



CALIBRE GROUP LIMITED
Preliminary Final Report
For the Year Ended 30 June 2015

Name of entity

Calibre Group Limited

ABN

44 100 255 623

Current reporting period

30 June 2015

Previous corresponding period

30 June 2014

Preliminary Final Report for the Year Ended 30 June 2015

Results for announcement to the market

A\$000

				Current Period
Revenues from ordinary activities	down	20.1%	To	566,600
Profit from ordinary activities after tax attributable to members	down	762.4%	To	(159,892)
Net profit for the period attributable to members	down	762.4%	To	(159,892)
Net profit for the period	down	753.7%	To	(159,666)

Dividends	Amount per Ordinary Security	Franked amount per security
Current period (FY15)		
Interim dividend	-	-
Final dividend	-	-
Date final dividend is payable	-	
Record date for determining entitlements for the final dividend	-	
Previous corresponding period (FY14)		
Interim dividend	3.5 cps	100%
Final dividend	2.5 cps	100%

Net Tangible Asset Backing	June 2015	June 2014
Net tangible asset backing per ordinary security ¹	(\$0.05)	\$0.10

¹As at 30 June 2015 net tangible assets are calculated as net assets of \$69.8m (2014: \$232.2m) less intangibles assets of \$88.5m (2014: \$199.0m)


NOTES:

The information contained in this report is for the full year ended 30 June 2015 and the previous corresponding period 30 June 2014.

Australian Accounting Standards are utilised when compiling the report.

The accounts have been audited and are not subject to dispute or qualification.

For the full financial statements including commentary on the results, please refer to the financial report and press release.



Annual Report

For the year ended 30 June 2015

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CALIBRE GROUP LIMITED CORPORATION INFORMATION

ABN 44 100 255 623

DIRECTORS

Ray Horsburgh A.M.
Alex Krueger
Dod Wales
Geoff Tomlinson
Professor Paul Douglas
Peter Housden
Peter Reichler
Ray Munro

COMPANY SECRETARY

Michael Silbert

REGISTERED OFFICE

Calibre Group Limited
Level 2, 50 St George's Terrace
Perth Western Australia 6000

PRINCIPAL PLACE OF BUSINESS

Calibre Group Limited
Level 2, 50 St George's Terrace
Perth Western Australia 6000

SHARE REGISTER

Link Market Services Limited
Level 4 Central Park
152 St George's Terrace
Perth WA 6000

AUDITORS

Deloitte Touche Tohmatsu
Woodside Plaza
Level 14 240 St George's Terrace
Perth Western Australia 6000

SOLICITORS

Herbert Smith Freehills
GPO Box U1942
Perth Western Australia 6845

BANKERS

Australia and New Zealand Banking Group Limited
18/100 Queen Street
Melbourne Victoria 3000

DIRECTORS' REPORT

Your directors of Calibre Group Limited ("the Group; Calibre; the Company") submit their report for the year ended 30 June 2015.

The names of Directors in office at any time during or since the end of the year are:

Ray Horsburgh A.M.	Chairman
Alex Williams	Non-Executive Director – resigned 19 March 2015
Alex Krueger	Non-Executive Director- appointed 27 November 2014
Brian MacDonald	Non-Executive Director– resigned 21 November 2014
Dod Wales	Non-Executive Director- appointed 19 March 2015
Geoff Tomlinson	Non-Executive Director
Professor Paul Douglas	Non-Executive Director- appointed 27 November 2014
Peter Housden	Non-Executive Director
Peter Reichler	Managing Director
Ray Munro	Non-Executive Director

Directors were in office for this entire period unless otherwise stated.

Information on Directors

Ray Horsburgh A.M. Chairman and Non-Executive Director since May 2012

Experience and expertise

Ray Horsburgh has significant experience in company management and as a Director and was previously Managing Director of Smorgon Steel Group Limited for 15 years, until its merger with OneSteel Limited in August 2007. Prior to this he had a 31 year career with the Australian Consolidated Industries Group, primarily in senior roles in the glass and packaging businesses.

He currently chairs the Calibre Board and the Nomination Committee and is a member of the Audit, Business Risk and Compliance Committee at Calibre.

Directorship of other listed entities (Current & last three years)

Toll Holdings Limited - Chairman (appointed September 2007).
CSR Limited – Non-Executive Director (from 2006 - 2013).
National Can Industries Limited - Non-Executive Director (from 2007 - 2013).

Other directorships

Ponting Foundation Limited (appointed September 2008).

Alex Williams Non-Executive Director –resigned 19 March 2015

Experience and expertise

Alex Williams joined the Board of Calibre in May 2010 and is the Managing Director of First Reserve International Limited, with over 15 years' experience in the investment industry.

Prior to joining First Reserve, Alex was a Director at 3i PLC, an international private equity firm and prior to that he worked at J.P. Morgan in the Corporate Finance and Capital Markets groups.

Alex was a member of the Nomination and Remuneration Committees at Calibre until his resignation.

Directorship of other listed entities (Current & last three years)

None.

Other directorships

None.

Information on Directors (continued)

Alex Krueger

Non-Executive Director –appointed 27 November 2014

Experience and expertise

Alex Krueger is the Co-Chief Executive Officer and President and Co-Head of Buyout Funds of First Reserve, with over 18 years' experience in the global energy industry, including 16 years at First Reserve. Prior to its IPO, Alex was a Director of Calibre between May 2010 and July 2012.

He is a member of the Board of Overseers for the School of Engineering and Applied Science of the University of Pennsylvania and an Advisory Board Member of AMP Fund II LP.

Alex holds two B.S. degrees from the University of Pennsylvania.

Alex was appointed to the Nomination Committee at Calibre on 27 March 2015.

Directorship of other listed entities (Current & last three years)

Midstates Petroleum Company Inc. (USA) (NYSE: MPO) - Director (from October 2009 to April 2013).

Sabine Oil & Gas Corporation (USA) (OTCPK: SOGCQ) - Director (appointed December 2014).

Other directorships

None.

Brian MacDonald

Non-Executive Director - resigned 21 November 2014

Experience and expertise

Brian MacDonald joined the Board of Calibre in May 2010 and has over 25 years' experience as a qualified civil engineer, Company Director and Manager.

Brian was formerly Managing Director of Vale Australia Pty Ltd and has previously occupied senior executive roles with AMCI Australia, MIM Holdings and Thiess Pty Ltd.

Brian was a member of the Nomination Committee and Audit, Business Risk and Compliance Committee at Calibre until his resignation.

Directorship of other listed entities (Current & last three years)

None.

Other directorships

None.

Information on Directors (continued)

Dod Wales

Non-Executive Director - appointed 19 March 2015

Experience and expertise

Dod Wales has been a Director of First Reserve since 2004. His responsibilities in First Reserve range from deal origination and structuring to due diligence, execution and monitoring, with particular focus on the equipment, manufacturing and services sector.

Prior to joining First Reserve, he was an Analyst in the Distressed Finance and Restructuring Group at Credit Suisse First Boston. Dod holds a B.A. from Stanford University.

Dod was appointed as a member of to the Audit, Business Risk and Compliance Committee at Calibre on 19 March 2015.

Directorship of other listed entities (Current & last three years)

None.

Other directorships

CHC Group Limited (NYSE Listed) – Director (appointed 2013).

Geoff Tomlinson

Non-Executive Director – since May 2012

Experience and expertise

Geoff Tomlinson worked for National Mutual Group for 29 years, including as Managing Director, and during his time he oversaw the demutualisation of the company and its listing on the ASX.

Geoff is currently a member of the Nomination Committee and chairs the Remuneration Committee at Calibre.

Directorship of other listed entities (Current & last three years)

National Australia Bank Limited– Non-Executive Director (from March 2000 to December 2014).

Growthpoint Properties Australia Ltd. – Director (appointed 1 September 2013), Independent Chairman (appointed 1 July 2014).

IRESS Limited – Independent Non-Executive Director (appointed 1 February 2015).

Other directorships

None.

Professor Paul Douglas

Non-Executive Director -appointed 27 November 2014

Experience and expertise

Professor Paul Douglas has over 40 years' of design, process, project engineering and management, commercial, corporate and leadership experience. Professor Douglas commenced his career at the Melbourne and Metropolitan Board of Works prior to joining engineering consultancy, Sinclair Knight Merz (SKM) in 1978.

In 1995 he was appointed Managing Director Elect and Director of Marketing before becoming Chief Executive Officer and Managing Director of SKM in 1996.

Professor Douglas is a Professorial Fellow at Melbourne University School of Engineering and is currently the Chairman of the Global Carbon Capture and Storage Institute.

Professor Douglas holds qualifications in BEng (Chem), MEng Sc, FAICD, CEng, FATSE, Hon Fellow of Eng. Aust.

Information on Directors (continued)

Directorship of other listed entities (Current & last three years)

ConnectEast Ltd-Non-Executive - Director (from 2009 to 2011).
Mount Gibson Iron Limited - Non-executive director, (appointed November 2011).

Other directorships

SKM (unlisted)-Managing Director (from 1990 to 2011).
Epworth HealthCare (unlisted) -Non-Executive Director (appointed 2012).
Beacon Foundation (unlisted) -Non-Executive Director (from December 2011 to June 2015).
Global Carbon Capture and Storage Institute (unlisted) – Chairman (appointed on January 2013).

Peter Housden

Non-Executive Director – since May 2012

Peter Housden has over 40 years' experience in accounting, finance and management, including 20 years' experience as Director of ASX-listed companies.

Peter was previously chief financial officer and company secretary of ASX-listed MIA from 1999 to 2003, following roles with RGC and Australian Chemicals Holdings as finance Director.

Peter is currently chairman of Royal Wolf Holdings and a Non-Executive Director of GrainCorp Limited and Alliance Aviation Services Limited.

Peter is currently a member of the Nomination Committee and chairs the Audit, Business Risk and Compliance Committee at Calibre.

Directorship of other listed entities (Current & last three years)

iSoft Group Ltd -Non-Executive Director (from 2010 to 2011).
Clean Seas Tuna Ltd-Non-Executive Director (from 2010 to 2011).
GrainCorp Ltd -Non-Executive Director (appointed November 2008).
Royal Wolf Holdings Ltd -Chairman (appointed April 2011).
Alliance Aviation Services Ltd -Non-Executive Director (appointed October 2011).

Other directorships

None.

Peter Reichler

Managing Director since November 2013

Peter Reichler has over 30 years' experience in the engineering, consulting and infrastructure services, along with the packaging, finance and investment banking sectors. He was CEO, Group Ventures (2009-2011) and CFO (2006-2009) of Downer EDI Limited, and has previously been in key finance, administration and business development roles with the Amcor Group, within Australia, Asia and Europe.

Peter holds an MBA from Macquarie University, an M Comm (Finance) and B Financial Administration, qualified as a chartered accountant and is a member of the Australian Institute of Company Directors.

Directorship of other listed entities (Current & last three years)

None.

Other directorships

None.

Information on Directors (continued)

Ray Munro

Non-Executive Director since incorporation

Experience and expertise

Ray Munro is a co-founder and former Executive Chairman of Calibre. He has over 40 years' experience in the engineering and resources sectors in Australia and South Africa.

Ray was previously Senior Construction Manager with Sinclair Knight Merz for seven years and has over 30 years of management experience in construction. He is a member of the Australian Institute of Company Directors.

Ray is currently a member of the Remuneration Committee and Nomination Committee at Calibre.

Directorship of other listed entities (Current & last three years)

Chairman of Viento Group Limited (appointed 3 July 2013).

Other directorships

None.

Directors' shareholdings

The following table sets out each Director's relevant interest in the shares of the Calibre Group Limited or a related body corporate as at the date of this report:

	Number of Ordinary Shares
Ray Horsburgh A.M.	592,802
Alex Krueger ¹	208,653,415
Dod Wales ¹	208,653,415
Geoff Tomlinson	-
Professor Paul Douglas	133,033
Peter Housden	17,891
Peter Reichler	802,201
Ray Munro	38,725,185

Company Secretary

Michael Silbert (Company Secretary)

Michael joined Calibre in June 2012 and has more than 20 years' experience as an in-house lawyer for various private and public companies. He has previously held the position of in-house counsel and company secretary for companies including, Sinosteel Midwest Corporation Limited, Southern Cross Electrical Engineering Limited, and Evans & Tate Limited. Michael has also held a number of senior commercial, legal, corporate secretariat and advisory roles in the UK, Australia and Asia.

In addition to his extensive general counsel and company secretarial experience, Michael has considerable skills and experience in commercial negotiations, transaction management, risk management, merger and acquisition negotiations, post-merger integration, sustainability strategy, management strategy and advice.

Michael holds a Bachelor of Arts, Bachelor of Laws and Bachelor of Jurisprudence.

Principal activities

Calibre Group is a leading diversified provider of engineering, consulting, project delivery, construction and asset management services within Australasia offering clients an integrated range of services, from early-stage asset evaluation and project feasibility studies, through design and delivery, to ongoing support and optimisation of the resources, infrastructure and transports sectors.

¹ Alex Krueger and Dod Williams do not have a relevant interest in any shares in Calibre or any of its related bodies corporate. They have been nominated as directors of Calibre by FR Calibre BV, which owns ordinary shares in Calibre. Therefore FR Calibre BV has a relevant interest in the Ordinary shares in Calibre.

Operating & Financial Review

Review of Operations (Unaudited)

	FY2015 \$m	FY2014 \$m	Variance (pcp)
Revenue	566.6	709.3	(20.1%)
Underlying EBITDA	29.1	52.7	(44.8%)
Depreciation	(10.8)	(13.3)	
Amortisation	(9.6)	(14.5)	
Net Finance Costs ¹	(3.3)	(5.1)	
Underlying Profit before Tax	5.4	19.8	(72.7%)
Underlying Tax Benefit	13.1	9.6	
Underlying NPAT	18.5	29.4	(37.1%)
Restructuring and Impairment Expense	(186.9)	(7.1)	
Recognised tax benefit on Restructure	8.7	2.1	
NPAT	(159.7)	24.4	
Amortisation (Net of Tax)	6.8	10.2	
NPATA	(152.9)	34.6	
Underlying NPATA	25.3	39.6	(36.1%)
Operating Cash flow	19.5	63.3	(69.2%)
Net cash position	6.6	2.8	135.7%

Financial Overview

Calibre's revenue decreased by 20% (\$142.7m) from \$709.3m in the prior period to \$566.6m as a result of continued subdued market conditions in our Resources and Infrastructure segments. Continued growth in the Company's Consulting segment partially offset this.

Underlying EBITDA of \$29.1m was 44.8% lower than FY14 due to the soft market conditions continuing into 2015. Underlying NPAT of \$18.5m was 37.1% lower than the pcp. This result includes lower interest costs as a result of the debt reduction undertaken during the period.

A \$186.9m restructuring and impairment expense was incurred during the year. The impairment was made up largely of goodwill write downs, onerous lease impacts and restructuring costs. These were predominantly non-cash in nature.

Net Cash Position

Strong focus on working capital management resulted in operating cash flows of \$19.5m (FY 14: \$63.3m) which represents an operating cash conversion ratio² of 81%.

Calibre's continual focus on the conversion of working capital to cash flow enabled Calibre to achieve an improved net cash position at 30 June 2015 of \$6.6m against \$2.8m in the pcp.

During FY15 Calibre refinanced its debt facilities which enabled the Group to benefit from lower borrowing costs, increased borrowing capacity and an extended loan maturity profile.

Calibre made \$17.8m in debt repayments and \$5.0m in payments for acquisitions and deferred consideration liabilities during the year.

Calibre's cash position at 30 June 2015 was \$32.5m (FY14: \$46.4m).

During the year, capital expenditure of \$7.8m was primarily invested in system implementations and upgrades which will underpin business efficiency opportunities going forward.

¹ Net finance costs include interest income

² Calculated as operating cash flow (excluding interest expense) divided by underlying EBITDA

Operating & Financial Review (continued)

Operational Review

Margins and cost management

Calibre's underlying EBITDA margin of 5.1% (FY14: 7.4%) reflects the continued tight market conditions being faced by the Resources and Infrastructure segments of the business.

Focus on cost management continued during the year, ensuring both business support costs and the corporate structure remain aligned to the current market conditions. This resulted in overhead reductions of 16%.

Restructuring and Impairment Expense

As previously advised in February 2015, the Company carried out a group-wide business review given the reduction in activity in the Resources and Infrastructure segments. As a result, Calibre identified restructuring and impairment charges of \$186.9m, made up of goodwill write downs, onerous lease impacts and restructuring costs, which were predominantly non-cash in nature. As the Company highlighted at its' 2014 AGM, the review of operations and assets was a result of an expected further decline in trading conditions.

The non-cash impairment related primarily to the Resources and Infrastructure segments' carrying value of goodwill of \$103.6m, with onerous leases and other asset write downs of \$79.3m. The cash impact of the restructuring costs was \$4m.

This had no impact on compliance with Calibre's banking covenants.

Work Health and Safety

Calibre continued its strong safety performance with a reduction in its Total Recordable Injury Frequency Rate (TRIFR) recording 2.5 for the rolling full year compared to 3.1 in the pcip.

Calibre's Lost Time Injury Frequency Rate (LTIFR) for FY15 was 0.4 for the rolling full year with 4.5 million hours worked compared to 0.2 in the pcip. This rate increase was the result of 2 injuries, compared with 1 in the pcip.

Despite increased volatility in the labour market, reduced levels of injury and incidents were achieved through delivery on our commitments to lead indicators and improved workforce participation in safety initiatives. These efforts will continue in the coming year, complemented by a new initiative to address mental health issues in the workplace. This effort targets removing the stigma from mental health, facilitating both in work and external assistance for those needing help.

Segment Performance

Calibre provides its services through three key segments; Infrastructure, Consulting and Resources.

Infrastructure

Revenue in Calibre's Infrastructure segment decreased by 14.3% to \$282.2m during the period (FY14: \$329.2m). The majority of the Revenue reduction can be attributed to the successful completion of the Caval Ridge project and ramping down of the Hay Point expansion project for BMA.

A full year contribution from the Ark Maintenance acquisition in WA delivered revenue of \$34.2m. This combined with increased activity in the Maintenance and Shutdowns business of \$13.4m partially offset the aforementioned decrease in revenue from the Major Projects business.

Consulting

Revenue in Calibre's Consulting segment business grew by 34.8% to \$92.4m (FY14: \$68.6m), driven by both strong organic growth throughout the east coast of Australia, full year revenue from Spiire New Zealand (acquired in February 2014) and the addition of Town Planning Management Engineering (TME) revenue (acquired in February 2015) in Western Australia.

Flagship projects undertaken during the year included civil services for both the Googong township development and the Harrington Grove master planned residential community, both in New South Wales. In Queensland, work was undertaken for CSR's industrial estate development in North Brisbane. In Singapore, construction engineering and supervisory services were provided to the 30km Thomson underground rail line for the Singapore Land Transport Authority. In New Zealand, work continued on Kathmandu's new headquarters in Christchurch, and the first Special Housing Area at Hobsonville Point in Auckland.

Operating & Financial Review (continued)

Resources

The Company's Resources segment reported revenue of \$192.9m down by 38.3% compared to the same period last year (FY14: \$312.0m).

Resources was impacted by a combination of the completion and ramping down of a number of large scale projects during the year. Continued tight market conditions across the Western Australian resources sector resulted in a significant reduction in new capital expansion projects and the deferral of capital investment decisions, with a flow-on effect to the Resources segment.

Restructuring activities were undertaken throughout the year to reflect the current trading environment, with a reduced cost base now achieved.

Resources continued its long term relationships with Rio Tinto and BHP Billiton, delivering multiple projects for these clients, including Yandi Sustaining, West Angelas Deposit B and Ore Car Repair Shop.

Outlook

The current market conditions are characterised by reduced client capital expenditures, focus on costs and resultant competitive conditions. This puts downward pressure on Calibres' revenues and margins in two of our segments.

Across its segments, Calibre expects growth in Consulting and declines in both the Infrastructure and Resources segments.

In March 2015 Calibre established a new Transport division to focus on the emerging major infrastructure projects around the country and region by harnessing the collective strength of current Calibre operations in transport from heavy haul rail in the West, rail in Singapore and road infrastructure in the Eastern States and New Zealand.

CEO and Managing Director Peter Reichler said "Calibre remains focused on building and maintaining strong long term client relationships, developing our people, whilst harnessing the collective strength of the organisation. This will allow us to diversify our revenues, having an appropriate cost structure and make strategic acquisitions that will further broaden our base across market segments and geographies in Australasia".

Significant changes in the state of affairs

On 7 July 2014, G&S Engineering ("G&S"), a wholly owned subsidiary of Calibre, acquired the business and assets of Perth based Ark Maintenance ("Ark"), a resources focused maintenance services engineering firm, providing mine maintenance and optimisation services of structural, mechanical and piping areas.

On 27 February 2015, Calibre Consulting, a wholly owned subsidiary of Calibre, acquired WA based Town Planning Management Engineering Pty Ltd ("TME"), an urban development consultancy firm.

Significant events after the balance date

There have been no significant events after the balance sheet date other than events disclosed in note 36.

Likely developments and expected results

Each year the Board undertakes a formal strategic planning process to provide guidance to management about the Group's strategic direction. The Group plans to continue with its business strategies as set out in this report. The execution of these strategies is expected to result in improved financial performance over the coming years. The achievement of the expected results is dependent on a range of factors, some of which are outside Group's control.

Environmental regulation and safety performance

Calibre's operations are regulated by national and state government legislation that encompasses environmental matters, work (occupational) health and safety and industrial relations.

Environmental authorities are involved at all stages of a project to ensure the project complies with legislation and effectively manages pollution, waste, water use, contamination, dust, noise and other issues that have the potential to impact the environment.

Safety is regulated by various acts, regulations and standards. Clients also have specific safety requirements, which are a primary driver for the selection of service providers in the industry.

Calibre places its highest priority on ensuring the safety of all its workers, directors, employees, contractors and consultants and any other persons attending its various sites and offices.

Indemnification and insurance of officers and auditors

During or since the financial year, the Company has paid premiums in respect of a contract insuring all directors and the officers which indemnifies them against claims made against them subject to the conditions contained within the insurance policy. Further disclosure required under section 300(9) of the Corporations Act 2011 is prohibited under the policy terms. No indemnities have been given or insurance paid for the auditors of the Company.

Directors' meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors		Remuneration Committee		Audit, Business Risk & Compliance Committee ¹		Nomination Committee ²	
	Held ³	Attended	Held ³	Attended	Held ³	Attended	Held ³	Attended
Ray Horsburgh A.M.	13	13			5	5	2	2
Alex Williams	10	10	2	2			2	2
Alex Krueger	8	8					1	1
Brian MacDonald	4	4			2	2	1	1
Dod Wales	3	3			2	2		
Geoff Tomlinson	13	12	3	3			2	2
Professor Paul Douglas	8	8	1	1			1	1
Peter Housden	13	11			5	5	2	2
Peter Reichler	13	13					2	2
Ray Munro	13	12	3	3			1	1

Dividends

On 1 October 2014, the Company paid a fully franked final dividend of \$8.3m (2.5 cents per shares) for the 2014 financial year to its members. The Company's dividend reinvestment plan was in operation for this dividend. No dividend has been declared in respect of 2015 financial year.

Capital Management

During the year the Directors initiated an on-market share buy-back in lieu of an interim dividend. The company started the buy-back in March 2015 and it was completed in May 2015. 7 million shares were purchased during the buy-back at an average price of 23c per share.

¹ Audit Business Risk & Compliance Committee Meetings are held on an as-needs basis only.

² Nomination and Remuneration Committee meetings are held on an as-needs basis only.

³ Held during the time the Director held office or was a member of the Committee during the year.

Auditor independence and non-audit services

The auditor's independence declaration is included on page 23 of the annual Financial Report.

The following non-audit services were provided by the entity's auditor, Deloitte Touche Tohmatsu. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Deloitte Touche Tohmatsu received or are due to receive the following amounts for the provision of non-audit services:

	2015 \$	2014 \$
Tax compliance	68,659	98,954
Other non-audit services	110,513	-
	179,172	98,954

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) and where noted (\$'000) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

Remuneration Report (Audited)

This remuneration report for the year ended 30 June 2015 outlines the remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 (the Act) and its Regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

1. Introduction
2. Remuneration governance
3. Senior Management remuneration arrangements
 - A. Remuneration principles and strategy
 - B. Fixed annual remuneration
 - C. Short term incentive (STI) or bonus 'at risk'
 - D. Employee share schemes
4. Summary of Senior Management contractual arrangements
5. Non-executive director remuneration arrangements
6. Company performance and remuneration outcomes
7. Additional statutory disclosures

1. Introduction

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Calibre Group Ltd.

For the purposes of this report, the term "Senior Management" includes the Managing Director, Directors and other senior executives of the Company.

Directors

Ray Horsburgh A.M.	Chairman
Alex Williams	Non-Executive Director – resigned 19 March 2015
Alex Krueger	Non-Executive Director- appointed 27 November 2014
Brian MacDonald	Non-Executive Director- resigned 21 November 2014
Dod Wales	Non-Executive Director- appointed 19 March 2015
Geoff Tomlinson	Non-Executive Director
Professor Paul Douglas	Non-Executive Director- appointed 27 November 2014
Peter Housden	Non-Executive Director
Peter Reichler	Managing Director
Ray Munro	Non-Executive Director

Remuneration Report (Audited) (continued)

Other Senior Management

Derek Brown	Managing Director, Calibre Resources
Gary Spence	Managing Director, Calibre Consulting – resigned 14 April 2015
Max Bomben	Managing Director, Calibre Consulting – appointed 1 August 2015 (Acting from 17 April 2015)
Michael Crowe	Managing Director, Calibre Infrastructure
Michel Masson	Managing Director, Transport Infrastructure & Services – appointed 24 April 2015
Peter Massey	Chief Financial Officer, Calibre Group

There were no changes to the KMP after the reporting date and before the date the financial report was authorised for issue.

2. Remuneration governance

Remuneration Committee

The following people were members of the Committee from 1 July 2014 to date:

Geoff Tomlinson	Chair of Committee
Ray Munro	Non-Executive Director
Alex Williams	Non-Executive Director -resigned 19 March 2015
Professor Paul Douglas	Non-Executive Director - appointed 19 March 2015

The Remuneration Committee is governed by its Charter. The main functions of the Committee are to assist the Board with a view to discharging its responsibilities to shareholders and other stakeholders to ensure that the Company:

- has coherent remuneration policies and practices which enable Calibre to attract and retain Senior Management who will create value for shareholders;
- fairly and responsibly remunerates Senior Management, having regard to the performance of Calibre, the performance of the Senior Management and general remuneration market conditions;
- has effective policies and practices to attract, retain and engage appropriately skilled and diverse personnel to meet Calibre's needs; and
- incorporates human capital and organisational issues into the overall business strategy.

Use of external advisers

Where appropriate, the Committee seeks and considers advice directly from external advisers, who are independent of management. The Committee engaged Towers Watson ("TW") to review and provide recommendations and advice on remuneration and governance matters.

Under the terms of the retainer arrangement, the Committee's external remuneration consultant provided remuneration advice to the Committee (inclusive of 'remuneration recommendations' as defined in section 9B of the Corporations Act 2001 (Cth)).

The Committee has established protocols for engaging with its external remuneration consultant to support compliance with the Corporations Act 2001 (Cth). These protocols are reflected in the terms of engagement with TW and have been adhered to.

The Committee's external remuneration consultant provided a formal declaration confirming that the recommendations provided were free from 'undue influence' by the senior executives to whom the recommendations related. On this basis, the Board is satisfied that the recommendations were made free from undue influence by the senior management to whom the recommendations related.

An annual retainer of \$120,000 (excluding GST) was paid to TW during 2015.

Remuneration Report (Audited) (continued)

3. Senior Management remuneration arrangements

A. Remuneration principles and strategy

In determining Senior Management remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

When setting executive remuneration, the Company's aim is to ensure Senior Management is provided remuneration which reflects their position and responsibilities within the Company, and is aligned with the industry sector. External market data is used as a point of reference to determine an appropriate level of remuneration for Senior Management, whilst ensuring remuneration is positioned competitively against direct peers in the industry and the broader market.

Remuneration for Senior Management is reviewed annually taking into consideration remuneration market trends, individual and company performance as well as the current economic environment.

The Senior Management remuneration framework comprises three principle elements:

- Fixed Annual remuneration;
- Short Term Incentive (STI) or bonus 'at risk';
- Long term incentive (LTI) 'at risk'.

The 'at risk' components are based on performance against financial measures.

Calibre's remuneration structure for Senior Management has several components, which are explained in the table below:

Remuneration component	Vehicle	Purpose	Link to performance
Fixed annual remuneration (Total Annual Remuneration)	Comprises base salary, superannuation contributions and other benefits (such as parking, vehicle allowances, etc.)	To provide competitive fixed remuneration set with reference to role, market and experience.	Company and individual performance are considered during the annual remuneration review.
Short term incentive (STI) or bonus 'at risk'	The STI component of remuneration consists of discretionary cash incentive that varies with annual performance.	Rewards Senior Management for their contribution to achievement of Group outcomes as well as individual performance goals	Defined performance hurdles being the achievement of target EBITDA, safety, cash flow and Return on Funds Employed (ROFE).
Long term incentive (LTI) 'at risk'	LTI component of remuneration consist of loan funded shares granted under Employee Equity Investment Plan (EEIP) subject to achievement of financial or share price pathway.	Provides equity to Senior Management, aligning reward with shareholder value creation and encourages longer-term decision-making.	Financial Performance pathway requires the achievement of various EBITDA, EPS and ROFE hurdles. Share price pathway requires the achievement of various share price hurdles.

Remuneration Report (Audited) (continued)

B. Fixed annual remuneration

Senior Managers receive a fixed remuneration package comprising cash salary, statutory superannuation contributions and other benefits they may elect to receive on a salary sacrifice basis (i.e. additional superannuation contributions etc.).

An individual's fixed remuneration is set taking into consideration the scope and responsibilities of their role, their knowledge, skills and experience as well as benchmark market data for similar roles from similar sized companies based on market capitalisation.

Fixed remuneration is reviewed annually taking into consideration an individual's performance and relativity with the external market data.

C. Short term incentive (STI) or bonus 'at risk'

The STI is designed to reward employees for the achievement of Group, business unit and individual performance goals over the relevant 12 month performance period, which are aligned to and supportive of the Group's annual objectives for each financial year.

The quantum of short term variable rewards for the Managing Director and other KMP payable in a particular year is determined based on the extent to which key performance indicators (KPIs) are satisfied in the relevant year. These KPIs are set by reference to the Company's overall performance and individual performance objectives established for the year.

In the case of the Managing Director, these objectives are set by the Remuneration Committee and endorsed by the Board. KPIs for the other KMP are set by the Managing Director and endorsed by the Committee for approval by the Board.

The STI plan for FY15 is the cash-based component of a Senior Manager's at risk reward opportunity, based on achieving pre-determined performance measurement criteria. The KPI approved by the Board for the FY2015 STI plan was EBITDA.

The performance of each senior Manager against financial objectives is reviewed on an annual basis.

The Managing Director's eligibility for an STI is reviewed by the Chairman and determined by the Remuneration Committee on behalf of the Board.

The Managing Director reviews performance based remuneration entitlements for Senior Managers and recommends the STI payments, subject to final approval by the Remuneration Committee and the Board.

The short term incentive is measured based on achievement of EBITDA. Under the base case, 50% of the STI is paid on achievement of 100% of EBITDA.

D. Employee share Schemes

Key details of Calibre's Employee Equity Investment Plan (EEIP) and Employee Share Purchase plan (ESPP) are summarised below:

Employee Equity Investment Plan (EEIP)

The Company adopted an employee share plan known as the Calibre Group Limited Employee Equity Investment Plan (EEIP).

Under the EEIP, participants are invited to purchase a specified number of loan-funded shares at market value, which are held in trust for a period of between three and seven years. At the end of three years, to the extent that the Company has achieved financial performance and /or share price hurdles determined by the Board of Directors, shares will vest and participants will be permitted to "exercise" and receive shares by repaying the loan amount covering vested shares.

Remuneration Report (Audited) (continued)

Financial performance includes two separate financial measures being EBITDA and Basic earnings per share (Basic EPS). To the extent that performance is not achieved, loan-funded shares are forfeited and the loan value reduced. A participant may "exercise" at any time from vesting forward (end of Year 3) until the end of Year 7, at which time the loan-funded shares will lapse.

Performance Measure and Hurdles:

The EEIP allows for the shares to vest under either a financial performance pathway or a share price pathway.

Financial Performance Pathway

The financial measures being the EBITDA and Basic EPS, need to be met at the end of the performance period in order for shares to vest.

Achieving a target level of Return on Funds Employed (ROFE) is the "gateway" to the EBITDA performance measure. Once gateway performance is achieved, then vesting based on EBITDA performance occurs on 50% of the grant of shares.

The EBITDA and its ROFE gateway are independent of the Basic EPS performance measure.

Share price pathway

In order for any shares to vest under this pathway:

1. A share price of \$0.75 must be achieved; and
2. The participant must be a Calibre employee when the hurdle is met

When the share price reaches 75c for a 5 day period (calculated on a 5 day forward volume Weighted Average Price (VWAP) – the day the share price achieves 75c being the first of the VWAP days) 50% of the grant of shares will vest and remain restricted until the end of the vesting period.

Where performance exceeds target, additional shares will vest on a straight line basis up to 150% if share price of \$1.65 is achieved.

If both performance conditions are satisfied, total number of shares that will vest will be the higher of the outcome produced by each pathway. If the performance conditions are not satisfied, or if the Board determines that they cannot be satisfied, unvested loan funded shares will be forfeited unless the Board exercises its discretion to permit some or all of those shares to vest.

Employee Share Purchase Plan (ESPP)

The primary focus of the ESPP is to support the Company's ability to attract and retain key staff below Executive level in an increasingly tight and competitive labour market. Executives are also eligible to participate in the ESPP.

Retention of key individuals is also important given the long-term nature of the delivery of the business strategy. Under ESPP, every eligible employee receives a free share (Matched Share) for every purchased shares (Acquired Share). These matched shares will be delivered to eligible employees on the first anniversary of each purchase date, provided there is continuous employment with the Company and the employee has not sold the Acquired Shares.

Shares to satisfy the awards are to be purchased on market and no new shares are issued by the Company.

Eligible employees can elect to contribute an annual amount of up to \$5,000 to purchase shares (Acquired Shares) in Calibre, using regular payroll deductions (post tax). The minimum contribution per year is \$500. After-tax contributions will be held in a trust account with the plan administrator and applied towards the purchase price of Acquired Shares on a quarterly basis i.e. four times a year.

The purchase price will generally be the closing price of a Calibre share as listed on the ASX on the relevant purchase date. Acquired Shares are owned by employees who are free to sell them at any time after purchase. However, only Acquired Shares not sold by the first anniversary of the purchase date will be entitled to participate in Matched Shares.

4. Summary of Senior Management contractual arrangements

Managing Director

Managing Director Peter Reichler's executive service agreement, which contains standard terms and conditions on notice and termination provisions, restraint and confidentiality provisions and leave entitlements, comprises an entitlement to an annual fixed remuneration of \$750,000 (inclusive of superannuation). The actual amount earned during the period is included in the remuneration table on page 18 of the Annual Report.

Other Key Management Personnel

Calibre's other KMP are employed under individual Executive Service Agreements, which contain standard terms and conditions on notice and termination provisions, restraint and confidentiality provisions and leave entitlements.

Specific terms and conditions of service agreements of KMP at the end of the financial year (other than the Managing Director, which is outlined above), are summarised in the table below:

Name	Position	Notice Period (by either party)	Restraint of Trade ¹
Derek Brown	Chief Executive Officer, Calibre Resources	6 months	6 months
Max Bomben	Managing Director, Calibre Consulting	6 months	6 months
Michael Crowe	Managing Director, Calibre Infrastructure	6 months	6 months
Michel Masson	Managing Director, Calibre Transport Infrastructure & Services	6 months	6 months
Peter Massey	Chief Financial Officer, Calibre Group	6 months	6 months

5. Non-executive director remuneration arrangements

Remuneration policy

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest quality at a cost that is acceptable to shareholders.

Under the Constitution, the Board decides the total amount paid to each Director as remuneration for their services as a Director of Calibre. The total amount paid to all Directors, excluding the Managing Director, for their services must not exceed in aggregate in any financial year the amount fixed by the Board. This amount has currently been fixed by the Calibre Board at \$2,000,000.

Directors' fees are reviewed annually and if the fees are to exceed the amount fixed, shareholder approval at an Annual General Meeting (AGM) will be required.

Structure

The remuneration of Non-Executive Directors (NED's) consists of Directors' fees and Committee fees.

The table below outlines the Non-Executive Director, Board & Committee fees paid for the 2015 financial year:

Fees	\$ up to 31/3/2015	\$ from 1/4/2015
Board		
Chairman (includes Committee fees)	327,000	250,000
Directors	163,500	125,000
Committee		
Committee Chair	25,000	25,000
Committee Member	10,000	10,000

These amounts include superannuation at 9.5% of the respective amounts.

¹ Restraint of trade can run consecutively after notice period

Remuneration Report (Audited) (continued)

The remuneration of Directors shall not include any commission on, or a percentage of profits or a percentage of operating revenue as is required under ASX Listing Rules.

Refer to Section 6 of this Remuneration Report for remuneration outcomes for the NEDs for the 2015 financial year.

6. Company performance and remuneration outcomes

Overview of Company performance

The table below sets out summary information about the Company's earnings and movements in shareholder wealth for the five years to June 2015:

	2015	2014	2013	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	566,600	709,268	711,289	560,876	295,744
NPAT	(159,666)	24,426	22,186	33,748	17,787
NPATA	(152,923)	34,598	36,311	46,701	27,292
Share price at start of year	\$0.38	\$0.32	\$1.19	n/a ¹	n/a
Share price at end of year	\$0.15	\$0.38	\$0.32	\$1.19 ²	n/a
Interim dividend	-	3.5cps	5.8cps	n/a	n/a
Final dividend	-	2.5cps	1.8cps	n/a	n/a
Basic (loss)/earnings per share	(46.4)cps	7.59cps	7.34cps	13.77cps	n/a
Diluted (loss)/earnings per share	(46.4)cps	7.59cps	7.34cps	13.77cps	n/a

Reported remuneration

The remuneration table on page 18 of the Annual Financial Report sets out the remuneration of the Directors and senior management who are considered to be the key management personnel (KMP) of the Group.

Reported remuneration includes, as appropriate, Share based payment expense recognised in relation to the *Employee Equity Investment Plan*. In accordance with the requirements of AASB 2 Share-based Payment, the fair value of loan funded shares as at their date of grant has been determined by applying the Black-Scholes and Monte Carlo modelling. The fair value of these long funded shares is amortised over the vesting period, such that 'total remuneration' includes a portion of the fair value of unvested equity compensation during the year. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual Senior Managers may ultimately realise should these equity instruments vest.

Details are disclosed in page 21 of the Annual Report under Share Based Payments and Note 26 to the financial statements.

¹ Information prior to 8 August 2012 was unavailable as company was listed on this date.

² Share price at the date of listing on 7 August 2012.

Remuneration Report (Audited) (continued)

Remuneration of Key Management Personnel for the year ended 30 June 2015

2015	Short term benefits				Post employment	Long term benefits		Share based expense	Termination payments	Total	Performance related
	Salary & fees	Cash bonus ¹	Non-monetary benefits ²	Other ³	Super-annuation	Cash incentives	Long service leave				
Directors	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Alex Williams ⁴	113,554	-	-	-	10,788	-	-	-	-	124,342	0%
Alex Krueger ⁵	-	-	-	-	-	-	-	-	-	-	-
Brian MacDonald ⁶	64,598	-	-	-	6,137	-	-	-	-	70,735	0%
Dod Wales ⁷	-	-	-	-	-	-	-	-	-	-	-
Geoff Tomlinson	162,215	-	-	-	15,410	-	-	-	-	177,625	0%
Paul Douglas ⁸	91,482	-	-	-	1,364	-	-	-	-	92,846	0%
Peter Housden	177,625	-	-	-	-	-	-	-	-	177,625	0%
Peter Reichler	711,043	232,420	4,425	9,034	36,432	-	573	109,750	-	1,103,677	10%
Ray Horsburgh	288,836	-	-	-	18,915	-	-	-	-	307,751	0%
Ray Munro ⁹	527,657	-	10,380	-	14,217	-	-	-	-	552,254	0%
Key management personnel (KMP)											
Derek Brown	649,102	-	10,380	-	61,665	-	2,685	39,066	-	762,898	5%
Gary Spence ¹⁰	366,724	-	4,441	-	46,982	-	-	(60,736)	207,502	564,913	(11%)
Max Bomben ¹¹	70,280	-	-	-	6,642	-	1,282	-	-	78,204	0%
Michael Crowe	446,415	217,593	29,481	24,990	20,063	-	-	82,720	-	821,262	10%
Michel Masson ¹²	63,920	-	-	5,443	5,311	-	49	39,066	-	113,789	34%
Peter Massey	420,170	-	4,425	8,844	29,833	-	333	39,066	-	502,671	8%
	4,153,621	450,013	63,532	48,311	273,759	-	4,922	248,932	207,502	5,450,592	

¹ Discretionary cash bonus paid during the year is for the financial performance of FY14

² Non-monetary benefits include vehicle allowances and car parking

³ Other includes accrued annual leave for the period and other benefits

⁴ Alex Williams ceased being a KMP on 19 March 2015

⁵ Alex Krueger joined Calibre on 27 November 2014 and therefore was a KMP from that date onwards

⁶ Brian MacDonald ceased being a KMP on 21 November 2014

⁷ Dod Wales joined Calibre on 19 March 2015 and therefore was a KMP from that date onwards

⁸ Paul Douglas joined Calibre on 27 November 2014 and therefore was a KMP from that date onwards

⁹ Salary and fees includes fees paid under a consultancy agreement.

¹⁰ Gary Spence ceased being a KMP on 14 April 2015

¹¹ Max Bomben was appointed as Managing Director of Calibre Consulting on 1 August 2015 (Acting from 17 April 2015) and therefore was a KMP from that date onwards

¹² Michel Masson joined Calibre on 24 April 2015 and therefore was a KMP from that date onwards

Remuneration Report (Audited) (continued)

Remuneration of Key Management Personnel for the year ended 30 June 2014

2014	Short term benefits				Post employment	Long term benefits		Share based expense	Termination payments ³	Total	Performance related
	Salary & fees	Cash bonus	Non monetary benefits ¹	Other ²	Super-annuation	Cash incentives	Long service leave				
Directors	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Alex Williams	158,810	-	-	-	14,690	-	-	-	-	173,500	0%
Brian MacDonald	158,810	-	-	-	14,690	-	-	-	-	173,500	0%
Geoff Tomlinson	172,540	-	-	-	15,960	-	-	-	-	188,500	0%
Peter Housden	188,500	-	-	-	-	-	-	-	-	188,500	0%
Peter Reichler ⁴	400,887	-	-	19,883	17,384	-	-	29,167	-	467,321	6%
Ray Horsburgh	299,314	-	-	19,291	27,687	-	-	-	-	346,292	0%
Ray Munro ⁵	505,310	-	-	-	14,690	-	-	-	-	520,000	0%
Key management personnel											
Brett Maff ⁶	212,049	-	-	-	4,444	-	-	-	600,000	816,493	0%
Derek Brown ⁷	24,643	-	-	1,890	2,280	-	-	-	-	28,813	0%
Gary Spence	364,883	-	1,192	-	25,000	-	1,175	30,368	-	422,618	7%
Mark Elliott ⁸	536,654	-	-	10,426	18,750	-	-	-	-	565,830	0%
Michael Crowe	527,499	-	26,653	-	47,293	-	12,866	43,654	-	657,965	6%
Peter Massey ⁹	120,398	-	-	7,642	11,137	-	-	-	-	139,177	0%
	3,670,297	-	27,845	59,132	214,005	-	14,041	103,189	600,000	4,688,509	

¹ Non-monetary benefits include vehicle allowances and car parking

² Other includes accrued annual leave for the period and other benefits

³ Termination payments includes accrued salaries for notice/restraint of trade period

⁴ Peter Reichler joined Calibre on 23 August 2013 and therefore was a KMP from that date onwards

⁵ Salary and fees includes fees paid under a consultancy agreement

⁶ Brett Maff ceased being KMP on 23 August 2013

⁷ Derek Brown was appointed on 4 June 2014 as Managing Director for Calibre Global and therefore was KMP from that date onwards

⁸ Mark Elliott ceased being KMP on 26 March 2014

⁹ Peter Massey was appointed on 13 February 2014 as Chief Financial Officer for Calibre Group and therefore was KMP from that date onwards

Remuneration Report (Audited) (continued)

7. Additional statutory disclosures

Key management personnel equity holdings

The following table sets out each Director's relevant interest in the shares of the company as at 30 June 2015.

2015	Balance at 1 July No.	Granted as Compensation No.	Net other change No.	Balance at 30 June No.
Directors				
Alex Williams	197,587,910	-	(197,857,910) ¹	-
Alex Krueger	-	-	208,653,415 ¹	208,653,415
Brian MacDonald	19,666,469	-	(19,666,469) ²	-
Dod Wales	-	-	208,653,415 ¹	208,653,415
Geoff Tomlinson	-	-	-	-
Paul Douglas	-	-	133,033	133,033
Peter Housden	16,958	-	933	17,891
Peter Reichler	602,201	-	200,000	802,201
Ray Horsburgh A.M.	571,748	-	21,054	592,802
Ray Munro	38,218,543	-	506,642	38,725,185
Other Senior Management				
Derek Brown	-	-	-	-
Gary Spence	3,683,233	-	(3,683,233) ²	-
Max Bomben	-	-	-	-
Michael Crowe	2,375,631	-	13,567	2,389,198
Michel Masson	-	-	-	-
Peter Massey	19,400	-	80,600	100,000
2014				
	Balance at 1 July No.	Granted as Compensation No.	Net other change No.	Balance at 30 June No.
Directors				
Alex Williams	186,351,340	-	11,236,570	197,587,910
Brian MacDonald	17,785,951	-	1,880,518	19,666,469
Geoff Tomlinson	-	-	-	-
Peter Housden	15,337	-	1,621	16,958
Peter Reichler	-	202,201	400,000	602,201
Ray Horsburgh A.M.	446,160	-	125,588	571,748
Ray Munro	34,564,060	-	3,654,483	38,218,543
Other Senior Management				
Brett Maff	375,248	-	(375,248) ²	-
Derek Brown	-	-	-	-
Gary Spence	2,519,438	-	1,163,795	3,683,233
Mark Elliot	100,000	-	(100,000) ²	-
Michael Crowe	2,375,631	-	-	2,375,631
Mark Noppe	1,244,860	-	(1,244,860) ²	-
Peter Massey	-	-	19,400	19,400
Ralf Mahncke	186,175	-	(186,175) ²	-

¹ Subsequent to resignation of Alex Williams on 19 March 2015, FR Calibre BV nominated Alex Krueger and Dod Wiles as Directors of Calibre. FR Calibre BV has a relevant interest in the ordinary shares in Calibre

² Ceased to be a KMP during the financial year

Remuneration Report (Audited) (continued)

Key management personnel performance right holdings

2015	Balance at 1 July No.	Granted as Compensation No.	Vested during the year No.	Forfeited during the year No.	Balance at 30 June No.
Gary Spence	122,699			(122,699)	-
Michael Crowe	176,380			-	176,380

2014	Balance at 1 July No.	Granted as Compensation No.	Vested during the year No.	Forfeited during the year No.	Balance at 30 June No.
Brett Maff	184,049	-	-	(184,049)	-
Gary Spence	122,699	-	-	-	122,699
Mark Noppe	122,699	-	-	(122,699)	-
Michael Crowe	176,380	-	-	-	176,380

Share based payment

Details of loan funded shares that were granted as compensation to key management personal during the reporting period.

Name	Exercise price(loan value per share)	No of share granted	Grant date	Expiry date	Fair value at grant date	No of shares vested	No of shares forfeited
Peter Reichler	\$0.352	2,500,000	27/11/2014	30/6/2021	\$0.0717	-	-
Peter Massey	\$0.352	1,634,573	27/11/2014	30/6/2021	\$0.0717	-	-
Gary Spence	\$0.352	1,634,573	27/11/2014	30/6/2021	\$0.0717	-	1,634,573
Michael Crowe	\$0.352	1,634,573	27/11/2014	30/6/2021	\$0.0717	-	-
Derek Brown	\$0.352	1,634,573	27/11/2014	30/6/2021	\$0.0717	-	-
Michel Masson	\$0.352	1,634,573	27/11/2014	30/6/2021	\$0.0717	-	-

Loan funded shares expire on the earlier of their expiry date or termination of the individual's employment. In addition to a continuous employment service condition, vesting is conditional on the Group achieving certain performance hurdles. Details of the performance hurdles are included in the employment share plans section included on page 14 of the Annual Financial Report.

Loans to Key Management Personnel

No loans were provided to Key Management Personnel during the period.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors



Ray Horsburgh A.M.
Chairman
20 August 2015

DIRECTORS' DECLARATION

The directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 2 to the financial statements;
- (c) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- (d) the Directors have been given the declarations required by s.295A of the Corporations Act.

At the date of this declaration, the Company is within the class of companies affected by ASIC.

Class Order 98/1418. The nature of the deed of cross guarantee is such that each Company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the Companies to which the ASIC Class Order applies, as detailed in note 33 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Ray Horsburgh A.M.
Chairman
20 August 2015

AUDITOR'S INDEPENDENCE DECLARATION



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The Board of Directors
Calibre Group Limited
Level 2, 50 St Georges Terrace
Perth WA 6000

20 August 2015

Dear Board Members

Calibre Group Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Calibre Group Limited.

As lead audit partner for the audit of the financial statements of Calibre Group Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



A T Richards
Partner
Chartered Accountants

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2015

	Note	2015 \$000	2014 \$000
Continuing operations			
Revenue	6	566,600	709,268
Cost of providing services		(443,301)	(544,150)
Gross profit		123,299	165,118
Other gains	7(f)	1,389	994
Marketing expenses		(870)	(877)
Occupancy expenses		(10,411)	(19,974)
Administration expenses	7(a)	(103,780)	(119,286)
Restructuring and impairment expenses	7(g)	(186,948)	(7,098)
Finance costs	7(b)	(4,244)	(6,126)
(Loss)/Profit before income tax		(181,565)	12,751
Income tax benefit	8(a)	21,899	11,675
(Loss)/Profit for the year		(159,666)	24,426
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit or loss			
Movement in fair value in available for sale investments		(555)	-
Exchange differences on translation of foreign operations	23	60	69
Total comprehensive (loss)/income for the year		(160,161)	24,495
(Loss)/Profit attributable to:			
Owners of the Company		(159,892)	24,140
Non-controlling interests	25	226	286
		(159,666)	24,426
Total comprehensive (loss)/ income attributable to:			
Owners of the Company		(160,387)	24,209
Non-controlling interests	25	226	286
		(160,161)	24,495
Basic (loss)/earnings per share (cents per share)	10	(46.4)	7.59
Diluted (loss)/earnings per share (cents per share)	10	(46.4)	7.59

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

as at 30 June 2015

	Note	2015 \$'000	2014 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	11	32,510	46,403
Trade and other receivables	12	85,339	81,778
Work in progress	13	12,354	16,932
Other assets	14	3,164	2,836
Current tax assets	8(c)	-	506
Total current assets		133,367	148,455
Non-current assets			
Other receivables	15	166	180
Property, plant and equipment	16	23,304	29,207
Goodwill	17	78,010	179,624
Other intangible assets	17	10,485	19,344
Investments	18	1,175	300
Deferred tax assets	8(d)	15,512	13,848
Total non-current assets		128,652	242,503
TOTAL ASSETS		262,019	390,958
LIABILITIES			
Current liabilities			
Trade and other payables	19	74,914	73,993
Borrowings	20	566	17,431
Deferred acquisition consideration	20	912	609
Derivative financial instruments		322	683
Provisions	21	36,714	20,716
Current tax liabilities	8(c)	213	-
Total current liabilities		113,641	113,432
Non-current liabilities			
Borrowings	20	25,334	26,177
Deferred acquisition consideration	20	-	929
Deferred tax liability	8(d)	4,768	10,128
Provisions	21	48,515	8,136
Total non-current liabilities		78,617	45,370
TOTAL LIABILITIES		192,258	158,802
NET ASSETS		69,761	232,156
EQUITY			
Issued capital	22	149,738	143,388
Reserves	23	2,971	3,278
(Accumulated losses)/Retained earnings	24	(83,246)	85,310
Equity attributable to owners of the parent		69,463	231,976
Non-controlling interests	25	298	180
TOTAL EQUITY		69,761	232,156

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2015

	Ordinary Shares	Retained earnings/ (Accumulated losses)	Foreign Currency Translation Reserve	Contribution by equity participants reserve	Share based payments reserve	Available for sale Reserve	Non-controlling interests	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2013	130,234	77,901	250	948	1,773	-	945	212,051
Profit for the year	-	24,140	-	-	-	-	286	24,426
Other comprehensive income	-	-	69	-	-	-	-	69
Total comprehensive income for the year	-	24,140	69	-	-	-	286	24,495
Payment of dividends	-	(16,597)	-	-	-	-	(644)	(17,241)
Issue of share capital	13,254	-	-	-	-	-	-	13,254
Treasury shares	(100)	-	-	-	-	-	-	(100)
Acquisition of non-controlling interest	-	(134)	-	-	-	-	(407)	(541)
Share based payment transactions	-	-	-	-	238	-	-	238
	13,154	(16,731)	-	-	238	-	(1,051)	(4,390)
Balance at 30 June 2014	143,388	85,310	319	948	2,011	-	180	232,156
Loss for the year	-	(159,892)	-	-	-	-	226	(159,666)
Other comprehensive income/(loss)	-	-	60	-	-	(555)	-	(495)
Total comprehensive income/(loss) for the year	-	(159,892)	60	-	-	(555)	226	(160,161)
Payment of dividends	-	(8,405)	-	-	-	-	(108)	(8,513)
Issue of share capital	7,962	-	-	-	-	-	-	7,962
Share buyback	(1,612)	-	-	-	-	-	-	(1,612)
Acquisition of non-controlling interest	-	(259)	-	-	-	-	-	(259)
Share based payment transactions	-	-	-	-	188	-	-	188
	6,350	(8,664)	-	-	188	-	(108)	(2,234)
Balance at 30 June 2015	149,738	(83,246)	379	948	2,199	(555)	298	69,761

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

	Note	2015 \$'000	2014 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		630,850	804,129
Payments to suppliers and employees (inclusive of GST)		(591,728)	(703,958)
Interest paid		(3,969)	(5,988)
GST paid		(30,234)	(39,174)
Income tax refund		14,615	8,300
Net cash generated from operating activities	11(a)	19,534	63,309
Cash flows from investing activities			
Payment for business combinations, net of cash received	29	(2,413)	(3,153)
Payment for acquisition of non-controlling interest		(259)	(542)
Payment of deferred acquisition consideration	20	(645)	(20,250)
Payment for investments		(1,668)	-
Repayment of loans from related parties		-	545
Interest received		629	775
Purchase of property, plant, equipment and software		(8,533)	(6,314)
Proceeds from sale of property, plant, equipment and software		757	474
Net cash used in investing activities		(12,132)	(28,465)
Cash flows from financing activities			
Payment of dividends		(1,836)	(3,988)
Payments for share buyback costs		(1,612)	-
Repayment of borrowings		(17,847)	(34,668)
Net cash used in financing activities		(21,295)	(38,656)
Net decrease in cash and cash equivalents		(13,893)	(3,812)
Cash and cash equivalents at beginning of year		46,403	50,215
Cash and cash equivalents at the end of the year	11	32,510	46,403

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO FINANCIAL STATEMENTS

for the year ended 30 June 2015

1. Corporate Information

Calibre Group Limited (the "Company") is a limited company incorporated and domiciled in Australia. The ultimate parent entity of Calibre Group Limited at the reporting date was FR Calibre B.V.

The consolidated financial statements of the Company as at 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as the "Group entities").

The registered office and principal place of business of Calibre Group Limited is located at:

Level 2
50 St Georges Terrace
Perth WA 6000

The nature of the operations and principal activities of the Company are described in the Directors' Report.

2. Summary of Significant Accounting Policies

a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 20 August 2015.

b) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2. Summary of Significant Accounting Policies (continued)

c) Application of new and revised Accounting Standards

(i) Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to AASBs and a new Interpretation issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014, and therefore relevant for the current year end.

AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	<p>The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.</p> <p>The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.</p>
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	<p>The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.</p> <p>The application of these amendments does not have any material impact on the disclosures in the Group's consolidated financial statements.</p>
AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)	<p>The Annual Improvements 2010-2012 has made number of amendments to various AASBs, which are summarised below.</p> <ul style="list-style-type: none"> • The amendments to AASB 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to AASB 2 are effective for share based payment transactions for which the grant date is on or after 1 July 2014. • The amendments to AASB 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of AASB 9 or AASB 139 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to AASB 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014. • The amendments to AASB 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker. • The amendments to the basis for conclusions of AASB 13 clarify that the issue of AASB 13 and consequential amendments to AASB 139 and AASB 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

2. Summary of Significant Accounting Policies (continued)

c) Application of new and revised Accounting Standards (continued)

AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)	<ul style="list-style-type: none"> The amendments to AASB 116 and AASB 138 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses. The amendments to AASB 124 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required <p>The Annual Improvements 2011-2013 has made number of amendments to various AASBs, which are summarised below.</p> <ul style="list-style-type: none"> The amendments to AASB 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in the financial statements of the joint arrangement itself. <p>The amendments to AASB 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, AASB 139 or AASB 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within AASB 132.</p>
AASB 2014-1 'Amendments to Australian Accounting Standards' (Part A: Annual Improvements 2010–2012 and 2011–2013 Cycles)	<ul style="list-style-type: none"> The amendments to AASB 140 clarify that AASB 140 and AASB 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether: <ul style="list-style-type: none"> the property meets the definition of investment property in terms of AASB 140; and the transaction meets the definition of a business combination under AASB 3. <p>The application of these amendments does not have any material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.</p>
AASB 2014-1 'Amendments to Australian Accounting Standards' (Part B: Defined Benefit Plans: Employee Contributions Amendments to AASB 119)	<p>The amendments to AASB 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.</p> <p>For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.</p> <p>The application of these amendments to AASB 119 does not have any material impact on the disclosures or on the amount recognised in the Group's consolidated financial statements.</p>
AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014-1 'Amendments to Australian Accounting Standards' (Part C: Materiality)	<p>The revised AASB 1031 is an interim standard that cross-references to other Standards and the 'Framework for the Preparation and Presentation of Financial Statements' (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations. Once all of these references have been removed, AASB 1031 will be withdrawn. The adoption of AASB 1031, AASB 2013-9 (Part B) and AASB 2014-1 (Part C) does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.</p>

2. Summary of Significant Accounting Policies (continued)

c) Application of new and revised Accounting Standards (continued)

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2019
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 July 2015	30 June 2016
AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'	1 July 2015	30 June 2016
AASB 2015-5 'Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception'	1 January 2016	30 June 2017

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian Equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
At the date of publication, there have been no IASB Standards or IFRIC Interpretations that are issued but not yet effective.		

2. Summary of Significant Accounting Policies (continued)

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

e) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 'Income Taxes' and AASB 119 'Employee Benefits' respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2. Summary of Significant Accounting Policies (continued)

e) Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard. Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139 'Financial Instruments: Recognition and Measurement', or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Business combinations that took place prior to 1 July 2009 were accounted for in accordance with the previous version of AASB 3 'Business Combinations'.

f) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units, (or groups of cash-generating units), that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

g) Intangibles

INTANGIBLE ASSETS ACQUIRED SEPARATELY

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2. Summary of Significant Accounting Policies (continued)

g) Intangibles (continued)

INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation (where applicable) and impairment losses, on the same basis as intangible assets that are acquired separately.

A summary of the useful lives applied to the Group's intangible assets is as follows:

Class of intangible assets	Useful life
Software	3 years
Licence	Indefinite
Customer Relationship	3 years

DERECOGNITION OF INTANGIBLE ASSETS

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

h) Foreign currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

2. Summary of Significant Accounting Policies (continued)

h) Foreign currencies (continued)

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

i) Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

j) Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'loans and receivables', 'held-to-maturity investments', and 'available-for-sale' (AFS) financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(ii) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinative payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2. Summary of Significant Accounting Policies (continued)

j) Financial assets (continued)

(iii) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(iv) Held to maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(v) AFS financial assets

Listed shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost under AASB 139.46(c) 'financial instruments'

(vi) Derivatives

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2. Summary of Significant Accounting Policies (continued)

j) Financial assets (continued)

(vii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(viii) Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss.

2. Summary of Significant Accounting Policies (continued)

j) Financial assets (continued)

(vii) Derecognition of financial assets (continued)

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

k) Financial liabilities and equity instruments

CLASSIFICATION AS DEBT OR EQUITY

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

FINANCIAL LIABILITIES

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(ii) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2. Summary of Significant Accounting Policies (continued)

k) Financial liabilities and equity instruments (continued)

(iii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

l) Property plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

DEPRECIATION

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The useful lives applied to the Group's major categories of property, plant and equipment are as follows:

Class of fixed asset	Useful life
Plant and equipment	Over 5 to 15 years
Leasehold improvements	Life of lease
Motor vehicles	4 years
Computer equipment	2.5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

m) Borrowing costs

Borrowing costs are recognised in profit and loss in the period in which they are incurred.

n) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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

Onerous contracts

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

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2. Summary of Significant Accounting Policies (continued)

o) Employee benefits

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

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration value expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

SHARE-BASED PAYMENTS TRANSACTIONS OF THE COMPANY

Equity settled share-based payments transactions of the Company to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

p) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Revenue from time and materials contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.
- Where the outcome of a fixed price contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amounts can be measured reliably and receipt is considered probable.
- Where the outcome of a fixed price contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

(ii) Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iii) Dividends

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

2. Summary of Significant Accounting Policies (continued)

r) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessor. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and a reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

s) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

CURRENT TAX

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

DEFERRED TAX

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2. Summary of Significant Accounting Policies (continued)

s) Taxation (continued)

CURRENT AND DEFERRED TAX FOR THE YEAR

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case current and deferred tax are also recognised in other comprehensive income or directly in equity retrospectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

t) Goods and services tax

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

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

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

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

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

USEFUL LIVES OF FINITE LIFE INTANGIBLE ASSETS

The Group reviews the estimated useful lives of acquired finite life intangible assets at the end of each reporting period. Refer to Note 2(g) for further details.

SHARE BASED PAYMENT TRANSACTIONS

The Group measures the cost of equity settled share based payment transactions with employees by reference to the fair value of the equity instrument at the date on which they are granted. The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of the performance rights. The Directors of the Company believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the performance rights. Refer to note 2(o) for further details.

BUSINESS COMBINATIONS

The Group accounts for acquisitions of businesses using the acquisition method and, accordingly, most assets and liabilities of the acquired entities are recorded at their estimated fair value of the net assets. The Directors of the Company believe that the valuation techniques and assumptions used are appropriate in determining the fair value of the assets and liabilities of acquired entities. Refer to Note 2(e) and 2(f) for further details.

IMPAIRMENT OF GOODWILL, INTANGIBLE ASSETS AND CASH GENERATING UNITS (CGU)

Determining whether goodwill intangible assets or cash generating units are impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Directors of the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Refer to Note 2(g) for further details.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

REVENUE RECOGNITION

The Group's accounting policy for revenue recognition is set out in Note 2(q). The application of this policy requires management to make certain estimates and assumptions as to the stage of completion of the activity at the end of the reporting period. When the outcome of the contract cannot be measured reliably, revenue is recognised only to the extent of contract costs incurred that are likely to be recovered. Any expected loss on a contract is recognised immediately in the profit or loss.

RESEARCH AND DEVELOPMENT TAX INCENTIVES

Calibre's research and development activities are eligible under an Australian Government tax incentive for eligible expenditure from 1 July 2011. Management has assessed these activities and expenditure to determine which are likely to be eligible under the incentive program. The amount estimated by Management is subject to interpretation. For the year ended 30 June 2015, Calibre has made its estimate based on the claims where full assessment and documentation has been completed and accordingly these amounts represent claims lodged.

ONEROUS LEASE PROVISION

Onerous lease provision is calculated by taking the unavoidable lease costs that will be incurred under the contract and deducting any estimated sublease income. This provision is discounted to present value using risk free rate when time value of money is material and will unwind over the remaining period of the lease term. Refer to Note 2(n) for further details.

DEFERRED TAX ASSETS

A net deferred tax asset of \$10.7m has been recognised in the consolidated statement of financial position. The largest component of this asset is the deductible temporary differences relating to onerous lease provision. This tax benefit is expected to be realised over next 3-5 years when future taxable profits are available against which the deductible temporary differences could be utilised. In making this assessment, a forward looking estimation of taxable profit needs to be made.

Whilst the group aims to ensure that accruals for tax liabilities are accurate, the process of agreeing tax liabilities with relevant tax authorities can take time. Management judgement is therefore required in determining the provision for income tax and recognition of deferred tax assets and liabilities and therefore the actual tax liabilities could differ from the amounts accrued. Refer to Note 2(s) and Note 8 for further details.

4. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Group Finance Department under the authority of the Board. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit allowances, and future cash flow forecast projections.

Categories of financial Instruments:

	2015 \$000	2014 \$000
Financial Assets		
Cash and cash equivalents	32,510	46,403
Trade and other receivables	85,505	81,958
Investments	1,175	300
	119,190	128,661
Financial Liabilities		
Trade and other payables	58,967	62,539
Bank borrowings	25,900	43,608
Interest rate swaps	322	683
Deferred acquisition consideration	912	1,538
	86,101	108,368

(i) Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The Group operates internationally but has minimal exposure to foreign exchange risk as the majority of transactions, assets and liabilities are in its functional currency.

(ii) Interest rate risk

At the end of the reporting period, the interest rate profile of the Group's interest bearing financial instruments as reported to the management of the Group was as follows:

	2015		2014	
	Average interest rate	Balance \$000	Average interest rate	Balance \$000
Financial assets				
Cash and cash equivalents	1.54%	32,510	2.70%	46,403
Financial liabilities				
Hire purchase agreements	5.97%	(900)	6.20%	(1,293)
Bank loans	4.66%	(25,000)	4.76%	(42,315)
		6,610		2,795

Other than cash and other short term deposits (cash equivalents), all the Group's financial assets are non-interest bearing. Other than hire purchase agreements and bank loans, all the Group's financial liabilities are non-interest bearing.

4. Financial Risk Management (continued)

(ii) Interest rate risk (continued)

CASH FLOW SENSITIVITY ANALYSIS FOR VARIABLE RATE INSTRUMENTS

As at 30 June 2015, for the balances above, if interest rates had changed by +/- 100 basis points from the year end rates with all other variables held constant, post-tax profit/(loss) for the year would have been \$46,000 lower/higher (2014: \$20,000). This would be a result of higher/lower interest revenue on deposits and higher/lower interest expense on borrowings.

INTEREST RATE SWAP CONTRACTS

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Certain businesses within the Group are largely reliant on a small number of customers which increases the concentration of credit risk. However, as the Group deals mainly with large reputable clients, the concentration of credit risk is minimised. The Directors of the Company do not expect any losses as a result of counterparty default.

At reporting date, there was no significant concentration of credit risk at Group level as all cash and cash equivalents were held in AA & A+ credit rated banks (S&P rating). The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the consolidated statement of financial position.

Receivables balances are monitored on an ongoing basis with the result that the Group's experience of bad debts has not been significant. The receivable balances are held in the same currency as the functional currency of the entities to which they relate therefore there is no foreign currency risk. Refer to Note 12 for a breakdown of debtors by ageing.

(iv) Liquidity risk

Liquidity risk is the inability to access funds, both anticipated and unforeseen, which may lead to the Group being unable to meet its obligations in an orderly manner as they arise.

The Group's liquidity position is managed to ensure sufficient funds are available to meet financial commitments in a timely and cost-effective manner. The Group is primarily funded through on-going cash flow, debt funding and equity capital raisings, as and when required.

Management regularly monitors actual and forecast cash flows to manage liquidity risk.

The table below analyses the Group's financial liabilities into relevant maturity groups based on their contractual maturities.

2015	Carrying Amount \$000	Contracted Cash Flows \$000	Less than 1 month \$000	1-3 months \$000	3 months - 1 year \$000	1 - 5 years \$000
Trade and Other Payables	58,967	58,967	58,967	-	-	-
Bank Borrowings	25,900	25,900	-	-	566	25,334
Deferred Consideration	912	912	-	130	782	-
	85,779	85,779	58,967	130	1,348	25,334
2014	Carrying Amount \$000	Contracted Cash Flows \$000	Less than 1 month \$000	1-3 months \$000	3 months - 1 year \$000	1 - 5 years \$000
Trade and Other Payables	62,539	62,539	62,539	-	-	-
Bank Borrowings	43,608	43,608	-	4,231	12,693	26,684
Deferred Consideration	1,538	1,538	-	-	1,388	150
	107,685	107,685	62,539	4,231	14,081	26,834

4. Financial Risk Management (continued)

(v) Fair value of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

FAIR VALUE OF THE GROUP'S FINANCIAL ASSETS AND FINANCIAL LIABILITIES THAT ARE MEASURED AT FAIR VALUE ON A RECURRING BASIS

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
	2015	2014				
Investment in Listed shares	\$875	-	Level 1	Quoted bid prices in an active market	N/A	N/A
Interest rate swaps	\$322	\$683	Level 2	Discounted cash flow	N/A	N/A

FAIR VALUE HIERARCHY AS AT 30 JUNE 2015

30 June 2015	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial Assets				
Investment in listed shares	875	-	-	875
Financial liabilities at FVTPL				
Interest rate swaps	-	322	-	322

The Directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

(vi) Capital risk management

The Group manages its capital to ensure that it is able to continue as a going concern, while maximising the return to stakeholders through the optimisation of its equity balance.

The Group's Board of Directors reviews the capital structure of the Group and as a part of this review, considers the cost of capital and the risk associated with each class of capital. There were no changes in the Group's approach to capital management during the year.

The Group's capital structure consists of debt, which includes the borrowings disclosed in Note 20, cash and cash equivalents, equity attributable to the equity holders of the parent comprising issued capital, reserves and retained earnings.

The Company is not subject to externally imposed capital requirements. The gearing ratio at the end of the reporting period was as follows:

	2015 \$000	2014 \$000
Cash and cash equivalents	32,510	46,403
Less Debt	(25,900)	(43,608)
Net cash/(debt)	6,610	2,795
Net debt plus equity	63,151	229,361
Net debt to net debt plus equity	(10.5%)	(1.2%)

5. Segment information

The Group's operating segments are based on the information that is available to the chief operating decision maker and the Board of Directors. Segment results are reviewed regularly by the chief operating decision maker and the Board of Directors.

The segment results and segment assets include all items directly attributable to each of the segments and any transaction, asset or liability that can be allocated on a reasonable basis. Unallocated items comprise predominantly of expenses that are not specific to the performance of an individual operating segment.

All intercompany and related transactions are made at arm's length at what is considered by the Directors of the Company to be commercial rates.

The following are the reportable segments:

Infrastructure

This segment provides construction, operations maintenance, and asset management services to the resources, energy and infrastructure sectors.

Resources

This segment provides engineering, project delivery and asset management services to the minerals & metals, coal and energy, rail transportation and infrastructure sectors.

Consulting

This segment consists of services to specialist urban development, civil, structural and environmental engineering consultancy to the public and private infrastructure sectors.

The accounting policies used by the Group in reporting internally are the same as those contained in Note 2 to the financial statements except for the unallocated items detailed below.

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

- Restructuring and impairment expenses;
- Interest receivable and payable;
- Amortisation of intangible assets.

Following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

Reportable Segment Revenues and Results	Segment Revenue		Segment Profit (Loss)	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Resources	192,943	311,931	11,938	18,209
Consulting	92,419	68,569	6,267	4,764
Infrastructure	282,244	329,216	1,421	17,963
Other	(1,614)	(1,220)	(2,363)	(2,195)
Segment revenue and results for the year	565,992	708,496	17,263	38,791
Restructuring and impairment expenses			(186,948)	(7,098)
Other gains			1,389	994
Amortisation of intangible assets			(9,633)	(14,532)
Interest income			608	772
Finance costs			(4,244)	(6,126)
(Loss)/Profit before tax for the year			(181,565)	12,751

Segment Assets	2015 \$000	2014 \$000
Resources	102,005	216,654
Consulting	42,029	40,404
Infrastructure	86,585	72,432
Other	31,400	61,468
Consolidated Total Assets	262,019	390,958

5. Segment information (continued)

Geographical information

	Segment revenue from external customers		Total assets	
	2015 \$000	2014 \$000	2015 \$000	2014 \$000
Australia - Country of domicile	540,767	694,441	253,693	383,192
Other	25,225	14,055	8,326	7,766
Total	565,992	708,496	262,019	390,958

Major Customers

The Group has three major customers to which it provides its services. The proportion of total revenue that these customers account for is 29% and \$166.4m, 21% and \$121.1m and 5% and \$28.3m respectively (2014: 39% and \$275.8m, 25% and \$177.2m and 7% and \$46.5m respectively).

6. Revenue

	Note	2015 \$000	2014 \$000
Revenue			
Revenue from services		565,992	708,496
Other revenue			
Interest income		608	772
		566,600	709,268

7. Expenses

		2015 \$000	2014 \$000
a) Administration Expenses			
Administrative costs		34,931	35,987
Personnel expenses		48,463	55,469
Depreciation and amortisation expenses	7(c)	20,386	27,830
		103,780	119,286
b) Finance costs			
Interest expense		3,837	5,622
Unwinding of discount on deferred acquisition consideration		63	211
Borrowing costs		344	293
		4,244	6,126
c) Depreciation and amortisation			
Depreciation and amortisation		10,753	13,298
Amortisation of intangible assets		9,633	14,532
		20,386	27,830

7. Expenses (continued)

	2015 \$000	2014 \$000
d) Lease payments and other expenses		
Operating lease rentals	14,085	24,167
e) Employee benefit expense		
Share based payment - Equity settled	188	238
Defined contribution plans	15,790	21,066
Termination benefits	6,998	14,787
Salaries & wages	246,197	297,245
	269,173	333,336
f) Other gains		
Change in fair value of contingent consideration	1,028	546
Change in fair value of interest rate swaps	361	448
	1,389	994
g) Restructuring and impairment expenses		
Impairment of goodwill and intangible assets	103,554	-
Onerous lease provision	59,606	4,171
Impairment of other assets	19,740	-
Restructuring expense	4,048	2,927
	186,948	7,098

Impairment of goodwill and intangible assets

During the period, Calibre undertook a review of its Resources business in response to further deterioration in outlook in the resources sector in Western Australia and its Infrastructure business due to further moderation in the coal sector in Queensland. As part of this review, Calibre identified indicators of impairment in the Resources and Infrastructure segments. As such, the Company assessed the recoverable value of the cash generating units (CGUs) within these businesses based on the value in use model. This review led to the recognition of an impairment loss of \$103.6 million, which has been recognised in profit or loss. The pre-tax discount rate used in measuring value in use was 15.9% per annum. Refer to Note 17 for further details.

Onerous lease provision

The Group also recognised an onerous lease provision of \$59.6 million in response to excess capacity in its premises, created due to downturn in the Australian mining and coal sectors. This provision was recognised in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Impairment of other assets

Impairment of other assets include impairment of PPE relating to onerous leases and other provisions relating to onerous contracts

8. Income taxes

a) Income tax recognised in profit or loss

	2015 \$000	2014 \$000
Current tax		
Current income tax charge	(458)	(8,044)
Adjustments in respect of R&D tax benefit	14,700	15,794
	14,242	7,750
Deferred tax		
Movement in deferred tax expense recognised in the current year	7,817	4,143
Adjustment in respect of deferred tax in previous years	(160)	(218)
	7,657	3,925
Income tax benefit reported in the income statement	21,899	11,675

b) A reconciliation between tax benefit and the product of accounting profit before income tax multiplied by the consolidated entity's applicable income tax rate is as follows:

	2015 \$000	2014 \$000
Accounting (loss)/profit before income tax	(181,565)	12,751
Income tax benefit/(expense) calculated at rate of 30% (2014: 30%)	54,470	(3,825)
Effect of expenses that are not deductible in determining taxable profit	(452)	(526)
Change in fair value of deferred consideration	308	164
Effect of tax losses of subsidiaries operating in other jurisdictions	147	217
Effect of share based payment expense	(56)	(71)
Effect of research and development expenditure in relation to current and prior years	14,700	15,766
Effect of non-deductible impairment expense	(30,816)	-
Deferred tax assets not brought to accounts	(16,561)	-
Other	159	(50)
Income tax reported in the consolidated income statement	21,899	11,675

c) Current tax liabilities

	2015 \$000	2014 \$000
Income tax (payable)/receivable	(213)	506

8. Income taxes (continued)

(d) Deferred tax balances

DEFERRED TAX ASSET

2015	Opening balance \$000	Acquisitions \$000	Recognised in profit or loss \$000	Other \$000	Closing balance \$000
Provision for accrued expenses	1,776	-	18,126	-	19,902
Provision for employee entitlements	5,816	38	556	-	6,410
Property, plant & equipment	1,173	-	106	-	1,279
Unearned revenue	850	-	(102)	-	748
Other	4,233	-	(2,298)	238	2,173
Unrecognised deferred tax assets	-	-	(15,000)	-	(15,000)
	13,848	38	1,388	238	15,512

2014	Opening balance \$000	Acquisitions \$000	Recognised in profit or loss \$000	Other \$000	Closing balance \$000
Provision for accrued expenses	508	69	1,199	-	1,776
Provision for employee entitlements	5,943	141	(268)	-	5,816
Property, plant & equipment	582	-	591	-	1,173
Unearned revenue	1,146	-	(296)	-	850
Other	4,048	25	160	-	4,233
	12,227	235	1,386	-	13,848

DEFERRED TAX LIABILITY

2015	Opening balance \$000	Acquisitions \$000	Recognised in profit or loss \$000	Other \$000	Closing balance \$000
Work in progress	(6,488)	-	2,873	-	(3,615)
Property, plant and equipment	(531)	-	531	-	-
Customer relationship intangible	(3,246)	(1,081)	3,141	-	(1,186)
Other	137	-	(104)	-	33
	(10,128)	(1,081)	6,441	-	(4,768)

2014	Opening balance \$000	Acquisitions \$000	Recognised in profit or loss \$000	Other \$000	Closing balance \$000
Work in progress	(4,077)	(556)	(1,855)	-	(6,488)
Property, plant and equipment	(496)	-	(35)	-	(531)
Customer relationship intangible	(7,106)	(500)	4,360	-	(3,246)
Other	(323)	173	287	-	137
	(12,002)	(883)	2,757	-	(10,128)

8. Income taxes (continued)

e) Unrecognised deferred tax assets

At reporting date, the Group has unrecognised temporary differences of \$15m (2014: \$Nil) that will be realised into a tax loss in future years. In addition, the company expects to generate additional R&D offsets against future taxable income. The Group also has unused and unrecognised tax losses of \$1.6m (2014: nil) that are available for offset against future taxable profits. No deferred tax assets have been recognised in respect of these tax losses, R&D offsets and unrecognised temporary differences.

f) Tax consolidation

Relevance of tax consolidation to the Group

The Company and its wholly-owned Australian resident entities formed a tax-consolidated group with effect from 1 July 2008 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Calibre Group Limited. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Calibre Group Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

9. Auditors remuneration

Deloitte Touche Tohmatsu

	2015 \$	2014 \$
Audit and other assurance services	240,000	255,000
Taxation compliance	68,659	98,954
Other tax services	110,513	-
Total remuneration of Deloitte Touche Tohmatsu	419,172	353,954

10. (Loss)/Earnings per share

	2015 Cents per share	2014 Cents per share
Basic (loss)/earnings per share (using weighted average number of shares)	(46.4)	7.59
Diluted (loss)/earnings per share (using weighted average number of shares)	(46.4)	7.59

a) Earnings used in calculating earnings per share

	2015 \$000	2014 \$000
For basic earnings per share		
Net (loss)/profit attributable to ordinary equity holders of the parent	(159,892)	24,140
For diluted earnings per share		
Net (loss)/profit attributable to ordinary equity holders of the parent	(159,892)	24,140

b) Weighted average number of shares used

	2015 No. Shares	2014 No. Shares
Weighted average number of shares used in calculating basic and diluted (loss)/earnings per share	344,474,924	318,108,009
Weighted average number of ordinary shares and potential ordinary shares used in calculating diluted (loss)/earnings per share	344,474,924	318,108,009

11. Cash and cash equivalents

	2015 \$000	2014 \$000
Cash on hand	34	30
Cash at bank	32,476	46,373
	32,510	46,403

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Bank deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

11. Cash and cash equivalents (continued)

Reconciliation of net (loss)/ profit after tax to net cash flows from operation

	2015 \$000	2014 \$000
Net (loss)/profit	(159,666)	24,426
Adjustments for:		
Depreciation and amortisation of non-current assets	10,753	13,298
Amortisation of intangible assets	9,633	14,532
Interest received classified as investing cash flow	(629)	(775)
Non cash interest expense	64	211
Non cash share based remuneration expensed	188	238
Restructuring and impairment provision	103,554	7,098
Change in fair value of contingent consideration	(1,028)	(546)
Other	(437)	(451)
Changes in assets and liabilities		
(Increase)/decrease in trade receivables	1,739	35,768
(Increase) /decrease in work in progress	5,056	(4,621)
(Increase)/decrease in other assets	(328)	(2,225)
(Increase) in deferred tax assets/liabilities	(7,829)	(2,756)
Increase/(decrease) in trade and other creditors	2,001	(22,509)
Increase/(decrease) in current tax liability	549	(1,983)
Increase/(decrease) in provisions	55,914	3,604
Net cash flow from operating activities	19,534	63,309

12. Trade and other receivables

	2015 \$000	2014 \$000
Trade receivables	83,573	77,175
Sundry receivables	1,766	4,603
	85,339	81,778

Trade receivables are non-interest bearing and are generally on terms of either 14 days (effective) or 30 days. Due to the short term nature of these receivables their carrying amount is assumed to approximate their fair value.

As at 30 June, the ageing analysis of trade receivables is as follows:

	Total \$000	Current \$000	Past due		
			30 days \$000	60 days \$000	60 days + \$000
2015	83,573	73,808	6,553	1,954	1,258
2014	77,175	60,852	4,003	3,388	8,932

A provision for impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. Impairment loss of \$1.4m was recognised in the current year (2014: \$3.5m).

13. Work in progress

	2015 \$000	2014 \$000
Work in progress	11,669	16,237
Inventory	685	695
	12,354	16,932

14. Other assets

	2015 \$000	2014 \$000
Prepayments	3,164	2,836
	3,164	2,836

15. Other receivables

	2015 \$000	2014 \$000
Other receivables	166	180
	166	180

16. Property, plant & equipment

	Plant & Equipment \$000	Computer Hardware \$000	Motor vehicles \$000	Leasehold improvements \$000	Assets under construction \$000	Total \$000
Balance at 1 July 2013	15,857	3,002	7,872	6,364	2,079	35,174
Additions	1,463	2,013	591	703	(802)	3,968
Disposals	(217)	(240)	(353)	(55)	-	(865)
Acquisitions through business combinations	449	129	283	267	-	1,128
Depreciation expense	(3,981)	(2,019)	(1,937)	(2,300)	-	(10,237)
Effect of foreign exchange differences	17	4	10	8	-	39
Balance at 30 June 2014	13,588	2,889	6,466	4,987	1,277	29,207
Cost	34,129	17,296	11,519	11,392	1,277	75,613
Accumulated depreciation	(20,541)	(14,407)	(5,053)	(6,405)	-	(46,406)
Net carrying amount	13,588	2,889	6,466	4,987	1,277	29,207
Balance at 1 July 2014	13,588	2,889	6,466	4,987	1,277	29,207
Additions	1,775	2340	238	1,622	920	6,895
Disposals	(331)	(36)	(271)	(86)	-	(724)
Acquisitions through business combinations	316	38	353	100	-	807
Impairment	(950)	(63)	-	(1,996)	(1,237)	(4,246)
Depreciation expense	(3,541)	(2,006)	(2,041)	(1,018)	-	(8,606)
Effect of foreign exchange differences	-	(11)	(10)	(8)	-	(29)
Balance at 30 June 2015	10,857	3,151	4,735	3,601	960	23,304
Cost	33,026	15,040	11,489	8,253	960	68,768
Accumulated depreciation	(22,169)	(11,889)	(6,754)	(4,652)	-	(45,464)
Net carrying amount	10,857	3,151	4,735	3,601	960	23,304

Assets pledged as security

As at 30 June 2015 the Group had a fixed and floating charge over the assets of the Group companies in relation to working capital facility and an acquisition facility. The Group also have hire purchase agreements which are secured over the assets to which they relate. Refer to Note 20 for further details.

17. Intangible assets and goodwill

	Software \$000	Licenses \$000	Customer Relationship \$000	Goodwill \$000	Total \$000
Balance at 1 July 2013	7,093	81	23,682	177,559	208,415
Additions	4,416	-	-	-	4,416
Disposals	-	-	-	-	-
Acquisitions through business combinations	-	-	1,665	2,065	3,730
Amortisation expense	(3,061)	-	(14,532)	-	(17,593)
Balance at 30 June 2014	8,448	81	10,815	179,624	198,968
Cost	18,400	81	81,616	179,624	279,721
Accumulated amortisation	(9,952)	-	(70,801)	-	(80,753)
Net carrying amount	8,448	81	10,815	179,624	198,968
Balance at 1 July 2014	8,448	81	10,815	179,624	198,968
Additions	1,446	94	-	-	1,540
Disposals	-	-	-	-	-
Acquisitions through business combinations	-	-	3,604	1,107	4,711
Impairment	(1,390)	-	(833)	(102,721)	(104,944)
Amortisation expense	(2,147)	-	(9,633)	-	(11,780)
Balance at 30 June 2015	6,357	175	3,953	78,010	88,495
Cost	16,741	175	85,220	78,010	180,146
Accumulated amortisation	(10,384)	-	(81,267)	-	(91,651)
Net carrying amount	6,357	175	3,953	78,010	88,495

a) Impairment tests for Goodwill

Goodwill acquired through business combinations has been allocated to the following Cash Generating Units (CGUs) for impairment testing:

- Resources;
- Consulting;
- Infrastructure.

Carrying amounts of goodwill allocated to each CGU:	2015 \$000	2014 \$000
Resources	9,456	81,589
Consulting	57,177	59,691
Infrastructure	11,377	38,344
	78,010	179,624

17. Intangible assets and goodwill (continued)

a) Impairment tests for Goodwill (continued)

The recoverable amount of all CGUs is determined based on a value in use calculation using cash flow projections as at 30 June 2015 based on the financial budgets approved by the Board covering a one year period. The long term growth rate used to extrapolate the cash flows of the Group beyond the one year period considers the industry outlook and market conditions.

b) Key assumptions used for value in use calculations

The calculations of value in use for all CGU's are most sensitive to the following assumptions:

- Revenue and gross margin
- Discount rates
- Inflation rates
- Growth rates

Revenue

The value in use model is based on the budget approved by the Board of Directors. The forecast budget process was developed based on revenue expectations for the year built around existing and prospective customer contracts along with the potential to develop new markets and sustain growth. Gross margins were calculated on historical values.

Discount rates

Discount rates (determined on a pre-tax basis) represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity and has been calculated at 15.9%. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available marked data.

Growth rates

The growth rates between 1% to 3% are based on the Group's estimates, taking into consideration historical performances as well as expected long term operational conditions.

c) Impairment charge

Impairment testing of the Resources and Infrastructure CGU's was performed as at 31 December 2014 which resulted in a \$103.6m impairment of goodwill and intangibles. The annual impairment test for the Consulting CGU was carried out as at 30 April 2015 and did not result in any impairment.

As at 30 June 2015, the carrying value and assessment of sensitivity to impairment is noted in the table below:

CGU	Resources	Infrastructure	Consulting
Carrying value	13,503	32,614	68,508
Discount rate (pre-tax)	15.9%	15.9%	15.9%
Average annual compound revenue growth rate from FY17 to FY20	1%	1%	3%
Impact of -1% change in compound growth rate on headroom (\$'000)	(474)	(736)	(3,762)
Impact of +1% change in discount rate on headroom(\$'000)	(1,178)	(3,294)	(8,801)

18. Investments

	2015 \$000	2014 \$000
Available for sale - listed shares	875	-
Available for sale - unlisted units ¹	300	300
Available for sale - unlisted units and listed shares	1,175	300

¹ Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost under AASB 139.46(c) 'financial instruments'

19. Trade and other payables

	2015 \$000	2014 \$000
Trade creditors and accruals	57,809	60,816
Sundry creditors	3,409	2,476
GST payables	6,869	2,953
Deferred income	6,827	7,748
	74,914	73,993

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value. Current payables are on 30-45 day payment terms.

20. Borrowings

	2015 \$000	2014 \$000
Unsecured - at amortised cost		
Deferred acquisition consideration	912	1,538
	912	1,538
Secured - at amortised cost		
Bank loans	25,000	42,315
Finance leases and hire purchase liabilities	900	1,293
	25,900	43,608
Total borrowings	26,812	45,146
Current		
Bank borrowings	-	16,926
Finance leases and hire purchase liabilities	566	505
	566	17,431
Deferred acquisition consideration	912	609
	912	609
Non-current		
Bank borrowings	25,000	25,389
Finance leases and hire purchase liabilities	334	788
	25,334	26,177
Deferred acquisition consideration	-	929
	-	929

20. Borrowings (continued)

Deferred acquisition consideration movements:

	2015 \$000	2014 \$000
Balance at 1 July	1,538	20,192
Additional deferred consideration from acquisitions	984	1,931
Finance costs	63	211
Change in fair value of deferred consideration	(1,028)	(546)
Payments	(645)	(20,250)
Balances at 30 June	912	1,538

Financing facilities available

At the reporting date, the following financing facilities had been negotiated and were available:

	2015 \$000	2014 \$000
Acquisition facility	125,000	42,314
Working capital facility	20,000	30,000
Bank guarantee facility	55,000	65,000
Assets finance facility	-	15,000
Total facilities	200,000	152,314
Acquisition facility used	(25,000)	(42,315)
Bank guarantee facility used	(34,317)	(42,476)
Facilities used at reporting date	(59,317)	(84,791)
Facilities unused at reporting date	140,683	67,523

The Group has an acquisition facility, working capital facility, and bank guarantee facility. The weighted average effective interest rate on acquisition facility is 4.6% (2014: 4.7%). The working capital facility remained unused at the reporting date. All facilities are secured with fixed and floating charges over the assets of the Group companies.

Finance leases and hire purchase liabilities are secured over the assets that they relate to. The borrowings are on a fixed interest rate with terms no longer than 5 years.

21. Provisions

	2015 \$000	2014 \$000
Current		
Employee entitlements	12,010	12,724
Onerous leases	11,097	-
Other	13,607	7,992
	36,714	20,716
Non Current		
Employee entitlements	10,314	8,136
Onerous leases	38,201	-
	48,515	8,136

Movements in provisions: There are no other non-employee related or other provisions.

Nature and timing of provisions: Refer to Note 2(o) for the relevant accounting policy and a discussion of the significant estimations and assumptions applied in the measurement of this provision.

22. Issued capital

	2015 \$000	2014 \$000
- 343,448,833 (2014: 331,463,407) fully paid ordinary shares	149,738	143,388
	Number of Shares	Share capital \$000
Fully paid ordinary shares		
Balance at 1 July 2013	307,378,401	130,234
Issue of shares	25,619,546	13,254
Treasury shares	(1,534,540)	(100)
Balance at 30 June 2014	331,463,407	143,388
Issue of shares	27,889,210	7,962
Share buybacks	(7,000,000)	(1,612)
Treasury shares	(8,903,784)	-
Balance at 30 June 2015	343,448,833	149,738

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or proxy, at any meeting of the Company.

23. Reserves

	2015 \$000	2014 \$000
Foreign currency translation reserve	379	319
Contribution by equity participants reserve	948	948
Share based payment reserve	2,199	2,011
Available for sale reserve	(555)	-
	2,971	3,278
Foreign currency translation reserve		
Balance at beginning of the year	319	250
Currency translation difference arising during the year	60	69
Balance at end of year	379	319
Contribution by equity participants reserve		
Balance at beginning of the year	948	948
Balance at end of year	948	948
Share based payment reserve		
Balance at beginning of the year	2,011	1,773
Recognition of share based payment	310	238
Forfeited during the year	(122)	-
Balance at end of year	2,199	2,011

23. Reserves (continued)

Available for sale reserve

	2015 \$000	2014 \$000
Balance at beginning of the year	-	-
Available for sale of financial assets- net change in fair value	(555)	-
Balance at end of year	(555)	-

Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

Contribution by equity participants reserve

The contribution by equity participants reserve relates to a share swap arrangement where the remaining 10% holding of Calibre Projects Pty Ltd was acquired in consideration for 5% of Calibre Group Limited on 1 July 2009.

Share based payment reserve

The share based payments reserve relates to rights granted by the Company to certain executives and senior management under its performance rights plan. Further information about the share-based payments is set out in Note 26.

Available for sale reserve

The revaluation reserve comprises the cumulative net change in the fair value of available for sale financial assets until the assets are derecognised or impaired.

24. (Accumulated losses)/Retained earnings

	2015 \$000	2014 \$000
Balance at the beginning of the year	85,310	77,901
Payment of dividends	(8,405)	(16,597)
Net (loss)/profit	(159,892)	24,140
Acquisitions	(259)	(134)
Total available for appropriation	(83,246)	85,310

25. Non-controlling interests

	2015 \$000	2014 \$000
Balance at beginning of the year	180	945
Acquisition of non-controlling interests	-	(407)
Payment of dividends	(108)	(644)
Share of profit for the year	226	286
Balance at end of year	298	180

Calibre Consulting (Australia) Pty Ltd and Calibre Global Pty Ltd hold 75.1% of Calibre Consulting (Singapore) Pte Ltd.

26. Share based payments

At 30 June 2015, the Group had the following share based payment arrangements:

Employee Equity Investment Plan (EEIP)

The Company adopted an employee share plan known as the Calibre Group Limited Employee Equity Investment Plan (EEIP). Awards under the EEIP are an economic equivalent to an award of options.

Under the EEIP, participants are invited by the Board of Directors to purchase a specified number of loan-funded shares at market value, which are held in trust for a period of between three and seven years. At the end of three years, to the extent that the Company has achieved financial performance and /or share price hurdles determined by the Board of Directors, shares will vest and participants will be permitted to "exercise" and receive shares by repaying the loan amount covering vested shares.

To the extent that performance is not achieved, loan-funded shares are forfeited and the loan value reduced. A participant may exercise at any time from vesting date (end of Year 3) until the end of Year 7, at which time the loan-funded shares will lapse.

Whilst the market value of loan funded shares at purchase date is disclosed as long term incentive remuneration, the actual value received by a participant will be any gain on the shares from date of purchase to the date of repayment of the loan. Any gain will ultimately be funded by the market, not the Company.

Details of loan-funded share purchases made by key management personnel(KMP) are as follows:

Name	No of share granted	No of shares vested	No of shares forefeited	Outstanding at 30 June 2015	Exercisable at 30 June 2017
Peter Reichler	2,500,000	-	-	2,500,000	2,500,000
Peter Massey	1,634,573	-	-	1,634,573	1,634,573
Gary Spence	1,634,573	-	1,634,573	-	-
Michael Crowe	1,634,573	-	-	1,634,573	1,634,573
Derek Brown	1,634,573	-	-	1,634,573	1,634,573
Michel Masson	1,634,573	-	-	1,634,573	1,634,573

Vesting conditions

These shares vest if the Company satisfies financial performance and / or share price hurdles, and KMP are continuously employed by the Company for the performance period of 3 years. Refer to the senior management remuneration arrangement in page 13 for further details.

The loans will be repaid after the conclusion of the performance period to the extent that performance conditions are achieved, so consideration will be received by the company on exercise. Therefore loan-funded shares are treated as in-substance options for accounting purposes. Accordingly, the loans to participants are treated as off balance sheet transactions. The AASB 2 fair value of the option was calculated using Monte Carlo and Black-Scholes modelling. For expensing purposes, a fair value of 7.17 cents per share was calculated, assuming 0% probability of the performance hurdles being satisfied and therefore 0% vesting of awards. The following inputs were used in the calculation:

Valuation date (equal to grant date under AASB 2)	27 November 2014
Vesting date	27 November 2017
Expiration date	27 November 2021
Share price at valuation date	\$0.345
Expected dividend yield	11.6% p.a.
Risk free rate of interest	2.80% p.a.
Company share price volatility	50% p.a.
Rate of leaving service	n/a*
Fair value	7.17 cents

*Participants of the EEIP must remain actively employed by the Company throughout the measurement period in order to be eligible for their shares at the vesting date.

26. Share based payments (continued)

EMPLOYEE SHARE PURCHASE PLAN (ESPP)

Calibre adopted an Employee Share Purchase Plan (ESPP) to retain and reward employees by facilitating purchase of Company shares.

Under ESPP, every eligible employee receives a free share (Matched Share) for every purchased share (Acquired Share). These Matched Shares will be delivered to an eligible employee on the first anniversary of each purchase date provided continuous employment with the Company and the employee has not sold the Acquired Shares.

Eligible employees can elect to contribute an annual amount of up to \$5,000 to purchase shares (Acquired Shares) in the Company, using regular payroll deductions (post tax). The minimum contribution per year is AU\$500. After-tax contributions will be held in a trust account with the plan administrator and applied towards the purchase price of Acquired Shares on a quarterly basis i.e., four times a year.

The Acquired Shares are owned by the employees who are free to sell them at any time after purchase. However, only Acquired Shares not sold by the first anniversary of the purchase date will be entitled to Matched Shares.

Based on the applications received as of 30 June 2015, summary of the number of CGH shares expected to be issued over the next 12 months.

Number of participants	86
Grant date fair value	\$ 0.23
Estimate of number of shares to be issued during the year	1,223,282
Average no of shares to be issued per quarter	305,820

MOVEMENTS IN PERFORMANCE RIGHTS ISSUED DURING THE YEAR

	2015 Number of Rights	2014 Number of Rights
Balance at the beginning of the year	421,778	605,827
Granted during the year	-	-
Forfeited during the year	(245,398)	(184,049)
Exercised during the year	-	-
Balance at the end of the year	176,380	421,778
Exercisable at end of year	176,380	421,778

27. Key management personnel

Details of key management personnel

The directors and other members of key management personnel of the Group during the year were:

Directors

Ray Horsburgh A.M.	Chairman
Alex Williams	Non-Executive Director – resigned 19 March 2015
Alex Krueger	Non-Executive Director- appointed 27 November 2014
Brian MacDonald	Non-Executive Director– resigned 21 November 2014
Dod Wales	Non-Executive Director- appointed 19 March 2015
Geoff Tomlinson	Non-Executive Director
Professor Paul Douglas	Non-Executive Director- appointed 27 November 2014
Peter Housden	Non-Executive Director
Peter Reichler	Managing Director
Ray Munro	Non-Executive Director

27. Key management personnel (continued)

Other Senior Management

Derek Brown	Managing Director, Calibre Resources
Gary Spence	Managing Director, Calibre Consulting – resigned 14 April 2015
Max Bomben	Managing Director, Calibre Consulting – appointed 1 August 2015 (Acting from 17 April 2015)
Michael Crowe	Managing Director, Calibre Infrastructure
Michel Masson	Managing Director, Calibre Transport Infrastructure & Services – appointed 24 April 2015
Peter Massey	Chief Financial Officer, Calibre Group

Key management personnel compensation	2015 \$	2014 \$
Short-term employee benefits	4,715,477	3,757,274
Post-employment benefits	273,759	214,005
Other long-term benefits	4,922	14,041
Termination benefits	207,502	600,000
Share-based payment	248,932	103,189
	5,450,592	4,688,509

Refer to the remuneration report contained in the Directors' Report for further details of remuneration paid or payable to each member of the Group's key management personnel.

28. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this Note 28. Details of transactions between the Group and other related parties are disclosed below.

Trading transactions

There were no trading transactions with related parties during the year.

Loans to related parties

There were no loans given to the related parties during the year.

Key management personnel remuneration

Details of key management personnel remuneration are disclosed in the Remuneration Report contained in the Directors' Report.

Key management personnel equity holdings

Details of key management personnel equity holdings are disclosed in in the Remuneration Report contained in the Directors' Report.

29. Business combinations

Businesses acquired

	Principal activity	Date of acquisition	Proportion of shares acquired	Consideration assumed \$000
2015				
Ark Maintenance	Engineering	July 14	N/A ¹	3,509
Town Planning Management Engineering Pty Ltd	Engineering	March 15	100%	1,806
				5,315
2014				
E-Tec Consultants	Engineering	July 13	N/A ²	3,356
Spiire New Zealand Ltd	Engineering	February 14	100%	1,984
				5,340

These companies were acquired as part of the Group's growth and diversification strategy.

	2015 \$000	2014 \$000
Consideration transferred		
Cash	3,043	3,409
Issued shares ³	1,288	-
Contingent consideration arrangement ⁴	984	1,931
Total	5,315	5,340

Acquisition-related costs amounting to \$278,362 (2014: \$387,871) have been excluded from the consideration transferred and have been recognised as an expense in the year, within the 'administration expenses' line item in the consolidated statement of comprehensive income.

¹ Acquisitions were made by purchasing the assets and liabilities of the business

² Acquisitions were made by purchasing the assets and liabilities of the business

³ Issue of shares were made at the market value of shares at the time of issue

⁴ These payments are payable if certain acquisition metrics are met. Based on the past history the directors consider it probable that these payments will be paid.

29. Business combinations (continued)

Assets acquired and liabilities assumed at the date of acquisition

	2015 \$000	2014 \$000
Cash and cash equivalents	630	256
Trade and other receivables	1,462	2,538
Other current assets	105	1,718
Property, plant and equipment	807	1,128
Deferred tax assets	-	235
Fair value of identifiable intangible assets acquired (customer relationship)	3,604	1,665
Trade and other payables	(408)	(2,790)
Provisions	(563)	(592)
Borrowings	(177)	-
Current tax liability	(171)	-
Deferred tax liability	(1,081)	(883)
	4,208	3,275

Goodwill arising on acquisition

	2015 \$000	2014 \$000
Consideration transferred	5,315	5,340
Less: fair value of identifiable net assets acquired	(4,208)	(3,275)
Goodwill arising on acquisition	1,107	2,065

Goodwill arising on acquisitions in the year comprises the value of expected in-sourced specialist capabilities and new market opportunities.

Net cash outflow on acquisition of subsidiaries

	2015 \$000	2014 \$000
Consideration paid in cash	3,043	3,409
Less: cash and cash equivalent balances acquired	(630)	(256)
	2,413	3,153

Impact of acquisitions on the results of the Group

2015

Included in the profit before tax for the year is \$0.9 million attributable to acquisitions during the year.

Had these business combinations been effected at 1 July 2014, the revenue of the Group from continuing operations would have been \$566 million and the net loss before tax for the year from continuing operations would have been \$181.6 million.

29. Business combinations (continued)

2014

Included in the profit before tax for the year is \$0.8 million attributable to acquisitions during the year.

Had these business combinations been effected at 1 July 2013, the revenue of the Group from continuing operations would have been \$729.4million and the net profit before tax for the year from continuing operations would have been \$11.9 million.

30. Commitments and contingencies

Operating lease commitments	2015 \$000	2014 \$000
Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:		
Within 1 year	17,724	16,761
After 1 year but not more than 5 years	51,426	51,144
More than 5 years	24,548	31,136
	93,698	99,041

Refer to note 7d for details of operating lease payments recognised as an expense. Refer to Note 3 and Note 21 for details relating to recognition of onerous lease provision.

Finance Lease commitments		
Within 1 year	566	505
After 1 year but not more than 5 years	334	788
	900	1,293

The fair value of the finance lease liabilities is approximately equal to their carrying amount.

Capital expenditure commitments

There are no capital commitments at 30 June 2015 (2014: Nil).

Other expenditure commitments

There are no other expenditure commitments at 30 June 2015 (2014: Nil).

31. Contingent assets and liabilities

Financial guarantees

The Group has provided the following guarantees related to leases/ project performance bonds which commit the Group to make payments on behalf of these entities upon failure to perform under the terms of the relevant contracts.

	2015 \$000	2014 \$000
Guarantees relating to leases/project performance bonds	34,317	42,477

32. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

Financial Position

	2015 \$000	2014 \$000
Current assets	33,989	41,718
Non-current assets	143,323	139,272
Total assets	177,312	180,990
Liabilities		
Current liabilities	79,717	60,563
Non-current liabilities	26,800	25,425
Total liabilities	106,517	85,988
Equity		
Issued capital	149,738	143,387
Retained earnings	(81,535)	(51,344)
Reserves	2,592	2,959
Total equity	70,795	95,002

Financial Performance

	2015 \$000	2014 \$000
Loss for the year	17,732	10,783
Other comprehensive income	-	-
Total comprehensive income	17,732	10,783

	2015 \$000	2014 \$000
Operating lease commitments of the parent entity		
Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:		
Within 1 year	-	-
After 1 year but not more than 5 years	-	-
More than 5 years	-	-
	-	-

Capital expenditure of the parent

There are no capital commitments at 30 June 2015 (2014: Nil).

Other expenditure commitments of the parent

There are no other expenditure commitments at 30 June 2015 (2014: Nil).

Contingent liabilities of the parent entity

	2015 \$000	2014 \$000
Guarantees relating to leases	-	-

33. Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Group	
			2015	2014
A.C.N. 602 519 568 Pty Ltd	Engineering	Australia	100%	-
Calibre Global Pty Ltd	Engineering	Australia	100%	100%
Calibre Projects Pty Ltd	Engineering	Australia	100%	100%
Calibre Global Pte Ltd	Engineering	Singapore	100%	100%
PT Calibre Projects (Indonesia)	Engineering	Indonesia	100%	100%
Calibre Systems Pty Ltd	Engineering	Australia	100%	100%
Xstract Mining Consultants Pte Ltd	Mining	Singapore	100%	100%
Calibre Project Services Pty Ltd	Engineering	Australia	100%	100%
Calibre Controls Pty Ltd	Engineering	Australia	100%	100%
Calibre Safety Services Pty Ltd	Safety consulting	Australia	100%	100%
Safety & Rescue Australia Pty Ltd	Safety consulting	Australia	100%	100%
Safety & Rescue Pty Ltd	Safety consulting	Australia	100%	100%
Calibre Minerals & Energy Pty Ltd	Engineering	Australia	100%	100%
Calibre Rail Holdings Pty Ltd	Rail	Australia	100%	100%
Calibre Rail Pty Ltd	Rail	Australia	100%	100%
Joharko Projects Pty Ltd	Engineering	Australia	100%	100%
Joharko International Pty Ltd	Engineering	Australia	100%	100%
Minerva Engineers Pty Ltd	Engineering	Australia	100%	100%
Calibre Global E.S.S. Pty Ltd	Engineering	Australia	100%	100%
Xstract Mining Consultants Pty Ltd	Mining	Australia	100%	100%
Calibre Consulting (Aust) Pty Ltd	Engineering	Australia	100%	100%
Calibre Consulting (Singapore) Pte Ltd	Engineering	Singapore	75.1%	75.1%
Calibre Consulting (QLD) Pty Ltd	Engineering	Australia	100%	100%
Calibre Consulting (NSW) Pty Ltd	Engineering	Australia	100%	100%
Paul Davis Rajalingam Consulting Engineers Pty Ltd	Engineering	Australia	100%	100%
Smart Civil Pty Ltd	Engineering	Australia	100%	100%
Calibre Consulting (VIC) Pty Ltd	Engineering	Australia	100%	100%
Tomkinson Holdings Pty Ltd	Engineering	Australia	100%	100%
Tomkinson Pty Ltd	Engineering	Australia	100%	100%
Calibre Consulting (ACT) Pty Ltd	Engineering	Australia	100%	100%
WP Brown & Partners Pty Ltd	Engineering	Australia	100%	100%
Town Planning Management Engineering Pty Ltd	Engineering	Australia	100%	-
TME Town Planning Management Engineering Pty Ltd	Engineering	Australia	100%	-
Calibre Operations (UK) Ltd	Engineering	UK	100%	100%
Calibre Operations (Mauritius)	Engineering	Mauritius	100%	100%
Calibre Operations (South Africa)	Engineering	South Africa	100%	100%
Calibre Operations Mozambique Limitada	Engineering	Mozambique	100%	100%
G&S Engineering Services Pty Ltd	Engineering	Australia	100%	100%
G&S Services Electrical Pty Ltd	Engineering	Australia	100%	100%
G&S Mining Services Pty Ltd	Engineering	Australia	100%	100%
Resources Risk Solutions Pty Ltd	Engineering	Australia	100%	100%
Calibre Consulting Limited	Engineering	New Zealand	100%	100%

33. Subsidiaries (continued)

These wholly-owned subsidiaries have entered into a deed of cross guarantee with Calibre Group Limited pursuant to ASIC Class Order 98/1418 and are relieved from the requirement to prepare and lodge an audited financial report.

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of the cross guarantee that are controlled by Calibre Group Limited, they also represent the 'extended closed group'.

The consolidated income statement and consolidated statement of financial position of the entities party to the deed of cross guarantee are:

Consolidated statement of profit or loss and other comprehensive income

	2015 \$000	2014 \$000
Revenue	541,809	696,390
Cost of providing services	(425,528)	(534,313)
Other gains	1,389	994
Marketing expenses	(656)	(717)
Occupancy expenses	(9,222)	(19,405)
Administration expenses	(99,281)	(117,507)
Restructuring expenses	(186,948)	(7,098)
Finance costs	(4,272)	(6,123)
Profit before income tax	(182,709)	12,221
Income tax benefit	22,203	11,958
Net profit for the year	(160,506)	24,179
Other comprehensive income		
Exchange differences on translation of foreign operations	-	-
Total comprehensive income for the year	(160,506)	24,179

33. Subsidiaries (continued)

Consolidated statement of financial position

	2015 \$000	2014 \$000
ASSETS		
Current assets		
Cash and cash equivalents	29,356	44,152
Trade and other receivables	82,187	81,774
Work in progress	11,025	15,327
Other assets	3,057	2,632
Current tax assets	-	726
Total current assets	125,625	144,611
Non-current assets		
Other receivables	166	167
Property, plant and equipment	21,745	27,763
Goodwill	78,010	179,624
Other intangible assets	10,391	19,344
Investments	4,378	3,243
Deferred tax assets	15,276	13,597
Total non-current assets	129,966	243,738
TOTAL ASSETS	255,591	388,349
LIABILITIES		
Current Liabilities		
Trade and other payables	71,119	70,564
Borrowings	566	17,431
Deferred acquisition consideration	912	1,848
Derivative financial instruments	322	683
Provisions	35,920	20,023
Current tax liabilities	-	-
Total current liabilities	108,839	110,549
Non-current liabilities		
Borrowings	25,334	26,177
Deferred acquisition consideration	-	929
Deferred tax liability	4,576	9,758
Provisions	48,382	8,008
Total non-current liabilities	78,292	44,872
TOTAL LIABILITIES	187,131	155,421
NET ASSETS	68,460	232,928
EQUITY		
Contributed equity	149,740	143,388
Reserves	2,592	3,146
Retained earnings	(83,872)	86,394
TOTAL EQUITY	68,460	232,928

34. Dividends on equity instruments

On 1 October 2014, the Company paid a fully franked final dividend of \$8.3m for 2014 financial year (2.5 cents per shares) to its members. The Company's dividend reinvestment plan was in operation for this dividend. No dividend has been declared in respect of 2015 financial year.

35. Share buybacks

The Company announced an on-market share buy-back 19 February 2015 of up to 7 million shares as part of its capital management plan. The prices paid for shares purchased under the buy-back were not to be no more than 5% above the volume weighted average price of Calibre shares over the 5 prior trading days prior to purchase.

The Company completed the share buyback programme during the 3 month period ended May 2015. Average price paid per share was 23 cents.

36. Events after balance sheet date

There have been no significant events after the balance sheet date other than events disclosed above.

AUDIT REPORT

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Independent Auditor's Report to the members of Calibre Group Limited

Report on the Financial Report

We have audited the accompanying financial report of Calibre Group Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, 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 as set out on pages 22 to 73.

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 2(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated 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 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.

Deloitte.

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

Auditor's Independence Declaration

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 Calibre 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 Calibre Group Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2015 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 2(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 21 of 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 Calibre Group Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



A T Richards
Partner
Chartered Accountants
Perth, 20 August 2015

SHAREHOLDINGS

Ordinary share capital

As at 30 June 2015 the company had issued 353,545,878 fully paid ordinary shares (including escrow shares) which were held by 553 individual shareholders.

All issued ordinary shares carry one vote per share and carry the rights to dividends.

Substantial Shareholders

	Fully Paid	
	Number	Percentage
FR Calibre BV	208,653,415	59%
Ray Munro ¹	38,725,185	11%
	245,378,600	70%

Twenty Largest Holders of Quoted Equity Securities as at 30 June 2015

		Fully Paid	
		Number	Percentage
1	FR Calibre B.V	208,653,415	59.0%
2	Raymond Campbell Munro	31,594,417	8.9%
3	Solium Nominees (Australia) Pty Ltd ²	9,038,292	2.6%
4	Connect Resource Investment Pty Ltd	6,699,230	2.5%
5	Auric Capital Pty Ltd	6,908,891	2.0%
6	Graham Ross Smith	6,387,199	1.8%
7	Sapphire Lane Pty Ltd	5,249,544	1.5%
8	Mr Robert James Smith	4,090,935	1.2%
9	Silk Street Pty Ltd	3,559,910	1.0%
10	Spence Rego Pty Ltd	3,352,617	0.9%
11	J P Morgan Nominees Australia Limited	3,150,118	0.9%
12	Andrew James Rowe	1,882,846	0.5%
13	Richard George Hollis	1,605,631	0.5%
14	Michael Gerard Crowe	1,605,631	0.5%
15	Mr Peter John Stirling & Mrs Rosalind Verena Stirling	1,500,000	0.4%
16	Citicorp Nominees Pty Limited	1,485,153	0.4%
17	Ark Group Enterprises Pty Ltd	1,447,368	0.4%
18	Sunbase Investments Pty Ltd	1,400,000	0.4%
19	UBS Wealth Management Australia Nominees Pty Ltd	1,340,875	0.4%
20	Manlan Pty Ltd	1,244,860	0.4%
TOTAL		302,196,932	85.5%
Balance of Register		51,348,946	14.5%
Grand Total (including escrow shares)		353,545,878	100.0%

¹ Also included is shares held by Sapphire Lane Pty Ltd and Raymond Munro Superannuation Fund

² Solium Nominees (Australia) Pty Ltd hold shares as trustee for participants in various Calibre share schemes