24 August 2015

ASX ANNOUNCEMENT

FY15 RESULTS SHOW STRONG UNDERLYING PROFIT

Highlights

- **SRG releases its Annual Report and Appendix 4E, highlights business has strong underlying profit – positioned for future growth.**
- **Underlying NPBT of $6m (187% improvement from $2.1m in FY14).**
- **Resolution of Eastern Treatment Plant (ETP) dispute and contingent liability of $51m (refer announcement of 12 August 2015).**
- **NPAT up by 27% to $1.6m (despite $3.53m negative pre-tax adjustment to the profits resulting from ETP settlement).**
- **EPS of 2.6 cents per share (cps) compared with FY14 EPS of 2.0 cps.**
- **Strong Work in Hand of $154m, up from FY14 Work in Hand of $143m.**
- **Strong balance sheet with no net debt and cash / equivalents of $29.33m in comparison with $22.77m in FY14.**
- **Fully Franked Final Dividend declared of 0.5 cents, to bring total FY15 Dividends declared to 2.5 cents.**

SRG Limited (**ASX: STS**) (“SRG”), a leading complex services company, is pleased to announce that it has released its Annual Report and Appendix 4E for the year ending June 30, 2015.

Key attributes include:

- An underlying FY15 Net Profit Before Tax (NPBT) of $6m which represents a 187% improvement against the FY14 results of $2.1m.
- FY15 Net Profit After Tax (NPAT) of $1.6m, up from $1.3m in FY14, after adjusting for the ETP dispute settlement, which was announced on 12 August 2015 and resulted in a $3.53m negative pre-tax adjustment to the profits.
- Sales were $172m in FY15, down from $223m in 2014, however the NPAT result represents an increase of 27% on the corresponding period.
- The Group finished the year with a strong balance sheet, with no net debt and cash / cash equivalents of $29.33m in FY15 compared with $22.77m in FY14.
- The Directors resolved to pay Final FY15 Dividend of 0.5 cents (fully franked) to bring total dividends declared for FY15 to 2.5 cents.
- Earnings Per Share (EPS) for the year were up to 2.6 cps, compared with 2.0 cps for FY14.

SRG Limited Chairman, Peter McMorrow stated, "The 2015 financial year was a defining year for SRG and one that has laid the foundations for sustainable growth for the future.

"The board is of the view that the growth demonstrated in profit with Underlying NPBT up by 187%, NPAT up by 27% and corresponding increase in EPS in comparison with FY14 is a strong outcome in challenging market conditions, and one which we are now well positioned to build upon," he concluded.

ENDS

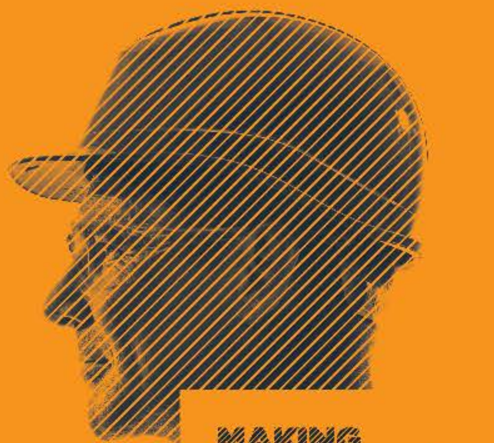
Issued by SRG Limited ABN 57 006 413 574

SRG Limited are an Australian complex services company. Our vision is to make the complex simple for our customers and our mission is to be a leading provider of complex services to the construction and mining industry worldwide.

Founded in Victoria in 1961, the Company commenced trading as BBR Australia Pty Ltd with the first project undertaken to supply and install rock anchors for the Snowy Mountains scheme. Listed in 1987 on the ASX as Structural Systems Limited, the organisation has grown from a small privately owned specialist post-tensioning company to a diverse international contractor in building, civil, mining, products and services. SRG has offices throughout Australia as well as in the Middle East and Hong Kong. In November 2014, Structural Systems Limited became SRG Limited.

APPENDIX 4E

FOR THE YEAR ENDING 30 JUNE 2015



MAKING THE COMPLEX **SIMPLE**

APPENDIX 4E

FOR THE YEAR ENDED 30 JUNE 2015

Name of entity

SRG Limited (formerly Structural Systems Limited)

ABN	Reporting period	Previous corresponding period
57 006 413 574	1 July 2014 to 30 June 2015	1 July 2013 to 30 June 2014

Results for announcement to the market

		30 June 2015 $'000
Revenue from ordinary activities	Down 23%	172,259
Profit from ordinary activities before income tax expense[(1)]	Up 187%	6,038
Net profit from ordinary activities after tax[(1)]	Up 222%	4,080
Net profit for the period attributable to members	Up 27%	1,609

[(1)] Excludes impact of the ETP dispute resolution. Refer to commentary below and the attached annual report for details.

Commentary on Results

On 12 August 2015, the Group resolved the Eastern Treatment Plant ("ETP") dispute which resulted in a $3.53m negative pre-tax adjustment to the profits. Refer to the attached Annual Report and Financial Statements including the Managing Director's Report. Additional Appendix 4E disclosure requirements can be found in the notes to these financial statements.

Dividends

		Amount per security	**Franked amount per security**
Final dividend record date	18 September 2015		
Final dividend payable	16 October 2015	0.5 cents	0.5 cents
Interim dividend paid	20 April 2015	2.0 cents	2.0 cents

Net Tangible Assets Per Share

30 June 2015	89 cents	30 June 2014	88 cents

Basic and Diluted Earnings Per Share

30 June 2015	2.6 cents	30 June 2014	2 cents

Annual General Meeting Details

Date	Wednesday, 18 November 2015
Time	10:30am
Place	River Room, Royal Perth Yacht Club, Australia II Drive, Crawley WA 6009

Financial Report

This report is based on the 30 June 2015 Annual Report (which includes the consolidated financial statements) and has been audited by William Buck.

SRG

ANNUAL REPORT 2015

FOR THE YEAR ENDING 30 JUNE 2015

MAKING THE COMPLEX SIMPLE

ANNUAL GENERAL MEETING

10:30am - 18 November 2015
River Room, Royal Perth Yacht Club,
Australia II Drive, Crawley WA 6009

SRG Limited ABN: 57 006 413 574

BRING US YOUR IMPOSSIBLE

We are an Australian complex services company. We solve the challenging and difficult problems that others can't. Our vision is to make the complex simple for our customers.

We have people working across Australia and the world bringing our unique blend of innovation, precision, technical excellence and safety to every civil, mining and building project we touch.

We are not afraid to challenge what is considered possible.

FY15 - A DEFINING YEAR

It is my pleasure to open the 2015 annual report, following what has been a defining year for SRG Limited, and one that has laid foundations across the business for future, sustainable growth.

During FY15, SRG's newly established senior management team reviewed all areas of the business encompassing operations, business streams, financial foundations, outstanding legal issues, and company culture and values.

On behalf of my fellow directors, and the entire SRG team, we continue to offer our thoughts and sincere condolences to the friends and family of Jorge Castillo-Riffo, whose life was tragically lost during a work incident in 2014. The whole SRG team has been deeply impacted and saddened by Jorge's passing. We continue to strive towards achieving Zero Harm at SRG and have made major inroads in this respect during the year, which Managing Director, David Macgeorge will discuss in detail in his Managing Director's report.

LAYING THE FOUNDATIONS

At the time of last year's annual report, a new senior management team had just joined SRG, led by Managing Director, David Macgeorge, and CFO, Roger Lee, both of whom come to the company with significant management and leadership experience in major Australian organisations.

The Board and I have been extremely pleased with the focus that David and Roger have brought to the business in the year since our last annual report. Under their direction, the senior management team has been further strengthened with the key appointments of Joe Thomas as EGM Mining and Products, Mark Palmer as EGM Construction, Michelle Quigley as General Counsel, Amy Hancock as GM People and Corey Maranesi as GM Commercial. I am extremely excited with the calibre and depth of the new executive team who I have no doubt will provide the leadership to drive SRG forward.

WE'VE CHANGED FOR THE BETTER: ONE UNIFIED BUSINESS, NOW CALLED SRG LIMITED

In the FY15 annual report, I discussed how critical it was for the SRG business to adopt a "one business – one team culture" that would form the platform for our growth.

On the 19th November 2014, Structural Systems Limited was renamed SRG Limited. All the subsidiary companies of Structural Systems and Rock Australia were renamed as SRG entities under the SRG Limited holding company.

Uniting the businesses under a single SRG banner has provided the team with one single purpose, one single vision, a core set of values and a common set of objectives. Every individual at SRG is now working towards the same set of goals, which has empowered the team to apply a holistic and collaborative approach to solving complex problems for our customers, and applying innovation across the board.

Along with the new name, came a new brand, and a clear vision: "making the complex simple". For our customers, this reaffirms our commitment to solving the challenging and complex problems that other companies are unable to resolve.

REASSESSING OUR CORE VALUES

At the heart of SRG's Board and Management team's ethos is the importance of a common set of corporate values. Through our review of the company, we have embedded five shared values that define who we are.

The values underpin the way SRG approaches every project, and addresses every aspect of its operations.

It has been heartening to see the whole SRG team embrace our values of Zero Harm, Innovation, Integrity, Teamwork and Excellence. Encouragingly, we are seeing and hearing daily examples where those values are being actively deployed across the business.

OUR VALUES

ZERO HARM
We have each others backs.
We look out for our colleagues, the environment and things we own. This means we strive for zero injuries and zero damage to the environment and our assets.

INNOVATION
We think outside the box.
We live to solve the complex problems others can't and continually challenge what's considered possible.

INTEGRITY
We do the right thing at all times.
We act with honesty and accountability. We have a no surprises culture.

TEAMWORK
We accomplish everything together.
We work smart, we work hard, we work towards our vision and we do it as one team.

EXCELLENCE
Anywhere, anytime, any task.
Delivering above and beyond the expectations of our customers and stakeholders is our way.

WE ARE NOW ONE UNIFIED BUSINESS, CALLED SRG LIMITED

A DEFINING MOMENT - RESOLUTION OF ETP DISPUTE

Laying the foundations in FY15 for future growth has led us to deal with a number of significant legacy issues that have been important, but distracting for the business.

As announced, the long standing Eastern Treatment Plant (ETP) contingent liability of $51 million was resolved in August 2015. The significance of this outcome cannot be underestimated and the resolution was a defining moment in the Company's history.

Whilst the resolution of this matter resulted in a one-off impact on our FY15 result, this should not detract from recognition of our underlying profit result of $6 million NPBT for the year.

It is testament to the efforts of the leadership team that the matter was successfully settled and positions SRG to step forward as a strong sustainable business.

GROWING THE BUSINESS

In line with our focus on sustainable growth, SRG acquired specialist construction contractor group, CCM Group Australia Pty Ltd in July 2015.

The highly targeted acquisition increases SRG Services' footprint in Western Australia and the Northern Territory, brings a highly experienced and respected team into the SRG business that has been working under a similar set of cultural values, and will deliver growth to SRG's bottom line.

We continue to evaluate market opportunities that will strengthen the company, and any future M&A activity will be focused on growing the business in a sustainable and profitable manner.

Also in line with our growth strategy, during the FY15 period, SRG extended its geographic footprint. We have now delivered projects across several continents, and in the new financial year, are preparing to cautiously re-enter the Asian market, via projects in Hong Kong.

FY15 RESULT - LAYING THE FOUNDATION

During the year, work was undertaken to address the long term sustainability of the business. This work included reviewing our cost structure and driving efficiencies with a one business one team approach. In conjunction, there has been significant progress made in financial discipline, commercial rigour and project execution.

The Board is extremely pleased with the progress made in laying the foundation for our future success and the underlying NPBT result of $6 million prior to adjusting for ETP resolution. This demonstrates a significant improvement against last year's NPBT result of $2.1 million.

The Board has declared a final fully franked dividend of 0.5 cents, with a record date of 18 September 2015 and payment date of 16 October 2015. This brings the total dividends declared for FY15 to 2.5 cents.

Looking toward to FY16 and beyond, we have increased our focus on ensuring SRG is in the right place at the right time to expand the number of opportunities in the pipeline across each of our divisions. With our legacy issues behind us, shareholders will start to see SRG transition out from this phase of laying the foundation, to a strategy that is focused on developing the business by securing larger projects, increasing organic growth in target markets, building our complementary services, considering M&A targets, and ensuring there is recognition of the SRG brand in the market.

BOARD AND GOVERNANCE IMPROVEMENTS

The new SRG Board has been in place for 12 months. I am delighted with the calibre of Directors that we now have in place and the experience and expertise that each Board member brings to SRG. I am extremely pleased with the contribution that each Board member is making to the business and the way the Board and Management are working together.

During the period, the Board implemented a number of improvements to SRG's Corporate Governance framework. This included the introduction of a new Board Charter, a review of our Remuneration, Nomination and Benefits Committee and implementing a SRG Code of Conduct, which reinforces the weight of our values. This will ensure the rigour and accountability we are striving for is embedded across all levels of the business.

IN CLOSING

FY15 has been a defining year in many ways. It was critical for SRG to establish a high performing team, develop a clear vision, strategy and brand, embed core values, address the resolution of significant legacy issues and instil a culture of discipline, rigour and accountability from which the business can further develop and grow.

I want to thank the entire SRG team for all the effort that has gone into embracing change, and laying the foundation for our future.

From our current position, while some of the markets in which we operate will remain challenging, I believe we will work our way through those tough markets with good people, our determination and a robust strategy.

Finally, it is a pleasure to work with a business that truly does innovate at every turn. While David will cover these points in detail, the work the business has been delivering in dam anchoring, and innovations that have been developed through our Products division, such as SureLok™, truly demonstrate how far SRG will go to make the complex simple.

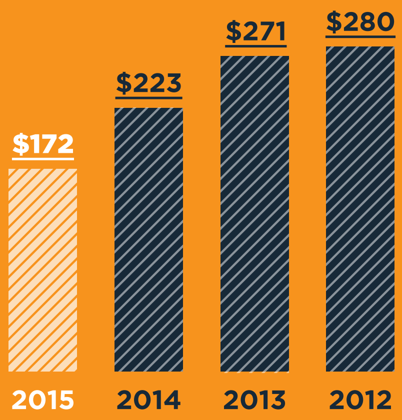
Peter McMorrow
Chairman

COMMITTED TO PROGRESSING OUR MILESTONES

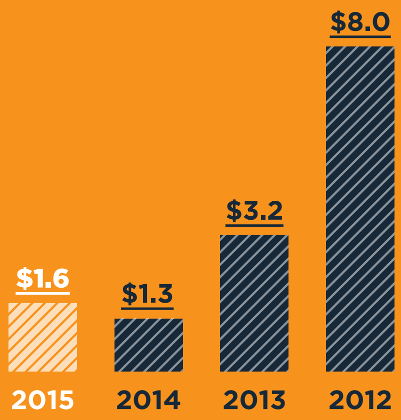
STATED OBJECTIVES FROM FY14 ANNUAL REPORT	STATUS	INITIATIVE
SET NEW SENIOR MANAGEMENT TEAMS IN PLACE	COMPLETE	• TEAM REVIEWED AND STRONG LEADERSHIP INSTALLED ACROSS ALL AREAS
INSTITUTE MORE RIGOROUS AND DISCIPLINED APPROACH TO PROJECT REVIEWS AND COST CONTROLS WITH GREATER TRANSPARENCY	COMPLETE	• INTRODUCED DETAILED TENDER, PROJECT AND BUSINESS REVIEW PROCESS
BETTER EXPLORE OPPORTUNITIES WITHIN THE MARKET / DEVELOP PIPELINE OF NEW WORK TO GROW CASH FLOWS	ONGOING	• NEW GM COMMERCIAL APPOINTED TO DRIVE CONTRACT EFFICIENCIES AND TRACK MARKET OPPORTUNITIES • TEAM ACTIVELY SEEKING OPPORTUNITIES • REVIEWING M&A TARGETS, WITH A FOCUS ON PROFITABLE EXPANSION - ONE OPPORTUNITY CONVERTED, WITH RECENT CCM ACQUISITION
CREATE AND EMBED "ONE BUSINESS - ONE TEAM" CULTURE	COMPLETE	• BUSINESS RE-BRANDED • VALUES UPDATED AND EMBEDDED ACROSS THE BUSINESS
LAUNCH NEW STRATEGY TO LEVERAGE THE DIVERSE REVENUE STREAMS OF SRG'S BUSINESS MODEL	ONGOING	• NEW VISION / MISSION / STRATEGY • ONE BUSINESS - ONE TEAM CULTURE EMBEDDED • INCREASING CROSS COLLABORATION BETWEEN BUSINESS STREAMS • NEW GEOGRAPHIES AND GROWTH OPPORTUNITIES BEING EXPLORED
MAINTAIN A STRONG FOCUS ON SAFETY, HEALTH AND THE ENVIRONMENT TO ENSURE THAT WE STRIVE FOR ZERO HARM	ONGOING	• ZERO HARM INITIATIVES IN PLACE ACROSS THE BUSINESS - BOTH TOP DOWN AND BOTTOM UP • CONSTANT AREA OF FOCUS AND WILL ALWAYS BE AN ONGOING AREA OF DEVELOPMENT IN THE BUSINESS
FOCUS ON CREATION OF SHAREHOLDER VALUE	ONGOING	• LAID THE FOUNDATIONS IN FY15 • CLEARED LEGACY ISSUES • FOCUS ON FUTURE, SUSTAINABLE GROWTH

HOW ARE WE DOING?

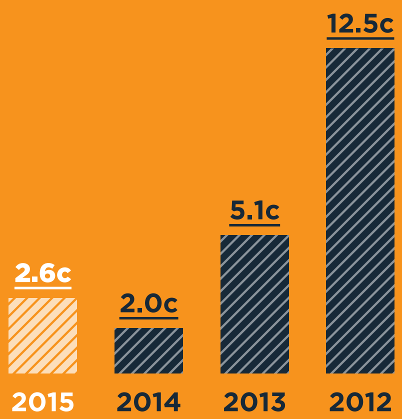
SALES
($M)



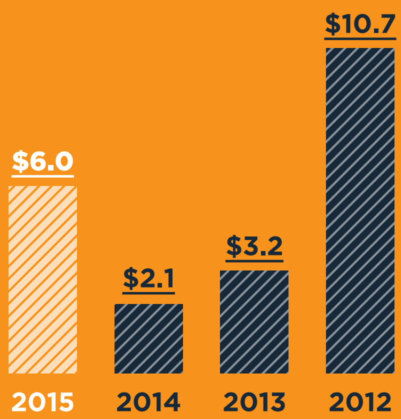
PROFIT TO MEMBERS
($M)



EARNINGS PER SHARE
(CENTS)



OPERATING PROFIT FROM CONTINUING OPERATIONS BEFORE TAX
($M)



WE SOLVE THE COMPLEX PROBLEMS THAT OTHERS CAN'T

Anchoring the Snowy Mountain Scheme in 1961 gave us our start. A global company built to take on the infrastructure and mining projects others consider too challenging or complex.

Who we are

We are an ASX listed Australian complex services company.

Our story began in 1961 with our first contract to install rock anchors for the Snowy Mountain Scheme.

Since then we have gone on to work on many iconic stadiums, skyscrapers, bridges, dams, structures and mining projects, both here in Australia, and in Asia, Europe, Africa and the Middle East.

Today, our technical capability is second to none and thinking outside the box is ingrained in our DNA.

Some of the best civil, mining and building problem solvers and technical experts can be found working within our business.

Our vision is to make the complex simple for our customers, underpinned by the five values that define us are Zero Harm, Innovation, Integrity, Teamwork and Excellence.

What we do

We solve the challenging and difficult problems that others can't.

We have people working across Australia and the world bringing our unique blend of innovation, precision, technical excellence and safety to every mining, civil and building project we touch.

Few complex services companies have amassed the same knowledge, developed as many innovations or worked on as many world-class projects as we have over the past 50 years.

When you need people who are not afraid to challenge what is considered possible, you can call on us.

We will not only bring one amazing skill set to your project, we will do so as one company, united by our values and culture of innovation, with a single set of safety and quality standards.

CIVIL

- Bridge Construction
- Bridge Maintenance
- Dam Strengthening
- Ground Anchors
- Silo and Tank Construction
- Heavy Lifting
- Load Handling
- Slipform
- Stay Cable Systems

MINING

- Drill and Blast
- Ground Support
- Monitoring
- Engineering
- Technical Access
- Underground
- Open Pit

BUILDING

- Post-Tensioning
- Slab on Ground
- Industrial Pavements
- Multistorey Post-Tensioning
- Post-Tensioning Design
- Slipform
- Reinforcement
- Remedial

PRODUCTS

- SureLok™
- Refobar
- Macalloy
- Concrete Canvas
- Rock Mesha
- Ground Support Products
- Geotechnical Equipment
- Ducting and Duct Chairs
- Barrels and Wedges

SERVICES

- Remedial Diagnosis and Investigation
- Concrete Repair
- Structural Strengthening
- Waterproofing
- Structural Crack Repair
- Facade Restoration
- Architectural Restoration
- Cathodic Protection

LEARN ABOUT OUR SERVICES
SRGLIMITED.COM.AU

OUR BUSINESS PERFORMED WELL IN 2015

BUILDING

- Reduced LTIFR by 60% and TRIFR by 43%
- Completion of Tower T2, R8 and R9 at Barangaroo
- Completion of Sunshine Coast University Hospital
- Completion of Dimmeys Redevelopment in Victoria

CIVIL

- Completed two 5 mega litre water tanks in Onslow as the Principal Contractor
- Secured the largest NSW bridge project to date - North West Rail Viaduct
- Complex Elizabeth Quay Bridge Project is nearing completion
- 12 months LTI free

PRODUCTS

- Full one stop shop for the Post-Tensioning industry
- Further expanded the product range with the introduction of SureLok™
- Introduced a dedicated Product Development team
- Established a pipeline of products to introduce in future years

MINING

- Excellent safety performance with TRIFR of 2.2
- Extended two major term contracts
- Secured one new major term contract
- Continued to win overseas short term campaign work in Asia and Africa

SERVICES

- Received Excellence Award for Building and Remediation over $2M for the Midtown Plaza Facade Refurbishment Project from the Australasian Concrete Repair Association
- Completed Winchelsea Bridge Carbon Fibre Strengthening
- Recently acquired CCM Group Australia to grow the Services offering

SETTING THE FOUNDATIONS FOR GROWTH

SRG has made considerable progress during the FY15 year. We have a new name, a strengthened team with exceptionally talented and innovative individuals, an organisation that's living its values and an outstanding, stable platform for future growth.

IN MEMORY OF JORGE CASTILLO-RIFFO AND OUR ZERO HARM FOCUS

Along with Chairman, Peter McMorrow, I'd like to open my review of the period by remembering our colleague, Jorge Castillo-Riffo, who tragically lost his life on a work site in 2014.

It has been an incredibly difficult and sad time for all of us individually and as a company. Now more than ever I am determined to make sure that we do whatever it takes to ensure that all our people return home safely to their families each day.

We continue our strong focus on our core Zero Harm value and to this end, I have introduced a Zero Harm Leadership Team, which is tasked with ensuring that every individual within the SRG team and our contractors will look after their colleagues, the environment and the things we own, striving for Zero Harm across each of those areas.

While I am pleased with the significant progress that we've made with safety initiatives during the year, there is still much to do, and safety will perpetually remain a critical risk for SRG. We will therefore retain an ongoing, laser-like focus on ensuring this value remains embedded across the business, and that we continue to drive improvement from the bottom up and top down.

A YEAR OF CHANGE AND TRANSITION

FY15 has been a year of change at SRG, and one in which we've transitioned from a business with good people, skills and prospects, to one with a sound and comprehensive foundation, which will provide the right springboard for measured and profitable growth.

In last year's report, I spoke of the need to introduce increased discipline, focus, rigour and accountability across the business. Twelve months in, I am delighted with the progress that has been made across these attributes.

In his introduction, Peter covered a number of the headline items – our new vision, strategy and brand, unification under one team and one name, embedding of a single set of values that are actively being displayed by our team and contractors, the removal of legacy concerns, clearing up our balance sheet and positioning for growth. I'm sure shareholders will agree that such progress across a 12 month period is noteworthy, but the important takeaway point is that we are now in a position to grow, and return our focus to the sustainable delivery of shareholder returns.

THIS BUSINESS IS THE SUM OF ALL PARTS

While there have been a significant number of highlights during the FY15 period, one of the most important activities has been the work undertaken to review and reinvigorate the team that makes SRG what it is.

The business was already strong, with some exceptional talent and innovative thinking, but key to its long term success was ensuring we had the right leadership in place at all levels to carry the business forward.

Just prior to last year's report, the Board of SRG was renewed. Peter McMorrow moved into the Chair role, with the support of Bob Freedman, and the addition of new directors, Peter Brecht and Michael Atkins.

I have personally enjoyed working with this new Board. The discipline, rigour and accountability that the directors display sets an excellent bar for the rest of the business.

Across the management and operational teams, we now have an excellent set of skills, and a focused, enthusiastic, innovative group of people who have been with us through the process of laying the business foundations, and along with the Board, are invested in now pushing SRG into its development phase. With this team, I believe we have an exciting outlook and the ability to drive SRG's presence further into our key markets.

To keep the team motivated and engaged, we have put in place new programs designed to best develop and retain talent. Through these initiatives, we are able to highlight existing talent within the business and consider how people can be best nurtured and deployed to grow particular projects or divisions. The new talent mapping program has been very well received, along with changes made to our internal training programs including the introduction of a Front Line Leadership Program.

OPERATIONAL HIGHLIGHTS

The benefit of having such a diverse business that operates across a number of geographies is the ability to hedge against downward pressure from any one sector.

SRG MINING

While it is obvious that sectors such as mining and exploration have faced challenging market conditions, SRG has done a good job of weathering the storm. We achieved this by keeping costs down, retaining only a lean inventory of plant and equipment, and retaining our key contracts across the Drill and Blast, and Geotech areas. Our SRG Mining services contracts have all applied to the production side of mining, which meant we had no exposure to construction, a part of the mining sector which has suffered greatly.

The SRG Mining customer base is a mix of small and large companies, which allows us to spread our risk from a retention perspective. Significant contract highlights from the period included renewing our agreement in Whyalla with BGC Arrium for two extra years, and securing the Edna Mine with Evolution Mining as a new contract.

For this division, our focus for FY16 is on organic growth, strong asset utilisation and the delivery of specialist services to production-related activities.

SRG BUILDING

Building is one of the most stable and mature parts of the SRG business, and again had a very good year in FY15. Within the Building division, the group wins contracts regularly. The post tensioning (PT) offering is particularly sound, and SRG has a reputation for strong and consistent delivery in the area.

A highlight, has been signing a repeat contract with Lendlease for whom SRG provides preferred building services support. We are delighted to continue this partnership and to be working with an operator of the size and quality of Lendlease into the future.

SRG CIVIL

Civil has had a very challenging year in what is a highly competitive part of the business. We see the Civil business as being one of our key areas of growth for FY16, and will ensure that this growth comes about through a focus on winning profitable work.

Despite a challenging environment, during the year some extraordinary examples of engineering have been completed through the Civil division.

We are looked upon as one of the world's experts in dam anchoring, and expect this part of the business to develop further in the coming year, with close commercial focus on developing a strong pipeline of work across different geographies.

The other mainstay of our Civil division, bridge construction, has seen us deliver the iconic Elizabeth Quay Pedestrian and Cyclist Bridge in Western Australia.

ZERO HARM INITIATIVES

THE FOLLOWING INITIATIVES HAVE BEEN IMPLEMENTED ACROSS THE SRG BUSINESS IN THE LAST 12 MONTHS:

- NATIONAL ZERO HARM LEADERSHIP TEAM IMPLEMENTED IN JANUARY 2015, TO LEAD A POSITIVE SAFETY CULTURE
- EASTERN AND WESTERN ZERO HARM LEADERSHIP TEAMS IMPLEMENTED IN MAY 2015
- CRITICAL RISKS TO THE BUSINESS IDENTIFIED AND WORKING GROUPS IMPLEMENTED TO DEVELOP FURTHER LAYERS OF CONTROL FOR EACH RISK
- ALL FIXED OPEN BLADES HAVE BEEN REMOVED FROM SRG PROJECTS
- EFFECTIVE 1 JANUARY 2015, ALL SRG LIMITED OPERATIONAL WORKPLACES HAVE A MANDATORY "GLOVES ON HANDS" POLICY
- TAKE 5'S (PERSONAL RISK ASSESSMENTS) HAVE BEEN IMPLEMENTED ACROSS THE ENTIRE OPERATION OF SRG LIMITED
- INCREASED INTERNAL AUDITING
- REGULAR SAFETY ALERTS NOW BEING ISSUED ACROSS THE BUSINESS
- SKILLS IN LEADERSHIP TRAINING ROLLED OUT FOR ALL MANAGERS AND SUPERVISORS
- 10% REDUCTION IN THE TRIFR RATE SINCE 1 JULY 2014
- 14% REDUCTION IN THE LTIFR RATE SINCE 1 JULY 2014

SRG SERVICES

The SRG Services business suffered the most during the period and is, alongside SRG Civil, the division from which we expect to see the most medium term growth.

We have commenced our Services growth strategy with the modest, targeted acquisition of CCM Australia Group Pty Ltd (CCM), which completed post the reporting period, on 31 July 2015, using existing funds.

Transitioning CCM into the SRG business brings a strong senior leadership team, which is well respected in the industry. CCM will add significantly to SRG's services capability in Western Australia and Northern Territory and will complement our remedial services business on the East Coast of Australia.

SRG PRODUCTS

One of the best examples of innovation in the business has come about via the SRG Products division in FY2015. Driven by the need to solve a complex problem for a customer, our engineers invented a product set, called SureLok™, which is specifically designed to eliminate the issues that the incumbent on-market solutions to temporary movement joints present.

Not only does the SureLok™ product set provide a better approach to a long standing issue across post tensioning and the broader construction industry; with patents pending, SureLok™ extends SRG's intellectual property portfolio.

SureLok entered the market in the fourth quarter of FY15 and has quickly started receiving recognition from target customers, and with the recent appointment of a Product Manager, we expect to see SureLok receive further interest during FY16.

FY15 FINANCIALS

Net profit after tax (NPAT) was $1.6 million after adjusting for the ETP dispute settlement. This NPAT result represents an increase of 27% on the corresponding period, despite the decrease in revenue to $172.3 million. The underlying FY15 NPBT of $6 million represents a 187% improvement against the FY14 results of $2.1m and clearly shows the strong underlying performance of the company in what are challenging market conditions.

The Group finished the year with a very strong cash position and no net debt. Cash flow from operations was $18.5 million. In 2015, $2.2 million in dividends were paid which includes the 2014 final and 2015 interim dividend. Dividends declared for the year totalled 2.5 cents per share fully franked. Earnings per share for the year was 2.6 cents compared to 2.0 cents per share for the prior year.

At year end, the work in hand for the Group increased to $154 million, up from $143 million in the prior year. The focus for the FY16 financial year is converting a strong work pipeline in the civil and services business streams whilst achieving continued strong performance in mining, building and products.

Mining

SRG Mining (formerly ROCK Australia Mining & Civil) recorded revenue of $66.3 million down 22% from the $85.3 million recorded in the previous year. The profit before tax for the mining segment was $5.3 million (2014: $6.4 million). Whilst activity has decreased in the mining and exploration sectors, SRG Mining has retained key contracts across the Drill and Blast, and Geotech areas.

At the end of the financial year SRG Mining had work in hand of $98.7 million which is up 27% compared to $77.5 million in 2014. This improvement is a result of renewing our agreement in Whyalla with BGC Arrium for two extra years, and securing a new contract on the Edna Mine with Evolution Mining.

Construction

The construction segment saw a decline in revenue to $104.4 million from $136.3 million in the previous year. Having adjusted for $3.5 million in relation to the post year end ETP dispute resolution, the segment had a profit before tax of $2.2 million. This is a 144% increase compared to the $0.9 million profit recorded in 2014.

At the end of 2015, the Construction work in hand was $55.1 million compared to $65.4 million in 2014, representing a decrease of $10.3 million. However, as indicated previously, the construction pipeline is strong, with the key focus on securing profitable growth.

OUTLOOK: BUILDING ON OUR FOUNDATIONS IN A PROFITABLE, CONSIDERED MANNER

With a significant part of our foundation work now in place, and legacy issues behind us, for FY16 we are squarely focused on driving further improvements across the SRG business.

Investors can expect to see SRG focus on:

- Driving further progress with our core, Zero Harm company value, and ensuring all our values remain embedded across the business
- Converting more projects which have the ability to deliver profitable growth across the business streams – we will not target projects for top line growth, any targeted project must be profitable
- The possibility of acquisitions if they will deliver profitable growth, and the targets are a strategic fit with the SRG business
- Further developing our team, with talent mapping and training across the business
- Ensuring the focus on discipline, rigour, accountability and good corporate governance remains in place, and importantly
- Delivering sustainable returns to shareholders.

With no net debt, significant legacy issues resolved, a strong team and unified brand, there's not much that will hold SRG back from delivering on its objectives and continuing the work with our customers and partners in **"making the complex simple."** ///

David Macgeorge

David Macgeorge
Managing Director

OUR BOARD

PETER McMORROW

CHAIRMAN

Peter McMorrow joined the Board of SRG as a Director in July 2010, and moved into the role of Chairman in July 2014. He is also a member of the Remuneration and Benefits Committee.

Peter has over 35 years project and executive experience and is a respected leader in the infrastructure and resources industries. Encompassing a wide variety of large and complex infrastructure projects both overseas and within Australia, his industry knowledge extends to all facets of engineering, project identification, winning and delivery as well as management of dynamic, profitable and long lasting business operations.

Most recently, Peter was Managing Director of Leighton Contractors, for the period between 2004 and September 2010. Under his guidance, Leighton Contractors expanded considerably with turnover increasing to over $5 billion and the workforce increasing fourfold to approximately 10,000 employees.

Peter is an advocate for health and safety, and brings a strong zero harm vision to both SRG and the industry in which it operates.

DAVID MACGEORGE

MANAGING DIRECTOR

David Macgeorge joined SRG as Managing Director in May 2014.

David has extensive senior executive experience in contracting, logistics, infrastructure and mining service industries and has a strong record of leading business transformations, driving value creation and growth through a unique understanding of strategy, customer focus and shareholder returns.

Prior to joining SRG, David held senior executive roles with BIS Industries, Cleanaway and CHEP (a subsidiary of Brambles). He also provided consultancy to Leighton Contractors.

David holds a Bachelor of Business and has completed the Senior Executive Management program at INSEAD Business School in France.

MICHAEL ATKINS

NON-EXECUTIVE DIRECTOR

Michael joined the SRG Board as a Director in September 2014, and is Chairman of the Audit Committee.

Michael was a founding partner of a national Australian Chartered Accounting practice from 1979 to 1987 and was a Fellow of the Institute of Chartered Accountants in Australia. Since 1987 he has been both an executive and non-executive director of numerous publicly listed companies with operations in Australia, USA, South East Asia and Africa.

Since February 2009 Michael has been a Director – Corporate Finance at Paterson Securities Limited and is currently Non-Executive Chairman of Australian listed companies Legend Mining and Azumah Resources as well as a Director of Perth Theatre Company.

Michael is a Fellow of the Australian Institute of Company Directors.

PETER BRECHT

NON-EXECUTIVE DIRECTOR

Peter Brecht joined the Board of SRG Limited in September 2014. He is Chairman of the Remuneration, Nomination and Benefits Committee.

Previously the Managing Director - Construction Australia for Lend Lease, CEO of Bilfinger Berger Australia, Managing Director of Abigroup, Peter has more than 35 years' experience in the construction industry.

Peter is a Board member of SMC (Sydney Motorway Corporation) and Fulton Hogan Limited. He has been a Member of the Australian Institute of Company Directors since 2000.

ROBERT FREEDMAN

NON-EXECUTIVE DIRECTOR

Bob Freedman has been involved with SRG since 1970 when he joined the business as Manager WA. He held the role of Managing Director from 1985 until 2009 and has been a Director since 1985, serving as Chairman of the Board between 2009 and 2014. He is also a member of the Audit Committee.

Bob has been involved in the construction industry since 1967 and has been involved with the construction of many iconic projects, including Sydney Tower, Stadium Australia and the Emirates Tower. He was responsible for establishing SRG's overseas operations in Asia, the United Kingdom, the Middle East and South Africa.

Bob is a Member of the Institution of Engineers Australia, and holds a Post Graduate Diploma in Business Administration (W.A.I.T).

OUR LEADERS

ROGER LEE

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Roger joined SRG as CFO and Company Secretary in July 2014, and brings over 25 years' experience in senior and executive management in Australia.

Prior to joining SRG, Roger played an integral role in the establishment of Broad Group Holdings (now part of the Leighton Contractors Group), a national commercial and civil construction company which grew from inception to annual revenues of over half a billion dollars during his tenure.

During his time at Broad, he held various executive roles including Director/CFO, and subsequently Managing Director of Broad. He has also held other Executive Finance roles at Leighton Contractors, both at corporate level and within the Infrastructure Division.

Roger is a qualified CPA and is a graduate of the University of Western Australia in Commerce, majoring in Finance and Accounting.

MARK PALMER

EXECUTIVE GENERAL MANAGER CONSTRUCTION

Mark joined SRG as Executive General Manager, Construction in November 2014, and brings over 30 years' civil construction experience to the role.

Prior to SRG, Mark held the role of General Manager of Engineering Excellence at Lend Lease and was the General Manager of NSW for Abigroup for four years, running a business with circa $1 billion turnover.

Mark studied Civil Engineering at Lafayette College in Pennsylvania, USA.

JOE THOMAS

EXECUTIVE GENERAL MANAGER MINING & PRODUCTS

Joe joined SRG in October 2014 as Executive General Manager Mining & Products. In addition to his EGM role, Joe leads SRG's National Zero Harm Leadership Team, helping to embed the Zero Harm value through the Company from the bottom up and top down.

Prior to commencing with SRG, Joe held General Manager roles at IES Resources, Queensland Rail, and Mountain Industries (a subsidiary of Asciano). He also held the role of Director of Coal Services at Bis Industries across a five year period.

Joe studied Mathematics at the Queensland University of Technology, has completed a Diploma in Business Coaching and the Advanced Management Program at INSEAD in Singapore.

AMY HANCOCK

GENERAL MANAGER PEOPLE

Amy joined SRG as General Manager, People in August 2014, and brings over 14 years' experience in senior human resources and employee relations to the role.

Prior to commencing with SRG, Amy held the role of Group Manager – People with Bis Industries and formerly was the Employee Relations Manager with Brambles.

Amy holds a Bachelor of Economics and a Master of Labour Law and Relations from the University of Sydney.

MICHELLE QUIGLEY

GENERAL COUNSEL

Michelle joined SRG as General Counsel in September 2014, and brings significant experience to the role, managing all the legal issues and aspects for the company internationally. She is also responsible for the comprehensive global insurance program and code of conduct compliance. Prior to SRG, Michelle acted for many years as a senior in house legal counsel for Leighton Contractors Pty Ltd and its wholly owned subsidiary, Broad Group Holdings, managing the litigation division.

Michelle is a certified legal practitioner, admitted to practice, after completion of her Articles in 2004. She also completed a Master of Laws with the University of Melbourne, specialising in Construction Law.

COREY MARANESI

GENERAL MANAGER COMMERCIAL

Corey joined SRG in March 2015 and has over 20 years senior management experience in commercial, risk and finance positions. His previous roles have covered a wide range of industries including infrastructure, logistics, mining and manufacturing. He holds a Bachelor of Commerce degree, Masters in Business Administration and is also a Certified Practicing Accountant.


CLOUGH
Deloitte
LAVAN
AMP

SRG PLAYS KEY ROLE IN PERTH'S ICONIC BRIDGE CONSTRUCTION

Elizabeth Quay is a major Western Australian development project currently under construction in Perth's central business district being delivered by the State Government. Located on the north shore of the Swan River, the Elizabeth Quay development is a 2.6 billion project designed to revitalise Perth and embrace one of city's best natural assets.

The project is a significant development for the city and will feature a stunning inlet connected by 1.5km of continuous boardwalks and promenades, delivering great public leisure spaces, new hotel and short stay accommodation and contemporary inner city living opportunities, all of which is predicted to:

- Attract over 4 million visitors to the site per year
- Become a future workplace for 10,000 employees
- Provide a home to 1,400 residents
- Generate significant investment through tourism and retail dollars

SRG played a crucial role in the construction of the centrepiece feature at the Quay, a double arch pedestrian and cyclist bridge, set to become the centrepiece of the Elizabeth Quay development.

Working together with the Decmil and Hawkins Civil under the DASSH Joint-Venture, SRG was contracted by Leighton Broad to bring the unique double arch bridge design to life, through technical engineering and construction work.

The 20-metre high double arch, cable stay suspension bridge is the first of its kind in Perth. In line with Australia's many renowned port and waterfront icons, the Elizabeth Quay bridge will create a striking architectural feature for the future precinct and the city, connecting the ferry terminal and Williams Landing to the new Island.

SRG's expertise in innovative structural engineering and detailed civil infrastructure has been integral to bringing the ambitious architectural design to reality. The bridge has been under construction since early 2014, and this year the massive 86 tonne arches were constructed and lifted into place.

Due to the size and shape of the arches, lifting and upending each structure was no easy feat, the boom radius did not allow the arch lift to be completed in a single operation. A Link-Belt 275 tonne crawler crane and hydraulically adjustable intermediate prop was utilised to support the arch at a lower level before tracking the crane back to complete the lift. This complex process was made possible through the expertise and hard work of a number of skilled structural and civil engineers, structural steel fabricators and site operatives.

Having completed the main structural elements of the bridge, the next steps in the project will see the deck and architectural finishes installed ahead of the opening of the public realm in late 2015.

For SRG it has been a privilege to be involved in this significant development for the city of Perth, to deliver this important component of the project for Leighton Broad.

DEMONSTRATING DRILL AND BLAST LEADERSHIP

In 2014 Evolution Mining contracted SRG to deliver drill and blast functions for its open cut gold mine at Edna May, 350 kilometres east of Perth. The project mines 10 million tonnes a year to produce refined gold.

At the mine, SRG is responsible for delivering drill and blast functions. This involves drilling holes at the site, inserting explosives in them and providing management over this process, including managing the explosions.

This is a two-year project, with a subsequent one-year option. Aside from the drill and blast part of the mining operation, SRG has also been contracted to conduct pit grade control and probe drilling.

Grade control drilling involves sampling the known ore bodies at the site. These samples are then sent to a lab for processing. This process determines the grams of gold per tonne the mine can expect to produce when the area is blasted. The ore is then mined via the load and haul process and sent to the mill for processing.

Probe drilling is a process that identifies where previous underground mining has taken place at the site. The area being mined has been exploited for mining purposes for a century, most of which involved underground mining.

Now, the format of the mine is open cut, which involves considerable interaction with the known underground workings. The probe drilling process occasionally identifies an area of the mine that has not previously been mapped. This procedure allows the mine to understand the true extent of the voids that exist at the site.

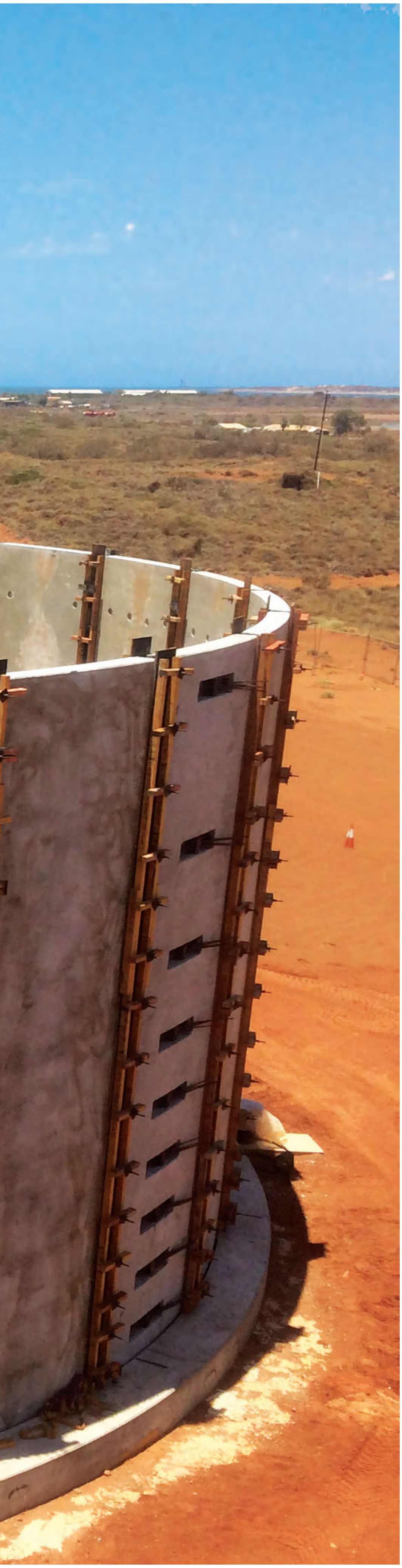
SRG maintains a 30-person team at the site of drillers, fitters and shot firers. Five of SRG's drill rigs are situated at the site, allowing the business to leverage its assets to their full potential.

SRG was chosen by Evolution Mining to fulfil this role after a lengthy tendering process involving extensive due diligence on our operations, which included thorough analysis of our company profile and reputation in the market. Our subsequent appointment demonstrates our robust business, superior capabilities in drill and blast and reputation as a market leader in the industry.

In addition, we are able to demonstrate our leadership in this area through the team's exemplary safety record and our ability to consistently hit targets set by Evolution Mining. We are able to achieve this given the strong commitment of our team to SRG's core values and the leadership role the Edna May team plays on site.

"I am writing to thank you and the SRG team for the great work undertaken in the design and construction of the two 5 ML water storage tanks and associated pipelines at Onslow, WA. This project has been challenging given its remote location and climate. However, these challenges have been overcome through detailed planning and organisation ... SRG has consistently demonstrated its commitment to managing the existing environmental conditions and maintaining a safe worksite during the entire project."

Scott Shand, Project Director, Regional Water Conveyance.



INNOVATIVE METHODOLOGIES DELIVER SUCCESSFUL WATER TANK PROJECT

SRG completed a major project during the year for Western Australia's Water Corporation to construct two 5ML water storage tanks and associated pipelines, in the town of Onslow, which is situated 1400 kilometres to the north of Perth, on the Pilbara coast.

The recent development of several large gas field projects in the vicinity of Onslow was driving town growth and increased water demand. The existing town water supply infrastructure had reached its capacity and two new water storage tanks were needed to ensure the township has sufficient water to meet its current and future needs.

A tank design and construct contract was issued with the option to submit bids for the construction of either steel or concrete tanks. SRG's project team submitted a successful bid to construct concrete tanks based on an innovative post-tensioned method. The advantage of using concrete is that it requires less ongoing maintenance than steel and lasts up to 100 years.

SRG developed pioneering precast panels, post-tensioned in two directions, to overcome any potential cracking in the pre-cast concrete. The panels were cast in Perth and then transported to site where they were stitched together using a customised concrete mix that responded to the harsh environmental conditions. This process ensures the concrete is kept in compression in both directions. Should a micro-crack occur in the concrete the panels have been designed to self-seal, effectively closing the crack.

The contract also required that the tanks, which weigh 6,000 kilograms, be constructed on sandy ground. Because of the potential for ground settlement, under the weight of the tanks, each tank site was pre-loaded with fill material to self-compact prior to the tanks being constructed. Specialist settlement sensors were obtained from the US for this part of the project, which was the first time this technology had been used in Australia.

SRG was the principal contractor for this project being responsible for the full management of the design, construction, testing and commissioning of the two water tanks. This also involved managing contractors and consultants who were also on site.

This contract was, however, not without its environmental challenges. Over the course of the project there were cyclones and floods. Nevertheless, the team was able to overcome these weather events to deliver a successful outcome on-time for the client, all the while working in the relentlessly extreme heat of the Pilbara.

We were pleased to receive the following testimonial from the client after the successful installation of the two tanks:

"I am writing to thank you and the SRG team for the great work undertaken in the design and construction of the two 5 ML water storage tanks and associated pipelines at Onslow, WA. This project has been challenging given its remote location and climate. However, these challenges have been overcome through detailed planning and organisation … SRG has consistently demonstrated its commitment to managing the existing environmental conditions and maintaining a safe worksite during the entire project."

Scott Shand, Project Director, Regional Water Conveyance.

WORK AT BARANGAROO TAKING SHAPE

Barangaroo is the largest construction project in Sydney since the turn of the millennium, a 22-hectare harbour-front urban renewal project that involves the complete transformation of the western edge of Sydney's CBD. The site involves three areas, Headland Park, Central Barangaroo and Barangaroo South. When finished, the former container port will be transformed into a mix of office and residential towers, recreational spaces such as public waterfront walks and parks.

SRG has worked alongside Lendlease, the developer and main contractor for Barangaroo South and the main contractor for the Barangaroo Reserve, as the program of works, which has taken place over five years, progressed. Our role has focused on the post-tensioning works, including three multi-storey towers and additional slabs, entailing close to 2,500 tonnes of 15.2mm strand.

This year we completed substantial post-tensioning works on the commercial office towers and apartments at Barangaroo South, including shop drawing, installation, stressing and grouting. We also undertook post-tensioning works for the Napolean Bridge that spans across Sussex Street.

SRG's Civil team also completed stressing of beams used for the Barangaroo Reserve cultural space. This project involved the construction of a land bridge, supporting a park complete with bicycle paths, walking tracks, retaining walls, water mains, trees and grassed areas over the top of a large 17m high 18,000m^2 open floor space.

Mr David Macgeorge and Mr Keith Wood-Gush

EXPANDING SRG'S SERVICE OFFERING THROUGH STRATEGIC ACQUISITION

SRG has expanded its services division through the acquisition of CCM Group Australia Pty Ltd ("CCM").

CCM Group Australia is a leading Commercial Maintenance, Asset Integrity and Construction Services company. The company has operations throughout the Perth metropolitan area, regional Western Australia (WA) and interstate.

CCM delivers solutions to the Commercial Construction, Mining and Mineral Processing Industries. Services include: Commercial Maintenance, Building Maintenance, Construction Maintenance, Concrete Waterproofing, Precision Grouting, Concrete Repairs and Industrial Floor Coatings.

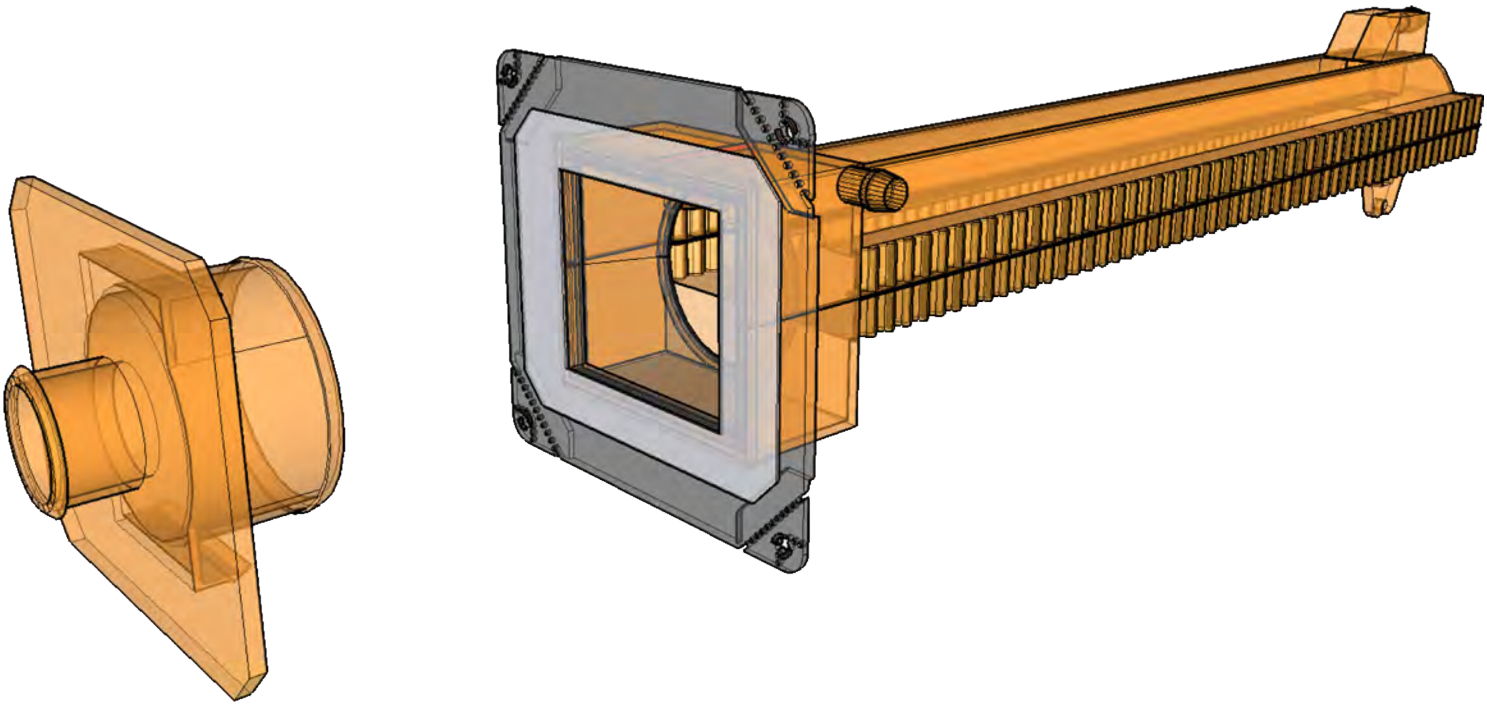
In line with SRG's strategic growth plans, the CCM acquisition increases the depth of its services and broadens its innovative offerings for customers. At the core of the decision to acquire CCM was both companies shared work ethos, culture and aligned business objectives and complements SRG's existing remedial services capability on the East Coast.

Purchased for $2.35 million, using existing cash reserves, the transaction includes an earn-out payment subject to the achievement of agreed performance targets during FY16, FY17 and FY18.

A key highlight of this transaction is the 60 years remedial services sector experience that comes with CCM's working directors, who are each well respected in the industry and will remain a core part of the team.

CCM's Directors, Keith Wood-Gush, John Mai, Billy Meerten and Carl Klem, along with its 40 staff, will join SRG and will be based in its Perth offices in Subiaco. Mr Wood-Gush, CCM's Managing Director, will continue to head the business.

Mr Wood-Gush said, "This is an exciting opportunity for CCM to expand its operations significantly with the financial, technical and management backing of SRG and to continue to offer our valued clients innovative solutions and the highest levels of service."



PROVIDING SOLUTIONS THROUGH INNOVATION

Integral to SRG's business model is our focus on constant innovation, we think outside the box and solve the complex problems others can't. One way we do this is through our dedicated Products team, who create products that solve technical challenges in the industries we work in. This year, after three years of development, innovation, research and testing, SRG and Refobar Australia launched SureLok™.

SureLok™ is a revolutionary engineered solution to temporary movement joints (TMJ) for the post-tensioning, construction and mining industries.

TMJ's are the most complex joints within a concrete structure, as they require temporary free movement in two horizontal directions prior to being locked tight to ensure permanent stability and integrity of structure. Even though the issues and problems associated with TMJ's were well known by builders and engineers, it is the complexity of the design criteria that left the issues unresolved for so long.

There was a need to develop and engineer a high quality product, which resolved technical design issues, as well as ensuring time-saving practical installation benefits.

SRG's team used a combination of specialist areas of engineering outside of the standard field of structural engineering, including hydraulic engineering to design a movable pressure seal as well as materials such as rubber and plastics to ensure affordability.

The product - SureLok™ - engineers an intelligent void with a pressure sealed system bridging the joint, whilst allowing horizontal movement, before being locked together with a typical cement grout mixture used for post-tensioned tendons. The intelligent void ensures the dowel contains cover for durability as well as fire within the sleeve and across the joint without having to rely on the joint itself being sealed or grouted. It is the first TMJ hardware to provide temporary movement while at the same time remaining completely sealed as it achieves its shear capacity.

Undergoing rigorous testing and industry scrutiny, SRG carried out a number of presentations, including one to the Concrete Institute of Australia (CIA) to test the commercial viability within the relevant sectors. The result is a product that offers a range of safety, cost, design and performance benefits.

The response has been extremely positive, and we're confident of SureLok™'s place in the market as crucial solution for TMJ.

Excitingly our work on Surelok™ has led us to identify another gap in the market for a Slab to Wall (SW) option. We are currently working on SureLok™ SW, which going through the final prototype phase, utilising the latest technology in 3D printing to fast track the development process.

SureLok™ ensures:

- Low cost, economic, technical and practical solution
- A fully sealed system
- A fully grouted system for permanent locking
- Reduced site install time
- Vertical shear capacity without corbels
- All design and safety criteria requirements are met
- Elimination of joint sealing for purposes of grouting, corbels, propping and drilling edge form for dowels
- An innovative advancement from existing market options

TAKING A LEADERSHIP ROLE AT MIDTOWN

During the year we finalised a major project at one of the busiest intersections in Melbourne. The project involved completing remedial works to the Midtown façade, situated on the corner of Bourke and Swanson Streets in the middle of the city's thriving CBD, for client ISPT.

ISPT is one of Australia's largest unlisted property fund managers with over $11 billion of funds under management through investments in office, retail, industrial and residential properties. ISPT owns high quality property and creates office and retail spaces that meet the changing needs of their tenants.

The project involved remediation to the 7 storey main tower and adjoining 2 storey building and involved concrete and render repairs, brickwork repairs, glass window replacement and repairs and coating works, as well as a major roof upgrade to the 2 storey building.

The works were deemed to be necessary after independent engineering inspections indicated full façade remediation was required to fix spalled concrete and detached render.

Remediation projects are always very intricate and detailed and Midtown was no different. SRG is skilled at managing projects of this nature, one of the reasons why it was a success.

The building was fully tenanted at the time, with a number of high profile businesses such as banks and telecommunications companies continuing to trade as work was carried out. With many high profile stakeholders, client liaison was crucial in order for the works to run to program, whilst maintaining unencumbered access for shop fronts and commercial properties to undertake their daily business.

With little road access, coverway gantries were erected over Little Bourke Street, and along the front façades of Bourke and Swanston Street. Mixed use access including swing stage scaffolds, booms, scissors, rope access and mobile scaffolds were incorporated into the works to enable all traffic (road and pedestrian) to continue to use the building as normal, whilst maintaining visibility to the site to ensure that third parties were not deterred from entering businesses and the arcade area of the building.

The major challenge for the project was co-ordination with, and communication to, the many stakeholders involved in the project, which also required myriad planning permits, and the need to comply with noise restrictions regulations.

It is significant SRG coordinated material delivery and scaffolding to be erected to the centre of Melbourne that meant most of these works were completed during the night or out of normal working hours, with liaison required between the City of Melbourne, Yarra Trams, and all essential services including the police and fire brigade.

Thanks to the strong relationships we had developed with the numerous stakeholders who had an interest in the project – including the client ISPT and the Melbourne City Council, the project constraints were overcome through intense logistics planning and weekly meetings between all parties involved on the project.

The cohesive nature of the project team ensured that all matters were discussed transparently with a key focus on ensuring that unencumbered access for the works to continue were met, whilst abiding by the City of Melbourne requirements and requests for all tenancies to remain operational. In most cases, months of planning were necessary given that another major construction site was also being built on the corner of Lonsdale and Swanston Street which meant that traffic management was required for necessary crane lifts incorporated for the Little Bourke Street works that did not delay either project.

This demonstrates SRG's ability to play a leadership role and the transparent, high-integrity approach we take to all our projects.

The project was completed ahead of schedule, to budget and to the high standards clients have come to expect from SRG. In recognition of the complexity of the work, we were also awarded the Australasian Concrete Repair Association (ACRA) Award for Excellence for 'Building and Remediation over $2M' for the Midtown Facade Project.

As a result of the works carried out at Midtown, its façade now adds to the appearance of one of the busiest mall precincts of the city. It was a remarkable project, carried out with the attention to detail SRG's clients have come to expect.

DIRECTORS' REPORT

Introduction

The Directors present their report on the consolidated entity consisting of SRG Limited (formerly Structural Systems Limited) ABN 57 006 413 574 ("SRG" or "Company") and the entities it controlled ("consolidated entity" or "Group") for the year ended 30 June 2015 and the independent audit report thereon.

Principal activities

During the financial year, the principal activities of the consolidated entity were drilling and ground control services, engineering, remedial and construction contracting and manufacture of post-tensioning components.

Operating and financial review

A summary of the consolidated revenues and results is as follows:

Results for the year	2015 $'000	2014 $'000
Revenue	172,259	223,125
Construction and servicing costs	(146,576)	(198,879)
Other expenses	(10,980)	(10,348)
EBITDA Continuing Operations	**14,703**	**13,898**
Depreciation and amortisation expense	(7,954)	(10,545)
Finance costs	(711)	(1,248)
Settlement of Eastern Treatment Plant dispute (net)	(3,530)	-
Profit before income tax	**2,508**	**2,105**
Income tax expense attributable to profit	(899)	(838)
Profit attributable to the members of SRG Limited	**1,609**	**1,267**

For details, refer to the Managing Director's report on pages 9 to 11.

Directors

The following persons were directors of SRG Limited during the financial year and until the date of this report:

Peter J McMorrow (appointed as Chairman 1 July 2014)

David W Macgeorge

Peter J Brecht (appointed 4 September 2014)

Michael W Atkins (appointed 9 September 2014)

Robert W Freedman

Ian L Fraser (resigned 19 November 2014)

Company Secretary

Roger Lee is a qualified Certified Practising Accountant and has over 20 years of experience in senior and executive management in Australia. During his time at Broad Group Holdings and Leighton, Roger held various executive roles including Director/CFO, and subsequently Managing Director at Broad.

Information on Directors of SRG Limited

Michael W Atkins - Director
Appointed 9 September 2014
Interest in Shares: 90,000 Held by Atkins Superannuation Fund
Options to acquire 200,000 ordinary shares.

Michael is a Fellow of the Australian Institute of Company Directors. Since February 2009 Michael has been a Director - Corporate Finance at Patersons Securities Limited and is currently Non-Executive Chairman of Australian listed companies Legend Mining Ltd (since February 2003) and Azumah Resources Ltd (since October 2009) as well as a Director of Perth Theatre Company.

Peter J Brecht - Director
Appointed 4 September 2014
Interest in Shares: 339,311 Held by Peter Brecht Superannuation Fund
Options to acquire 200,000 ordinary shares.

Peter was previously the Managing Director - Construction Australia for Lend Lease, CEO of Bilfinger Berger Australia and Managing Director of Abigroup. Peter has more than 35 years experience in the construction industry.

Peter is a Board member of SMC (Sydney Motorway Corporation) and Fulton Hogan Limited. He has been a Member of the Australian Institute of Company Directors since 2000.

Robert W Freedman - Director
Director since 1985
Interest in Shares: 1,099,136 Held by Freedman Superannuation Fund
Options to acquire 200,000 ordinary shares.

Director since 1985, Managing Director 1998 to 2008, Chairman from 2009 to 2014. Member of the Institution of Engineers Australia, Post Graduate Diploma in Business Administration (W.A.I.T).

There are no other listed companies of which Robert has served as a director during the last three years.

David W Macgeorge - Managing Director
Director since 12 May 2014
Interest in Shares: 366,000 Held personally
Options to acquire 500,000 ordinary shares

David has extensive Senior Executive experience in contracting, logistics, infrastructure and mining service industries and has a strong record of leading business transformations, value creation and growth through a unique understanding of strategy, customer focus and shareholder returns. David holds a Bachelor of Business in Marketing and has completed the Senior Executive Management program at INSEAD Business School in France.

Peter J McMorrow - Chairman
Director since 2010, member of the SRG Remuneration Committee
Interest in Shares: 3,376,608 Held by The McMorrow Superannuation Fund
Options to acquire 400,000 ordinary shares.

Director since 2010, Chairman since July 2014. Peter was Managing Director of Leighton Contractors from 2004 until September 2010. Under his guidance, Leighton Contractors expanded considerably with turnover increasing to over $5 billion and the workforce increasing fourfold to approximately 10,000 employees.

Peter has over 35 years project and executive experience and is a respected leader in the infrastructure and resources industries. Encompassing a wide variety of large and complex infrastructure projects both overseas and within Australia, his industry knowledge extends to all facets of engineering, project identification, winning and delivery as well as management of dynamic, profitable and long lasting business operations. Mr McMorrow is an advocate for safety and health, with a vision to create and sustain an industry where no one is harmed.

There are no other listed companies of which Peter has served as a director of during the last three years.

Directors attendance at meetings	SRG Board		Audit Committee		Remuneration, Nomination and Benefits Committee	
	Held	Attended	Held	Attended	Held	Attended
M W Atkins [1]	8	5	4	3	-	-
P J Brecht [1]	8	5	-	-	2	2
R W Freedman	8	8	4	4	-	-
D W Macgeorge	8	8	-	-	2	2
P J McMorrow	8	8	-	-	2	2

[1] Mr Atkins and Mr Brecht did not attend all meetings due to these meetings being held prior to their appointment at SRG.

Remuneration Report (Audited)

The Directors present the remuneration report for the year ending 30 June 2015. The information provided in this remuneration report has been audited as required by section 308(3c) of the *Corporations Act 2001*.

Key Management Personnel have authority and responsibility for planning, directing, and controlling the activities of the Company and the Group. Key Management Personnel comprise the Directors of the Company, the Chief Financial Officer and the two Executive General Managers of the Company and the Group.

1. Board Policy on Remuneration

The Board has adopted a policy that remuneration will:

- Encourage Executives to improve SRG's overall performance and to enhance shareholder value
- Motivate Executives by providing the opportunity to be rewarded for the achievement of financial performance and safety outcomes
- Reward superior performance
- Ensure remuneration is competitive by market standards
- The Board has appointed a Remuneration Committee, comprising Mr Brecht (Non-Executive Director) as Chairman, and Mr McMorrow (Chairman). The Remuneration Committee is charged with determining the remuneration levels for Non-Executive Directors (subject to shareholder approval), the Managing Director and members of the Executive Committee. They are also charged with approving the Short and Long Term Incentive Scheme for the business.

2. Remuneration Strategy and Structure

SRG drives a strong performance-based approach to remuneration and reward for Executives. The Company aims to provide a competitive reward proposition, targeted at attracting, motivating and retaining the most appropriately qualified and experienced individuals.

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

- The remuneration level of the Managing Director attributable to the 2015 financial year was evaluated and approved by the Chairman and the independent Directors. His remuneration package takes into account factors such as experience, qualification and performance. These levels will be determined by the Remuneration Committee for the 2016 financial year and onwards.
- The remuneration levels of the members of the Executive Committee reporting to the Managing Director attributable to the 2015 financial year was submitted by the Managing Director to the Remuneration Committee for approval. Remuneration packages are structured such that the Group is able to attract and retain personnel with the expertise and ability to create value for shareholders.
- The remuneration level of Non-Executive Directors is reviewed and approved by the Remuneration Committee on an annual basis within the fee pool of $500,000 approved by shareholders at the 2013 Annual General Meeting.

Both independent external advice and internal advice may be sought as required to assist the Remuneration Committee in determining appropriate remuneration arrangements for the Key Management Personnel. This includes the remuneration levels of comparable positions within other public companies. None such advice was sought for the year ended 30 June 2015.

The following summarises the mix of reward elements for the Non-Executive Directors and Senior Executives:

Elements of remuneration		Directors		Executive General Management
		Non-Executive	Managing Director	
Fixed remuneration	Cash Salary	✗	✓	✓
	Cash fees	✓	✗	✗
	Superannuation	✓	✓	✓
	Other benefits[1]	✓	✓	✓
Short term incentives	Cash	✗	✓	✓
Long term incentives	Equity	✓	✓	✓
Post employment	Termination payments	✗	✓	✓

[1] Other benefits include motor vehicles lease payments, running costs, allowances and Fringe Benefits Tax.

3. Key Management Personnel (KMP)

In addition to the Non-Executive Directors, the following are the members of the Executive Committee who are included in the Key Management Personnel and to whom this report applies.

Elements of remuneration	
D Macgeorge	Managing Director
R Lee	Chief Financial Officer and Company Secretary (appointed 22 September 2014)
M Palmer	Executive General Manager Construction (appointed 17 November 2014)
J Thomas	Executive General Manager Mining and Products (appointed 29 September 2014)

4. Executive Remuneration

4.1 Fixed Remuneration

Fixed remuneration comprises cash salary and superannuation contributions.

The remuneration of Senior Executives is market based and has regard to remuneration levels that apply to similar positions in comparable companies and the performance of the executive during the year.

4.2 Short-term incentive plan

Managing Director

David Macgeorge has been granted a short term incentive (STI) award of up to a maximum of 100% of bonus base which is 80% of Total Fixed Remuneration depending on the achievement of targets to be agreed with the board.

General Scheme

The Managing Director, upon achievement of PBT target for the Group, submits his recommendation to the Board for approval in line with the approved incentive plan.

4.3 Long-term incentive plan (LTI)

Managing Director

On 30 June 2014, shareholders approved a grant of 500,000 options in a single tranche which will vest on and be capable of exercise from 31 July 2016. The exercise price of the options is 83.5 cents a share and the options will expire on 30 June 2018.

On 19 November 2014, shareholders approved performance rights as follows:

- Tranche 1 - 250,000 Performance Rights, for the Performance period ending on 30 June 2016
- Tranche 2 - 250,000 Performance Rights, for the Performance period ending on 30 June 2017
- Tranche 3 - 250,000 Performance Rights, for the Performance period ending on 30 June 2018

Senior Executives

A total of 600,000 options approved by shareholders on 19 November 2014 were granted to the senior executives. These options will vest on and be capable of exercise from 31 July 2016. The exercise price of the options is 82.7 cents a share and the options will expire on 19 November 2018.

Performance Rights were issued to the senior executives as follows:

- Tranche 1 - 300,000 Performance Rights, for the Performance period ending 30 June 2016
- Tranche 2 - 300,000 Performance Rights, for the Performance period ending 30 June 2017
- Tranche 3 - 300,000 Performance Rights, for the Performance period ending 30 June 2018

Chairman and Non-Executive Directors

On 19 November 2014, shareholders approved the grant of 1,000,000 options in a single tranche for the Chairman and Non-Executive Directors which will vest on and be capable of exercise from 31 July 2016. The exercise price is 82.7 cents and the options will expire on 19 November 2018.

The Company's earnings per share (EPS) performance will be the measure over the relevant performance period to determine vesting of the Performance Rights.

5. Company performance – the link to reward

The Board's policy is to align executive reward to the performance of the Company. To achieve this, the "at risk" element is directly linked to achieving business results.

5.1 Company Financial Performance

The following table provides details of the financial performance of the Company over the past five financial years:

Measure	Financial Year				
	2015	2014	2013	2012	2011
Revenue ($'000)	172,259	223,125	271,172	280,478	237,139
Operating profit from continuing operations before tax ($'000)	6,038	2,105	3,220	10,697	11,865
Profit after tax ($'000)	1,609	1,267	3,218	7,996	4,472
Total dividend per share paid (cents)	3.5	4.5	4.0	5.0	4.0
Share price ($)	0.64	0.57	0.32	0.71	0.69

5.2 Short term incentive plan

The short term incentive plan is based on achieving Net Profit Before Tax ("NPBT") and is ultimately at the discretion of the Board. The budget NPBT is determined in the business plan for the financial year. Participants in this plan include the Managing Director and the key management personnel and other employees as recommended by the Managing Director and approved by the Remuneration and Benefits Committee.

6. KMP Service Contact Details

Members of the Executive Committee receive termination payments in accordance with statutory requirements. The termination notice periods for the current members of the Executive Committee are summarised in the below table.

Name	Notice period by SRG	Notice period by Executive
D Macgeorge	6 months	6 months
R Lee	6 months	6 months
M Palmer	3 months	3 months
J Thomas	3 months	3 months

7. Non-Executive Director Remuneration

The remuneration of Non-Executive Directors is determined by the full Board, within a maximum amount approved by shareholders in a general meeting and with regard to the level of fees paid to Non-Executive Directors by other companies of similar size.

The maximum allowance for the aggregate amount of fees (approved at the 2013 Annual General Meeting) is $500,000. In the last financial year, the Board paid $401,077 of this amount as Non-Executive Director remuneration - see 8.1 below.

Non-Executive Director's fees have not been increased since 2009. Non-Executive Directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits. The Chairman does not receive fees for his role on the Remuneration, Nomination and Benefits Committee. Non-Executive Director fees (excluding superannuation) are comprised as follows:

Non-Executive Director Fees

- Chairman of the Board $120,000
- Non-Executive Director $60,000
- Chairman of the Audit Committee $12,500
- Member of the Audit Committee $7,000
- Chairman of the Remuneration, Nomination and Benefits Committee $10,000
- Member of the Remuneration, Nomination and Benefits Committee $6,000
- Statutory superannuation of 9.5%
- There is no element of Non-Executive Director fees contingent on performance.

8. Details of remuneration

8.1 Directors' and Senior Executives' remuneration

			Short term employee benefits [1]			Long term employee benefits [4]	Post employments benefits	Share based payments	Total	Bonus
			Salary	Bonus	Benefits [2]		Superannuation	Options[8]		
Directors			$	$	$	$	$	$	$	%
M W Atkins	Director (Non-Executive)	**2015**	**48,615**	**-**	**8,621**	**-**	**4,618**	**4,865**	**66,719**	**-**
		2014	-	-	-	-	-	-	-	-
P J Brecht	Director (Non-Executive)	**2015**	**45,000**	**-**	**6,667**	**-**	**4,908**	**4,865**	**61,440**	**-**
		2014	-	-	-	-	-	-	-	-
R W Freedman	Director (Non-Executive)	**2015**	**60,000**	**-**	**33,848**	**-**	**5,700**	**4,865**	**104,413**	**-**
		2014	120,000	-	61,283	-	11,100	-	192,383	-
D W Macgeorge	Managing Director	**2015**	**560,903**	**-**	**-**	**29,188**	**25,435**	**19,853**	**635,379**	**-**
		2014	73,943	-	60,000	-	12,390	-	146,333	-
P J McMorrow	Chairman	**2015**	**120,000**	**-**	**-**	**-**	**11,400**	**9,730**	**141,130**	**-**
		2014	65,892	-	-	-	6,048	-	71,940	-
I L Fraser [3]	Director (Non-Executive)	**2015**	**25,000**	**-**	**-**	**-**	**2,375**	**-**	**27,375**	**-**
		2014	60,000	-	-	-	5,550	-	65,550	-
Total Remuneration Directors		**2015**	**859,518**	**-**	**49,136**	**29,188**	**54,436**	**44,178**	**1,036,456**	**-**
		2014	319,835	-	121,283	-	35,088	-	476,206	-
Senior Executives			$	$	$	$	$	$	$	%
R Lee [5]	Chief Financial Officer / Company Secretary	**2015**	**324,105**	**-**	**-**	**23,290**	**29,798**	**4,865**	**382,058**	**-**
		2014	-	-	-	-	-	-	-	-
M Palmer [6]	Executive General Manager Construction	**2015**	**206,300**	**-**	**-**	**21,635**	**10,044**	**4,865**	**242,844**	**-**
		2014	-	-	-	-	-	-	-	-
J Thomas [7]	Executive General Manager Mining and Products	**2015**	**249,104**	**-**	**-**	**22,582**	**23,665**	**4,865**	**300,216**	**-**
		2014	-	-	-	-	-	-	-	-
Total Remuneration Executives		**2015**	**779,509**	**-**	**-**	**67,507**	**63,507**	**14,595**	**925,118**	**-**
		2014	-	-	-	-	-	-	-	-

(1) All values are the amounts earned for the relevant reporting period.

(2) Other benefits include, where applicable, motor vehicle lease payments and running costs, allowance, Fringe Benefits Tax, termination and sign on payments.

(3) Resigned 19 November 2014.

(4) Long term benefits include, where applicable, movements in annual leave and long service leave accruals

(5) Commenced 14 July 2014

(6) Commenced 17 November 2014

(7) Commenced 29 September 2014

(8) Values disclosed represents the portion of the options' fair value that were recognised as an expense in the relevant reporting period.

8.2 Directors' and Senior Executives' remuneration

The following table provides details of the shares held by Key Management Personnel:

	Balance 01/07/2014	Received as remuneration	Number of ordinary shares on exercise of options	Net Change [1]	Balance 30/06/2015
Directors					
M W Atkins	-	-	-	90,000	90,000
P J Brecht	-	-	-	339,311	339,311
R W Freedman	1,099,136	-	-	-	1,099,136
D W Macgeorge	166,000	-	-	200,000	366,000
P J McMorrow	2,165,487	-	-	1,211,121	3,376,608
Senior Executives					
R Lee	-	-	-	200,000	200,000
M Palmer	-	-	-	-	-
J Thomas	-	-	-	151,106	151,106
Total	**3,430,623**	**-**	**-**	**2,191,538**	**5,622,161**

[1] Net change represents on-market purchases and disposal of shares and holdings.

8.3 Options

Options granted as remuneration

	Balance 01/07/2014	Grant Details			Exercised		Lapsed		Balance 30/06/2015
		Issue Date	No.	Value $	No.	Value $	No.	Value $	
Directors									
M W Atkins	-	19/11/2014	200,000	30,000	-	-	-	-	200,000
P J Brecht	-	19/11/2014	200,000	30,000	-	-	-	-	200,000
R W Freedman	-	19/11/2014	200,000	30,000	-	-	-	-	200,000
D W Macgeorge	500,000	30/06/2014	500,000	75,000	-	-	-	-	500,000
P J McMorrow	-	19/11/2014	400,000	60,000	-	-	-	-	400,000
Senior Executives									
R Lee	-	19/11/2014	200,000	30,000	-	-	-	-	200,000
M Palmer	-	19/11/2014	200,000	30,000	-	-	-	-	200,000
J Thomas	-	19/11/2014	200,000	30,000	-	-	-	-	200,000
Total	**500,000**		**2,100,000**	**315,000**	**-**	**-**	**-**	**-**	**2,100,000**

[1] The options have been granted subject to continued employment with SRG Limited until 31 July 2016.

[2] The fair value of options granted as remuneration and as shown in the above table has been determined in accordance with Australia Accounting Standards and will be recognised as an expense over the relevant vesting period to the extent that conditions necessary for vesting are satisfied.

	Balance at end of year	Vested			Unvested Total at end of year
		Exercisable	Unexercisable	Total at end of year	
	No.	No.	No.	No.	No.
Directors					
M W Atkins	200,000	-	-	-	200,000
P J Brecht	200,000	-	-	-	200,000
R W Freedman	200,000	-	-	-	200,000
D W Macgeorge	500,000	-	-	-	500,000
P J McMorrow	400,000	-	-	-	400,000
Senior Executives					
R Lee	200,000	-	-	-	200,000
M Palmer	200,000	-	-	-	200,000
J Thomas	200,000	-	-	-	200,000

Description of options issued as remuneration

Details of the options granted as remuneration to those KMP listed in the previous table are as follows:

Grant Date	Issuer	Entitlement on exercise	Dates exercisable	Exercise price $	Value per option at grant date $	Amount paid / payable by recipient
30/06/2014	SRG Limited	1:1 ordinary shares in SRG	From 31/07/2016 to 30/06/2018	0.835	0.15	-
19/11/2014	SRG Limited	1:1 ordinary shares in SRG	From 31/07/2016 to 30/06/2018	0.827	0.15	-

(1) Option values at grant date were determined using the Black-Scholes method.

This ends the audited remuneration report.

Dividends

Dividends paid or declared by the Company to members since the end of the previous year were:

	Cents per share	Total amount $	Date of payment
Declared and paid during the year			
Final dividend 2014	1.5	944,390	17/10/2014
Interim dividend 2015	2.0	1,259,184	20/04/2015
		2,203,574	

The Directors resolved to declare a fully franked final dividend of 0.5 cents for the year. Record date for determining entitlement is 18 September 2015 and the dividend is payable on 16 October 2015.

Significant changes in state of affairs

There was no significant change in the state of affairs on the Group during the 2015 financial year.

Likely Developments

For information on likely developments, refer to the Managing Director's report.

Matters subsequent to the end of the financial year

Acquisition of CCM Group Australia Pty Ltd

On 31 July 2015, the company acquired CCM Group Australia Pty Ltd ("CCM") through a combination of cash and earn out payments based on performance targets in future periods. For additional information, please refer to the media release on 8 July 2015 and notes to the financial statements.

Resolution of Eastern Treatment Plant Dispute

On 12 August 2015, the Eastern Treatment Plant ("ETP") dispute was resolved. Under the settlement agreement, SRG will pay $9.75m, partially offset by provisions and insurance coverage. Given that the dispute existed at the end of the reporting period, the financial statements have been adjusted to reflect its liability. For additional information, please refer to the media release on 12 August 2015 and notes to the financial statements.

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with *APES110: Code of Ethics* for Professional Accountants set by the Accounting Professional & Ethical Standards Board.

The following fees for non-audit services were paid / payable to the external auditors during the year ended 30 June 2015:

	2015 $	2014 $
Taxation services	28,000	26,750
Due diligence services	-	22,000

Directors' and auditor's indemnification

Under the Constitution of SRG Limited (formerly Structural Systems Limited) the Directors, Auditors, Company Secretary and all other Officers of the Company when acting in those capacities are indemnified to the extent permitted by law for liability incurred in defending any proceeding in which judgement is given in his favour or in which he is acquitted or in any application under the Corporations Law in which relief is granted to him by the Court in respect of any negligence, default, breach of duty or breach of trust.

No person has applied for leave of a Court to bring proceedings on behalf of the Company or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings.

During the financial year the Company has paid insurance premiums in respect of Directors and Officers Liability and Legal Expenses Insurance contracts, for current Directors and Officers, including Executive Officers of the Company and Directors, Executive Officers and Secretaries of its controlled entities. The insurance premiums relate to:

- costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not allocate the premiums paid to each individual Officer of the Company.

Environmental Regulation

The Group's operations are subject to significant environmental regulation under international, Federal and State legislation.

The Company has systems in place to manage its environmental obligations within its construction and mining activities. The Directors are not aware of any breaches of environmental regulations and any specific site environmental requirements during the year.

Corporate Governance

The SRG Limited Board of Directors ("Board") believes that good corporate governance is essential in ensuring integrity and creating sustainable value for its shareholders. The Board endorses the 3rd edition of the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments originally issued by the ASX Corporate Governance Council in August 2007.

For further information on corporate governance policies adopted by SRG Limited, refer to our website:

http://www.srglimited.com.au/about-us/corp-governance.html

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found attached to this Director's report.

Options

At the date of this report, the unissued ordinary shares of SRG Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under option
30/06/2014	30/06/2018	$0.835	500,000
19/11/2014	19/11/2018	$0.827	2,665,000

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity. There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

During the year ended 30 June 2015, no options were exercised.

Rounding of Amounts

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Director's report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a Resolution of the Board of Directors and is signed for and on behalf of the Directors.

Dated 24 August 2015.

P J McMorrow

D W Macgeorge

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF SRG LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2015 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136

N.S. BENBOW
Director
Dated this 24th day of August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 June 2015

	Note	SRG GROUP 2015 $'000	2014 $'000
Revenue	2	172,259	223,125
Construction and servicing costs		(146,576)	(198,879)
Depreciation and amortisation expense	3 (a)	(7,954)	(10,545)
Finance costs	3 (a)	(711)	(1,248)
Settlement of Eastern Treatment Plant dispute (net)	3 (b)	(3,530)	-
Other expenses		(10,980)	(10,348)
Profit before income tax expense		**2,508**	**2,105**
Income tax expense	4	(899)	(838)
Profit attributable to member of the parent entity		**1,609**	**1,267**

Earnings per share for profit attributable to the ordinary equity holders of the Company		**Cents**	**Cents**
Basic and diluted earnings per share (cents)	8	2.6	2.0

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	SRG GROUP 2015 $'000	2014 $'000
Profit for the year		1,609	1,267
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation gain on land and buildings, net of tax		674	-
Items that will be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		556	(40)
Other comprehensive income for the year (net of tax)		**1,230**	**(40)**
Total comprehensive income for the year attributable to member of the parent entity		**2,839**	**1,227**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2015

	Note	SRG GROUP 2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	22 (a)	29,326	22,770
Trade and other receivables	9	27,827	33,084
Inventories	10	13,001	12,444
Other current assets		132	101
Current tax assets	16 (b)	1,358	-
Total current assets		**71,644**	**68,399**
Non-current assets			
Property, plant and equipment	12	26,610	30,366
Intangible assets	13	19,439	19,439
Deferred tax assets	16 (b)	4,151	5,393
Total non-current assets		**50,200**	**55,198**
Total assets		**121,844**	**123,597**
Current liabilities			
Trade and other payables	14	28,502	23,833
Financial liabilities	15	5,516	7,611
Current tax liability	16 (a)	-	1,120
Long term provisions	17	7,778	7,050
Total current liabilities		**41,796**	**39,614**
Non-current liabilities			
Trade and other payables		-	20
Financial liabilities	15	1,393	5,999
Deferred tax liabilities	16 (a)	1,622	1,350
Long term provisions	17	1,510	1,811
Total non-current liabilities		**4,525**	**9,180**
Total liabilities		**46,321**	**48,794**
Net assets		**75,523**	**74,803**
Equity			
Issued capital	18	40,477	40,477
Reserves	19	2,000	685
Retained earnings		33,046	33,641
Total equity		**75,523**	**74,803**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

	Note	Share Capital Ordinary $'000	Retained Earnings $'000	Share Options Reserve $'000	Asset Revaluation Surplus $'000	Foreign Currency Translation Reserve $'000	Total $'000
Balance at 30/06/2013		**40,477**	**35,207**	**-**	**1,835**	**(1,110)**	**76,409**
Profit attributable to members of parent entity		-	1,267	-	-	-	1,267
Other comprehensive income:							
- Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	(40)	(40)
Total comprehensive income		**-**	**1,267**	**-**	**-**	**(40)**	**1,227**
Transaction with owners as owners:							
- Dividends paid or provided for		-	(2,833)	-	-	-	(2,833)
Balance at 30/06/2014		**40,477**	**33,641**		**1,835**	**(1,150)**	**74,803**
Profit attributable to members of parent entity		-	1,609	-	-	-	1,609
Other comprehensive income:							
- Revaluation gain on land and buildings		-	-	-	674	-	674
- Translation adjustment on controlled foreign entities' financial statements		-	-	-	-	556	556
Total comprehensive income		**-**	**1,609**	**-**	**674**	**556**	**2,839**
Transactions with owners as owners:							
- Dividends paid or provided for		-	(2,204)	-	-	-	(2,204)
- Options reserve on recognition of bonus elements of options		-	-	85	-	-	85
Balance at 30/06/2015		**40,477**	**33,046**	**85**	**2,509**	**(594)**	**75,523**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	SRG GROUP 2015 $'000	2014 $'000
Cash flows from operating activities			
Cash receipts in the course of operations		191,909	271,851
Cash payments in the course of operations		(171,185)	(241,468)
Interest received		666	481
Finance costs		(711)	(1,248)
Income tax paid		(2,151)	(1,117)
Net cash provided by (used in) operating activities	**22 (b)**	**18,528**	**28,499**
Cash flows from investing activities			
Payments for property, plant and equipment		(2,001)	(1,153)
Proceeds from sale of property, plant and equipment		160	785
Net cash provided by (used in) investing activities		**(1,841)**	**(368)**
Cash flows from financing activities			
Repayment of borrowings		(7,998)	(9,667)
Dividends paid by parent entity		(2,204)	(2,833)
Net cash provided by (used in) financing activities		**(10,202)**	**(12,500)**
Net increase (decrease) in cash and cash equivalents held		**6,485**	**15,631**
Effect of exchange rates on cash and cash equivalent holdings		71	(7)
Cash and cash equivalents at beginning of financial year		22,770	7,146
Cash and cash equivalents at end of financial year	**22 (a)**	**29,326**	**22,770**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Note 1. Statement of significant accounting policies

The financial statements include the consolidated financial statements and notes of SRG Limited (formerly Structural Systems Limited) and controlled entities ('Consolidated Group', or 'Group'). The separate financial statements of the parent entity, SRG Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*. The Group is a for-profit entity for the purpose of preparing the financial statements and is primarily involved in engineering, mining and construction contracting. This note provides all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements were authorised for issue by the Board of Directors on the date of signing the accompanying Directors' Declaration.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis with the exception of cash flow information, and are based on historical costs, modified, where applicable, by the measurement, at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting policies

(a) Principles of Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Changes in ownership interests

When the group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influent is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Note 1. Statement of significant accounting policies (continued)

(b) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

- AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

- AASB 2013-3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

- AASB 2014-1: Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

(c) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where the amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted, or substantially enacted as at the end of the reporting period. Their measurement also reflects the manner in which the management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments, subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and

Note 1. Statement of significant accounting policies (continued)

liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

SRG Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. SRG Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The tax consolidated group has not entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(d) Fair value of assets and liabilities

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly (i.e. unforced) transaction between market participants at the measurement date. It assumes that the transaction will take place either in the principle market or in the absence of a principle market, in the most advantageous market.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market date (unobservable inputs).

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost includes direct materials, direct labour, other direct variable costs and allocated production overheads necessary to bring inventories to their present location and condition, based on normal operating capacity of the production facilities.

Manufacturing activities

The cost of manufacturing inventories and work-in-progress are assigned on a weighted average basis. Costs arising from exceptional wastage are expensed as incurred.

(f) Construction Contracts and Work in Progress

Construction work in progress is valued at cost, plus profit recognised to date less any provision for anticipated future losses. Cost includes both variable and fixed costs relating to specific contracts, and those costs that are attributable to the contract activity in general and that can be allocated on a reasonable basis. Where progress billings exceed costs incurred plus recognised profits, the difference is presented as billings in advance under trade and other payables.

Construction profits are recognised on the stage of completion basis and measured using the proportion of costs incurred to date as compared to expected actual costs. Where losses are anticipated they are provided for in full.

Construction revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract.

For disclosure purposes, construction contracts and work in progress are included in inventories.

(g) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic valuations, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increments of the same asset are charged against the revaluation reserve to the extent available. All other decreases are charged to the statement of profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Note 1. Statement of significant accounting policies (continued)

The cost of fixed assets constructed or internally generated within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Depreciation on major mining equipment is calculated on machine hours worked over their estimated useful life. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Buildings	2.5%
Leasehold improvements	28.0%
Plant and equipment	10.0% - 33.3%
Financed assets	
- Plant and equipment	15.0% - 25.0%
- Mining equipment	25.0% - 30.0%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that it's estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to the capital profits reserve.

(h) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the consolidated group are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(i) Financial Instruments

Initial Recognition and Movement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted)

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case the transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at amortised cost using the effective interest rate method.

Amortised cost is calculated as:

The amount at which the financial asset or financial liability is measured at initial recognition;

- less principal repayments
- plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method
- less any reduction for impairment.

Note 1. Statement of significant accounting policies (continued)

The effective interest rate method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Impairment

At the end of each reporting period, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(j) Impairment of Non-Financial Assets

At the end of each reporting period, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives, or more frequently if facts or circumstances indicate a possible impairment.

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.

(k) Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment or more frequently if the facts or circumstances indicate a potential impairment and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(l) Foreign Currency Transactions and Balance

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period,
- Income and expenses are translated at average exchange rates for the period, and
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Note 1. Statement of significant accounting policies (continued)

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss, in the period in which the operation is disposed.

(m) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(n) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(o) Employee Benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided, and are recognised for the amount expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised.

Long-term employee benefits

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy any vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows attributable to employee benefits.

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the equity instrument at the grant date and amortised on a straight-line basis over the vesting period. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. At each reporting date, the Group revises its estimates of the number of shares and options expected to vest.

(p) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue relating to construction activities is further detailed in Note 1 (f).

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all ownership of those goods.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method for accounting.

For revenue recognition, refer to the accounting policy on construction contracts and work in progress.

(q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

(r) Goods and Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset, or as an expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 1. Statement of significant accounting policies (continued)

(t) Rounding of Amounts

The parent entity has applied the relief available to it under ASIC Class Order 98/100 and accordingly, amounts in the financial report and directors' report have been rounded off to the nearest $1,000.

(u) Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and with the consolidated group. The following key estimates and judgments were relevant to the Group for the financial year:

- **Assessment of impairment**

As at 30 June 2015 the Directors reviewed the carrying amount of assets including goodwill apportioned to the Construction and Mining cash generating units and determined that no impairment charge was applicable to the carrying value of assets in either cash generating unit (2014: nil). For further details of the impairment assessment refer to Note 13.

- **Assessment of fair value of land and buildings**

Land and buildings with a carrying value of $6,146,537 (2014: $5,211,652) are carried at fair value. On 15 April 2015, an independent valuation of the Group's freehold land and buildings was undertaken. For details refer to Note 12.

- **Assessment of impairment of receivables**

As at 30 June 2015 the Directors reviewed the carrying amount of trade receivables and estimated that $700,000 of the carrying amount was not collectable (2014: $826,009). For further detail refer to Note 9.

(v) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

- AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

- AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 2. Revenue

	SRG GROUP 2015 $'000	2014 $'000
Operating activities		
Rendering of services	163,391	213,363
Sale of goods	7,294	8,331
Interest received from other parties	666	481
Other revenue	775	659
	172,126	**222,834**
Non-operating activities		
Gain on disposal of property, plant and equipment	133	291
Total revenue	**172,259**	**223,125**

Note 3. Profit for the year

	SRG GROUP 2015 $'000	2014 $'000
(a) Profit before income tax is arrived at after charging the following items:		
Amortisation and depreciation of:		
- Buildings	28	28
- Plant and equipment and motor vehicles	7,815	10,464
- Leasehold improvements	111	53
	7,954	**10,545**
Bad and doubtful debts expense including movements in provision for doubtful debts	(126)	857
Interest paid and due and payable:		
- Other persons	2	4
- Finance charges on assets under hire purchases	709	1,244
	711	**1,248**
Rental - operating leases	1,766	1,574
Employee benefits expense	60,096	70,137
Defined contribution superannuation expense	4,945	5,556
(b) Settlement of Eastern Treatment Plant dispute		
Eastern Treatment Plant settlement agreement	9,750	-
Provisions and insurance coverage	(6,220)	-
	3,530	**-**

Note 4. Income tax expense

	2015 $'000	SRG GROUP 2014 $'000
The components of income tax expense are as follows:		
Current tax expense	(326)	2,418
Deferred tax (benefit) / expense	1,225	(1,592)
Under provision in respect to prior year	-	12
	899	**838**
The prima facie tax on profit before income tax from continuing operations is reconciled to the income tax expense / (benefit) provided in the accounts as follows:		
Prima facie tax payable on operating profit at 30% (2014 - 30%)		
- Consolidated group	753	631
Add (deduct) tax effect of:		
- Increase (decrease) in income tax expense due to non-tax deductible (non-tax assessable) items	14	10
- Share options expensed during the year	25	-
- Non-assessable R&D incentive for 2013	(105)	-
- (Non-assessable profit) / Non-deductible losses on overseas entities	213	185
Amount under provided in prior year	-	12
Income tax expense (benefit) attributable to entity	**899**	**838**

Note 5. Key Management Personnel Compensation

Refer to the remuneration report contained in the Directors' report for details of the remuneration paid or payable to each member of the group's Key Management Personnel (KMP) for the year ended 30 June 2015.

The totals of remuneration paid to KMP of the Company and the group during the year are as follows:

		SRG GROUP
	2015 $	**2014 $**
Employee benefits	1,784,858	2,472,533
Post-employment benefits	117,943	138,224
Share-based payments	58,773	-
	1,961,574	**2,610,757**

Short-term employee benefits

This amount includes fees and benefits paid to the Chairman and Non-Executive Director as well as the salary, paid leave benefits, fringe benefits and cash bonuses awarded to Executive Directors and other KMP.

Post-employment benefits

This amount comprises the superannuation contributions made during the year.

Note 6. Auditors' Remuneration

		SRG GROUP
	2015 $	**2014 $**
Remuneration of the auditor of the parent entity - William Buck		
Auditing and reviewing the financial report	170,714	155,733
Taxation services	28,000	26,750
Other services	-	22,000
Remuneration of other auditors of subsidiaries for:		
Auditing or reviewing the financial report of subsidiaries	19,056	16,325

Note 7. Dividends

	SRG GROUP 2015 $'000	2014 $'000
Distributions paid		
The amounts paid, provided or recommended by way of dividend by the parent entity are:		
- Final fully franked ordinary dividend for the year ended 30/06/2014 of 1.5 cents (2013: 2.0 cents) per share paid on 17/10/2014 franked at the tax rate of 30%	944	1,259
- Interim fully franked ordinary dividend for the year ended 30/06/2015 of 2.0 cents (2014: 2.5 cents) per share paid on 20/04/2015 franked at a tax rate of 30%	1,259	1,574
Dividends declared after 30/06/2015		
(a) The Directors have resolved to declare a final fully franked ordinary dividend of 0.5 cents (2014: 1.5 cents) per share payable on 16/10/2015, franked at the tax rate of 30% (2014: 30%) based on 62,959,181 ordinary share at 18/09/2015	315	944
	315	**944**
Franking account balance		
(b) Balance of franking account at year end adjusted for franking credits arriving from payment of provision for income tax, dividends recognised as receivables and franking debits arising from payment of dividends and franking credits that may be prevented from distribution in subsequent financial years.	9,116	8,198
Subsequent to year end, the franking account would be reduced by the proposed dividend as follows:	(135)	(405)
	8,981	**7,793**

Note 8. Earnings per share

	SRG GROUP 2015 $'000	2014 $'000
(a) Reconciliations of earnings to profit		
Profit for the year	1,609	1,267
Earnings used in the calculation of earnings per share	1,609	1,267
Earnings used in the calculation of dilutive earnings per share	1,609	1,267

	2015 NUMBER	2014 NUMBER
(b) Weighted average number of ordinary share on issue used in the calculation of basic earnings per share	62,959,181	62,959,181
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share	62,959,181	62,959,181

Note 9. Trade and other receivables (current)

	SRG GROUP	
	2015 $'000	**2014 $'000**
Trade receivables	26,065	32,637
Provision for impairment of receivables	(700)	(826)
	25,365	**31,811**
Other debtors and deposits	2,462	1,273
	27,827	**33,084**
Ageing of past due but not impaired receivables		
60-90 days	996	2,199
90+ days	1,898	2,448
	2,894	**4,647**
Movement in the provision for the impairment of receivables is as follows:		
Opening balance	(826)	(126)
Charge for the year	-	(700)
Amounts written off or assessed as not recoverable	126	-
Closing balance	**(700)**	**(826)**

Impaired receivables are all greater than 120 days

Note 10. Inventories

	SRG GROUP	
	2015 $'000	**2014 $'000**
Raw materials and stores at cost	4,586	5,056
Finished goods	1,072	1,108
Work in progress - materials on site	3,506	3,969
Construction work in progress	3,837	2,311
	13,001	**12,444**
Construction work in progress comprises:		
Costs and profits recognised on construction contracts in progress	170,460	186,998
Progress billings and advances received and receivable on construction contract in progress	(171,170)	(188,388)
Net construction work in progress	**(710)**	**(1,390)**
Net construction work in progress comprises:		
Amounts due from customers - inventories	3,837	2,311
Contract billings in advance - payables (note 14)	(4,547)	(3,701)
	(710)	**(1,390)**
Retentions on construction contracts in progress	1,805	1,864

Note 11. Supplementary information about the parent entity

As at, and throughout the financial year ended 30/06/2015, the parent company of the Group was SRG Limited (formerly Structural Systems Limited).

	SRG GROUP	
	2015 $'000	2014 $'000
Assets		
Current assets	54,553	56,385
Total assets	**197,409**	**189,894**
Liabilities		
Current liabilities	14,531	18,502
Total liabilities	**136,697**	**151,874**
Equity		
Issued Capital	40,477	40,477
Total equity	**56,255**	**38,020**
Profit after tax and total comprehensive income	**2,837**	**2,603**

With the exception of matters noted in Notes 21 and 23, there were no contingent liabilities, guarantees or capital commitments of the parent entity not otherwise disclosed in these financial statements.

Note 12. Property, plant and equipment

	SRG GROUP	
	2015 $'000	2014 $'000
Freehold land		
At fair value (a) (b)	5,447	4,484
	5,447	**4,484**
Buildings		
At fair value (a) (b)	706	787
Accumulated depreciation	(6)	(59)
	700	**728**
Leasehold improvements		
At cost	568	217
Accumulated amortisation	(214)	(103)
	354	**114**
Plant, equipment and motor vehicles		
At cost	89,928	86,929
Accumulated depreciation and amortisation	(69,819)	(61,889)
	20,109	**25,040**
Total	**26,610**	**30,366**

(a) The revaluation surplus net of applicable deferred income taxes was credited to an asset revaluation surplus in shareholders' equity.

(b) As at 30 June 2015, the fair value of properties was determined using the market comparable method. Valuations performed are based on active market prices which were significantly adjusted for differences in the nature, location or condition of the property. The fair value measurement has been categorised as a Level 2 fair value based on the inputs to the valuation techniques used above. As at the date of revaluation on 15 April 2015, the properties' fair values are based on valuations performed by Herron Todd White, and accredited independent valuer with valuation experience for similar commercial properties in Australia.

Note 12. Property, plant and equipment (continued)

	SRG GROUP 2015 $'000	2014 $'000
Movements in carrying amounts		
Movements in the carrying amounts for each class of property, plant and equipment are set out below:		
Freehold land		
Carrying amount at beginning of year	4,484	4,484
Revaluation increment	963	-
Carrying amount at end of year	**5,447**	**4,484**
Buildings		
Carrying amount at beginning of year	728	756
Revaluation decrement	(22)	-
Depreciation	(6)	(28)
Carrying amount at end of year	**700**	**728**
Leasehold improvements		
Carrying amount at beginning of year	114	148
Additions	351	19
Depreciation	(111)	(53)
Carrying amount at end of year	**354**	**114**
Plant and equipment and motor vehicles		
Carrying amount at beginning of year	25,040	31,502
Additions	2,862	4,509
Disposals	(62)	(496)
Movements due to foreign exchange rate differences	84	(11)
Depreciation and amortisation	(7,815)	(10,464)
Carrying amount at end of year	**20,109**	**25,040**
Total		
Carrying amount at beginning of year	30,366	36,890
Revaluation	963	-
Additions	3,213	4,528
Disposals	(62)	(496)
Depreciation and amortisation	(7,954)	(10,545)
Movements due to foreign exchange rate differences	84	(11)
Carrying amount at end of year	**26,610**	**30,366**

Note 13. Intangibles

	SRG GROUP 2015 $'000	2014 $'000
Goodwill - at cost	19,447	19,447
Accumulated impairment losses	(8)	(8)
	19,439	**19,439**
Impairment disclosures		
Goodwill is allocated to cash-generating units which are based on the Group's reporting segments		
Construction segment	18,261	18,261
Mining segment	1,178	1,178
Total	**19,439**	**19,439**

		Growth Rate %	Discount Rate %
Cash generating unit			
Construction segment	**2015**	**3.0%**	**16.54%**
	2014	2.0%	14.81%
Mining segment	**2015**	**1.0%**	**11.41%**
	2014	3.0%	10.32%

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations.

Management has based the value-in-use calculations on forecasts for each cash generating unit that incorporate cash flow projections over a 5 year period with the above growth and discount rates. These forecasts use historical weighted average growth ratios to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular cash generating unit.

Note 14. Trade and other payables

	SRG GROUP 2015 $'000	2014 $'000
Current		
Unsecured liabilities		
Trade payables	6,963	8,712
Sundry payables and accrued expenses	7,242	11,420
Eastern Treatment Plant dispute resolution	9,750	-
Contract billings in advance (see note 10)	4,547	3,701
	28,502	**23,833**

Note 15. Financial liabilities

	SRG GROUP 2015 $'000	2014 $'000
Current		
Secured liabilities		
Hire purchase liability	5,516	7,611
	5,516	**7,611**
Non-current		
Secured liabilities		
Hire purchase liability	1,393	5,999
	1,393	**5,999**
(a) Total current and non-current secured loans		
Hire purchase liabilities	6,909	13,610
	6,909	**13,610**
(b) The carrying amount of non-current assets pledged as first security are:		
Plant, motor vehicles and equipment over which lease and hire purchase contracts apply	13,980	17,589
	13,980	**17,589**

Note 16. Tax

	SRG GROUP	
	2015 $'000	2014 $'000
(a) Liabilities		
Current		
Tax payable	-	1,120
Non-current		
Deferred tax liabilities comprise:		
Debtors retentions	557	574
Property, plant and equipment (revaluation adjustments)	1,065	776
	1,622	**1,350**
(b) Assets		
Current		
Tax receivable	1,358	-
Non-current		
Deferred tax assets comprise:		
Property, plant and equipment	1,343	1,640
Provisions and accruals	2,808	3,753
	4,151	**5,393**
(c) Reconciliations		
Gross movements		
The overall movement in temporary differences is as follows:		
Opening balance	4,043	2,591
Over (under) provision in respect to prior years	-	(140)
(Charge) / credit to statement of profit or loss	(1,225)	1,592
(Charge) / credit to equity	(289)	-
	2,529	**4,043**

Note 17. Provisions

	SRG GROUP	
	2015 $'000	2014 $'000
Current		
Employee benefits	7,778	7,050
Non-current		
Employee benefits	1,510	1,811

Provision for long-term employee benefits

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of the future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in note 1 to these financial statements.

Note 18. Issued capital

	SRG GROUP	
	2015 $'000	2014 $'000
Issued and paid up capital	40,477	40,477
- 62,959,181 fully paid ordinary shares 2015 (2014: 62,959,181)		

Ordinary shares

Movements in ordinary share capital

There were no movements in ordinary share capital during the financial year

(a) Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

(b) At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(c) Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital Management

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital include ordinary share capital and financial liabilities, supported by financial assets. The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

Note 19. Reserves

Nature and Purpose of Reserves

Share Options Reserve

The share options reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration.

Asset Revaluation Surplus

The asset revaluation surplus includes the net revaluation increments and decrements arising from the revaluation of non-current assets in accordance with Australian Accounting Standards.

Capital Profits Reserve

Upon disposal of re-valued assets, any related revaluation increment standing to the credit of the asset revaluation surplus is transferred to the capital profits reserve. Refer to accounting policy Note 1(g).

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on the translation of foreign operations with functional currencies other than those of the presentation currency of these financial statements. Refer to accounting policy Note 1(l).

Note 20. Capital and leasing commitments

	SRG GROUP	
	2015 $'000	**2014 $'000**
Hire purchase future minimum payments		
- Not later than 1 year	5,835	8,304
- Later than 1 year, but not later than 5 years	1,419	6,292
Total maximum lease commitment	**7,254**	**14,596**
Future finance charges	(346)	(986)
	6,909	**13,610**

Hire purchase agreements have been entered into to finance the acquisition of equipment used for income generation purposes. The great majority of equipment currently under finance is plant & equipment employed by SRG Mining (Australia) Pty Ltd (formerly ROCK Australia Mining & Civil Pty Ltd); primarily drill rigs.

	SRG GROUP	
	2015 $'000	**2014 $'000**
Non-cancellable operating leases future minimum payments		
Contracted for but not capitalised in accounts		
- Not later than 1 year	1,569	1,392
- Later than 1 year, but not later than 5 years	2,776	2,959
- Later than 5 years	-	-
	4,345	**4,321**

Various non-cancellable operating leases are taken by the Company relating to property it occupies for various income generating activities. All leases are taken under normal commercial terms.

Note 21. Contingent Liabilities

	SRG GROUP	
	2015 $'000	2014 $'000
Contract cash retention [(1)]	1,804	1,864
Contract performance guarantees [(1)]	9,691	8,861
Guarantee by the Company in respect of bank facilities of controlled entities	1,971	1,732
Cross guarantee by the Company and controlled entities in respect of bank facilities	33,921	33,680
	47,387	**46,137**

[(1)] Amounts relate to security held for the purpose of ensuring the due and proper performance of contracts undertaken by the Group. These amounts are released at various stages of the contracts.

Note 22. Cash flow information

	SRG GROUP	
	2015 $'000	2014 $'000
(a) Reconciliation of cash		
Cash at the end of the reporting period as shown in the statement of cash flow is reconciled to the items in the statement of financial position:		
Cash on hand	27	26
Cash at bank	29,299	22,744
	29,326	**22,770**
(b) Reconciliation of cash		
Profit after income tax	1,609	1,267
Non-cash flows in profit		
Depreciation and amortisation	7,954	10,545
Provision for impairment of receivables	-	857
Profit on sale of non-current assets	(99)	(291)
Change in assets and liabilities		
- (Increase) decrease in trade and other receivables	5,257	23,638
- (Increase) decrease in inventories	(557)	1,474
- (Increase) decrease in prepayments	(30)	75
- (Decrease) increase in trade, other payables and accruals	5,218	(11,129)
- (Decrease) increase provisions	429	2,343
- (Decrease) increase in income taxes payable	(2,478)	1,172
- (Increase) decrease in deferred tax liabilities	(17)	(95)
- (Decrease) increase in deferred tax assets	1,242	(1,357)
Net cash provided by (used in) operating activities	**18,528**	**28,499**
(c) Non-cash financing and investing activities		
Property, plant and equipment acquired under finance leases, lease purchase or vendor finance	1,295	3,364

Note 23. Particulars relating to controlled entities

(a) Group accounts include a consolidation of the following:

	Place of Incorporation	Principal Activity	Ownership Interest 2015	Ownership Interest 2014
Emirates & Australia Construction Systems LLC (2)	UAE	Construction	100%	100%
Meridian Concrete Australia Pty Ltd (1)	Victoria	Construction	100%	100%
NASA Structural Systems LLC (2)	UAE	Construction	100%	100%
Refobar Australia Pty Ltd (1)	Queensland	Manufacturing	100%	100%
SRG Mining (Australia) Pty Ltd (formerly ROCK Australia Mining and Civil Pty Ltd) (1)	Victoria	Mining Services	100%	100%
Structural Systems (Bridge Maintenance) Pty Ltd (1)	Victoria	Dormant	100%	100%
SRG Civil Pty Ltd (formerly Structural Systems (Civil) Pty Ltd) (1)	Victoria	Construction	100%	100%
SRG Corporate (Australia) Pty Ltd (formerly Structural Systems (Corporate) Pty Ltd) (1)	Victoria	Corporate Services	100%	100%
Structural Systems (Construction) Pty Ltd (1)	Victoria	Construction	100%	100%
SRG Building (Northern) Pty Ltd (formerly Structural Systems (Northern) Pty Ltd) (1)	Victoria	Construction	100%	100%
Structural Systems (Oman Branch) (2)	Oman	Construction	100%	100%
SRG Services Pty Ltd (formerly Structural Systems (Remedial) Pty Ltd) (1)	Victoria	Construction	100%	100%
SRG Building (Southern) Pty Ltd (Formerly Structural Systems (Southern) Pty Ltd) (1)	Victoria	Construction	100%	100%
SRG Building (Western) Pty Ltd (Formerly Structural Systems (Western) Pty Ltd) (1)	Victoria	Construction	100%	100%
SRG Construction Services (HK) Limited	Hong Kong	Construction	100%	-
SRG IP Pty Ltd	WA	Corporate Services	100%	-
Structural Systems Middle East LLC (2)	UAE	Construction	100%	100%
Total Fire Protection Pty Ltd (1)	Victoria	Dormant	100%	100%

(1) Controlled entities subject to Class Order

(2) In accordance with current foreign ownership restrictions in the United Arab Emirates (UAE), these entities have a fifty one percent participation by UAE nationals. This participation incurs a fixed fee and has no right to the profits or liability for the debts of the entity.

Pursuant to Class Order 98/1418, relief has been granted to these controlled entities of SRG Limited (formerly Structural Systems Limited) from the *Corporations Act 2001* requirements for preparation, audit and publication of accounts.

As a condition of the Class Order, SRG Limited (formerly Structural Systems Limited) and the controlled entities subject to the Class Order entered into a Deed of Cross Guarantee. The effect of the deed is that SRG Limited (formerly Structural Systems Limited) has guaranteed to pay any deficiency in the event of winding up of these controlled entities. The controlled entities have also given a similar guarantee in the event that SRG Limited (formerly Structural Systems Limited) is wound up.

Note 23. Particulars relating to controlled entities (continued)

The following are the aggregate totals for the closed group relived under the deed:

	SRG GROUP 2015 $'000	2014 $'000
Financial information in relation to:		
(a) Statement of profit or loss and other comprehensive income:		
Profit before income tax	3,219	2,722
Income tax expense	(899)	(838)
Profit after income tax	**2,320**	**1,884**
Other comprehensive income	674	-
Total comprehensive income attributable to member of the parent	**2,994**	**1,884**
(b) Statement of financial position:		
Current assets		
Cash and cash equivalents	29,016	22,403
Trade and other receivables	25,638	31,111
Inventories	12,270	11,608
Current tax assets	1,358	-
Total current assets	**68,282**	**65,122**
Non-current assets		
Trade and other receivables	1,140	1,140
Property, plant and equipment	26,229	29,962
Intangible assets	18,297	18,297
Deferred tax assets	4,151	5,393
Total non-current assets	**49,817**	**54,792**
Total assets	**118,099**	**119,914**
Current liabilities		
Trade and other payables	27,786	22,991
Financial liabilities	5,516	7,611
Current tax liability	-	1,120
Short term provision	7,363	6,664
Total current liabilities	**40,665**	**38,386**
Non-current liabilities		
Trade and other payables	-	329
Financial liabilities	1,393	5,999
Deferred tax liabilities	1,622	1,350
Long term provisions	1,413	1,717
Total non-current liabilities	**4,428**	**9,395**
Total liabilities	**45,093**	**47,781**
Net assets	**73,006**	**72,133**
Issued capital	40,477	40,477
Reserves	2,592	1,835
Retained earnings	29,937	29,821
Total equity	**73,006**	**72,133**
(c) Retained earnings comprise of the following:		
Opening balance	29,821	30,770
Net profit attributable to members of the entity	2,320	1,884
Dividends paid	(2,204)	(2,833)
Closing balance	**29,937**	**29,821**

Note 24. Related party information

Directors who held office during the year are:

- Ian L Fraser (resigned 19 November 2014)
- Robert W Freedman
- David W Macgeorge
- Peter J McMorrow
- Michael W Atkins (appointed 9 September 2014)
- Peter J Brecht (appointed 4 September 2014)

Directors' remuneration is disclosed in Note 5. There were no other related party transactions in the year.

It is the Company's policy that any transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

Note 25. Events after the reporting period

Acquisition of CCM Group Australia Pty Ltd

On 31 July 2015, the company acquired 100% of the equity in CCM Group Australia Pty Ltd ("CCM") through a cash consideration of $2.35m and earn out payments based on performance targets for FY16, FY17 and FY18. As a result of this transaction, CCM is now a wholly-owned subsidiary of SRG Limited. For additional information, please refer to the media release on 8 July 2015.

Resolution of Eastern Treatment Plant Dispute

On 12 August 2015, the Group resolved the Eastern Treatment Plant ("ETP") dispute including all liabilities and counterclaims relating to this project. Under the settlement agreement, SRG will pay $9.75m, part of which is offset by provisions and insurance coverage. Given that the dispute existed at the end of the reporting period, the financial statements have been adjusted to reflect its liability. Please refer to Note 3(b).

Note 26. Segment results

Identification of reportable segments

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

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations have inherently different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Types of products and services by segment:

- **Construction segment**
  The construction segment delivers specialist construction services, specifically post-tensioning, concrete placement and remedial operations.
- **Mining segment**
  The mining segment services mining clients and specialises in production drilling.
- **Corporate segment**
  The corporate segment represents the entity that conducts transactions relating to Group finance, taxation, treasury, corporate secretarial and certain strategic investments.

Basis of accounting for purposes of reporting by operating segments:

(a) Accounting policies adopted

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

(b) Segment assets and liabilities

Where an asset or liability is used across multiple segments, it is allocated on a pro-rata basis to the segments that receive the benefit of use of the asset or represent the source of the obligation of the liability.

Note 26. Segmented results (continued)

Primary reporting - Business segments

	Construction		Mining		Corporate		Consolidated Group	
	30/06/15 $'000	30/06/14 $'000	30/06/15 $'000	30/06/14 $'000	30/06/15 $'000	30/06/14 $'000	30/06/15 $'000	30/06/14 $'000
Revenue								
External sales	104,427	136,347	66,258	85,347	-	-	170,685	221,694
Other revenue	453	899	101	-	1,020	532	1,574	1,431
Total revenue	**104,880**	**137,246**	**66,359**	**85,347**	**1,020**	**532**	**172,259**	**223,125**
Results								
Segment result	2,199	904	5,308	6,391	(4,998)	(5,190)	2,508	2,105
Income tax benefit / (expense)	-	-	-	-	(899)	(838)	(899)	(838)
Profit after income tax	**2,199**	**904**	**5,308**	**6,391**	**(5,897)**	**(6,028)**	**1,609**	**1,267**
Assets								
Segment assets	51,926	50,251	29,951	40,468	39,967	32,878	121,844	123,597
Total assets	**51,926**	**50,251**	**29,951**	**40,468**	**39,967**	**32,878**	**121,844**	**123,597**
Liabilities								
Segment liabilities	27,031	18,254	13,775	25,210	5,513	5,330	46,319	48,794
Total liabilities	**27,031**	**18,254**	**13,775**	**25,210**	**5,513**	**5,330**	**46,319**	**48,794**
Other								
Acquisitions of non-current segment assets (including hire purchase and lease commitments)	638	953	2,009	3,575	566	-	3,213	4,528
Depreciation and amortisation of segment assets	1,419	2,171	6,369	8,296	166	78	7,954	10,545

Revenue and assets by geographical region

	Australia		United Arab Emirates		Hong Kong		Consolidated Group	
	30/06/15 $'000	30/06/14 $'000	30/06/15 $'000	30/06/14 $'000	30/06/15 $'000	30/06/14 $'000	30/06/15 $'000	30/06/14 $'000
Segment revenues for external customers	168,916	218,419	3,343	4,706	-	-	172,259	223,125
Carrying amount of segment assets	114,620	119,469	4,058	4,128	-	-	118,678	123,597
Acquisition of non-current segment assets	3,209	4,495	4	33	-	-	3,213	4,528

Note 27. Financing arrangements

The consolidated Group has access to the following lines of credit:

	SRG GROUP	
	2015 $'000	2014 $'000
Total facilities available		
Bank overdraft	3,000	3,000
Hire purchase facility	26,500	32,500
Other facilities	2,921	5,666
Bank guarantee facility	13,000	13,000
Surety bond facility	3,000	23,000
	48,421	**77,166**
Facilities used at the end of the reporting period:		
Bank overdrafts	-	-
Hire purchase facility	7,231	14,576
Other facilities	41	93
Bank guarantee facility	9,691	8,861
Surety bond facility	822	3,752
	17,785	**27,282**
Facilities not used at the end of the reporting period:		
Bank overdrafts	3,000	3,000
Hire purchase facility	19,269	17,924
Other facilities	2,880	5,573
Bank guarantee facilities	3,309	4,139
Surety bond facility	2,178	19,248
	30,636	**49,884**

Finance facilities of the Group are secured by a registered first mortgage over the Group land and buildings and registered mortgage debenture over all assets of the Group and an interlocking guarantee and indemnity between all entities within the Group. Interest on bank overdrafts is charged at prevailing market rates. The bank guarantee facility is used to provide contract performance guarantees in lieu of cash retentions and security deposits. Fees are charged on a per guarantee basis. Other facilities include letter of credit facility to the value of AUD $2.7 million (2014: $5.5 million), and a corporate credit card facility of $200,000 (2014: $200,000).

Note 28. Financial Instruments

Significant accounting and risk management policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 1 to the financial statements. The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and hire purchase liabilities. The main purpose of non-derivative financial instruments is to raise finance for group operations. The group does not hold or trade with derivative instruments.

Treasury Risk Management

Management, consisting of Senior Executives of the Group meet on a regular basis to analyse financial risk exposure, and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. This management process is subject to board policies and directives implemented, and is subsequently reviewed by the Board on a periodic basis.

Interest Rate Risk

The Group has a mixture of variable and fixed interest rate financial instruments. The exposure to interest rate risk on its variable interest rate financial instruments is in the potential for cash flows to differ from their forecast amounts. As the Group's variable interest rate financial instruments are predominantly cash and cash equivalents the Group has assessed the risk arising from changes to interest rates to be not significant.

Liquidity risk

The consolidated group manages liquidity risk by maintaining adequate reserves, banking facilities and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Credit risk

The consolidated group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts owing to the Group as and when they fall due. Credit risk arises from cash and cash equivalents, and outstanding receivables. The maximum exposure to credit risk, excluding the value of any security at the end of the reporting period in respect of recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position and notes to financial statements, in particular disclosures made in note 9.

As a result of the diverse range of services and geographical spread covered by the consolidated group, the consolidated group does not have a concentration of credit risk to any one entity. Whilst the group does have a broad risk to lead contractors in the construction industry generally, this is managed on a 'customer by customer' basis, taking into account ratings from credit agencies, trade references and payment history where there is a pre-existing relationship with that entity. In addition to the above, trade receivables are monitored on an ongoing regular basis with the result that the Group's exposure to bad debt is not significant.

Price Risk

The group is exposed to commodity price risk through its consumption of steel in its operations that use post-tensioning, and to a lesser degree in the mining services business. The group monitors forward steel prices and endeavours to lock in agreed prices on a project by project basis prior to formalising bid prices wherever possible. As at 30 June 2015 the Group held no financial instruments that could vary according to changes in the price of steel (2014: nil).

Foreign Exchange Risk

The consolidated group does not have a significant exposure to movements in foreign exchange rates as the majority of transaction gains and losses arise on translation and are not reflected in the statement of profit or loss.

Financial Instrument composition and maturity analysis

The consolidated group's exposure to interest rate risk, effective weighted average interest rate, contractual settlement terms of a fixed period of maturity as well as management's expectations of settlement period for financial instruments are set out below.

Note 28. Financing arrangements (continued)

	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within 1 year or less	Fixed Interest Rate Maturing Within Over 1 year to 5 years	Fixed Interest Rate Maturing Within More than 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
2015							
Financial Assets							
Cash and cash equivalents	3.16	14,299	15,000	-	-	27	29,326
Receivables	-	-	-	-	-	27,827	27,827
		14,299	**15,000**	**-**	**-**	**27,854**	**57,153**
2015							
Financial liabilities							
Payables	-	-	-	-	-	23,955	23,955
Lease and lease purchase liabilities	6.52	-	5,835	1,419	-	-	7,254
		-	**5,835**	**1,419**	**-**	**23,955**	**31,209**

	Weighted Average Interest Rate	Floating Interest Rate	Fixed Interest Rate Maturing Within 1 year or less	Fixed Interest Rate Maturing Within Over 1 year to 5 years	Fixed Interest Rate Maturing Within More than 5 years	Non-interest bearing	Total
	%	$'000	$'000	$'000	$'000	$'000	$'000
2014							
Financial Assets							
Cash and cash equivalents	3.10	7,754	15,000	-	-	16	22,770
Receivables	-	-	-	-	-	33,084	33,084
		7,754	**15,000**	**-**	**-**	**33,100**	**55,854**
2014							
Financial liabilities							
Payables	-	-	-	-	-	20,132	20,132
Lease and lease purchase liabilities	6.91	-	8,304	6,292	-	-	14,596
		-	**8,304**	**6,292**	**-**	**20,132**	**34,728**

	SRG GROUP 2015 $'000	SRG GROUP 2014 $'000
Trade and sundry payables are expected to be paid as follows:		
Less than 6 months	23,955	20,132
	23,955	**20,132**

Net Fair Values of Financial Assets and Liabilities Valuation Approach

Net fair values of financial assets and liabilities are determined by the consolidated group on the following basis:

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. With the exception of the fair value differences arising on the Group's fixed interest rate financial liabilities, as discussed in the analysis of interest rate risk above, the carrying amounts of all financial instruments disclosed above are at their approximate net fair values.

DIRECTORS' DECLARATION

SRG LIMITED ABN 57 006 413 574

AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The accompanying financial statements and notes and the remuneration report in the Directors' Report are in accordance with the Corporations Act 2001 and:

   (a) Comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   (b) Give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company and consolidated group;

2. The Managing Director and the Chief Financial Officer have each declared that:

   (a) The financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) The financial statements and notes for the financial year comply with the accounting standards; and

   (c) The financial statements and notes for the financial year give a true and fair view;

3. In the Directors' opinion there are reasonable grounds to believe that the members of the Closed Group identified in note 23 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee.

4. The Directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer.

This declaration is made in accordance with a resolution of the Board of Directors.

P J McMorrow - Director

David Macgeorge

D W Macgeorge - Director

Dated 24 August 2015

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SRG LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying consolidated financial report comprising SRG Limited (the Company) and the entities it controlled at the year's end or from time to time during the financial year (the consolidated entity). The consolidated financial report comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit of loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

CHARTERED ACCOUNTANTS & ADVISORS

Melbourne Office
Level 20, 181 William Street
Melbourne VIC 3000

Hawthorn Office
Level 1, 465 Auburn Road
Hawthorn East VIC 3123

PO Box 185, Toorak VIC 3142
Telephone: +61 3 9824 8555
williambuck.com

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SRG LIMITED AND CONTROLLED ENTITIES (CONT)

Auditor's Opinion

In our opinion:

a) the financial report of the consolidated entity is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

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

Auditor's Opinion

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

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of SRG Limited for the year ended 30 June 2015 included on SRG Limited's web site. The Company's directors are responsible for the integrity of SRG Limited's web site. We have not been engaged to report on the integrity of SRG Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136

N.S. BENBOW
Director
Dated this 24th day of August, 2015

SHAREHOLDER INFORMATION

Distribution of shareholders and shareholdings at close of business 7 August 2015

Size of Holding	Number of Shareholders	Number of Shares	Number of holders of options over ordinary shares	Number of options
1-1,000	195	93,740	-	-
1,001 to 5,000	299	842,450	-	-
5,001 to 10,000	179	1,382,998	-	-
10,001 to 100,000	455	15,855,625	30	765,000
100,001 to (MAX)	83	44,784,368	11	2,400,000
	1211	**62,959,181**	**41**	**3,165,000**

The number of shareholders holding less than a marketable parcel ($500.00) at 7 August 2015 is 131 holding 33,136 shares.

Twenty Largest Shareholders	Number of Shares	Percentage Issued Capital
J P Morgan Nominees Australia Limited	9,579,456	15.22
Sandhurst Trustees Ltd <JMFG Consol A/c>	5,898,362	9.37
Mr Peter John McMorrow <McMorrow Superannuation Fund A/c>	3,376,608	5.36
Kingemel Pty Ltd	1,200,000	1.91
Sandhurst Trustees Ltd <JM MPS A/c>	1,171,988	1.86
Mr Kenneth John Beer <Beer Super Fund A/c>	1,165,251	1.85
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/c>	1,142,376	1.81
Sandlir Pty Ltd <Sandlir P/L Super Fund A/c>	1,120,000	1.78
Tintagel Nominees Pty Ltd <Freedman Super Fund A/c>	1,099,136	1.75
Kailva Pty Ltd Superannuation A/c	1,000,000	1.59
Mrs Hilary Jean Hall	889,203	1.41
HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/c>	845,266	1.34
National Nominees Pty Ltd	829,638	1.32
Onitrammas Nominees Pty Ltd	740,359	1.18
WR & MA Beischer Super Pty Ltd <WR & MA Beischer S/F A/c>	700,000	1.11
Harg Pty Ltd	503,773	0.80
Fort Baramba Pty Ltd	456,000	0.72
Mr Brendan Thomas Birthistle	450,000	0.71
Martre Properties Pty Ltd Super Fun A/c	365,000	0.58
Connaught Consultants (Finance) Pty Ltd Super Fund A/c	358,600	0.57
Top 20 holders of ordinary fully paid shares as at 7 August 2015	**32,891,016**	**52.24**

Unquoted Equity Securities	Number of Holders	Number of Options
Options over ordinary shares issued	41	3,165,000

Voting rights

Shareholders are encouraged to attend the Annual General Meeting. However, when this is not possible, they are encouraged to use the form of Proxy by which they can express their views on matters being brought forward at the meeting.

Every shareholder, proxy or shareholder's representative has one vote on a show of hands. In the case of a poll, each share held by every shareholder, proxy or representative is entitled to one vote for each fully paid share.

Dividend reinvestment plan

The Directors have determined that the dividend reinvestment plan remains suspended.

Dividend Payment Direct to a Bank, Building Society or Credit Union Account

Australian Shareholders may elect to have dividends paid directly into any Bank, Building Society or Credit Union account in Australia.

Company Secretary

The Company Secretary is Roger Lee.

Registered Office

The registered office of the Company is:

Level 1, 338 Barker Road, Subiaco Western Australia 6008

Telephone: (08) 9267 5400

Facsimile: (03) 9267 5499

Website: www.srglimited.com.au

Stock Exchange Listing

SRG Limited shares are listed on the Australian Securities Exchange. Home exchange is Melbourne.

Share Register

If you have any questions in relation to your shareholding, please contact our Share Registry:

Computershare Registry Services Pty Limited

Level 2, 45 St Georges Terrace, Perth Western Australia 6000

Telephone: 1300 850 505

Facsimile: (03) 9473 2500

Please include your shareholder reference number (SRN) or holder identification number (HIN) in all correspondence to the Share Registry.

Incorporation

SRG Limited (formerly Structural Systems Limited) is incorporated in the State of Victoria.

Auditors

William Buck.

Bankers

National Australia Bank.

FINANCIAL OVERVIEW

10 YEAR FINANCIAL SUMMARY

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
External sales of goods and rendering of services ($'000)	**172,259**	223,125	271,172	280,478	237,139	253,585	319,210	282,573	141,239	104,405
Operating profit from continuing operations before tax ($'000)	**6,038**	2,105	3,220	10,697	11,865	9,130	9,237	20,708	12,316	7,165
Profit (loss) after tax ($'000) (1)	**1,609**	1,267	3,218	7,996	4,472	3,270	8,887	15,182	8,824	5,345
Shareholder's funds at end of year ($'000)	**75,525**	74,803	76,409	76,511	71,833	70,906	56,667	48,261	33,179	24,750
Net tangible assets ($'000) (1)	**56,085**	55,364	56,970	57,072	51,394	50,467	40,482	32,021	27,936	21,258
Return on shareholder's funds (1)	**2.1%**	1.7%	4.2%	10.5%	6.2%	4.6%	15.6%	31.5%	26.6%	21.6%
Return on sales	**1.0%**	0.6%	1.2%	2.9%	1.9%	1.3%	2.8%	5.4%	6.2%	5.1%
Basic earnings per share (cents)	**2.6**	2.0	5.1	12.5	7.0	5.3	18.1	31.9	21.2	15.2
Net tangible asset backing per share (cents)	**89.1**	87.9	90.5	89.7	80.4	79.0	82.4	65.3	60.3	54.6
Dividends declared for the year (cents)	**2.5**	4.0	4.0	5.0	4.0	2.5	-	11.5	10.0	7.5
Dividends times covered	**1.0**	0.5	1.28	2.5	1.75	2.1	N/A	2.8	2.1	2.0
Depreciation and amortisation ($'000)	**7,954**	10,545	11,011	10,931	9,158	7,717	7,148	5,699	4,102	2,946
Interest paid ($'000)	**711**	1,249	1,557	1,551	1,074	1,067	1,564	951	381	541
Interest received ($'000)	**647**	481	191	128	115	39	87	410	173	302
Share price at 30 June	**$0.64**	$0.57	$0.32	$0.71	$0.69	$0.48	$0.79	$2.55	$2.82	$1.04
Shares on issue at 30 June ('000)	**62,959**	62,959	62,959	63,646	63,884	63,884	49,142	49,142	46,438	38,950
Market capitalisation at 30 June ($'000)	**40,294**	35,887	20,147	45,189	44,080	30,664	38,822	125,312	130,955	40,508

(1) Adjusted for minority equity interests where applicable

Note: 2010, 2011 and 2015 adjusted for discontinued operations