Brierty Limited
Appendix 4E
30 June 2015
Unaudited

Results for announcement to the market

				$
Revenue from ordinary activities (Appendix 4E Item 2.1)	Up	16%	to	291,903,724
Profit from ordinary activities after tax attributable to members (Appendix 4E Item 2.2)	Down	70%	to	2,942,173
Net profit for the period attributable to members (Appendix 4E Item 2.3)	Down	70%	to	2,942,173

NTA Backing	**30 June 2015**	30 June 2014
Net tangible asset backing per ordinary security	**$0.45**	$0.54

Distributions

	Amount per security	**Franked amount per security**
Interim dividend (per share)	1.25	1.25
Special dividend (per share)	8.00	8.00

Explanation of results

Explanation of figures reported above (Appendix 4E Item 2.6)

Brierty notes that an audit on its FY2015 accounts has not yet been completed, given Brierty is currently well advanced in resolving a contract variance and insurance claim on a major road project which has the potential to materially impact on the Group's FY2015 earnings. The variance includes weather-related insurance claims and direct negotiations with its client, Main Roads WA, on increased costs incurred by Brierty in reliance on data used in the tender process. Negotiations regarding the variations are now in their final stages. The total variation is valued at approximately $9.1 million (pre-tax).

Although Brierty has confidence in the validity of its contract variance claims, it has chosen to use the time available to it to seek to finalise these claims prior to completion of the audit process (being up to 30 September 2015), given the claims are close to resolution. Brierty's auditor has agreed with this course of action.

As a result, Brierty has reported NPAT of $2.9 million for FY2015 in its unaudited accounts, which excludes all of the contract variance claims. Brierty notes that it has taken a conservative view on the contribution from work performed under the contract variation and therefore does not expect a deterioration in the profit between those reported in the preliminary final results and those that will be reported in the audited final results. The Group has worked closely with its auditor, EY, in preparing the preliminary unaudited results.

Further detail on the FY 2015 results is included in the separate release to the market on 31 August 2015 and the operating and financial review included as part of this annual report.

Explanation of dividends (Appendix 4E Item 2.6)

The directors have decided that no final dividend will be paid.

Performance trends

Refer to the operating and financial review in the Directors' report and separate market release to the market on 31 August 2015.

Compliance statement

This Appendix 4E is based on financial statements that have not been audited.

The 30 June 2015 Preliminary Annual Financial Report forms part of and should be read in conjunction with this Preliminary Final Report (Appendix 4E).

Brierty Limited ABN 65 095 459 448
Annual report - 30 June 2015

Contents

Directors	Dalton L Gooding (Chairman) *Non-Executive Chairman*
	Peter McBain *Managing Director*
	Alan R Brierty
	Ken J Hellsten
	Richard J O'Shannassy
Secretary	Ian W Sydney
Principal registered office in Australia	Level 2, 72 Melville Parade South Perth, WA 6151
Share and debenture register	Computershare
Auditor	Ernst & Young 11 Mounts Bay Road Perth, Western Australia
Solicitors	Clifford Chance Level 7 190 St Georges Terrace Perth, Western Australia
Bankers	Bankwest 108 St Georges Terrace Perth, Western Australia
Stock exchange listings	Brierty Limited shares are listed on the Australian Securities Exchange. ASX Code BYL
Website	www.brierty.com.au

Directors' report

Your directors present their report on the consolidated entity consisting of Brierty Limited and the entities it controlled at the end of, or during, the year ended 30 June 2015. Throughout the report, the consolidated entity is referred to as the Group.

Directors

The following persons were directors of Brierty Limited during the whole of the financial year and up to the date of this report:

Dalton L Gooding (Chairman)
Peter McBain
Alan R Brierty
Ken J Hellsten
Richard J O'Shannassy

Principal activities

(a) Civil - Major highway and road construction, railway formation, airport runways, site works, concrete and pavement works, earthworks, drainage and service installation, sewer reticulation, roadworks and subdivisional infrastructure for the creation of housing lots.

(b) Mining - Surface mining including site preparation, such as stripping overburden, site works for building infrastructure, road works, tailings dams, drill and blast, load and haul, material handling and road haulage.

(c) Residential Land Development - The subsidiary company, Bellamack Pty Ltd (trading as Territory Life), engages in residential land development activities in Darwin, Northern Territory.

The principal continuing activities of the Group are civil and mining contracting and land development activities.

Dividends - Brierty Limited

Dividends paid to shareholders during the financial year were as follows:

	2015 **$**	2014 $
Final dividend for the year ended 30 June 2014 of 1.75 cents (as recommended in the 2014 financial report) (2013: 1.75 cents), fully franked based on tax paid @30%	**1,925,000**	1,925,000
Special dividend of 8 cents per share (2014: Nil), fully franked based on tax paid @30%	**10,120,000**	-
Interim dividend for the year ended 30 June 2015 of 1.25 cents (2014: 1.25 cents) per share, fully franked based on tax paid @ 30%:	**1,581,250**	1,375,000
	13,626,250	3,300,000

The directors have decided that there will be no final dividend for the year ended 30 June 2015 (2014: 1.75 cents per share fully franked based on tax paid @ 30%).

Operating and Financial Review

OVERVIEW

Brierty is a diversified contractor that provides civil construction, mining services and land development through its operations in Western Australia and Northern Territory. In the past year, Brierty was involved with the following activities:

- Urban land development contracting - residential and commercial subdivisions in metro and regional areas of Western Australia and the Northern Territory for Landcorp, Brookfield, and Territory Life.
- Road construction - metro and regional roads for Main Roads WA and local government councils.
- Airport works - car parks, roads and taxi and bus ranks for Perth Airport.
- Mine site civil works - road construction for Rio Tinto.
- Mining services - contract mining including drill and blast, load and haul, crushing, road haulage and train loading for Rio Tinto and Karara.
- Land developer and seller - blocks developed and sold at Bellamack and Mitchell Creek Green for wholly owned subsidiary Territory Life.

As the principal contractor, Brierty delivers quality products and services for its clients in projects ranging in size from $1 million up to $100 million in the civil division and full range of mining projects up to circa $500 million in value. On most projects, works are self-performed with Brierty's own equipment and people with specialised activities sub-contracted. At the end of June, Brierty held $77 million in plant and equipment and had 467 employees.

SAFETY

The Group continued to focus on safety during the year and continued the trend of reducing safety incidents with a total reportable injury frequency rate (TRIFR) of 5.95 and a lost time injury frequency rate of zero. Both of these numbers are excellent by industry standards and the Group has targeted a further improvement for the coming year.

PEOPLE

At 30 June 2015, the Group employed 467 people. Given the contract nature of Brierty's business, the number of employees can vary significantly at a given point in time. At 30 June 2015, the number of employees was 22% higher than the previous year due to having full production at Western Turner Syncline and work continuing on a number of civil projects.

DIVERSITY

Brierty actively promotes female participation and Indigenous engagement within our workforce. The representation of female employees within the Group is currently 14% (2014: 12%) of our workforce, highlighting the Group’s continued push to increase female participation levels across blue-collar, engineering and professional based positions. Brierty's internal development programs actively target female participation, with 37% of employees within the Group’s graduate program being female, 27% of employees within the Group’s Young Professionals program being female and 36% of the FY 2014 / 2015 attendees to the Group’s Supervisor Development Program being female.

In order to track Brierty's progress in increasing diversity within the workforce, Brierty monitors and measures participation levels within the Group, particularly in relation to female participation and Aboriginal employment. Brierty's strong commitment to increasing female participation and Indigenous engagement through diversity strategies and recruitment processes has resulted in significant diversity successes in both areas. Brierty will continue to build on our current diverse workforce in order to meet set female participation and Aboriginal engagement targets.

Operating and Financial Review (continued)

INDIGENOUS

Indigenous engagement is a cornerstone of Brierty's diversity policy. Paramount to our commitment to Indigenous Engagement is the direct employment of Aboriginal and Torres Straits Island employees and providing lasting employment and development opportunities within our business. As at 30 June 2015, just over 13% of Brierty's workforce identifies as either Aboriginal or Torres Strait Islander. Brierty's commitment to Indigenous engagement is industry leading.

BUSINESS MODEL

The Group is split into 3 divisions being civil contracting, mining services and land development and all 3 divisions are supported by centralised plant, procurement, human resources, safety and finance. Systems are in place to support all areas of the business and we are certified for quality, environment and health and safety.

FINANCIAL RESULTS

Revenue and Profit

Brierty notes that an audit on its FY2015 accounts has not yet been completed, given Brierty is currently well advanced in resolving a contract variance and insurance claim on a major road project which has the potential to materially impact on the Group’s FY2015 earnings. The variance includes weather-related insurance claims and direct negotiations with its client, Main Roads WA, on increased costs incurred by Brierty in reliance on data used in the tender process. Negotiations regarding the variations are now in their final stages. The total variation is valued at approximately $9.1 million (pre-tax).

Although Brierty has confidence in the validity of its contract variance claims, it has chosen to use the time available to it to seek to finalise these claims prior to completion of the audit process (being up to 30 September 2015), given the claims are close to resolution. Brierty’s auditor has agreed with this course of action.

As a result, Brierty has reported NPAT of $2.9 million for FY2015 in its unaudited accounts, which excludes all of the contract variance claims. Brierty notes that it has taken a conservative view on the contribution from work performed under the contract variation and therefore does not expect a deterioration in the profit between those reported in the preliminary unaudited results and those that will be reported in the audited final results. The Group has worked closely with its auditor, EY, in preparing the preliminary unaudited results.

In the year ended 30 June 2015, the Group had revenue of $291.9 million, with upside to $301.9 million (2014: $251 million) a 16.6% increase. The civil division had revenues of $160 million (2014 $127 million) with the increased turnover due to extra activity in road construction for Main Roads WA. The mining division had revenues of $107 million (2014 $106 million) which was similar to the previous year. The mining contract at Karara finished in October 2014 and activity increased throughout the year at Western Turner Syncline. Land development had revenue of $29 million (2014: $14 million) with the increase coming from sales at the new development at Mitchell Creek Green.

The Group is not dependent upon any one customer and has a good range of blue chip clients including Rio Tinto, Main Roads WA, Perth Airport, Brookfield Multiplex and Landcorp. Land at Mitchell Creek Green and Bellamack is sold to the general public.

Operating and Financial Review (continued)

The Group reported an unaudited net profit after tax of $2.9 million with upside to $9.2 million (2014 $9.9 million). The Group experienced tighter margins in the civil and mining divisions offset by better margins in land development. With the slowdown in mine construction activity there has been increased competition in major civil projects with margins being squeezed. The lower iron ore price has led to most iron ore producers looking to save costs from contractors and this has resulted in lower margins generally in mining contracting. Land development margins increased with the sale of lots at Mitchell Creek Green starting during the year, and the ability to recognise margin on the final sales at Bellamack.

The three operating divisions contributed profit as per the following table:

Segment Results (Pre-corporate overheads)

	Civil	**Mining**	**Land Development**	**Total**
Revenue - FY 2015	**$159,527,167**	**$106,657,271**	**$29,319,285**	**$291,903,723**
Segment result - FY 2015	**$288,671**	**$7,838,676**	**$4,461,600**	**$12,588,947**
Margin - FY 2015	**0.2%**	**7.3%**	**15.2%**	**4.3%**
Revenue - FY 2014	$127,125,775	$105,910,828	$14,384,765	$247,421,368
Segment result - FY 2014	$7,443,305	$10,609,436	-$360,599	$17,692,142
Margin - FY 2014	5.9%	10%	-2.5%	7.2%

Note that the segment revenue and results are considered non-IFRS information. The basis of preparation is as per the segment note in the financial statements. This information is unaudited and has been included to show the performance of each division after allocating divisional overheads.

For a reconciliation of segment results to profit from continuing operations before income tax for the period of $1,935,283 please refer to note 5, segment information, within the notes to the consolidated financial statements.

Assets and Liabilities

At 30 June 2015, the major assets on the balance sheet were cash, trade debtors, plant and equipment, land inventory, spare parts inventory and work in progress. During 2015, the Group purchased new assets worth $31.6 million (2014: $3.8 million), which was mainly on new plant for the mining contract at Western Turner Syncline.

The carrying value of Brierty's plant and equipment has been reviewed, as part of normal year-end processes, with particular consideration given to the Group's market capitalisation and market conditions. The Board considers the carrying value of the equipment to be appropriate, given the majority of equipment is being utilised at current projects and equipment that is currently idle having reasonable prospects of being utilised on potential new mining and civil projects in the near future.

At 30 June 2015, the main liabilities of the Group were trade payables, future employee liabilities and hire purchase debt. Hire purchase liabilities increased during the year due to the purchase of new assets.

During the year Brierty Limited undertook a capital raising by placing 16,500,000 shares with institutional and sophisticated investors at 50 cents per share, which represented an additional 15% of shares.

Operating and Financial Review (continued)

DIVIDENDS

The practice of the Group is to have 25% to 35% of Net Profit After Tax (NPAT) available for distribution as dividends, with the balance being retained for funding ongoing growth. Dividends are franked to the extent franking credits are available. During the year Brierty Limited paid a special dividend of 8 cents per share and an interim dividend of 1.25 cents per share. No final dividend has been declared for FY2015, but this does not alter the Group's stated dividend policy and the Board will consider future dividends after assessing the Group's first half FY2016 results.

BUSINESS STRATEGY

The Group's strategy is to continue to deliver quality products for our clients across the three divisions and to grow the business organically.

PROSPECTS FOR FUTURE FINANCIAL YEARS

The outlook for FY2016 is promising, despite conditions remaining highly competitive, with Brierty starting the year with $412 million work on hand of which $210 million is currently in FY2016. Brierty expects to win further work in road construction, urban land development and contract mining, in addition to smaller civil contracts that Brierty continues to win. Major projects that will continue or commence during the year include the upgrade of North West Coastal Highway, the upgrade of Great Northern Highway near Batty Bog, construction of the subdivision at Mitchell Creek Green in the Northern Territory, further subdivisions at Lakelands near Perth and mining at Western Turner Syncline Stage 2 for Rio Tinto.

Civil
The markets for Brierty's civil services continues to be strong with Main Roads WA committed to new roads and road upgrades. There is also strong demand for housing blocks in the first home buyer market with developments continuing across Perth and regional Western Australia. There is continued spend on infrastructure assets across Western Australia particularly at Perth Airport, the new sports stadium and revitalisation and build form projects across Perth. There are numerous opportunities in the Northern Territory that the Group is pursuing including road works, airport works, and oil and gas civil works. The landscape remains competitive for these projects, however, Brierty is well positioned due to its established relationships and proven record to deliver projects safely and cost effectively for clients.

Mining
In the mining sector the Group expects there to be further opportunities in iron ore mining with the major iron ore producers, which will lead to construction and contract mining opportunities. There are also opportunities in other mining operations such as gold, copper and silver that the Group is pursuing.

Land Development
In land development the Group will continue with the development and sale of land at Mitchell Creek Green. It is expected demand for these blocks will be strong as many will be priced at the lower end of the market to cater for first home buyers.

RISKS

The Group employs extensive risk management processes to identify risks to the business and to put in place actions, monitoring and reporting activities to mitigate these risks.

Project Execution

Project execution is important to Brierty and its customers and each project faces a number of risks during its execution. Some projects involve an element of design while others are construct only where the customer provides the design. Brierty has put in place a number of strategies to manage risks, including insurance, risk management and work practice programs designed to ensure risks are identified and managed.

Operating and Financial Review (continued)

Pricing Risk

There is always a risk that pricing is incorrect or excludes activities that may impact financial performance. To mitigate this risk, Brierty has an extensive tender review process to ensure that nothing is missed from the tender and that our prices are consistent with our experience and expertise.

Major Asset Damage

The Group owns a large amount of earth moving equipment. To mitigate the risk of damage, the Group ensures that all operators are competent and equipment is checked daily prior to use. Brierty has adequate insurance and programs in place to ensure the assets are maintained in accordance with the manufacturer's recommendations. Assets are secured at all of the Group's locations.

Reputation

Repeat business is critical to Brierty's success as can be seen with continued work at Perth Airport, Lakelands and for Landcorp across WA. It is vitally important that Brierty delivers a quality product at all times and meets the market's financial performance expectations. We have a rigorous full review of each project's progress and financial performance each month.

Competition

Brierty operates in a competitive market with many competitors tendering the same projects. To ensure Brierty maintains a robust order book, Brierty targets projects carefully with a view to ensuring the Group does not compete in markets where margins are too low. In markets where Brierty does operate it targets projects where the Group has a competitive advantage, and the robust tender process ensures Brierty's bids are competitive and accurate.

Strategy

Brierty's Board and senior executives hold bi-annual strategy sessions to review the current strategy and include new target markets, products and geographical areas in future endeavours to maintain market relevance.

Customer

Brierty is reliant on its customers being able to meet their financial responsibilities and Brierty regularly monitors the financial health of its current and potential customers. To mitigate this risk for new customers, Brierty conducts a financial health check and in some cases will ask for assurances.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the company or the Group during the financial year.

Matters subsequent to the end of the financial year

There have been no matters that have arisen since 30 June 2015 that have or may significantly affect the operations result or state of affairs of the Group in future financial periods.

Environmental regulation

The Group's operations are subject to significant environmental regulation under Commonwealth and State legislation. There have not been any breaches of significant environmental regulations and there were no fines or penalties imposed upon the Group during the year.

Brierty Limited ABN 65 095 459 448
Financial statements - 30 June 2015

Contents

The consolidated financial report of Brierty Limited (the Group) for the year 30 June 2015 was authorised for issue in accordance with a resolution of directors on 31 August, 2015.

Brierty Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

Brierty Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2015
Unaudited

	Notes	**2015** **$**	2014 $
Revenue from services and land sales	6	**291,903,723**	251,084,203
Cost of services and sales	8	**(270,757,136)**	(217,684,079)
Gross margin on services and land sales		**21,146,587**	33,400,124
Other income	7(a)	**871,756**	573,451
Administration expenses, excluding finance costs		**(16,572,549)**	(18,289,899)
Finance costs	8	**(3,510,511)**	(2,812,803)
Profit from continuing operations before income tax		**1,935,283**	12,870,873
Income tax benefit/(expense)	9	**1,006,890**	(2,989,168)
Profit from continuing operations after income tax		**2,942,173**	9,881,705
Total Comprehensive income for the year		**2,942,173**	9,881,705
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	35	**2.32**	8.98
Diluted earnings per share	35	**2.32**	8.85

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Brierty Limited
Consolidated statement of financial position
As at 30 June 2015
Unaudited

	Notes	**2015** **$**	2014 $
ASSETS			
Current assets			
Cash and cash equivalents	10	**2,760,756**	27,179,608
Trade and other receivables	11	**24,462,200**	23,524,424
Contracts in progress and inventories	12	**24,753,337**	8,918,053
Prepayments		**1,218,881**	1,036,354
Current tax receivables	13	**3,505,609**	996,224
Land held for development and resale	14	**15,269,795**	10,425,381
Total current assets		**71,970,578**	72,080,044
Non-current assets			
Property, plant and equipment	15	**77,166,162**	55,574,094
Contracts in progress and inventories	12	**14,197,814**	-
Total non-current assets		**91,363,976**	55,574,094
Total assets		**163,334,554**	127,654,138
LIABILITIES			
Current liabilities			
Trade and other payables	17	**57,222,392**	33,086,308
Borrowings	18	**15,584,648**	10,384,294
Provisions	19	**2,765,771**	2,396,657
Contract income in advance	12	**1,213,049**	3,016,984
Total current liabilities		**76,785,860**	48,884,243
Non-current liabilities			
Borrowings	20	**26,403,309**	17,841,316
Deferred tax liabilities	21	**3,340,971**	1,570,025
Provisions	22	**217,599**	226,971
Total non-current liabilities		**29,961,879**	19,638,312
Total liabilities		**106,747,739**	68,522,555
Net assets		**56,586,815**	59,131,583
EQUITY			
Contributed equity	23	**37,148,672**	29,170,572
Other reserves	24	**500,191**	338,982
Retained earnings	24(b)	**18,937,952**	29,622,029
Total equity		**56,586,815**	59,131,583

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

	Notes	Attributable to owners of Brierty Limited			
		Contributed equity $	**Employee Equity Benefits Reserve $**	**Retained earnings $**	**Total equity $**
Balance at 1 July 2013		29,170,572	304,179	23,040,324	52,515,075
Profit for year		-	-	9,881,705	9,881,705
Total comprehensive income for the year		**-**	**-**	**9,881,705**	**9,881,705**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	26	-	-	(3,300,000)	(3,300,000)
Share based Payment		-	34,803	-	34,803
		-	34,803	(3,300,000)	(3,265,197)
Balance at 30 June 2014		**29,170,572**	**338,982**	**29,622,029**	**59,131,583**
Balance at 1 July 2014		29,170,572	338,982	29,622,029	59,131,583
Profit for year		-	-	2,942,173	2,942,173
Total comprehensive income for the year		**-**	**-**	**2,942,173**	**2,942,173**
Transactions with owners in their capacity as owners:					
New capital raised	23	7,978,100	-	-	7,978,100
Dividends provided for or paid	26	-	-	(13,626,250)	(13,626,250)
Share based Payment		-	161,209	-	161,209
		7,978,100	161,209	(13,626,250)	(5,486,941)
Balance at 30 June 2015		**37,148,672**	**500,191**	**18,937,952**	**56,586,815**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	2015 $	2014 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**261,646,084**	297,856,655
Payments to suppliers and employees (inclusive of GST)		**(260,879,551)**	(261,984,286)
Other revenue		**540,402**	705,013
Income taxes received/(paid)		**268,451**	(5,596,284)
Interest received		**147,651**	298,351
Finance costs		**(3,510,511)**	(2,812,803)
Net cash (outflow) inflow from operating activities	34	**(1,787,474)**	28,466,646
Cash flows from investing activities			
Payments for property, plant and equipment		**(2,966,466)**	(1,712,378)
Proceeds from sale of property, plant and equipment		**970,738**	832,601
Net cash (outflow) from investing activities		**(1,995,728)**	(879,777)
Cash flows from financing activities			
New Capital Raised		**7,820,600**	-
Repayment of borrowings		**(14,830,000)**	(10,593,595)
Dividends paid to company's shareholders	26	**(13,626,250)**	(3,300,000)
Net cash (outflow) from financing activities		**(20,635,650)**	(13,893,595)
Net (decrease) increase in cash and cash equivalents		**(24,418,852)**	13,693,274
Cash and cash equivalents at the beginning of the financial year		**27,179,608**	13,486,334
Cash and cash equivalents at end of year	10	**2,760,756**	27,179,608

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

1 *Corporate Information*

The consolidated financial statements of Brierty Limited and its subsidiaries (the Group) for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 24 August 2015.

Brierty Limited (the Company or the Parent) is a for profit company limited by shares incorporated and domiciled in Australia whose shares are publically traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Director's' Report. Information on the Group's structure is provided in note 25. Information on other related party relationships is provided in note 33.

2 *Summary of significant accounting policies*

2.1 Basis of preparation

The financial report is presented in Australian dollars.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

2.2 Compliance with IFRS

The financial report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2.3 Changes in accounting policy, accounting standards and interpretations

New and amended accounting standards and interpretations

In the current year, the Group has adopted all of the new and revised Standards and interpretations issued by the Australian Accounting Standards Board effective as of 30 June 2015, including:

<u>AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities</u>

Application date of standard - 1 January 2014. Application date for Group - 1 July 2014.

AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right to set-off" and that some gross settlement systems may be considered equivalent to net settlement.

<u>Interpretation 21 Levies</u>

Application date of standard - 1 January 2014. Application date for Group - 1 July 2014.

This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.

<u>AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets</u>

Applicable date of standard - 1 January 2014. Application date for Group - 1 July 2014

2 *Summary of significant accounting policies (continued)*

2.3 Changes in accounting policy, accounting standards and interpretations (continued)

AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose the additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.

AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]

Application date of standard - 1 January 2014. Application date for Group - 1 July 2014.

AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.

AASB 1031 Materiality

Application date of standard - 1 January 2014. Application date of Group - 1 July 2014.

The revised AASB 1031 is an interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.

AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments

The Standard contains three main parts and makes amendments to a number of Standards and Interpretations.

Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.
Application date of standard - 20 December 2013. Application date for Group - 30 June 2014.

Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.
Application date of standard - 1 January 2014. Application date for Group - 1 July 2014.

Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.
Application date of standard - 1 January 2015. Application date for Group - 1 July 2015.

Accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2015. The impact of the relevant standards and interpretations outlined below has not yet been determined.

AASB 9 Financial Instruments

Application date of standard - 1 January 2018. Application date for Group - 1 July 2018.

2 *Summary of significant accounting policies (continued)*

2.3 Changes in accounting policy, accounting standards and interpretations (continued)

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.

(a) Financial assets that are debt instruments will be classified on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.
(b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.
(c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.
(d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  • the change attributable to changes in credit risk are presented in other comprehensive income (OCI);
  • the remaining change is presented in profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Further amendments were made by AASB 2012-6 which amends the mandatory effective date to annual reporting periods beginning on or after 1 January 2015. AASB 2012-6 also modifies the relief from restarting prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.

The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013. The revised standard incorporates three primary changes:

1. New hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.
2. Entities may elect to apply only the accounting for gains and losses from own credit risk without applying the other requirements of AASB 9 at the same time.
3. In February 2014, the IASB tentatively decided that the mandatory effective date for AASB 9 will be 1 January 2018.

2 *Summary of significant accounting policies (continued)*

2.3 Changes in accounting policy, accounting standards and interpretations (continued)

Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)*

Application date of standard - 1 January 2016. Application date for Group - 1 July 2016.

IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset.

The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

IFRS 15 Revenue from Contracts with Customers*

Application date of standard - 1 January 2018. Application date for Group - 1 July 2018.

IFRS 15 establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

IFRS 15 supersedes:
(a) IAS 11 Construction Contracts
(b) IAS 18 Revenue
(c) IFRIC 13 Customer Loyalty Programmes
(d) IFRIC 15 Agreements for the Construction of Real Estate
(e) IFRIC 18 Transfers of Assets from Customers
(f) SIC-31 Revenue - Barter Transactions Involving Advertising Services

The core principle of IFRS 15 is that an entity recognises 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. An entity recognises revenue in accordance with that core principle by applying the following steps:
(a) Step 1: Identify the contract(s) with a customer
(b) Step 2: Identify the performance obligations in the contract
(c) Step 3: Determine the transaction price
(d) Step 4: Allocate the transaction price to the performance obligations in the contract
(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Early application of this standard is permitted.

**These IFRS amendments have not yet been adopted by the AASB.*

(a) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

2 *Summary of significant accounting policies (continued)*

(a) Principles of consolidation (continued)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date of the Group gains control until the date of the Group ceases to control the subsidiary.

In preparing the consolidated financial statements, all intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary;
- De-recognises the carrying amount of any non-controlling interests;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises the surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(b) Investment in associates and joint arrangements

The Group has interests in joint arrangements that are joint operations. A joint operation is a type of joint arrangement whereby the parties have a contractual agreement to undertake an economic activity that is subject to joint control. A joint operation involves use of assets and other resources of the ventures rather than the establishment of a separate entity. The Group recognises its interests in the joint operations by recognising its interests in the assets and liabilities of the joint operation, including its share of any assets held and liabilities incurred jointly. The Group also recognises the expenses that it incurs and its share of the income that it earns from the sale of goods and services by the joint operations, including any expenses incurred and revenue received jointly. Details relating to the joint operations are set out in note 30.

(c) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

2 *Summary of significant accounting policies (continued)*

(c) Segment reporting (continued)

Operating segments have been identified based on the information provided to the chief operating decision makers being the executive management team and the Board.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where the information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

(d) Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(e) Revenue

(i) Construction contracting
Contract revenue and expenses are recognised in accordance with the percentage of completion method unless the outcome of the contract cannot be reliably estimated. Where it is probable that a loss will arise from a construction contract, the excess of total expected contract costs over total expected contract revenue is recognised as an expense immediately.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred, and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

For fixed price contracts, the stage of completion is measured by reference to the proportion of the contract work physically performed for each contract. Revenue from cost plus contracts is recognised by reference to the recoverable costs incurred during the reporting period plus the percentage of fees earned. The percentage of fees earned is measured by the proportion that costs incurred to date bear to the estimated total costs of the contract.

Claims and variations are only recognised when they are considered certain of recovery if negotiations have reached an advanced stage or the customer has agreed or approved the claim.

(ii) Mining contracting
Mining services revenue is recognised when the services are provided by reference to the stage of completion of the service rendered at the end of the reporting period.

(iii) Sale of land
Revenue and profits from the sale of blocks from completed stages of land subdivisions are recognised on settlement of the sale. This represents the point when risks and rewards have passed to the buyer.

(iv) Hire of equipment
Revenue is recognised for hire of equipment over the contract period.

(f) Income tax

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

2 *Summary of significant accounting policies (continued)*

(f) Income tax (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

Current and deferred tax balances attributable to the amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation
Brierty Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Brierty Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Brierty Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details about the tax funding agreement are disclosed in note 9.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(g) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(i) Group as a lessee
Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

2 *Summary of significant accounting policies (continued)*

(g) Leases (continued)

Operating lease payments are recognised as an operating expense in the statement of comprehensive income on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(ii) Group as a lessor
Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(h) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition - date fair values of the asset transferred by the acquirer, the liabilities incurred by the acquirer to the former owners of the acquiree and the equity issued by the acquirer, and the amount of any non controlling interest in the acquiree. For each business combination, the acquirer measures the non controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(i) Impairment of non-financial assets

The Group does not currently have goodwill and intangible assets. Accordingly all relevant assets are tested for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Cash and cash equivalents

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

(k) Trade receivables

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

2 *Summary of significant accounting policies (continued)*

(k) Trade receivables (continued)

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

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income within 'other expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(l) Inventories

(i) Fuel, spares and major components
Stock of fuel, spares and major components are stated at the lower of cost and net realisable value. Cost of fuel and spares comprises purchase cost determined after deducting rebates and discounts and assigned on a first in, first out basis. The cost of major components can include direct materials, direct labour. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Construction work in progress
Construction work in progress (WIP) is stated at the aggregate of contract costs incurred to date plus recognised profits less recognised costs and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus profits less losses, the net amounts are presented under other liabilities.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the group's construction activities in general.

WIP is classified as a current asset where it is expected to be recovered within 12 months. In some cases, such as for long term mining contracts, WIP might be recovered over a longer period, and the portion of WIP that will be recovered after 12 months is classified as a non-current asset.

(iii) Land held for resale
Land held for development and resale is stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(m) Property, plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

2 *Summary of significant accounting policies (continued)*

(m) Property, plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using either a unit of production method based on the total available number of machine hours or the diminishing value basis over the estimated useful lives of the specific assets.

	2015	2014
Major Plant & Equipment	Hours of Production	Hours of Production
Minor Plant & Equipment	3 - 9 years	3 - 9 years
Motor Vehicles	4 - 5 years	4 - 5 years
Office Furniture & Fittings	1 - 9 years	1 - 9 years

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 than its estimated recoverable amount (note 2(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of comprehensive income.

(n) Trade and other payables

Trade and other payables are carried at amortised cost due to their short term nature. These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition.

(o) Borrowings

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

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are capitalised at a rate of 6.5%.

(q) Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2 *Summary of significant accounting policies (continued)*

(q) Provisions (continued)

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

(r) Employee benefits

(i) Wages and salaries, annual leave and productivity payments
Liabilities for wages and salaries, including non-monetary benefits, annual leave and site specific productivity payments expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. In determining employee benefits the Group has considered the likelihood of annual leave extending beyond 12 months in accordance with AASB 119R.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Share-based payments
Share-based compensation benefits are provided to employees via the Brierty Limited Employee Option Plan, long term incentive plan and an employee share scheme. Information relating to these schemes is set out in note 36.

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

The fair value at grant date is independently determined using a Binomial model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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

The fair value of shares granted is based on the market price of Brierty's securities at the date of grant.

(s) Contributed equity

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. No provision is made for any dividend not declared, but decided by the board and still at the discretion of the entity.

2 *Summary of significant accounting policies (continued)*

(u) Earnings per share

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

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

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

3 *Financial risk management*

The Group's principal financial instruments comprise cash and cash deposits, receivables, payables, bank overdrafts and hire purchase liabilities.

Exposure to credit, interest rate and currency risks arise in the normal course of the Group's business. The Group's policy and objectives remain unchanged from prior years.

Primarily, the Group aims to ensure that financial security is maintained and capital availability is appropriate to all stakeholders. In this respect debt borrowings are driven by balancing cash, short term borrowings and longer term capital financing of the entity.

The Group's key management personnel report to the Risk & Compliance Committee and Board regularly on the progress and objectives of the risk and the associated corporate governance policy objectives. The Group aims to reduce risk where commercially possible. In this regard, the risk management covers at least the risks associated with market, liquidity and credit activity.

The Group held the following financial assets and liabilities at balance date:

3 *Financial risk management (continued)*

	Note	**2015** **$**	2014 $
Financial assets			
Cash and cash equivalents		**2,760,756**	27,179,608
Trade and other receivables		**24,462,200**	23,524,424
		27,222,956	50,704,032
Financial liabilities			
Trade and other payables		**57,222,392**	33,086,308
Borrowings		**41,987,957**	28,225,610
		99,210,349	61,311,918
Gross amounts due from customers			
Construction work in progress		**31,064,328**	861,677
	12	**31,064,328**	861,677

(a) Market risk

(i) Foreign exchange risk
The Group has occasional exposure to foreign exchange and currency exposure by virtue of the purchase price of new capital equipment being denominated in overseas currency. Where possible, the Group may seek to limit this risk by fixing the exchange rate at the time of placing the order, by entering into a forward foreign exchange contract.

There were no foreign currency balances at the end of the financial year.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

(ii) Interest rate risk management
The Group does not enter into any specific swap or hedges to cover any interest rate volatility. Predominantly, the only interest rate exposure on financial liabilities is on the bank overdraft (when utilised). In management's opinion however, Australia is experiencing a relatively low interest rate environment with an expectation of only moderate increases or decreases in the next 12 months and therefore a sensitivity of 0.5% has been applied. Interest rate risks are considered manageable.

The Group employs a mixture of fixed and variable borrowings to manage both cash and long term capital purchases. This risk is managed by utilising fixed hire purchase contracts predominantly for capital purchases. It provides a fixed result with little risk of change.

The impact of a 0.5% (2014: 0.5%) increase or decrease in interest rate on cash deposit (being the only financial assets subject to Australian variable interest rate risk) would be a profit and equity increase or decrease of approximately $13,804 per annum (2014: $135,898).

	30 June 2015		30 June 2014	
	Weighted average interest rate	**Balance $**	Weighted average interest rate	Balance $
Cash Balance	**2.00 %**	**2,760,756**	2.50 %	27,179,608
Bank Overdraft	**7.75 %**	**0**	8.00%	0

(b) Credit risk

Where terms are exceeded interest can be charged on late payments. Management follows a strict credit policy as part of day to day cash flow management. The credit worthiness of customers is considered at contract negotiation stage.

3 *Financial risk management (continued)*

(b) Credit risk (continued)

The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at the reporting date is addressed in note 11 trade and other receivables, and note 12 contracts in progress.

Management ensures concentration of credit risk is managed by having a wide variety of customers so no one customer has a material impact on outstanding receivables.

Cash is held with recognised financial institutions which management believes appropriately manages the credit risk of these assets.

(c) Liquidity risk

Cash is monitored daily and ensures the Group will be able to pay its debts as and when they fall due. Borrowings form part of this. However, operating cash flows are primarily used to cater for general day to day costs. Cash flows will also include dividend and tax disbursements as required. Asset purchases for long term use are generally placed under hire purchase, fixed rate payment cycles. This provides a good risk profile and generally terms do not exceed 5 years.

The Group's banker imposes certain debt covenants relating to gearing (gearing ratios at year end are detailed in Note 23). The Board discuss with management its capital requirements and borrowings to date. This is aimed at balancing the needs of all stakeholders and providing sufficient capital needs for meeting contractual obligations and driving strategic growth.

The following summary of effective interest rates and maturities on financial liabilities is provided:

Maturity analysis of financial liabilities based on contractual terms

2015 Financial Liabilities	Less than 6 months $	6 - 12 months $	Between 1 and 5 years $	Over 5 years $
Trade payables	**57,222,392**	**-**	**-**	**-**
Hire purchase liabilities	**9,210,499**	**8,305,475**	**28,250,291**	**-**
Total	**66,432,891**	**8,305,475**	**28,250,291**	**-**

2014 Financial Liabilities	Less than 6 months $	6 - 12 months $	Between 1 and 5 years $	Over 5 years $
Trade payables	33,086,308	-	-	**-**
Hire purchase liabilities	6,180,363	5,838,179	18,850,804	**-**
Total	39,266,671	5,838,179	18,850,804	**-**

(d) Fair value measurements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value heirachy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

3 *Financial risk management (continued)*

(d) Fair value measurements (continued)

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The methods for estimating fair value are outlined in the relevant notes to the financial statements. The carrying amounts continue to approximate their fair values except for the hire purchase liabilities which have a carrying value of $41,987,957 and a fair value of $43,730,457.

All financial assets and liabilities are payable within a year with the exception of retentions and hire purchase liabilities which are payable in accordance with the disclosures set out in Note 32.

4 *Critical accounting estimates and judgements*

(a) Critical accounting estimates and assumptions

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

(i) Estimation of Useful Lives of Assets
The estimation of the useful lives of assets has been based on historical experience as well as manufacturer's warranties for plant and equipment, lease terms for leased equipment and turnover policies for motor vehicles. In addition the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

(ii) Recovery of Deferred Tax Assets
Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(iii) Impairment
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Group carries no goodwill and all assets are depreciated using units of production or the diminishing value method. The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the assets recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less cost to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

(iv) Share based payment transactions
The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer using a binomial model. The related assumptions are detailed in note 36. The accounting estimates and assumptions relating to equity settled share based payments would have no impact on the carrying amount of assets and liabilities within the next annual reporting period but may impact expenses and equity.

5 *Segment information*

(a) Description of segments

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated upon consolidation and reflected in the adjustments and elimination rows.

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

The operating segments are identified by management based on the nature of the services provided. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

Reportable segments

The entity is organised into the following divisions by project type.

Civil
Civil infrastructure works for mines, energy, utilities and pipelines and residential lot developments, urban and regional roads, highways, rail, port and airport infrastructure.

Mining
Contract mining and mine maintenance.

Land Development
Residential lot development in Palmerston, Northern Territory.

5 *Segment information (continued)*

(b) Segment information provided to the Chief Operating Decision Maker

2015	**Civil** $	**Mining** $	**Land Development** $	**Total Operations** $
Segment revenue				
Total segment revenue	159,527,167	106,657,271	29,319,285	291,903,723
Intersegment transactions	19,609,021	-	-	19,609,021
Intersegment elimination	-	-	-	(19,609,021)
Total contract revenue	**179,136,188**	**106,657,271**	**29,319,285**	**291,903,723**
Segment result	288,671	7,838,676	4,461,600	12,588,947
Administration overheads	-	-	-	(11,526,050)
Other Income	-	-	-	872,386
Profit before income tax	-	-	-	1,935,283
Segment assets	**28,089,936**	**30,080,636**	**12,275,143**	**70,445,715**
Inventories of materials and spares	-	-	-	7,886,823
Property plant and equipment	-	-	-	77,166,162
Other unallocated assets	-	-	-	7,835,854
Total assets	-	-	-	**163,334,554**
Unallocated liabilities	-	-	-	106,747,739
Total Liabilities	-	-	-	**106,747,739**

2014	**Civil** $	**Mining** $	**Land Development** $	**Total Operations** $
Segment revenue				
Total segment revenue	127,125,775	105,910,828	14,384,765	247,421,368
Intersegment transactions	6,322,848	-	-	6,322,848
Intersegment elimination	-	-	-	(6,322,848)
Unallocated revenue	-	-	-	3,662,835
Total contract revenue	**133,448,623**	**105,910,828**	**14,384,765**	**251,084,203**
Segment result	7,443,305	10,609,436	(360,599)	17,692,142
Over/(under) recovery of plant and workshop expenses	-	-	-	4,533,615
Administration overheads	-	-	-	(9,928,335)
Other Income	-	-	-	573,451
Profit before income tax	-	-	-	12,870,873
Segment assets	**19,885,504**	**3,776,630**	**10,425,381**	**34,087,515**
Litigation settlement relating to claim against the land development division	-	-	-	27,179,608
Inventories of materials and spares	-	-	-	8,056,376
Property plant and equipment	-	-	-	55,574,094
Other unallocated assets	-	-	-	2,756,545
Total assets	-	-	-	**127,654,138**
Unallocated Liabilities	-	-	-	68,522,555
Total Liabilities	-	-	-	**68,522,555**

5 *Segment information (continued)*

(b) Segment information provided to the Chief Operating Decision Maker (continued)

Due to the nature of the Group's internal reporting system, some income and expenses are not allocated to reportable segments and as such are included as unallocated net income/(expenses). These include:

• Corporate overheads

• Over/under recovery of plant workshop expenses

• Other income

The Group allocates land held for development and accounts receivable to segments. However, the Group does not allocate other assets (including plant and equipment), liabilities and cash flows as they cannot be considered directly attributable to a segment based on the use of a centralised pool of employees, plant and equipment and centralised management processes for liabilities and cash flows.

The Group has a pool of assets that it uses across the different segments. Depreciation expense is charged to the pool and this depreciation is recovered from the segments via internal plant charges. Therefore, depreciation is included in the segment results, however, the pool of assets remains unallocated.

The Group has a number of customers to which it provides both products and services. The most significant customer accounts for 37% of the 2015 turnover and the second most significant customer accounts for 30% with all other customers below 10% (2014: one customer above 10% at 42%) of external revenue.

All revenue is from customers located in Australia and all non-current assets are located in Australia.

(i) Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 2 with the exception of over/under recovery of plant and workshop expenses, which are allocated on a budgeting basis.

Certain costs including plant and workshop expenses are allocated to contracts within divisions and are included in cost of sales based on a budgeting basis. The assets and liabilities to which these costs relate are not allocated. Over/under recovery of plant and workshop expenses (actual compared to budget) is not allocated to segments.

6 *Revenue*

	2015	2014
	$	$
From continuing operations		
Contract Revenue	**262,560,115**	236,095,179
Hire of Equipment	**24,323**	604,259
Sale of Land	**29,319,285**	14,384,765
	291,903,723	251,084,203

7 *Other income*

(a) Other income

	2015 $	2014 $
Net gain on disposal of property, plant and equipment	**208,026**	174,346
Recoveries	**310,678**	92,549
Interest received and other revenue	**353,052**	306,556
	871,756	573,451

8 *Expenses*

	2015 $	2014 $
Cost of services and sales		
Cost of providing services	**245,899,457**	202,938,716
Costs of land sales	**24,857,685**	14,745,363
	270,757,142	217,684,079

Profit before income tax includes the following specific expenses:

	2015 $	2014 $
Depreciation		
Administration plant and equipment	**616,469**	836,218
Operational plant and equipment	**8,587,564**	9,475,495
	9,204,033	10,311,713
Employee benefits expenses		
Wages and salaries	**67,589,388**	54,848,878
Superannuation	**4,634,626**	3,733,682
Share based payments	**161,209**	34,803
	72,385,223	58,617,363
Finance costs		
Interest and finance charges payable under the hire purchase contracts	**2,722,412**	2,410,239
Bank facility fees	**343,012**	398,855
Bank overdraft interest	**445,087**	3,709
Finance costs expensed	**3,510,511**	2,812,803

9 *Income tax expense*

(a) Income tax expense

	2015 $	2014 $
The major components of income tax expenses are:		
Current tax	**(1,115,807)**	3,212,394
Adjustments for current tax of prior periods	**(1,662,028)**	(882,286)
Deferred tax - origination and reversal of temporary differences	**1,770,945**	659,060
	(1,006,890)	2,989,168

(b) Reconciliation between aggregate tax expense recognised in the statement of comprehensive income and tax expense calculated at the statutory income tax rate

	2015 $	2014 $
Profit from continuing operations before income tax expense	**1,935,283**	12,870,873
Tax at the Australian tax rate of 30% (2014 - 30%)	**580,585**	3,861,262
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Employee share-based payment costs	**48,363**	10,441
Entertainment	**26,190**	38,782
Other	**-**	(39,031)
	655,138	3,871,454
Adjustments for current tax of prior periods	**(1,662,028)**	(882,286)
Income tax expense	**(1,006,890)**	2,989,168

(c) Amounts charged or credited directly in equity

There is no deferred income tax in the current or prior year related to items charged directly to equity.

(d) Tax consolidation legislation

Brierty Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation. The accounting policy in relation to this legislation is set out in note 2(f).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Brierty Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entity fully compensate Brierty Limited for any current tax payable assumed and is compensated by Brierty Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Brierty Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entity financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax installments. The funding amounts are recognised as current intercompany receivables or payables.

9 *Income tax expense (continued)*

(e) Unrecognised temporary differences

At 30 June 2015, there are no unrecognised temporary differences.

10 *Current assets - Cash and cash equivalents*

	2015 **$**	2014 $
Current assets		
Cash at bank and in hand	**2,760,756**	27,179,608
	2,760,756	27,179,608

(a) Reconciliation to cash at the end of the year

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

	2015 **$**	2014 $
Balances as above	**2,760,756**	27,179,608

(b) Risk exposure

The Group's exposure to interest rate risk is discussed in note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(c) Cash at bank and on hand

The credit deposits accrue interest rates of 2.00% (2014: 2.50%).

(d) Fair value

The carrying amount for cash and cash equivalents equals the fair value.

11 *Current assets - Trade and other receivables*

	2015 **$**	2014 $
Trade receivables	**26,938,902**	22,572,802
Retentions	**70,814**	321,055
Doubtful debts	**(3,033,756)**	-
Sundry debtors	**486,240**	630,567
	24,462,200	23,524,424

(a) Past due but not impaired

As of 30 June 2015 trade receivables of nil (2014: $452,111) were past due but not impaired.

11 *Current assets - Trade and other receivables (continued)*

(a) Past due but not impaired (continued)

	2015 **$**	2014 $
Up to 3 months	**-**	175,522
3 to 6 months	**-**	276,589
	-	452,111

(b) Retentions

These amounts arise as part of the usual operating activities of the Group. There are no amounts past due or impaired at year end.

(c) Sundry debtors

These amounts arise from transactions outside the usual operating activities of the company. At year end they do not contain impaired assets and are not past due. It is expected that these balances will be recovered when due.

(d) Foreign exchange and interest rate risk

The Group has no exposure to foreign currency risk and interest rate risk in relation to trade and other receivables.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

The credit quality of a client is assessed based on an extensive credit check, and where the Group believes a client may pose a credit risk, the client is asked to provide some form of surety as a guarantee. As at 30 June 2015, all trade debtors, other than those past due but not impaired, are current.

12 *Current assets - Contracts in progress and inventories*

	2015 **$**	2014 $
Current assets		
Construction Work in progress	**25,943,310**	861,677
Provision for impairment of contracts in progress	**(9,076,796)**	-
Inventories of materials and spares	**7,886,823**	8,056,376
	24,753,337	8,918,053
Non current assets		
Construction work in progress	**14,197,814**	-

(a) Construction work in progress

	2015 **$**	2014 $
Contract costs incurred and recognised profits less recognised losses	**183,990,608**	64,972,288
Less progress billing	**(154,139,329)**	(67,127,595)
	29,851,279	(2,155,307)

12 *Current assets - Contracts in progress and inventories (continued)*

(a) Construction work in progress (continued)

	2015 $	2014 $
Represented by:		
Amounts due from customers	**31,064,328**	861,677
Amounts due to customers	**(1,213,049)**	(3,016,984)
	29,851,279	(2,155,307)

Construction work in progress is expected to be recovered when due. These relate to a number of independent customers for whom there is no recent history of default, the credit quality is considered high and full payment is either expected or since received.

Inventories of materials and spares include major component spares totaling $1,762,138 (2014: $2,126,466) that are measured at net realisable value. All other inventories are measured at cost.

13 *Current assets - Current tax receivables*

	2015 $	2014 $
Current tax receivables	**3,505,609**	996,224

14 *Current assets - Land held for Development*

	2015 $	2014 $
Land held for development and resale	**15,269,795**	10,425,381

	2015 $	2014 $
(a) Total land held for development (current and non-current)		
At beginning of year	**10,425,381**	10,738,964
Additions	**27,913,474**	14,431,780
Less Sales	**(23,069,060)**	(14,745,363)
	15,269,795	10,425,381
Disclosed as:		
Current	**15,269,795**	10,425,381

(b) Property held for development and resale

Title on the residential housing blocks transfer from the Crown to the Group prior to Settlement of lots of land.

15 *Non-current assets - Property, plant and equipment*

	Plant and equipment $	Office furniture & equipment $	Motor vehicles $	Total $
Year ended 30 June 2014				
Opening net book amount	59,308,914	2,614,753	811,692	62,735,359
Additions	3,732,117	84,059	-	3,816,176
Disposals	(579,110)	-	(86,618)	(665,728)
Depreciation charge	(9,264,476)	(836,218)	(211,019)	(10,311,713)
Closing net book amount	53,197,445	1,862,594	514,055	55,574,094
At 30 June 2014				
Cost or fair value	107,024,916	3,989,148	2,095,899	113,109,963
Accumulated depreciation	(53,827,471)	(2,126,554)	(1,581,844)	(57,535,869)
Net book amount	53,197,445	1,862,594	514,055	55,574,094
Year ended 30 June 2015				
Opening net book amount	**53,197,445**	**1,862,594**	**514,055**	**55,574,094**
Additions	**25,853,591**	**535,987**	**5,169,234**	**31,558,812**
Disposals	**(656,773)**	**-**	**(105,939)**	**(762,712)**
Depreciation charge	**(8,202,392)**	**(634,520)**	**(367,120)**	**(9,204,032)**
Closing net book amount	**70,191,871**	**1,764,061**	**5,210,230**	**77,166,162**
At 30 June 2015				
Cost	**129,940,527**	**4,524,763**	**6,677,331**	**141,142,621**
Accumulated depreciation	**(59,748,656)**	**(2,760,702)**	**(1,467,101)**	**(63,976,459)**
Net book amount	**70,191,871**	**1,764,061**	**5,210,230**	**77,166,162**

Refer to note 18 and 20 for details of asset encumbrances.

16 *Non-current assets - Deferred tax assets*

	Notes	**2015** **$**	2014 $
The balance comprises temporary differences attributable to:			
Annual leave		**631,167**	584,103
Long service leave		**172,197**	182,953
Productivity		**91,646**	20,033
Accrued bonuses		**-**	169,500
Capital costs		**86,327**	129,490
Accrued audit fee		**13,500**	20,879
Unpaid superannuation		**117,231**	80,202
Prepayments		**-**	14,836
Borrowing costs		**-**	21,868
Doubtful debts		**295,396**	-
		1,407,464	1,223,864
Set-off of deferred tax liabilities	21	**(1,407,464)**	(1,223,864)
Net deferred tax assets		**-**	-

17 *Current liabilities - Trade and other payables*

	2015 **$**	2014 $
Trade payables	**47,367,281**	23,310,757
Accrued expenses	**8,705,005**	8,810,810
Insurance - premium funding	**1,091,379**	964,741
Other payables	**58,727**	-
	57,222,392	33,086,308

(a) Fair Value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

18 *Current liabilities - Borrowings*

	2015 **$**	2014 $
Secured		
Lease liabilities (note 32)	**15,584,648**	10,384,294

(a) Security and fair value disclosures

Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in note 20.

(b) Loans from related parties

During the year, there were no loans from related parties.

19 *Current liabilities - Provisions*

	2015 **$**	2014 $
Employee Benefits		
Long service leave	**356,391**	382,873
Annual leave	**2,103,894**	1,947,009
Productivity payment	**176,285**	1,479
Other provisions	**129,201**	65,296
	2,765,771	2,396,657

20 *Non-current liabilities - Borrowings*

	2015 **$**	2014 $
Secured		
HP liabilities (note 32)	**26,403,309**	17,841,316

(a) Secured liabilities and assets pledged as security

The total secured liabilities (current and non-current) are as follows:

	2015 **$**	2014 $
Secured		
HP purchase liabilities	**41,987,957**	28,225,610

The hire purchase liabilities are secured by the assets under finance and in the event of default, the asset reverts to the finance company. Details of the assets pledged as security are as follows:

	Notes	**2015** **$**	2014 $
Current			
Floating charge			
Cash and cash equivalents	10	**2,760,756**	27,179,608
Receivables		**24,462,200**	23,524,424
Other		**44,747,622**	21,376,012
Total current assets pledged as security		**71,970,578**	72,080,044
Non-current			
Finance lease			
Plant and equipment		**57,395,939**	49,943,846
Floating charge			
Plant and equipment		**19,770,223**	5,630,248
Total non-current assets pledged as security	15	**77,166,162**	55,574,094
Total assets pledged as security		**149,136,740**	127,654,138

(b) Interest rate risk exposures

The Group's exposure to interest rate risk, including the contractual re-pricing dates and the effective weighted average interest rate by maturity periods is explained in note 3(a).

Exposures arise predominantly from liabilities bearing variable interest rates.

(c) Financing arrangements

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

20 *Non-current liabilities - Borrowings (continued)*

(c) Financing arrangements (continued)

	2015 **$**	2014 $
Floating rate		
- expiring within one year (bank overdraft)	**30,000,000**	20,000,000
Used at balance date		
Bank guarantees	**8,130,544**	11,586,696

The bank overdraft facilities are repayable on demand, subject to annual review and can be cancelled by the bank. Refer to note 29 for more detail.

(d) Fair value

	2015		2014	
	Carrying amount $	**Fair value $**	Carrying amount $	Fair value $
On-balance sheet				
Non-traded financial liabilities				
Hire Purchase liabilities	**41,987,957**	**43,730,457**	28,225,610	29,760,661

Interest rates used to discount estimated cash flows of borrowings to arrive at the fair value of borrowings, are based on current rates available in the market, and were assessed to be 4.15% (2014: 5.44%). The HP liabilities have been classified as level 2 within the fair value heirachy.

21 *Non-current liabilities - Deferred tax liabilities*

	2015 **$**	2014 $
The balance comprises temporary differences attributable to:		
Property, plant and equipment	**4,683,299**	2,265,520
Stock of parts - materials	**-**	372,864
Workers compensation prepaid	**21,812**	84,965
Diesel fuel rebate	**43,324**	70,540
Total deferred tax liabilities	**4,748,435**	2,793,889
Set-off of deferred tax assets pursuant to set-off provisions	**(1,407,464)**	(1,223,864)
Net deferred tax liabilities	**3,340,971**	1,570,025

22 *Non-current liabilities - Provisions*

	2015 **$**	2014 $
Employee benefits - long service leave	**217,599**	226,971

23 *Contributed equity*

(a) Share capital

	Notes	**2015 Shares**	2014 Shares	**2015 $**	2014 $
Ordinary shares					
At the beginning of reporting period	23(b)	**110,000,000**	110,000,000	**37,148,672**	29,170,572
		110,000,000	110,000,000	**37,148,672**	29,170,572

Ordinary shares	**2015**	2014	**2015**	2014
At beginning of reporting period	**Shares**	Shares	**$**	$
Opening balance	**110,000,000**	110,000,000	**29,170,572**	29,170,572
Capital raised	**16,500,000**	-	**7,820,600**	-
Issued to executives	**450,000**	-	**157,500**	-
At end of reporting period	**126,950,000**	110,000,000	**37,148,672**	29,170,572

(b) Ordinary shares

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(c) Capital risk management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to maintain returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the Group.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management monitor capital through the gearing ratio (net debt/total capital). Current gearing ratios are considered acceptable. The gearing ratios at 30 June 2015 and 30 June 2014 were as follows:

	2015 **$**	2014 $
Total borrowings	**41,987,957**	28,225,610
Less: cash and cash equivalents	**(2,760,756)**	(27,179,608)
Net debt	**39,227,201**	1,046,002
Total equity	**56,586,815**	59,131,583
Total capital	**95,814,016**	60,177,585
Gearing ratio	**41%**	2%

24 *Other reserves and retained earnings*

(a) Other reserves

	Notes	2015 $	2014 $
Share-based payments		**500,191**	338,982

Movements:

	Notes	2015 $	2014 $
Share-based payments			
Opening balance		**338,982**	304,179
Share based payments	36	**161,209**	34,803
Balance 30 June		**500,191**	338,982

(b) Retained earnings

Movements in retained earnings were as follows:

	Notes	2015 $	2014 $
Opening retained earnings		**29,622,029**	23,040,324
Net profit for the period		**2,942,173**	9,881,705
Dividends	26	**(13,626,250)**	(3,300,000)
Closing retained earning		**18,937,952**	29,622,029

(c) Nature and purpose of other reserves

(i) Share-based payments reserve

The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised.

25 *Subsidiaries*

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 2(a):

	Country of incorporation	Class of shares	Equity holding 2015 %	Equity holding 2014 %
Controlled entities				
Bellamack Pty Ltd	Australia	Ordinary	**100**	100
Brierty International Pty Ltd	Australia	Ordinary	**100**	100
Brierty Middle East Pty Ltd	UAE	Ordinary	**100**	-

26 *Dividends*

(a) Dividends paid and proposed

Declared and paid during the year:

	2015 **$**	2014 $
Final dividend for the year ended 30 June 2014 of 1.75 cents (as recommended in the 2014 financial report) (2013: 1.75 cents), fully franked based on tax paid @30%	**1,925,000**	1,925,000
Special dividend of 8 cents per share (2014: Nil), fully franked based on tax paid @30%	**10,120,000**	-
Interim dividend for the year ended 30 June 2015 of 1.25 cents (2014: 1.25 cents) per share, fully franked based on tax paid @ 30%:	**1,581,250**	1,375,000
	13,626,250	3,300,000

Proposed final dividend (not recognised as a liability at 30 June):

	2015 **$**	2014 $
No final dividend for the year ended 30 June 2015 (2014: 1.75 cents) per share, fully franked based on tax paid @ 30%	-	1,925,000

(b) Franked dividends

	Consolidated entity	
	2015 **$**	2014 $
Franking account balance at the end of the financial year at 30% (2014: 30%)	**7,392,186**	11,123,565
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	**219,273**	309,783
Franking debits that will arise from the payment of dividends as at the end of the financial year	**-**	(825,000)
Franking credits that will arise from the receipt of dividends as at the end of the financial year	**-**	-
	7,611,459	10,608,348

(c) Tax rates

The rate at which paid dividends have been franked is 30% (2014: 30%).

27 *Key management personnel disclosures*

(a) Key management personnel compensation

	2015 **$**	2014 $
Short-term employee benefits	**2,141,803**	2,834,270
Post-employment benefits	**147,392**	120,385
Long-term benefits	**26,775**	25,343
Share-based payments	**161,209**	104,270
	2,477,179	3,084,268

Detailed remuneration disclosures are provided in the remuneration report.

(b) Other transactions with key management personnel

Other transactions with Directors are disclosed in Note 33 Related Party Transactions as they are not in the nature of remuneration.

28 *Remuneration of auditors*

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

(a) Ernst & Young

(i) Audit and other assurance services

	2015 **$**	2014 $
Audit and other assurance services		
Audit and review of financial statements	**130,950**	135,000
Total remuneration for audit and other assurance services	**130,950**	135,000
Taxation services		
Tax compliance services	**26,000**	30,000
Tax advisory services	**45,095**	164,000
Total remuneration for taxation services	**71,095**	194,000
Other services		
Other advisory services	**299,677**	30,000
Total remuneration for other services	**299,677**	30,000
Total remuneration of Ernst & Young	**501,722**	359,000

It is the Group's policy to employ Ernst & Young on assignments additional to their statutory audit duties where Ernst & Young's expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where Ernst & Young is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

29 *Contingencies*

Guarantees

In the ordinary course of business the Group is called upon to provide guarantees and performance bonds in relation to work undertaken.

A performance bond facility of $30,000,000 (2014: $25,000,000) exists with Vero Insurance Limited secured by a Deed of Indemnity and Guarantee provided by the Parent Company. At 30 June 2015 $17,796,270 (2014: $11,835,249) of this facility was utilised.

Brierty Limited has a $30,000,000 bank guarantee and overdraft facility (2014: $20,000,000) established with their bankers. This facility is reduced by the amount of any bank overdraft that is utilised by the Group (at 30 June 2015 and 30 June 2014 the bank overdraft utilised was nil and nil respectively). At 30 June 2015 $8,130,544 (2014: $11,586,696) of the bank guarantee facilities were utilised.

In undertaking long term engineering and construction contracts there is always the possibility of claims being in progress. To the extent that any such claims or potential claims may exist that the Group is aware of, they are assessed on their merits and if considered necessary (which may be after taking legal advice), a provision for potential costs would be recognised and included in the accounts as part of the forecast outcome on completion of a particular contract. Any such provision would be an estimate based on the information available at the time.

30 *Interests in joint arrangements*

A joint venture agreement establishing the Brierty NYFL joint operation was executed on 21 December 2011. The principal activity of the joint operation is to deliver urban infrastructure works and other civil construction works in Western Australia.

A joint operating agreement establishing the Brierty Karlayura joint operation was executed July 2013. The joint operation completed its first project in February 2014, and is currently delivering its second project, being roadworks for Rio Tinto, at their West Angelas site.

Brierty Limited and Bocol Pty Ltd entered into a joint operating agreement in January 2015 to do road and bridge construction works for Main Roads WA on North West Coastal Highway.

The Group has the following interests in joint operations:

Joint operation	*Principal activities*	*Ownership interest %*	
		2015	2014
Brierty NYFL Joint Operation	Urban infrastructure works	**70%**	70%
Brierty-Karlayura Joint Operation	Road Construction	**70%**	70%
Brierty - Bocol	Road Construction	**83%**	Nil

(a) Joint operation

Summary financial information for the joint operation, as included in the consolidated statement of financial position and income statement, is shown below:

30 *Interests in joint arrangements (continued)*

(a) Joint operation (continued)

	2015 **$**	2014 $
Current assets		
Cash and cash equivalents	**4,508,246**	3,450,505
Trade receivables	**12,664,169**	2,068,643
Inventories	**-**	73,453
Current tax receivables	**-**	585,288
Total current assets	**17,172,415**	6,177,889
Total assets	**17,172,415**	6,177,889
Current liabilities		
Trade payables	**17,325,595**	4,495,650
Retentions	**-**	3,047,909
Total current liabilities	**17,325,595**	7,543,559
Total liabilities	**17,325,595**	7,543,559
Net assets	**(153,180)**	(1,365,670)
Share of operation's revenue, expenses and results		
Revenue	**53,816,345**	21,499,148
Expenses	**(51,834,810)**	(22,179,922)
Profit before income tax	**1,981,535**	(680,774)

(b) Commitments relating to the joint operations

There were no capital commitments relating to the joint operations as at 30 June 2015 (2014: nil).

(c) Contingent liabilities relating to joint operations

There were no contingent liabilities relating to the joint operations as at 30 June 2015 (2014: nil).

(d) Impairment

No assets employed in the joint operations were impaired during the year ended 30 June 2015 (2014: nil).

(e) Fair value

The carrying amounts of the assets and liabilities approximate their fair value.

31 *Events occurring after the reporting period*

There have been no matters or circumstances that have arisen since 30 June 2015 that have or may significantly affect the operations results or state of affairs of the Group in future financial periods.

32 *Commitments*

(a) Lease commitments: group as lessee

(i) Non-cancellable operating leases
The Group leases various items of plant and equipment under non-cancellable operating leases expiring within five years.

	2015 **$**	2014 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**3,428,072**	2,527,957
Later than one year but not later than five years	**3,383,666**	3,005,369
Later than five years	**-**	-
	6,811,738	5,533,326

(ii) Non-cancellable property leases
The Group leases its head office under non-cancellable operating leases expiring within six years. The lease contains market or CPI review clauses during the term of the lease. On renewal, the terms of the leases are renegotiated.

	2015 **$**	2014 $
Commitments for minimum lease payments in relation to non-cancellable property leases are payable as follows:		
Within one year	**937,092**	991,020
Later than one year but not later than five years	**2,322,768**	2,222,752
Later than five years	**193,564**	185,229
	3,453,424	3,399,001

(iii) Hire purchase
The Group has various plant and equipment with a carrying amount of $56,800,845 (2014: $34,881,914) under hire purchase contracts leases expiring within one to five years.

32 *Commitments (continued)*

(a) Lease commitments: group as lessee (continued)

(iii) Hire purchase (continued)

	2015 **$**	2014 $
Commitments in relation to finance leases are payable as follows:		
Within one year	**17,517,527**	12,018,542
Later than one year but not later than five years	**28,250,291**	18,850,804
Minimum lease payments	**45,767,818**	30,869,346
Future finance charges	**(3,779,861)**	(2,643,736)
Total lease liabilities	**41,987,957**	28,225,610
Representing lease liabilities:		
Current (note 18)	**15,584,648**	10,384,294
Non-current (note 20)	**26,403,309**	17,841,316
	41,987,957	28,225,610

The weighted average interest rate implicit in the hire purchase contracts is 6.40% (2014: 7.33%)

As at 30 June 2015, the Group had contractual obligations to purchase equipment for the contract at Western Turner Syncline to the value of $1,100,000 (2014: $26,535,000).

33 *Related party transactions*

(a) Directors

The names of persons who were directors of the Group at any time during the financial year are as follows: D L Gooding, A R Brierty, K J Hellsten, R J O'Shannassy and P McBain. All of these persons were directors during the entire year.

(b) Key management personnel

Disclosures relating to key management personnel are set out in note 28.

No key management personnel subscribed in cash for ordinary shares in the group during the year. The shares were acquired on the same terms and conditions that applied to other shareholders.

During the year, the Group hired two water carts from Erwin & Associates, a company owned by R.Erwin. Erwin & Associates were paid $120,000 (2014: $120,000). $22,000 was owing to Erwin & Associates at the end of the financial year. (2014: $11,000).

(c) Transactions with KMP and their related parties

During the year, the Group paid rent to Jamstakes Pty Ltd (a company owned by Alan & Kylie Brierty and other shareholders of Brierty), the owner of the premises at 38 Mandarin Rd, Maddington. Rent totaling $356,400 (2014: $356,400) was paid during the year in accordance with a lease agreement on normal terms and conditions. There was no amounts owing to or from Jamstakes Pty Ltd at the end of the financial year.

Gooding Partners, an accounting practice in which Mr D L Gooding is a partner, provided consulting services in relation to due diligence activities, for which Gooding Partners were paid $53,353 (2014: $16,000). Nil was owing to Gooding Partners at the end of the financial year (2014: $16,000).

33 *Related party transactions (continued)*

(d) Loans to/from related parties

There were no loans to/from related parties during the year ended 30 June 2015 (2014: nil).

(e) Guarantees

There are no guarantees provided by a related party.

34 *Cash Flow Statement Reconciliation*

	2015 **$**	2014 $
(a) Reconciliation of net profit after tax to net cash flows from operations		
Profit for the year	**2,942,173**	9,881,705
Depreciation and amortisation	**9,204,033**	10,311,713
Provision written back	**984,653**	-
Non-cash employee benefits expense - share-based payments	**318,709**	34,803
Net (gain) loss on sale of non-current assets	**(208,026)**	(174,346)
(Decrease) increase in income in advance	**646,661**	(1,501,506)
Decrease in inventories and work in progress	**(34,250,130)**	7,900,110
(Decrease) increase in trade creditors and sundry creditors	**28,487,461**	(17,486,757)
(Increase) decrease in trade debtors	**(12,257,350)**	23,328,435
(Increase) decrease in deferred tax assets	**213,654**	(996,224)
Increase in deferred tax liabilities	**1,770,946**	(1,611,965)
Increase (decrease) in other provisions	**359,742**	(1,219,322)
Net cash inflow from operating activities	**(1,787,474)**	28,466,646

(b) Non Cash Financing and Investing Activities

During the year $27,005,032 (2014: $2,131,245) of assets were acquired by means of hire purchase contracts.

35 *Earnings per share (EPS)*

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

(a) Basic earnings per share

	2015 Cents	2014 Cents
Total basic earnings per share attributable to the ordinary equity holders of the company	**2.32**	8.98

(b) Diluted earnings per share

	2015 Cents	2014 Cents
Total diluted earnings per share attributable to the ordinary equity holders of the company	**2.32**	8.85

(c) Reconciliation of earnings used in calculating earnings per share

	2015 $	2014 $
Basic earnings per share		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share:		
From continuing operations	**2,942,173**	9,881,705
Diluted earnings per share		
Profit from continuing operations attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**2,942,173**	9,881,705

35 *Earnings per share (EPS) (continued)*

(d) Weighted average number of shares used as denominator

	2015 Number	2014 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**126,950,000**	110,000,000
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**126,950,000**	111,633,542

(e) Information on the classification of securities

(i) Options

The options vested up to 30 June 2015 (3,279,374) are out of the money as the option price is higher than the current share price and are considered antidilutive.

(ii) Post balance date

Since the end of 30 June 2015, the number of performance options forfeited was nil (2014 354,167). There were no other options granted, vested, forfeited or exercised post balance date.

36 *Share-based payments*

(a) Types of share based payment plans

Employee share option plan (ESOP)

The establishment of an employee incentive option scheme was approved by shareholders at the 2008 annual general meeting. The Employee Incentive Plan is designed to provide long term incentives for management to deliver long term shareholder returns. Under the plan, participants are granted options which only vest if certain employment conditions and performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

No options have been granted under the scheme to date.

Executive long term incentive

Under the executive long term incentive awards are made to executives who have an impact on the Group's performance. The awards are delivered in the form of options over shares which vest over a period of three years subject to continuous employment and meeting performance measures. The exercise price of the share options have been set as shown below. The contractual term of the share options is six years and there are no cash settlement alternatives for the employees. The Group does not have a past practice of cash settlements for these awards.

Long term incentive program (LTIP)

Under the LTIP awards are made to executives who have an impact on the Group's performance. The awards are delivered in the form of shares which vest over a period of three years subject to continuous employment and meeting performance measures. The LTIP measures are the same as the short term incentive program measures (STIP).

The fair value of shares granted is based on the market price of Brierty's securities at the date of grant.

36 *Share-based payments (continued)*

(a) Types of share based payment plans (continued)

The grant price for the shares is equal to the market price of the underlying shares on the date of grant. The contractual term of the shares is three years and there are no cash settlement alternatives for the executives. The Group does not have a past practice of cash settlement for these awards.

Issue of options under employment contract

Set out below are the details of the options granted to the Managing Director on 7 March 2011:

Continuous employment options

15% of the options (being 750,000) became capable of exercise as Mr McBain remained in the continuous employment of the Group as follows:

- 250,000 options became capable of exercise from 7 March 2012 (at an exercise price of $0.451 per option). These options expire on 7 March 2015;
- 250,000 options became capable of exercise from 7 March 2013 (at an exercise price of $0.601 per option). These options expire on 7 March 2016; and
- 250,000 options became capable of exercise from 7 March 2014 (at an exercise price of $0.751 per option). These options expire on 7 March 2017.

Performance based options

The remaining 85% of the options (being 4,250,000) will become capable of exercise subject to the achievement of key performance indicator (KPI) based performance hurdles. Performance against the various KPI's will be assessed by the Board on a rating scale which will determine the number of options that become capable of exercise up to a maximum of the following:

- Up to 1,416,666 options (subject to achievement of KPI's) become capable of exercise from 30 September 2012 (at an exercise price of $0.451 per option). These options expire on 30 September 2015;
- Up to 1,416,667 options (subject to achievement of KPI's) become capable of exercise from 30 September 2013 (at an exercise price of $0.601 per option). These options expire on 30 September 2016; and
- Up to 1,416,667 options (subject to achievement of KPI's) become capable of exercise from 30 September 2014 (at an exercise price of $0.751 per option). These options expire on 30 September 2017.

Performance based options granted during the year ended 30 June 2015:

No options vested to Mr McBain based on his performance during the year ended 30 June 2015 (2014: 283,332).

Refer to the remuneration report (audited) for additional disclosures relating to the options.

Issue of shares under LTIP

Executives entitled to shares under the LTIP are entitled to shares to the value of the STIP payment they received for the same year. Shares are valued as the average price for the first five trading days of the plan financial year. The shares are issued in three tranches with the first tranche issued on 1 April of the following year, the second tranche issued on 1 April the year following the first issue, and the third tranche on 1 April the year following the second issue.

(b) Fair value of options granted

The assessed fair value at grant date of the options to the Managing Director during the year ended 30 June 2011 was as follows.

Continuous Employment options

36 *Share-based payments (continued)*

(b) Fair value of options granted (continued)

		Value per option
Exercisable after	- 7 March 2012	20.8 cents
	- 7 March 2013	21.6 cents
	- 7 March 2014	22.5 cents

Performance based options

		Value per option
Exercisable after	- 30 September 2012	22.0 cents
	- 30 September 2013	22.6 cents
	- 30 September 2014	23.4 cents

The fair value at grant date is independently determined using a Binomial model taking into account the terms and conditions upon which the options were granted.

The inputs to the model for the options granted during the year ended 30 June 2011 included:

(i) share price at grant date: $0.315

(ii) grant date: 7 March 2011

(iii) exercise price: as detailed above

(iv) expiry date: as detailed above.

(v) expected price volatility of the company's shares: 133%.

(vi) expected dividend yield: 12.0%.

(vii) risk-free interest rate: 2.98%.

(c) Fair value of shares granted

The assessed fair value at grant date of the shares to the executives during the year ended 30 June 2015 was nil.

(d) Expenses arising from share-based payment transactions

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

	2015 **$**	2014 $
Expense arising from equity-settled share based payment transactions	**161,209**	34,803

37 *Parent entity financial information*

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

37 *Parent entity financial information (continued)*

(a) Summary financial information (continued)

	2015 $	2014 $
Balance sheet		
Current assets	**68,146,550**	63,318,854
Non-current assets	**91,363,978**	55,574,096
Assets	**159,510,528**	118,892,950
Current liabilities	**83,055,663**	47,026,035
Non-current liabilities	**29,961,879**	19,638,312
Liabilities	**113,017,542**	66,664,347
Net assets	**46,492,986**	52,228,603
Shareholders' equity		
Issued capital	**37,148,672**	29,170,572
Reserves		
Share-based payments	**500,191**	338,982
Retained earnings	**8,844,123**	22,719,049
	46,492,986	52,228,603
Profit or loss for the year	**(248,677)**	10,777,405
Total comprehensive income	**(248,677)**	10,777,405

(b) Guarantees entered into by the parent entity

The parent entity has provided no financial guarantees in respect of loans of subsidiaries.

Guarantees entered into by joint ventures are via those entities directly.

(c) Contingent liabilities of the parent entity

Other than those guarantees and performance bonds disclosed in Note 29 the parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014.

(d) Tax consolidation legislation

Brierty Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation from 1 July as at 30 June 2015 or 30 June 2014. The accounting policy in relation to this legislation is set out in note 2(f).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement, which, in the opinion of the directors, limits the joint and several liability of the wholly owned entities in the case of a default by the head entity, Brierty Limited. No amounts have been recognised by the parent on the basis that the possibility of default is remote.

37 *Parent entity financial information (continued)*

(d) Tax consolidation legislation (continued)

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Brierty Limited for any current tax payable assumed and are compensated by Brierty Limited for any current tax receivables and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Brierty Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of the financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax installments. The funding amounts are recognised as the current intercompany receivables or payables (see note 30).

(e) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2015, the parent entity had contractual obligations to purchase equipment for the Western Turner Syncline Project to the value of $1,100,000 (2014: $26,535,000).