets has been recognised as the recoverable amount of the Group's CGU to which all of its assets are assigned exceeds the carrying amount of the CGU by \$57,373,549 (2014: \$18,705,702).

IMPACT OF POSSIBLE CHANGES IN KEY ASSUMPTIONS:

The directors and management have performed an assessment of reasonably possible changes and have not identified any instances which could cause the carrying amount of the Group's sole CGU to exceed its recoverable amount.

At 30 June 2014, if the forecasted gross margin was 25.02% instead of 26.60%, the recoverable amount of the CGU would



15 NON-CURRENT ASSETS - INTANGIBLES (continued)

have equalled the carrying amount. No reasonably possible change in any of the other key assumptions could have caused the carrying amount of the Group's sole CGU to exceed its recoverable amount.

FAIR VALUES

The Group measures Software, Customer List and Customer Contracts at cost less accumulated depreciation and therefore is not required to calculate and disclose fair value. The Group measures Development Costs at cost and Goodwill at its initial value upon recognition. Intangible assets that are not amortised are subject to impairment testing annually and an impairment loss is recognised if required. Fair value is not required to be disclosed for these assets.

16. NON-CURRENT ASSETS – DEFERRED TAX ASSETS

	2015	2014
	A\$'000	A\$'000
RECOGNISED DEFERRED TAX ASSETS		
Deferred tax assets are attributable to the following:		
Provision for bad debts, warranties & discounts	52	46
Annual Leave	1,039	1,133
Long Service Leave	1,015	944
Accrued superannuation	426	427
Other accruals	4	204
Previously expensed borrowing costs	-	29
Unused tax credits	9,096	4,686
Previously expensed capital raising costs	23	36
Capital Raising Costs reflected in Equity	88	162
Tax losses recognised	1,509	1,956
Plant & equipment	26	41
Net tax assets	13,278	9,664
UNRECOGNISED DEFERRED TAX ASSETS		
Tax capital losses	434	760
	434	760

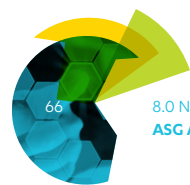
Refer to note 21 for Deferred Tax Assets and Deferred tax Liabilities movement's table from the beginning to the end of the reporting period.

Significant Estimate: Deferred tax asset.

The Group has recognised carry-forward losses as deferred tax assets as it is considered probable that these losses will be recouped by means of future taxable profits.

Recoverability: Deferred tax asset.

Management is of the expectation that the Group will recover the above deferred tax asset through the generation of sufficient taxable profits in future years.



17. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2015	2014
	A\$'000	A\$'000
Trade creditors	15,648	16,163
Other creditors and accruals	14,394	14,399
Net GST Payable	1,586	2,592
Total	31,628	33,154

OTHER CREDITORS AND ACCRUALS

Other creditors and accruals includes un-invoiced goods and services, accrued wages, insurance premium funding loan, superannuation and employment related taxes.

FAIR VALUE AND LIQUIDITY RISK

The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature.

Refer to note 2 for more information on the risk management policy of the Group.

18. PROVISIONS

	2015			2014		
	CURRENT	NON CURRENT	TOTAL	CURRENT	NON CURRENT	TOTAL
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
Employee Benefits (a)	6,283	402	6,685	5,879	693	6,572
Non-Executive Director Retirement Benefits (b)	163	-	163	325	26	351
Total	6,446	402	6,848	6,204	719	6,923

A. EMPLOYMENT BENEFITS

The current portion of the employee benefits provision includes accrued annual leave and long service leave for which payment could be required to pay out within the next twelve months. The entire amount of the provision is presented as current since the Group does not have an unconditional right to defer settlement for any of these obligations.

The non-current portion of the employee benefits provision represents long service leave for which the company will not be required to pay out within the next twelve months.

Based on past experience, the Group does not expect all employees to take the full amount of accrued annual leave or long service leave which is currently due, or require payment, within the next 12 months. The Group expects that \$4,333,541 of the current employee benefits provision will be settled after 12 months (2014: \$4,086,090).

B. NON-EXECUTIVE DIRECTOR RETIREMENT BENEFITS

The retirement benefits provision represents the amount payable to the Group's non-executive directors upon retirement from office.

The Group expects to settle the entire provision beyond the next 12 months (2014: \$76,475 expected to be settled beyond 12 months).



19. BORROWINGS

	2015			2014		
	CURRENT	NON-CURRENT	TOTAL	CURRENT	NON-CURRENT	TOTAL
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
SECURED						
Bank Loan	4,000	16,000	20,000	7,000	25,808	32,808
Lease Liabilities	1,902	3,296	5,198	1,825	3,230	5,055
Total Secured Borrowings	5,902	19,296	25,198	8,825	29,038	37,863

I. SECURED LIABILITIES AND ASSETS PLEDGED AS SECURITY

The security for the loans and overdraft facility with National Australia Bank is a first ranking general security interest over all the assets and undertakings of the Group, including those classified as held for sale.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

II. COMPLIANCE WITH LOAN COVENANTS

ASG Group Ltd has complied with the financial covenants of its borrowing facilities during the 2015 and 2014 reporting periods.

III. FINANCE LEASES

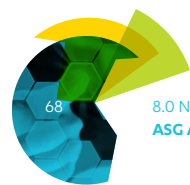
	2015	2014
	A\$'000	A\$'000
COMMITMENTS IN RELATION TO FINANCE LEASES ARE PAYABLE AS FOLLOWS:		
Within One year	2,167	2,100
Later than one year but not later than five years	3,594	3,584
Later than five years	-	-
Minimum lease payments	5,761	5,684
Future Finance charges	(563)	(629)
Total lease liabilities	5,198	5,055

THE PRESENT VALUE OF FINANCE LEASE LIABILITIES IS AS FOLLOWS:

Within one year	1,902	1,825
Later than one year but not later than five years	3,296	3,230
Later than five years	-	-
Minimum lease payments	5,198	5,055

IV. FAIR VALUE AND RISK EXPOSURE

The Group's borrowings are stated above. Due to its size and long term nature, the fair value of the bank loan is different to its carrying amount. The carrying amount of the Group's other borrowings are considered to be representative of their fair values.



19 BORROWINGS (continued)

	2015			2014		
	CARRYING AMOUNT	FAIR VALUE	DISC. RATE	CARRYING AMOUNT	FAIR VALUE	DISC. RATE
	A\$'000	A\$'000	%	A\$'000	A\$'000	%
Bank Loan	20,000	19,951	4.04	32,808	32,673	5.07

The fair value of non-current borrowings is based on discounted cash flows, the calculation was performed by considering the interest rate applicable to the loan and discounting the interest rate accordingly using the rate as stated above. The Bank Loan is classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs, including expectations of possible movement in the bank bill reference rate.

No further fair value disclosures are required in relation to the Group's financial liabilities as the Group does not subsequently measure liabilities at fair value in the statement of financial position.

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 2.

20. CONTINGENCIES

The Group had contingent liabilities at 30 June 2015 in respect of:

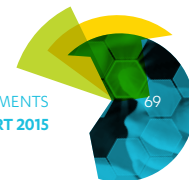
GUARANTEES

The Group had Bank Guarantees for \$3,328,462 (2014: \$3,119,433) that are not yet due but may be called upon at any time that is not included in the Financial Liabilities.

21. NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	2015	2014
	A\$'000	A\$'000
DEFERRED TAX LIABILITIES ARE ATTRIBUTABLE TO THE FOLLOWING:		
Capitalised costs	(2,634)	(2,448)
Plant & equipment	(5,036)	(3,264)
Deferred Tax Liabilities	(7,670)	(5,712)

These capitalised costs largely relate to salary and wages in relation to establishing intangible assets, these costs are capitalised for accounting purposes but deductible immediately for tax, and hence the Deferred Tax Liability has arisen.

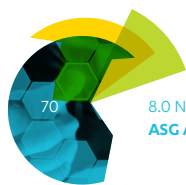


21 NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES (continued)

Deferred Tax Assets and Deferred Tax Liabilities movements table.

CURRENT YEAR:

MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR	BALANCE AT 1 JUL 2014	UNDER/ OVER	GOVT GRANT TAX CREDIT	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE AT 30 JUNE 2015
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
DEFERRED TAX ASSETS						
Provision for Bad Debts	46	-	-	6	-	52
Annual Leave	1,133	-	-	(94)	-	1,039
Long Service Leave	944	-	-	71	-	1,015
Accrued superannuation	427	-	-	(1)	-	426
Other accruals	204	(48)	-	(152)	-	4
Unused tax credits	4,686	2,327	1,587	496	-	9,096
Previously expensed borrowing costs	29	-	-	(29)	-	-
Previously expensed capital raising costs	36	-	-	(13)	-	23
Capital raising cost reflected in equity	162	-	-	-	(74)	88
Tax losses recognised	1,956	(136)	-	(311)	-	1,509
Plant & Equipment	41	-	-	(15)	-	26
Net Deferred Tax Assets	9,664	2,143	1,587	(42)	(74)	13,278
DEFERRED TAX LIABILITIES						
Capitalised Costs	2,448	-	-	186	-	2,634
Plant & Equipment	3,264	959	-	813	-	5,036
Net Deferred Tax Liability	5,712	959	-	999	-	7,670



21 NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES (continued)

COMPARATIVE (2014) YEAR:

MOVEMENT IN TEMPORARY DIFFERENCES DURING THE YEAR	BALANCE AT 1 JULY 2013	UNDER/ OVER	GOVT GRANT TAX CREDIT	RECOGNISED IN INCOME	RECOGNISED IN EQUITY	BALANCE AT 30 JUNE 2014
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
DEFERRED TAX ASSETS						
Provision for Bad Debts	415	-	-	(369)	-	46
Annual Leave	1,136	-	-	(3)	-	1,133
Long Service Leave	682	-	-	262	-	944
Accrued superannuation	404	-	-	23	-	427
Other accruals	409	(90)	-	(115)	-	204
Unused tax credits	2,771	2,775	925	(1,785)	-	4,686
Previously expensed borrowing costs	46	-	-	(17)	-	29
Previously expensed capital raising costs	52	-	-	(16)	-	36
Capital raising cost reflected in equity	235	-	-	-	(73)	162
Tax losses recognised	7,002	(3,123)	-	(1,923)	-	1,956
Plant & Equipment	29	(5)	-	17	-	41
Net Deferred Tax Assets	13,181	(443)	925	(3,926)	(73)	9,664
DEFERRED TAX LIABILITIES						
Capitalised Costs	2,678	-	-	(230)	-	2,448
Plant & Equipment	3,774	(418)	-	(92)	-	3,264
Net Deferred Tax Liability	6,452	(418)		(322)	-	5,712

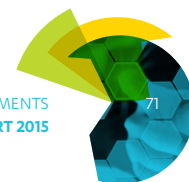
22. CONTRIBUTED EQUITY

		2015		2014	
		No. '000	A\$'000	No. '000	A\$'000
Fully paid ordinary shares (a)					
Balance at beginning of financial year		206,720	120,087	206,720	120,160
Shares issued:					
- Exercise of options (b)		40	21	-	-
- Transaction Costs/taxation implications		-	(74)	-	(73)
Balance at end of financial year		206,760	120,034	206,720	120,087

a. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

b. 2015: Exercise of 40,000 options at \$0.52

Effective 1 July 1998, the Corporations Legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital nor par value in respect of its issued shares.



23. RESERVES

	2015	2014
	A\$'000	A\$'000
A. RESERVES		
SHARE BASED PAYMENTS RESERVE		
Balance 1 July	1,182	1,487
Option Expense	377	(305)
Balance 30 June	1,559	1,182
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance 1 July	(2)	(2)
Expense	-	-
Balance 30 June	(2)	(2)
OPTION RESERVE		
Balance 1 July	169	169
Option Expense	-	-
Balance 30 June	169	169
Total Reserves	1,726	1,349

NATURE AND PURPOSE OF RESERVES

- i. Share based payments reserve
The share based payment reserve is used to recognise the fair value of options issued to employees.
- ii. Foreign currency translation reserve
The foreign currency translation reserve is used for exchange differences arising on translation of the foreign controlled entity.
- iii. Option Reserve
The option reserve is used to recognise the value of the options on issue in relation to the part consideration for Sysao Pty Ltd.

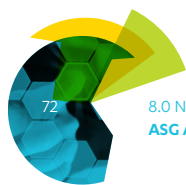
24. DIVIDENDS

	2015	2014
	A\$'000	A\$'000
A. ORDINARY SHARES		
No final dividend was declared for the year ended 30 June 2013 and 30 June 2014.		
No interim dividend was declared for the year ended 30 June 2014 and 30 June 2015.		
B. DIVIDENDS NOT RECOGNISED AT YEAR END		
No dividend has been declared for 2015.		
C. FRANKED DIVIDENDS		
Franking credits available for subsequent financial years based on a tax rate of 30% (2014 – 30%)	-	-

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- a. Franking credits that will arise from the payment of the provision for income tax
- b. Franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
- c. Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.



25. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and-related audit firms:

	2015	2014
	A\$'000	A\$'000
BDO AUDIT (WA) PTY LTD		
A. AUDIT AND OTHER ASSURANCE SERVICES		
Audit and review of financial statements	127	130
B. TAXATION SERVICES		
Tax Services	-	6
Total remuneration of BDO Audit (WA) Pty Ltd	127	136

26. COMMITMENTS

I. NON-CANCELLABLE OPERATING LEASES

	2015	2014
	A\$'000	A\$'000
OPERATING LEASE EXPENSE COMMITMENTS		
Payables:		
Not later than 1 year	5,693	5,521
Later than 1 year but not later than 5 years	7,677	5,669
More than 5 years	2,256	-
Future operating lease commitments not provided for in the financial statements and payable:	15,626	11,190

27. RELATED PARTY TRANSACTIONS

A. SUBSIDIARIES

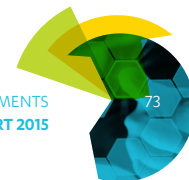
Interests in subsidiaries are set out in note 29.

B. KEY MANAGEMENT PERSONNEL COMPENSATION

The aggregate remuneration made to Key Management Personnel of the Company and the Group is set out below:

	2015	2014
	A\$'000	A\$'000
Short-term employee benefits	2,472	2,522
Post-employment benefits	419	231
Other long-term benefits	136	172
Termination benefits	-	-
Share-based payments	328	(334)
	3,355	2,591

Detailed remuneration disclosures are provided in the remuneration report on pages 28 to 29.



27 RELATED PARTY TRANSACTIONS (continued)

C. TRANSACTIONS WITH OTHER RELATED PARTIES

The following transactions occurred with related parties:

Purchase of Services

	2015	2014
	A\$'000	A\$'000
Legal Fees	156	55

I. PURCHASES FROM ENTITIES CONTROLLED BY KEY MANAGEMENT PERSONNEL

The Group acquired legal services from an entity that is controlled by a member of the Group's Key Management Personnel.

D. OUTSTANDING BALANCES ARISING FROM SALES/PURCHASES OF GOODS AND SERVICES

	2015	2014
	A\$'000	A\$'000
Current Liabilities	48	57

E. LOANS TO/FROM RELATED PARTIES

There were no loans made to related parties during the financial year.

F. TERMS AND CONDITIONS

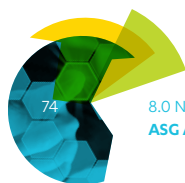
Transactions between related parties are on normal commercial terms and conditions not more favourable than those available to other parties, unless otherwise stated.

28. BUSINESS COMBINATIONS

On 31 May 2010 the Group acquired 100% of shares in Capiotech Pty Ltd. In accordance with an amendment deed, during the period, the Group made a payment of \$350,000 to the vendors. As AASB 3 Business Combinations requires any adjustments to be taken to the profit and loss statement as the acquisition was no longer provisionally accounted for at 30 June 2015, this amount has been expensed in current year. Refer to note 8 above.

In the comparative year, the ended 30 June 2014, ASG Group made the final deferred vendor payment in relation to the Group's acquisition of Progress Pacific Pty Ltd. ASG Group acquired 100% of the shares of Progress Pacific Pty Ltd on 20 October 2010. The deferred payment in the 2014 financial year related to an agreement signed with the vendors of Progress Pacific Pty Ltd in the 2013 reporting period. The table below outlines the movements in deferred vendor payments during the 2014 financial year.

	DEFERRED VENDOR PAYMENT LIABILITY			
	PAYMENTS MADE		SHARE BASED	
	30-JUN-13	DURING THE PERIOD	PAYMENTS MADE	30-JUN-14
	A\$'000	A\$'000	A\$'000	A\$'000
Progress Pacific	1,000	(1,000)	-	-
Total	1,000	(1,000)	-	-



29. SUBSIDIARIES

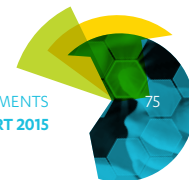
The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING	
			2015 %	2014 %
ASG Limited	Australia	Ordinary	100	100
ASG (Asia Pacific) Pty Ltd	Australia	Ordinary	100	100
Amcon Solutions Unit Trust	Australia	Ordinary	100	100
ASG Ltd (UK)	United Kingdom	Ordinary	100	100
Accounting Systems Software Implementation and Support Team Pty Ltd	Australia	Ordinary	-	100
Exceed Systems Integration Pty Ltd	Australia	Ordinary	-	100
Vindaloo Systems Pty Ltd	Australia	Ordinary	-	100
AcknowledgeDB Pty Ltd	Australia	Ordinary	-	100
Igatech Corporations Pty Ltd	Australia	Ordinary	-	100
Igatech Systems Pty Ltd	Australia	Ordinary	-	100
Igatech Consulting Pty Ltd	Australia	Ordinary	-	100
Dowling Consulting Pty Ltd	Australia	Ordinary	100	100
Courtland Pty Ltd	Australia	Ordinary	100	100
Capiotech Pty Ltd	Australia	Ordinary	100	100
Progress Pacific Pty Ltd	Australia	Ordinary	100	100

The Group deregistered 7 wholly owned subsidiaries in February 2015. The company's no longer carried on business and had no assets or liabilities when they were deregistered.

30. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2015 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.



31. NOTES TO THE STATEMENT OF CASH FLOWS

A. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2015	2014
	A\$'000	A\$'000
Profit / (Loss) after income tax	9,539	8,974
Add/(less) items classified as investing/financing activities:		
(Profit) / loss on sale of non-current assets	(641)	28
Deferred Vendor Payment	350	-
Add/(less) non-cash items		
Depreciation and amortisation	6,945	6,490
Impairment of intangibles	-	4
Share Based Payments	377	(305)
Net cash provided / (used in) by operating activities before change in assets and liabilities	16,570	15,191
CHANGE IN ASSETS AND LIABILITIES ADJUSTED FOR EFFECTS OF PURCHASE OF CONTROLLED ENTITIES AND BUSINESSES DURING THE FINANCIAL YEAR:		
(Increase)/Decrease in trade debtors and other receivables	(5,159)	(401)
(Increase)/Decrease in deferred taxes	(936)	2,705
(Increase)/Decrease in work in progress	(621)	773
(Increase)/Decrease in prepayments	463	(628)
(Decrease)/Increase in trade and other creditors and accruals	(1,526)	3,189
(Decrease)/Increase in provisions	(75)	216
(Decrease)/Increase in unearned revenue	(721)	964
(Decrease)/Increase in current tax liabilities	501	(23)
Net cash provided by operating activities	8,496	21,986

B. RECONCILIATION OF NON-CASH INVESTING AND FINANCING ACTIVITIES

USE OF FINANCE LEASES

	2015	2014
	A\$'000	A\$'000
Acquisition of plant and equipment by means of finance leases (note 14)	2,409	4,447

ISSUE OF OPTIONS

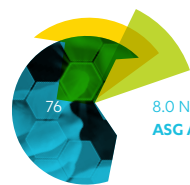
Options issued to executives for no consideration are shown in note 33.

REFINANCE OF DEBT

On 30 January 2015 ASG signed an agreement with Bankwest to terminate the Group's borrowing facilities. The Group had previously accepted an offer from National Australia Bank to take over from Bankwest as financiers for ASG Group and its subsidiaries. National Australia Bank subsequently provided funding to repay the Group's debt owing to Bankwest.

Detail on the borrowing facility with National Australia Bank, repayment schedule is disclosed in note 2(C) "Financial Risk Management; Liquidity Risk".

Detail on the Loan covenants applicable to the facility is disclosed in note 3(A) "Capital Management; Risk Management".



32. EARNINGS PER SHARE

	2015	2014
Earnings Per Share		
Basic earnings per share (cents)	4.61	4.34
Diluted earnings per share (cents)	4.58	4.34
Earnings used in calculating earnings per share	A\$'000	A\$'000
Profit for the period	9,539	8,974
Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	206,723,798	206,720,839
Weighted average number of options outstanding	1,675,209	60,000
Weighted average number of ordinary shares used in the calculation of dilutive earnings per share	208,399,007	206,780,839

The profit for the period used to calculate earnings per share is equal to the profit for the period used to calculate diluted earnings per share.

33. SHARE BASED PAYMENTS

A person is eligible to apply to participate in the ASG Group Limited Option Plan (the plan) and be issued Options in the plan if he or she is an employee of the Company or one of its subsidiaries or has satisfied criteria set by the board from time to time. Options are granted under the plan for no consideration.

Share options have been issued to employees and executives, the options issued have been issued with various vesting conditions and exercise price has been calculated is based on the weighted average price at which the company's shares are traded on the Australian Stock Exchange between five to twenty days immediately before the board meeting which precedes the grant date plus an additional premium of between 10 to 20 per cent. Tranches are exercisable and vest after three years provided the associated performance conditions have been met.

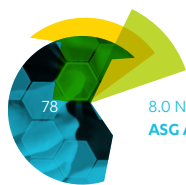
The operation of the Executive option plan is the same as that of the employee option plan with the exception of vesting conditions and expiry dates which are determined by the board and senior management. Options granted under the plan carry no dividend or voting rights.



33 SHARE BASED PAYMENTS (continued)

The following share based payment arrangements were in existence under the plan at year end:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
			NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
01/01/2004	31/12/2014	0.40	50,000	-	-	(50,000)	-	-
01/01/2005	31/12/2015	0.52	10,000	-	-	-	10,000	10,000
30/06/2005	30/06/2015	0.52	40,000	-	(40,000)	-	-	-
01/01/2006	31/12/2016	0.87	50,000	-	-	(20,000)	30,000	30,000
01/06/2006	30/06/2016	0.79	10,000	-	-	-	10,000	10,000
01/06/2007	30/06/2017	0.79	20,000	-	-	-	20,000	20,000
01/07/2007	30/07/2017	0.79	20,000	-	-	(10,000)	10,000	10,000
01/01/2008	30/12/2017	1.19	110,000	-	-	(10,000)	100,000	100,000
01/07/2008	30/06/2017	1.74	80,000	-	-	(20,000)	60,000	60,000
31/12/2008	07/10/2017	1.72	20,000	-	-	-	20,000	20,000
31/12/2009	30/12/2018	1.63	100,000	-	-	(50,000)	50,000	50,000
30/06/2008	30/06/2019	1.01	110,000	-	-	(20,000)	90,000	90,000
30/06/2008	30/06/2019	1.01	10,000	-	-	-	10,000	10,000
01/07/2009	30/06/2019	0.91	90,000	-	-	(30,000)	60,000	60,000
01/01/2010	31/12/2019	1.43	120,000	-	-	(30,000)	90,000	90,000
30/12/2008	30/12/2019	0.73	60,000	-	-	-	60,000	60,000
26/09/2013	01/08/2019	0.47	1,000,000	-	-	-	1,000,000	-
29/04/2014	29/04/2020	0.44	500,000	-	-	-	500,000	-
29/04/2014	29/04/2020	0.44	3,000,000	-	-	-	3,000,000	-
16/10/2014	29/04/2020	0.87	-	5,000,000	-	-	5,000,000	-
Total			5,400,000	5,000,000	(40,000)	(240,000)	10,120,000	620,000
Weighted average exercise price			0.56	0.87	0.52	1.10	0.70	1.18



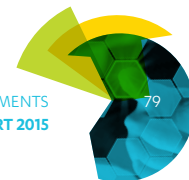
33 SHARE BASED PAYMENTS (continued)

The following share base payment arrangements were in existence under the plan in the prior period:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT START OF YEAR	GRANTED DURING THE YEAR	EXERCISED DURING THE YEAR	FORFEITED DURING THE YEAR	BALANCE AT END OF THE YEAR	VESTED AND EXERCISABLE AT END OF THE YEAR
			NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
01/07/2003	30/06/2013	0.37	40,000	-	-	(40,000)	-	-
01/01/2004	31/12/2014	0.40	50,000	-	-	-	50,000	50,000
01/07/2005	30/06/2014	0.37	30,000	-	-	(30,000)	-	-
01/01/2005	31/12/2015	0.52	10,000	-	-	-	10,000	10,000
30/06/2005	30/06/2015	0.52	40,000	-	-	-	40,000	40,000
01/01/2006	31/12/2016	0.87	50,000	-	-	-	50,000	50,000
01/06/2006	30/06/2016	0.79	10,000	-	-	-	10,000	10,000
01/06/2007	30/06/2017	0.79	20,000	-	-	-	20,000	20,000
01/07/2007	30/07/2017	0.79	10,000	10,000*	-	-	20,000	20,000
01/01/2008	30/12/2017	1.19	110,000	-	-	-	110,000	110,000
01/07/2008	30/06/2017	1.74	80,000	-	-	-	80,000	80,000
31/12/2008	07/10/2017	1.72	20,000	-	-	-	20,000	20,000
31/12/2009	30/12/2018	1.63	100,000	-	-	-	100,000	100,000
30/06/2008	30/06/2019	1.01	120,000	-	-	-	120,000	120,000
01/07/2009	30/06/2019	0.91	90,000	-	-	-	90,000	90,000
01/01/2010	31/12/2019	1.43	120,000	-	-	-	120,000	120,000
01/07/2010	30/06/2013	0.85	80,000	-	-	(80,000)	-	-
30/12/2008	30/12/2019	0.73	60,000	-	-	-	60,000	60,000
23/11/2012	30/08/2015	1.10	3,000,000	-	-	(3,000,000)	-	-
29/05/2012	30/08/2017	1.10	3,600,000	-	-	(3,600,000)	-	-
26/09/2013	01/08/2019	0.47	-	1,000,000	-	-	1,000,000	-
29/04/2014	29/04/2020	0.44	-	500,000	-	-	500,000	-
29/04/2014	29/04/2020	0.44	-	3,000,000	-	-	3,000,000	-
Total			7,640,000	4,510,000	-	(6,750,000)	5,400,000	900,000
Weighted average exercise price			1.09	0.45	-	1.09	0.56	1.13

*These options which were issued in the 2006 financial year were incorrectly recognised as forfeited in the 2013 financial year, they are now shown as 'granted' in the 2014 financial year movement table above.

The weighted average share price at the date of exercise of options during the year ended 30 June 2015 was \$0.90 (2014 – not applicable).



33 SHARE BASED PAYMENTS (continued)

The weighted average remaining contractual life of share options outstanding at the end of the period was 4.67 years (2014 – 5.38).

	2015	2014
	Options	Options
Options issued under the employee option plan	2,120,000	2,400,000
Executive options	8,000,000	3,000,000
	10,120,000	5,400,000

FAIR VALUE OF OPTIONS GRANTED

At the Company's Annual General Meeting on the 16th of October 2014, shareholders voted in favour of issuing share options to two members of the Company's board of directors. In the 2015 year, 3,000,000 options were issued to the Managing Director/CEO Geoff Lewis and 2,000,000 options were issued to the Chairman Ian Campbell. At grant date, the assessed fair value of the options granted was 19.92c per option.

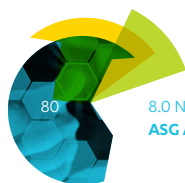
During the 2014 year, 4,500,000 options were issued to other key management personnel and senior employees. At grant date, the assessed fair value of the options granted was 8.38c and 10.12c per option.

In both years, the options were issued with various vesting conditions and the exercise price has been calculated based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the twenty days immediately before the Company's annual general meeting, plus an additional premium of 20 per cent. The vesting of the options is dependent on the option recipients maintaining their service to the Company and the satisfaction of performance conditions, which for key management personnel include return on capital employed ("ROCE") and Diluted earnings per share. For options issued to employees, performance conditions relate to Personal sales and New contract acquisition over the period 1 July 2013 to 30 June 2016 and 1 July 2014 to 30 June 2017 respectively.

The fair value of the options are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, term of the option, share price at grant date, expected volatility of the underlying share, expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 30 June 2015 are listed below:

	KEY MANAGEMENT PERSONNEL
	Options vesting by 30 June 2018
Assessed fair value at grant date:	19.92c
Number of options:	5,000,000
Vesting date:	1 August 2017
Exercise price:	87c
Exercise period:	33 months after vesting
Grant date:	16 October 2014
Expiry date:	29 April 2020
Share price at grant date:	76c
Expected volatility of the Company's shares:	37.68%
Expected dividend yield:	2.63%
Risk-free interest rate:	2.85%



33 SHARE BASED PAYMENTS (continued)

	KEY MANAGEMENT PERSONNEL	EMPLOYEE OPTIONS	
	Options vesting by 30 June 2018	Options vesting by 30 June 2017	Options vesting by 30 June 2018
Assessed fair value at grant date:	8.38c	10.12c	8.38c
Number of options:	3,000,000	1,000,000	500,000
Vesting date:	1 August 2017	1 August 2016	1 July 2017
Exercise price:	44c	47c	44c
Exercise period:	33 months after vesting	3 years after vesting	34 months after vesting
Grant date:	29 April 2014	26 September 2013	29 April 2014
Expiry date:	29 April 2020	1 August 2019	29 April 2020
The expected price volatility is based on the historic volatility (based on the remaining life of the options) adjusted for any expected changes for future volatility due to publicly available information.			
Share price at grant date:	36c	40c	36c
Expected volatility of the company's shares:	45%	45%	45%
Expected dividend yield:	5.55%	5%	5.55%
Risk-free interest rate:	3.39%	3.33%	3.39%

EXPENSES ARISING FROM SHARE-BASED PAYMENT TRANSACTIONS

Total expenses arising from share-based payment transactions recognised during the period as part of the employee option plan were as follows:

	2015	2014
Executive Options	328	(334)
Employee Options	49	29
Total	377	(305)*

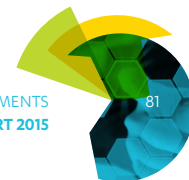
*As result of non-satisfaction of a performance condition, options issued to four key management personnel in the 2012 financial year were not expected to vest in August 2014 and therefore the expense previously recognised in the 2012 and 2013 financial years was written back in the 2014 financial year.

Significant Estimate: Share based payments

The Company grants share based payments to the Group employees as part of their annual remuneration. The valuation of share based payments is a complex area and the company seeks appropriate external advice. The accounting policy adopted is stated in note 1 (r).

34. DEED OF CROSS GUARANTEE

ASG Group Limited and its subsidiaries listed in note 29 are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investment Commission. The parties to the deed of cross guarantee are all members of the consolidated Group thereby no further disclosures are required. Parent entity financial information is disclosed in note 35.



35. PARENT ENTITY INFORMATION

The following details information related to the parent entity, ASG Group Ltd, at 30 June 2015. The information presented here has been prepared using consistent accounting policies as presented in note 1.

	2015	2014
	A\$'000	A\$'000
Current assets	43,459	40,304
Non-current assets	142,320	174,915
Total assets	185,779	215,219
Current liabilities	45,661	47,214
Non-current liabilities	151,549	165,652
Total liabilities	197,210	212,866
Contributed equity	120,034	120,086
Reserves	1,728	1,352
Accumulated losses	(133,193)	(119,085)
Total equity	(11,431)	2,353
Profit/(Loss) for the year ended 30 June	(14,108)	(14,559)
Other comprehensive loss for the year	-	-
Total comprehensive loss for the year	(14,108)	(14,559)

Commitments and Contingent liabilities of the parent entity are consistent with those the Group. Commitments relate to non-cancellable operating leases and are disclosed in note 26. Contingent liabilities of the group represent bank guarantees and are disclosed in note 20.

9.0

DIRECTOR'S DECLARATION

DIRECTOR'S DECLARATION

The directors of the company declare that:

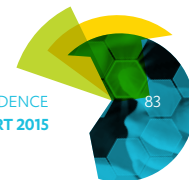
1. The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 and:
 - b. comply with Accounting Standards and the Corporations Regulations 2001; and other mandatory professional reporting requirements; and
 - c. give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date.
4. The Group has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
5. In the directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
6. The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Geoff Lewis
Managing Director/Chief Executive Officer

Perth
18 August 2015



10.0

AUDITOR'S DECLARATION OF INDEPENDENCE TO THE MEMBERS



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INDEPENDENT AUDITOR'S REPORT

To the members of ASG Group Limited

Report on the Financial Report

We have audited the accompanying financial report of ASG Group Limited, which comprises the consolidated statement of financial position as at 30 June 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

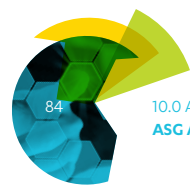
The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

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

Opinion

In our opinion:

- (a) the financial report of ASG Group Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

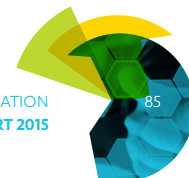
Opinion

In our opinion, the Remuneration Report of ASG Group Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Ian Skelton
Director

Perth, 18 August 2015



11.0

SHAREHOLDER AND OTHER INFORMATION

SHAREHOLDER AND OTHER INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

SHAREHOLDINGS

Substantial Shareholders

The number of shares held by the substantial shareholders at 6th August 2015 was:

NAME	NUMBER OF ORDINARY SHARES HELD			
	QUOTED	UNQUOTED	TOTAL	PERCENTAGE
Ophir Asset Management	17,802,411	-	17,802,411	8.17%
Geoffrey James Lewis	15,841,797	-	15,841,797	7.66%
Paradice Investment Management	15,762,072	-	15,762,072	7.56%
Ausbil Investment Management	10,805,936	-	10,805,936	5.50%
Australian Ethical Investment	10,654,742	-	10,654,742	5.27%

CLASS OF SHARES AND VOTING RIGHTS

At the 6th August 2015 there were 3,669 holders of the ordinary shares of the Company. The voting rights attaching to the ordinary shares, set out in clause 14 of the Company's Constitution, are:

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

- at meetings of members or classes of members each member entitled to vote may vote in person or by proxy or attorney; and
- on a show of hands every person present who is a member has one vote, and on a poll every person present in person or by proxy or attorney has one vote for each ordinary share held.

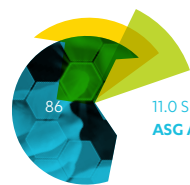
ON-MARKET BUY-BACK

Pursuant to the announcement on 16 June 2015, there is currently an on-market buy back which runs for a 12 month period from 1 July 2015. During this period, the Company intends to buy-back up to 20,672,083 shares (being 10% of the smallest number at any time during the last 12 months of fully paid ordinary shares on issue).

A. ORDINARY SHAREHOLDER DISTRIBUTION AS AT 5 AUGUST 2015

CATEGORY	NUMBER OF SHAREHOLDERS	
	Ordinary	Options
100,001 and Over	166	7
10,001 to 100,000	1,085	14
5,001 to 10,000	492	30
1,001 to 5,000	754	0
1 to 1,000	1,131	0
Total	3,628	51

The number of registered shareholders holdings less than a marketable parcel as at 6th August 2015 is 882.



B. TOP 20 SHAREHOLDERS OF FULLY PAID ORDINARY SHARES AS AT 5 AUGUST 2015:

RANK	NAME	05 AUG 2015	%IC
1	NATIONAL NOMINEES LIMITED	44,225,975	21.39
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	14,845,216	7.18
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,803,923	7.16
4	MR GEOFF JAMES LEWIS <THE LEWIS FAMILY A/C>	9,407,797	4.55
5	CITICORP NOMINEES PTY LIMITED	8,798,475	4.26
6	MR GEOFFREY JAMES LEWIS & MRS ANNE MARIE LEWIS <AMCON SOLUTIONS S/F A/C>	6,434,000	3.11
7	EQUITAS NOMINEES PTY LIMITED <2874398 A/C>	5,279,300	2.55
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT- COMMONWLTH SUPER CORP A/C>	3,175,892	1.54
9	MS IMBY LANGENBACH	2,800,000	1.35
10	MS MICHELLE MARY THOMAS	2,501,073	1.21
11	SASSEY PTY LTD <AVAGO SUPER FUND A/C>	2,496,818	1.21
12	ZERO NOMINEES PTY LTD	2,239,732	1.08
13	MR BRENDAN PAUL LEONARD	2,144,785	1.04
14	MR STEVEN JAMES PENNISI	2,003,915	0.97
15	S & T PENNISI SUPER PTY LTD <S&T PENNISI SUPER FUND A/C>	1,854,967	0.90
16	GINGA PTY LTD <TG KLINGER S/F A/C>	1,595,477	0.77
17	JOHNSTON CO PTY LTD <JOHNSTON FAMILY A/C>	1,351,352	0.65
18	MR STEPHEN EDWARD OLIVER JOHNSTON & MRS SARAH MARIE JOHNSTON <JOHNSTON RETIREMENT A/C>	1,168,046	0.56
19	SANDHURST TRUSTEES LTD <ENDEAVOR ASSET MGMT MDA A/C>	1,158,521	0.56
20	BRISPOT NOMINEES PTY LTD <HOUSE HEAD NOMINEE NO 1 A/C>	1,132,530	0.55
TOTAL		129,417,794	62.59

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Canberra Level 3, Building 1 Equinox Business Park 70 Kent St Deakin ACT 2600 T +61 2 6202 9000 F +61 2 6202 9099	Brisbane 19 Railway Terrace Milton QLD 4064 T +61 7 3010 7800 F +61 7 3217 2035	Adelaide Level 3 97 Pirie Street Adelaide SA 5000 T +61 8 8232 9622 F +61 8 8232 4446	